

# Deloitte Haskins & Sells

## Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

### To The Members of Mountainia Developers and Hospitality Private Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Mountainia Developers and Hospitality Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note 32(i) to the standalone financial statements, which describes the possible effects of uncertainties relating to COVID-19 on Company's operations, liquidity position and results as assessed by the management.

Our opinion is not modified in respect of this matter.

#### Information Other than the Financial Statements and Auditor's 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 but does not include the standalone financial statements and our auditor's report thereon.



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Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 in this regard.

## **Management's Responsibility for the Standalone Financial Statements**

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

In preparing the standalone 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.

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

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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



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resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.



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- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017, based upon the legal opinion obtained by the Company (Refer Note 37).
  - g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position. (Refer Note 26(b) to the standalone financial statements);
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 38 to the standalone financial statements);
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note 39 to the standalone financial statements)
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 015125N)



*Vikas Khurana*  
Vikas Khurana

(Partner)

(Membership No. 503760)

UDIN:21503760AAAACG3211

Place: Gurugram

Date: September 1, 2021



# **Deloitte Haskins & Sells**

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The Company has a program of verification of property, plant and equipment to cover all the items a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed 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 at the balance sheet date. The Company does not have any immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements.
- (ii) In our opinion, the inventories were physically verified during the year by the Management at reasonable intervals and no discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, give any guarantees or provide any securities under Sections 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186(1) of the Companies Act, 2013 in respect of making investments. As per Section 186(11) read with Schedule VI, the provisions of section 186 except subsection (1) with respect to grant of loans and providing guarantees would not apply to the Company as the Company is engaged in the business of providing infrastructural facilities.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, hence reporting under clause (vi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund and other material statutory



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dues applicable to it to the appropriate authorities and generally been regular in depositing Income tax.

We are informed that Customs Duty, Sales Tax, Excise Duty, Employees' State Insurance, Cess and Value Added Tax are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax and other material statutory dues, applicable to the Company, in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

We are informed that Customs Duty, Sales Tax, Excise Duty, Employees' State Insurance, Cess and Value Added Tax are not applicable to the Company.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2021 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private limited company and hence provision of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 are not applicable to the Company.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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

**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 015125N)



*Vikas Khurana*

**Vikas Khurana**

(Partner)

(Membership No. 503760)

UDIN: 21503760AAAACG3211

Place: Gurugram

Date: September 1, 2021

*(Signature)*

|   | Note | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|------|-------------------------|-------------------------|
| <b>ASSETS</b>   |      |                         |                         |
| <b>Non-current assets</b>                               |      |                         |                         |
| (a) Property, plant and equipment                       | 4    | 665.04                  | 648.46                  |
| (b) Right of use assets                                 | 5    | 1.34                    | 11.37                   |
| (c) Capital work-in-progress                            | 4    | 9.66                    | —                       |
| (d) Goodwill  | 6    | 3.27                    | 3.27                    |
| (e) Financial assets                                    | 7    |                         |                         |
| (i) Investments   |      | 720.64                  | 720.64                  |
| (ii) Loans  |      | 80.50                   | 72.69                   |
| (iii) Other financial assets                            |      | 498.96                  | 1.46                    |
| (f) Other non-current assets                            | 7A   | 1.36                    | 3.05                    |
| <b>Total non-current assets</b>                         |      | <b>1,980.77</b>         | <b>1,460.94</b>         |
| <b>Current assets</b>                                   |      |                         |                         |
| (a) Inventories   | 8    | 0.81                    | 1.00                    |
| (b) Financial assets                                    | 9    |                         |                         |
| (i) Investments   |      | 2,989.28                | 12,913.16               |
| (ii) Trade receivables                                  |      | 6.13                    | 8.12                    |
| (iii) Cash and cash equivalents                         |      | 47.28                   | 25.67                   |
| (iv) Bank balances other than cash and cash equivalents |      | 9,079.60                | —                       |
| (v) Loans   |      | 67.46                   | 32.33                   |
| (vi) Other financial assets                             |      | 335.36                  | 9.33                    |
| (c) Other current assets                                | 10   | 72.52                   | 54.55                   |
| <b>Total current assets</b>                             |      | <b>12,598.44</b>        | <b>13,044.16</b>        |
| <b>Total Assets</b>                                     |      | <b>14,579.22</b>        | <b>14,505.10</b>        |
| <b>EQUITY AND LIABILITIES</b>                           |      |                         |                         |
| <b>Equity</b>   |      |                         |                         |
| (a) Equity Share capital                                | 11   | 1,399.95                | 1,399.95                |
| (b) Other equity  | 12   | 13,034.31               | 12,755.97               |
| <b>Total Equity</b>                                     |      | <b>14,434.26</b>        | <b>14,155.92</b>        |
| <b>Liabilities</b>                                      |      |                         |                         |
| <b>Non-current liabilities</b>                          |      |                         |                         |
| (a) Financial liabilities                               | 13   |                         |                         |
| (i) Lease liabilities                                   |      | 0.52                    | 7.77                    |
| (b) Provisions  | 14   | 1.13                    | 0.67                    |
| (c) Deferred tax liabilities (net)                      | 15   | 65.80                   | 111.99                  |
| <b>Total non-current liabilities</b>                    |      | <b>67.45</b>            | <b>120.43</b>           |
| <b>Current liabilities</b>                              |      |                         |                         |
| (a) Financial liabilities                               | 13   |                         |                         |
| (i) Trade payables                                      |      | 47.85                   | 80.89                   |
| (ii) Lease liabilities                                  |      | 0.86                    | 3.98                    |
| (b) Provisions  | 14   | 0.01                    | 0.00                    |
| (c) Other current liabilities                           | 16   | 25.32                   | 126.12                  |
| (d) Current tax liabilities (net)                       | 15   | 3.47                    | 17.75                   |
| <b>Total current liabilities</b>                        |      | <b>77.51</b>            | <b>228.75</b>           |
| <b>Total liabilities</b>                                |      | <b>144.96</b>           | <b>349.18</b>           |
| <b>Total Equity and Liabilities</b>                     |      | <b>14,579.22</b>        | <b>14,505.10</b>        |

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

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As per our report of even date

For Deloitte Haskins & Sells  
Chartered Accountants

*Vikas Khurana*  
Vikas Khurana  
Partner



For and on behalf of the Board of Directors

*Abhishek Gupta*  
Abhishek Gupta  
Director  
DIN: 07406331

*Rakesh Kumar Prusti*  
Rakesh Kumar Prusti  
Director  
DIN: 00050270

*Amit Jain*

Amit Jain  
Chief Operating Officer

*Gautam Kalani*  
Gautam Kalani  
Chief Financial Officer

*Varun Jain*  
Varun Jain  
Company Secretary  
Membership No. A36034

Place: Gurugram  
Date: September 01, 2021Place: Gurugram  
Date: August 30, 2021

|   | Note | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---|------|--------------------------------------|--------------------------------------|
| <b>INCOME</b>   |      |                                      |                                      |
| Revenue from operations                                   | 17   | 36.20                                | 32.38                                |
| Other income  | 18   | 599.21                               | 756.67                               |
| <b>Total income (I)</b>                                   |      | <b>635.41</b>                        | <b>789.06</b>                        |
| <b>EXPENSES</b>   |      |                                      |                                      |
| Cost of food and beverages consumed                       | 19   | 4.12                                 | 4.11                                 |
| Employee benefits expense                                 | 20   | 107.61                               | 56.58                                |
| Finance costs   | 21   | 1.39                                 | 1.60                                 |
| Depreciation and amortization expense                     | 22   | 31.25                                | 14.21                                |
| Other expenses  | 23   | 98.53                                | 210.20                               |
| <b>Total expenses (II)</b>                                |      | <b>242.90</b>                        | <b>286.70</b>                        |
| <b>Profit before tax (I-II)</b>                           |      | <b>392.51</b>                        | <b>502.35</b>                        |
| <b>Tax expense:</b>                                       |      |                                      |                                      |
| Current tax   | 15   | 160.48                               | 19.16                                |
| Deferred tax  | 15   | (46.19)                              | 111.99                               |
| <b>Profit for the year</b>                                |      | <b>278.22</b>                        | <b>371.21</b>                        |
| <b>Other Comprehensive Income</b>                         |      |                                      |                                      |
| (i) Items that will not be reclassified to profit or loss |      |                                      |                                      |
| Re-measurement (losses)/gains on defined benefit plans    |      | 0.16                                 |                                      |
| (ii) Income tax effect                                    |      | (0.04)                               |                                      |
|   |      | <b>0.12</b>                          |                                      |
| <b>Total comprehensive income for the year</b>            |      | <b>278.34</b>                        | <b>371.21</b>                        |
| <b>Earnings per share</b>                                 |      |                                      |                                      |
| (1) Basic   | 24   | 0.99                                 | 1.44                                 |
| (2) Diluted   | 24   | 0.99                                 | 1.44                                 |

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

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As per our report of even date

For Deloitte Haskins & Sells  
Chartered Accountants

Vikas Khurana  
Partner



For and on behalf of the Board of Directors

Abhishek Gupta  
Director  
DIN: 07406331

Rakesh Kumar Prusti  
Director  
DIN: 00050270

Amit Jain  
Chief Operating Officer

Gautam Kalani  
Chief Financial Officer

Varun Jain  
Company Secretary  
Membership No. A36034

Place: Gurugram  
Date: September 01, 2021

Place: Gurugram  
Date: August 30, 2021



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|   | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash flow from operating activities:</b>  |                                      |                                      |
| Profit before tax   | 392.51                               | 502.36                               |
| Non-cash adjustments to reconcile profit before tax to net cash flows                           |                                      |                                      |
| Depreciation and amortisation expense   | 31.25                                | 14.21                                |
| Profit on sale of investment in mutual funds  | (232.04)                             | (743.16)                             |
| Finance income (including fair value change in financial instruments)                           | (365.29)                             | (4.73)                               |
| Finance cost  | 1.39                                 | 1.60                                 |
| Provision for doubtful debts  | 0.04                                 | 3.68                                 |
| <b>Operating loss before working capital changes</b>  | <b>(172.14)</b>                      | <b>(226.04)</b>                      |
| Changes in working capital :  |                                      |                                      |
| (Increase)/Decrease in trade receivables  | 1.95                                 | (11.80)                              |
| (Increase)/Decrease in inventories  | 0.19                                 | (1.00)                               |
| (Increase)/Decrease in other current financial assets   | 29.41                                | (11.90)                              |
| (Increase)/Decrease in other current assets   | (17.97)                              | (54.65)                              |
| Increase/(Decrease) in trade payable and other payable  | (14.85)                              | 89.77                                |
| Increase/(Decrease) in provisions for employee benefits   | 0.31                                 | 0.67                                 |
| Increase/(Decrease) in other current liabilities  | (92.95)                              | 103.18                               |
| Cash used in operations   | <b>(266.05)</b>                      | <b>(111.77)</b>                      |
| Direct taxes paid (net of refunds)  | (174.76)                             | (1.41)                               |
| <b>Net cash flow used in operating activities (A)</b>   | <b>(440.81)</b>                      | <b>(113.18)</b>                      |
| <b>B. Cash flows from investing activities</b>  |                                      |                                      |
| Payments for property, plant and equipment  | (65.09)                              | (3.05)                               |
| (including capital work in progress, Intangible assets, Capital advances and Capital creditors) |                                      |                                      |
| Amount paid for acquisition of business   | +                                    | (639.12)                             |
| Investment made in subsidiaries   | +                                    | (720.64)                             |
| Investment in Mutual funds  | +                                    | (20,610.00)                          |
| Proceeds from Sale of Mutual funds  | 10,155.91                            | 8,440.00                             |
| Investment in fixed deposit   | (9,577.50)                           | -                                    |
| Loans given to subsidiaries   | (50.62)                              | (114.28)                             |
| Finance income (including fair value change in financial instruments)                           | -                                    | 4.73                                 |
| Interest received   | -                                    | (0.40)                               |
| <b>Net cash flow used in investing activities (B)</b>   | <b>462.70</b>                        | <b>(13,642.76)</b>                   |
| <b>C. Cash flow from financing activities</b>   |                                      |                                      |
| Proceeds from issuance of equity share capital  | -                                    | 1,399.85                             |
| Proceeds from issuance of compulsorily convertible preference shares                            | -                                    | 12,491.14                            |
| Transaction cost on issue of shares   | -                                    | (106.33)                             |
| Payment of lease liabilities  | -                                    | (1.45)                               |
| Finance cost  | (0.28)                               | (1.60)                               |
| <b>Net cash flow from financing activities (C)</b>  | <b>(0.28)</b>                        | <b>13,781.61</b>                     |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>  | <b>21.61</b>                         | <b>25.67</b>                         |
| Cash and cash equivalents at the beginning of the period  | 25.67                                | -                                    |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>47.28</b>                         | <b>25.67</b>                         |
| <b>Components of cash and cash equivalents</b>  |                                      |                                      |
| Cash on hand  | 0.17                                 | 0.14                                 |
| Balance with scheduled banks in   |                                      |                                      |
| - Current accounts  | 47.11                                | 25.53                                |
| <b>Total cash and cash equivalents (refer note 9)</b>   | <b>47.28</b>                         | <b>25.67</b>                         |

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

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As per our report of even date

For Deloitte Haskins & Sells  
 Chartered Accountants

Vikas Khurana  
 Partner



*Vikas Khurana*

For and on behalf of the Board of Directors

*Abhishek Gupta*

Abhishek Gupta  
 Director  
 DIN: 07406331

*Rakesh Kumar Prusti*

Rakesh Kumar Prusti  
 Director  
 DIN: 00050270

*Amit Jain*

Amit Jain  
 Chief Operating Officer

*Gautam Kalani*

Gautam Kalani  
 Chief Financial Officer

*Varun Jain*

Varun Jain  
 Company Secretary  
 Membership No. A36034



Place: Gurugram  
 Date: September 01, 2021

Place: Gurugram  
 Date: August 30, 2021

**A. Share capital**

| Particulars            | Equity        |          |
|------------------------|---------------|----------|
|                        | No. of shares | Amount   |
| At March 31, 2019      | 10,000        | 0.10     |
| Equity shares          |               |          |
| Issued during the year | 13,99,85,016  | 1,399.85 |
| At March 31, 2020      | 13,99,95,016  | 1,399.95 |
| Issued during the year |               |          |
| At March 31, 2021      | 13,99,95,016  | 1,399.95 |

**B. Other equity**

|   | Compulsorily convertible preference shares | Securities premium    | Other comprehensive income | Surplus/ (Deficit) in the statement of profit & loss | Total Equity     |
|---|--|-----------------------|----------------------------|--|------------------|
| <b>Balance at March 31, 2019</b>                                  | -  | -                     | -                          | (0.05)<br>371.21                                     | (0.05)<br>371.21 |
| Profit for the year   | -  | -                     | -                          | -  | 12,491.14        |
| Compulsorily Convertible Preference Shares issued during the year | 1,400.23                                   | 11,090.91<br>(106.33) | -                          | -  | (106.33)         |
| <b>Balance at March 31, 2020</b>                                  | <b>1,400.23</b>                            | <b>10,984.58</b>      | <b>-</b>                   | <b>371.16</b>  | <b>12,755.97</b> |
| Profit for the year   | -  | -                     | -                          | 278.22   | 278.22           |
| Other Comprehensive Income  | -  | -                     | 0.12                       | -  | 0.12             |
| <b>Balance at March 31, 2021</b>                                  | <b>1,400.23</b>                            | <b>10,984.58</b>      | <b>0.12</b>                | <b>649.38</b>  | <b>13,034.31</b> |

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

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For Deloitte Haskins & Sells  
 Chartered Accountants

Vikas Khurana  
 Partner



For and on behalf of the Board of Directors

Abhishek Gupta  
 Director  
 DIN: 07406331

Rakesh Kumar Prusti  
 Director  
 DIN: 00050270

*Amit Jain*  
 Amit Jain  
 Chief Operating Officer

*Gautam Kalani*  
 Gautam Kalani  
 Chief Financial Officer

*Varun Jain*  
 Varun Jain  
 Company Secretary  
 Membership No. A36034



Place: Gurugram  
 Date: September 01, 2021

Place: Gurugram  
 Date: August 30, 2021

*MH*

## 1. Corporate Information

Mountainia Developers and Hospitality Private Limited ("the 'Company") is a private limited company domiciled in India and incorporated under the provisions of Indian Companies Act, 2013, with its registered office situated at 3rd Floor, Orchid Centre, Sector 53, Golf Course Road, Gurugram, Haryana - 122002, India.

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

The financial statements are approved for issue by the Company's Board of Directors on August 30, 2021.

## 2. Basis of preparation of financial statements

### A. Statement of compliance

These financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 ("the Act").

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto to in use.

Details of the Company's accounting policies are included in Note 3.

### B. Functional and presentation currency

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. Presentation currency is the currency in which the company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) have been rounded to the nearest millions, unless otherwise stated.

### C. Basis of measurement

The financial statements have been prepared on going concern basis using historical cost convention and on an accrual method of accounting, except for the following items:

| Items   | Measurement basis                            |
|---|--|
| Financial assets and liabilities – Refer accounting policy regarding financial instrument | Fair Value/ Amortised cost                   |
| Net defined benefit (asset)/liability   | Present value of defined benefit obligations |

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that



price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

#### D. Measurement of fair values

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value. External valuer are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.



At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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

- Disclosures for valuation methods, significant estimates and assumptions (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 30)
- Financial instruments (including those carried at amortised cost) (note 30)

### 3. Significant accounting policies

#### A. Current/ non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

##### Assets

An asset is classified as current when:

- i. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is expected to be realised within twelve months from the reporting date;
- iii. it is held primarily for the purposes of being traded; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is due to be settled within twelve months from the reporting date;
- iii. it is held primarily for the purposes of being traded; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current vs non-current classification of assets and liabilities.

#### B. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### C. Financial instruments

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

##### Financial assets

###### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

###### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries carried at cost



*Debt instruments at amortised cost*

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. The difference between the transaction amount and amortized cost in case of interest free loan to subsidiaries based on the expected repayment period is considered as 'deemed investment on account of interest free loan to subsidiaries' (Refer Note 7(i)). After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. If there is any change in estimate for payment of loan (provided that there was no error in original estimate), difference in carrying amount and repayment has been adjusted as return on capital by the parent, based on condition/ situation prevailing on that date. The losses arising from impairment are recognised in the profit or loss.

*Debt instrument at FVTOCI*

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit & Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

*Debt instrument at FVTPL*

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated Investment in Mutual Fund and Investment in Compulsorily Convertible Debentures at FVTPL.

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

*Equity investments*

All equity investments (other than equity investments in subsidiaries) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiaries are carried at cost in separate financial statements less impairments if any. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.



#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Financial liabilities**

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

*Gains or losses on liabilities held for trading are recognised in the profit or loss.*

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**D. Property, plant and equipment**

**i. Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use.

The cost comprises purchase price, freight, expenditure incurred towards transformation of hotel including any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

**ii. Subsequent expenditure**

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

**iii. Depreciation**

Depreciation on plant, property and equipment is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of PPE as follows:

| Property, plant and equipment | Useful life as per Schedule II |
|-------------------------------|--------------------------------|
| Building                      | 60 years                       |
| Office Equipment              | 5 years                        |



|                         |          |
|-------------------------|----------|
| Electrical Installation | 10 years |
| Computers               | 3 years  |

The Company, based on management estimates, depreciates certain items of building, plant and machinery, electrical installation, furniture and fixtures & computers over estimated useful lives which are lower than the useful life prescribed in Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful life considered by management are as follows:

| Property, plant and equipment | Useful life considered |
|-------------------------------|------------------------|
| Building (Interior work)      | 20 years               |
| Plant & Machinery             | 10 years               |
| Electrical Installation       | 5 years                |
| Furniture & Fixtures          | 5-8 years              |
| Computers                     | 5 years                |

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the plant, property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

#### E. Goodwill

Goodwill arising on an acquisition of a business is carried at cost at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### F. Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.



At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

**G. Inventories**

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

**H. Investment in subsidiaries**

The Company has elected to recognize its investment in subsidiary at cost in accordance with the Ind AS 27, "Separate Financial Statements".

The entire carrying amount of investment is tested for impairment in accordance with Ind AS 36 "Impairment of assets", whenever an impairment indicator exists, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is reduced from the carrying amount of the investment and recognised in the statement of profit or loss. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases but the increase is restricted to the amounts that would arise had no impairment loss been recognised in previous years.

**I. Impairment of non- financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-



term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

J. Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

ii. Post-employment benefits and other long term employee benefits

**Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The contribution amount is paid by the Company to Employee Provident Fund Organisation (EPFO).

**Gratuity:** Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. The Company provides for the liability in the books of accounts based on the actuarial valuation and the gratuity expense is recognised in statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:



- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**K. Provisions (other than for employee benefits)**

i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognised 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

ii. Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts 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 a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**L. Revenue recognition**

Revenue is recognised at an amount that reflects the consideration which is expected to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of the goods or services to the customer. Revenue is recognised net off indirect taxes and discounts.

**Revenue of hotel operations from room revenue, sale of foods and beverages and other services**

Revenue is recognised at the transaction prices that is allocated to the performance obligation. Revenue comprises room revenue, sale of food and beverages and other services relating to the hotel operations. Revenue is recognised upon rendering of the services and sale of food and beverages.

Operator assumes rights to sell room nights and assumes major responsibilities towards performance obligation of service delivery, including but not limited to, setting the pricing, performance management and maintenance of quality standard of the hotel properties and the operator is contractually liable to



pay upon services being availed by the customer. Hence, revenue is presented on net basis in profit & loss statement after reduction of commission paid to the Operator.

#### Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

#### Dividends

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

#### Management Fee

Revenue from management services comprises variable income. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

### M. Leases

As per IND AS 116, the Company assesses that the 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:

- (1) The contract involves the use of an identified asset,
- (2) The Company has substantially all of the economic benefits from use of the identified asset, and
- (3) The Company has the right to direct the use of the identified asset.

#### Company as a lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company adopts the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, exercise price of a purchase option and payments of penalties for terminating the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on



the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these low value leases are recognized as an expense on a straight-line basis over the lease term.

#### Company as a lessor

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

### N. Taxes

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

#### i. Current income tax

The tax currently payable is based on taxable profit for the period/year. Taxable profit 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. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

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

#### ii. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:



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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

#### O. Goods and Services Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable



- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**P. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and taxes applicable) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue that have changed the number of outstanding, without a corresponding change in resources.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**Q. Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**R. Cash flow statement:**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**S. Events occurring after the balance sheet date**

Based on the nature of the event, the Company identifies the events occurring between the balance sheet date and the date on which the financial statements are approved as 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Company may provide a disclosure in the financial statements considering the nature of the transaction.

**T. Recent Indian Accounting Standards (Ind AS)**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.



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

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

**Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



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4. Property, plant & equipment

| Particulars   | Freehold Land | Building on Freehold Land | Computers | Electrical Installation | Furniture & Fixtures | Office Equipments | Plant and Machinery | Total  | Capital work in progress |
|---|---------------|---------------------------|-----------|-------------------------|----------------------|-------------------|---------------------|--------|--------------------------|
| Cost  |               |                           |           |                         |                      |                   |                     |        |                          |
| At March 31, 2019   |               |                           |           |                         |                      |                   |                     |        |                          |
| Additions   | 232.59        | 376.98                    | 1.39      | 9.50                    | 9.93                 | 1.94              | 28.51               | 660.84 |                          |
| Acquisition of assets on business combination (Refer Note 34) |               |                           |           |                         |                      |                   |                     |        |                          |
| Disposals   | 232.59        | 376.98                    | 1.39      | 9.50                    | 9.93                 | 1.94              | 28.51               | 660.84 |                          |
| At March 31, 2020   |               |                           |           |                         |                      |                   |                     |        |                          |
| Additions   | 29.45         |                           |           | 1.44                    | 11.19                | 1.47              | 3.49                | 47.04  | 9.66                     |
| Disposals   |               |                           |           |                         |                      |                   |                     |        |                          |
| At March 31, 2021   | 232.59        | 406.43                    | 1.39      | 10.94                   | 21.13                | 3.41              | 32.00               | 707.87 | 9.66                     |
| Accumulated Depreciation                                      |               |                           |           |                         |                      |                   |                     |        |                          |
| At March 31, 2019   |               |                           |           |                         |                      |                   |                     |        |                          |
| Charge for the year   | 5.68          | 0.06                      | 0.52      | 2.75                    | 0.15                 | 3.22              | 12.38               |        |                          |
| Disposals   |               |                           |           |                         |                      |                   |                     |        |                          |
| At March 31, 2020   | 5.68          | 0.06                      | 0.52      | 2.75                    | 0.15                 | 3.22              | 12.38               |        |                          |
| Charge for the year   | 16.53         | 0.17                      | 1.51      | 2.34                    | 0.48                 | 9.42              | 30.45               |        |                          |
| Disposals   |               |                           |           |                         |                      |                   |                     |        |                          |
| At March 31, 2021   | 22.21         | 0.23                      | 2.03      | 5.09                    | 0.63                 | 12.64             | 42.83               |        |                          |
| Carrying amount   |               |                           |           |                         |                      |                   |                     |        |                          |
| At March 31, 2021   | 232.59        | 384.21                    | 1.15      | 8.91                    | 16.03                | 2.79              | 19.36               | 665.04 | 9.66                     |
| At March 31, 2020   | 232.59        | 371.30                    | 1.33      | 8.98                    | 7.18                 | 1.79              | 25.29               | 648.46 |                          |

Carrying amount  
At March 31, 2021  
At March 31, 2020

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## 5. Right of Use asset

| Particulars                               | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Balance as at beginning of the year       | 11.37                   | 13.20                   |
| Additions during the year                 | 2.15                    | 13.20                   |
| Disposals during the year (Refer note 26) | (11.37)                 | -                       |
| Depreciation charged for the year         | (0.81)                  | -1.83                   |
| <b>Balance as at closing of the year</b>  | <b>1.34</b>             | <b>11.37</b>            |

## 6. Goodwill

| Particulars                            | Amount      | Total       |
|--|-------------|-------------|
| <b>Gross carrying amount</b>           |             |             |
| At March 31, 2019                      |             |             |
| Additions                              | 3.27        | 3.27        |
| Disposals                              | -           | -           |
| <b>At March 31, 2020</b>               | <b>3.27</b> | <b>3.27</b> |
| Additions                              | -           | -           |
| Disposals                              | -           | -           |
| <b>At March 31, 2021</b>               | <b>3.27</b> | <b>3.27</b> |
| <br><b>Accumulated impairment loss</b> |             |             |
| At March 31, 2019                      |             |             |
| Impairment loss for the year           | -           | -           |
| At March 31, 2020                      | -           | -           |
| Impairment loss for the year           | -           | -           |
| At March 31, 2021                      | -           | -           |
| <br><b>Net carrying value</b>          |             |             |
| At March 31, 2021                      | 3.27        | 3.27        |
| At March 31, 2020                      | 3.27        | 3.27        |



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## 7. Financial assets

## (i) Investments

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| <b>Investments at cost</b>  |                         |                         |
| Unquoted equity shares and compulsorily Convertible Debentures of subsidiary companies at cost  |                         |                         |
| 3,999,900 (Previous year: 3,999,900) Equity shares of Neeldeep Developers Private Limited of Rs. 10 each fully paid*                                    | 149.67                  | 149.67                  |
| 4,907,959 (Previous year: 4,907,959) Equity shares of Multitude Infrastructures Private Limited of Rs. 10 each fully paid**                             | 114.34                  | 114.34                  |
| 10,288,349 (Previous Year: 10,288,349) 6% Compulsorily Convertible Debentures of Multitude Infrastructures Private Limited of Rs. 100 each fully paid** | 335.93                  | 335.93                  |
| Deemed Investment (equity portion) on account of interest free loan to subsidiary company<br>Neeldeep Developers Private Limited*                       | 120.70                  | 120.70                  |
|   | <b>720.64</b>           | <b>720.64</b>           |
| Aggregate book value of quoted investment   | -                       | -                       |
| Aggregate book value of unquoted investment   | 720.64                  | 720.64                  |
| Current   | -                       | -                       |
| Non-Current   | 720.64                  | 720.64                  |

\* During the previous year, the Company had acquired 100% of the voting interest representing 3,999,900 shares (face value of INR 10 each) of Neeldeep Developers Private Limited engaged in the business of owing, operating and managing hotels and resorts operating under the brand name of 'Nami Residency'. The business acquisition was conducted by entering into a share purchase agreement for the total consideration of INR 149.67 Mn to owners of equity shareholder and INR 188.66 Mn by repayment of external loan outstanding as on acquisition date. As on March 31st 2021 Rs 120.70 Mn is shown as deemed investment and balance has classified as long term loan in note 7(ii).

\*\* During the previous year ; the Company had acquired 100% of the voting interest representing 4,907,959 shares (face value of INR 10 each) along with 10,288,349 CCD's (face value of INR 100 each) of Multitude Infrastructures Private Limited engaged in the business of owing, operating and managing hotels and resorts. The business acquisition was conducted by entering into a share purchase agreement for the total net consideration of INR 450.27 Mn paid to seller through bank. The CCD's will be converted into equity shares on November 14, 2021.

## (ii) Loans

|                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, considered good |                         |                         |
| Loans to subsidiary*       | 80.50                   | 72.69                   |
|                            | <b>80.50</b>            | <b>72.69</b>            |

\* The Company has given long term loan to subsidiary. Refer Note 27

## (iii) Other financial assets

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Security deposits (unsecured, considered good) |                         |                         |
| Fixed deposit with scheduled banks*            | 1.06                    | 1.06                    |
|  | <b>497.90</b>           | <b>0.40</b>             |
|  | <b>498.96</b>           | <b>1.46</b>             |

\* Fixed deposits includes deposits under lien marked with bank against guarantees issued in favour of Excise and Taxation department of Rs 0.4 Mn.

## 7A. Other non-current assets

|                  | As at<br>March 31, 2021 | As at<br>31 March 2020 |
|------------------|-------------------------|------------------------|
| Capital advances | 1.36                    | 3.05                   |
|                  | <b>1.36</b>             | <b>3.05</b>            |

## 8. Inventories (valued at lower of cost and net realisable value)

|                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Food and Beverages                | 0.23                    | 0.22                    |
| Stores, cutlery, linen and others | 0.58                    | 0.78                    |
|                                   | <b>0.81</b>             | <b>1.00</b>             |

The cost of inventories recognised as an expense during the year as consumption of food and beverages amounting to INR 4.12 Mn (Refer Note 19) and consumption of stores, cutlery, lines and others amounting to INR 7.08Mn (Refer Note 23).



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

(Amount in Indian Rupees Millions, unless stated otherwise)

9. Financial assets

(i) Investments

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Quoted mutual funds at fair value through profit and loss*  |                         |                         |
| 56,438 units (Previous year: 1,006,205) of Axis Liquid Fund-Direct Plan- Growth Option                | 128.95                  | 2,218.01                |
| 337,938 units (Previous year: 520,837) of HDFC Liquid Fund-Direct Plan- Growth Option                 | 1,367.13                | 2,034.71                |
| 4,899,986 units (Previous year: 7,390,365) of ICICI Prudential Liquid Fund-Direct Plan- Growth Option | 1,493.20                | 2,171.15                |
| Nil (Previous year: 508,958) of Kotak Liquid Fund-Direct Plan- Growth Option                          | -                       | 2,043.40                |
| Nil (Previous year: 467,952 of Nippon India Liquid Fund-Direct Plan- Growth Option                    | -                       | 2,269.89                |
| Nil (Previous year: 669,241) of UTI Liquid Cash Fund-Direct Plan- Growth Option                       | -                       | 2,176.00                |
|   | -                       | -                       |
|   | -                       | -                       |
|   | 2,989.28                | 12,913.16               |
| Total Investments   |                         |                         |

Aggregate book value of quoted investments

2,989.28 12,913.16

Aggregate market value of quoted investments

2,989.28 12,913.16

(ii) Trade receivables

|                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------|-------------------------|-------------------------|
| Trade receivables* | 6.13                    | 8.12                    |
|                    | 6.13                    | 8.12                    |

Break-up for security details:

Trade receivables

|                            |      |       |
|----------------------------|------|-------|
| Considered good - secured  | -    | -     |
| Unsecured, Considered good | 6.12 | 8.12  |
| Doubtful                   | 3.72 | 3.68  |
| Gross receivables          | 9.84 | 11.80 |

Allowance for receivables having significant increase in credit risk

|          |      |      |
|----------|------|------|
| Doubtful | 3.72 | 3.68 |
|          | 3.72 | 3.68 |

Net receivables

|  |      |      |
|--|------|------|
|  | 6.13 | 8.12 |
|--|------|------|

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days from the date of invoice.

\* includes receivables from related party INR 6.05 Mn (March 31, 2020: 5.66 Mn)- Refer note 27

(iii) Cash and cash equivalents

|                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------|-------------------------|-------------------------|
| Balances with banks |                         |                         |
| On current accounts | 47.11                   | 25.53                   |
| Cash on hand        | 0.17                    | 0.14                    |
|                     | 47.28                   | 25.67                   |

(iv) Bank balances other than cash and cash equivalents

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Deposits with maturity more than 3 months to less than 12 months* | 9,079.60                | -                       |
| Total   | 9,079.60                | -                       |

(v) Unsecured, considered good

|                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------|-------------------------|-------------------------|
| Loans to subsidiaries* | 67.46                   | 32.33                   |
|                        | 67.46                   | 32.33                   |

\* The Company has given working capital loan to subsidiaries, Refer Note 27

(vi) Other financial assets

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Unsecured, considered good                     |                         |                         |
| Earnest money deposits                         | -                       | 2.80                    |
| Recoverable from related party (Refer Note 27) | 4.70                    | 6.53                    |
| Interest accrued on deposits with bank*        | 330.66                  | -                       |
|  | 335.36                  | 9.33                    |



10. Other current assets

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Advance to Suppliers*                         | 0.37                    | 0.37                    |
| Unbilled revenue                              | 0.19                    | 0.02                    |
| Balance with statutory/government authorities | 68.95                   | 52.50                   |
| Prepaid expenses                              | 3.38                    | 1.65                    |
|   | <b>72.52</b>            | <b>54.55</b>            |

\* includes advances to related party "Nil" (March 31, 2020: 0.21 Mn)- Refer note 27



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## 11. Share capital

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Authorised share capital  |                         |                         |
| Equity shares   |                         |                         |
| 139,995,016 (March 31, 2020: 139,995,016) equity shares of INR 10 each                                    | 1,399.95                | 1,399.95                |
| Compulsorily Convertible Preference shares  |                         |                         |
| 140,023,000 (March 31, 2020: 140,023,000) 0.01% Compulsorily Convertible Preference Shares of INR 10 each | 1,400.23                | 1,400.23                |
| Total authorized share capital  | <u>2,800.18</u>         | <u>2,800.18</u>         |

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Issued, subscribed and fully paid-up capital                           |                         |                         |
| Equity shares  |                         |                         |
| 139,995,016 (March 31, 2020: 139,995,016) equity shares of INR 10 each | 1,399.95                | 1,399.95                |
| Total issued, subscribed and fully paid equity share capital           | <u>1,399.95</u>         | <u>1,399.95</u>         |

## a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

## Equity shares

|                        | No. of shares       | Amount          |
|------------------------|---------------------|-----------------|
| As at March 31, 2019   | 10,000              | 0.10            |
| Issued during the year | 13,99,85,016        | 1,399.85        |
| As at March 31, 2020   | <u>13,99,95,016</u> | <u>1,399.95</u> |
| Issued during the year |                     |                 |
| As at March 31, 2021   | <u>13,99,95,016</u> | <u>1,399.95</u> |

## b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share and equal rights in distribution of profit/surplus in proportionate to the equity share held by shareholder. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c) Details of shareholders holding more than 5% shares in the Company

## Equity shares

| Name of shareholders         | As at March 31, 2021 |               | As at March 31, 2020 |               |
|------------------------------|----------------------|---------------|----------------------|---------------|
|                              | No of shares         | % holding     | No of shares         | % holding     |
| Oravel Stays Private Limited | 13,99,93,000         | 99.99%        | 13,99,93,000         | 99.99%        |
|                              | <u>13,99,93,000</u>  | <u>99.99%</u> | <u>13,99,93,000</u>  | <u>99.99%</u> |



## 12. Other equity

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| a. Retained earnings                                 | 649.50                  | 371.16                  |
| b. Securities premium                                | 10,984.58               | 10,984.58               |
| c. Compulsorily convertible preference shares (CCPS) | 1,400.23                | 1,400.23                |
| <b>Total</b>   | <b>13,034.31</b>        | <b>12,755.97</b>        |

## a. Retained earnings

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year  | 371.16                  | (0.05)                  |
| Add: Profit for the year  | 278.22                  | 371.21                  |
| Add: items of other comprehensive income recognized directly in retained earnings |                         |                         |
| -Remeasurement of post employment benefit obligation, net of tax                  | 0.12                    | -                       |
| <b>Balance at the end of year</b>   | <b>649.50</b>           | <b>371.16</b>           |

## b. Securities premium

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year                                       | 10,984.58               |                         |
| Add: Premium on issue of Compulsorily Convertible Preference shares (CCPS) |                         | 11,090.91               |
| Less: Share issue expenses   |                         | (106.33)                |
| <b>Balance at the end of year</b>  | <b>10,984.58</b>        | <b>10,984.58</b>        |

a. Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company.

b. Securities premium: Securities premium is received on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013

## c. Compulsorily Convertible Preference shares\*

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| 140,023,000 (March 31, 2020: NIL) 0.01% Compulsorily Convertible Preference Shares of INR 10 each | 1,400.23                | 1,400.23                |
| <b>Total issued, subscribed and fully paid compulsorily convertible preference share capital</b>  | <b>1,400.23</b>         | <b>1,400.23</b>         |

## i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

|                        | No. of shares       | Amount          |
|------------------------|---------------------|-----------------|
| As at March 31, 2019   |                     |                 |
| Issued during the year | 14,00,23,000        | 1,400.23        |
| As at March 31, 2020   | <b>14,00,23,000</b> | <b>1,400.23</b> |
| Issued during the year |                     |                 |
| As at March 31, 2021   | <b>14,00,23,000</b> | <b>1,400.23</b> |



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**ii) Terms/ rights attached to preference shares**

(i) During the previous year, the Company had issued 14,00,23,000 CCPS, of INR 10 each fully paid-up at a premium of INR 79.207784 per share. CCPS carry cumulative dividend @ 0.01% p.a. The Company declares and pays dividends in Indian rupees. The preferential dividend is cumulative and shall accrue from year to year whether or not paid. Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(ii) Each holder of CCPS are entitled to convert the CCPS into equity shares on a 1:1 basis at any time at the option of the holder of the CCPS or subject to the compliance of applicable laws. Each CCPS shall automatically be converted into equity share, upon the earlier of (a) one day prior to the expiry of 20 years from the closing date or (b) in connection with an IPO, prior to the filing of a prospectus (or equivalent document by whatever name called) by the Company to the competent authority or such later date as may be permitted under applicable laws. The CCPS shall be converted into equity shares at the conversion price which shall be initial subscription price of CCPS and subject to the adjustment from time to time as provided herein. Subject to the applicable laws, the CCPS holders shall be entitled to vote on all matters that are submitted to the vote of the shareholders of the Company (including the equity shares).

(iii) Upon each issuance by the Company of any Equity Securities (other than pursuant to the ESOP or an IPO) at a price per Ordinary Share ("Preference Shares Dilutive Price") less than the Preference Shares Conversion Price then in effect ("Preference Shares Dilutive Issuance"), the Preference Shares conversion Price will be adjusted downward on a broad based weighted average basis, in accordance with the formula set out in Shareholder agreement dated April 17, 2019.

(iv) Each holder shall be entitled to received notice and vote on all matters that are submitted to the vote of the shareholders of the Company (including the holders of equity shares).

\* The Company had classified the CCPS as an equity since it is a non-derivative instruments and has no contractual obligation for the Company to deliver a variable number of its equity instruments. The issuance of new shares which trigger the anti-dilution protection, is within the control of the Company and also the Company has no contractual obligation for the same, the anti-dilution provision does not trigger liability classification, even though it introduces potential variability in the number of ordinary shares to be delivered on conversion of the preference shares.

**iii) Details of shareholders holding more than 5% shares in the Company****Compulsorily convertible preference shares (CCPS)**

| Name of shareholders      | As at March 31, 2021 |           | As at March 31, 2020 |           |
|---------------------------|----------------------|-----------|----------------------|-----------|
|                           | No of shares         | % holding | No of shares         | % holding |
| SB Topaz (Cayman) Limited | 14,00,08,000         | 99.99%    | 14,00,08,000         | 99.99%    |
|                           | 14,00,08,000         | 99.99%    | 14,00,08,000         | 99.99%    |

**13. Financial liabilities****(i) Trade payables**

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Total outstanding dues of micro, small and medium enterprises (Refer note 29)       | 3.77           | 1.33           |
| Total outstanding dues of creditors other than micro, small and medium enterprises* | 44.08          | 79.56          |
|   | 47.85          | 80.89          |

\* includes payable to related party INR 0.77 Mn (March 31, 2020: 9.00 Mn)- Refer note 27

**(ii) Lease liabilities**

| Particulars                              | As at          |                |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Balance as at beginning of the year      | 11.75          | -              |
| Additions during the year                | 2.15           | 13.20          |
| Deletion during the year                 | -              | -              |
| Interest accrued during the year         | 0.19           | 0.55           |
| Payment during the year                  | (0.96)         | (2.00)         |
| Reversal during the year (refer note 26) | (11.75)        | -              |
| Balance as at closing of the year        | 1.38           | 11.75          |
|  |                |                |
| Current portion                          | 0.86           | 3.98           |
| Non-current portion                      | 0.52           | 7.77           |



## 14. Provisions

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for gratuity (Refer note 25) |                         |                         |
| Current*                               | 0.01                    | 0.00                    |
| Non-current                            | 1.13                    | 0.67                    |
|  | <b>1.14</b>             | <b>0.67</b>             |

\* The absolute amount of current portion of gratuity is INR 5,696 (March 31, 2020 INR 1,691).

## 15. Income Taxes

## (a) Income tax expenses

|              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------|-------------------------|-------------------------|
| Current tax  | 160.48                  | 19.16                   |
| Deferred tax | (46.19)                 | 111.99                  |
| Total        | <b>114.29</b>           | <b>131.15</b>           |

## (b) Current tax liabilities (net)

|                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| Opening Balance                       | 17.75                   | -                       |
| Add: Current tax payable for the year | 160.48                  | 19.16                   |
| Less: Taxes paid                      | (174.76)                | (1.41)                  |
| Closing Balance                       | <b>3.47</b>             | <b>17.75</b>            |

The Closing balance of current tax liability is net of advance tax and tax deducted at source.

## (c) Deferred tax liabilities/ (assets)

The components that gave rise to deferred tax assets and liabilities are as follows:

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Deferred tax liabilities in relation to:             |                         |                         |
| Unrealised gain from Investment in mutual funds      | 60.64                   | 110.66                  |
| Property, plant and equipment                        | 6.47                    | 2.68                    |
| Total Deferred tax liabilities                       | <b>67.11</b>            | <b>113.34</b>           |
| Deferred tax assets in relation to:                  |                         |                         |
| Provision for gratuity                               | 0.33                    | 0.17                    |
| Provision for expenses on which TDS was not deducted | 0.02                    | 0.02                    |
| Provision for doubtful debts                         | 0.93                    | 0.93                    |
| Lease liabilities                                    | 0.03                    | 0.23                    |
| Total Deferred tax assets                            | <b>1.31</b>             | <b>1.35</b>             |
| Net deferred tax liabilities/ (assets)               | <b>65.80</b>            | <b>111.99</b>           |

The reconciliation of net deferred tax liability/ (asset) is as follows:

|                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------|-------------------------|-------------------------|
| Opening balance        | 111.99                  | -                       |
| Tax expense recognised | (46.19)                 | 111.99                  |
| Closing balance        | <b>65.80</b>            | <b>111.99</b>           |



(d) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2021:

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Profit/ (Loss) before tax   | 392.51                  | 502.36                  |
| Tax rate*   | 25.168%                 | 25.168%                 |
| Tax at statutory income tax rate                                  | 98.79                   | 126.44                  |
| Effect of non-deductible expenses:                                |                         |                         |
| Impact of interest on compulsorily convertible debentures         | 15.54                   | 4.20                    |
| Impact of permanently disallowed expenses                         | 1.52                    | 1.59                    |
| Impact of notional interest on loan - Exempt income               | (1.97)                  | (1.19)                  |
| Others  | 0.42                    | 0.12                    |
| <b>Tax expense recognised in the statement of profit and loss</b> | <b>114.29</b>           | <b>131.15</b>           |

\* The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment Ordinance, 2019). Accordingly, the Company has recognised the tax provision and deferred tax liabilities (net) for the year ended March 31, 2020 basis the rates prescribed in that section.

#### 16. Other current liabilities

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Advances from customers                    | 0.51                    | 0.41                    |
| Retention money payable*                   | 5.54                    | 34.21                   |
| Capex creditors                            | 7.86                    | -                       |
| Statutory dues payable                     | 3.88                    | 13.63                   |
| Payable to Related Parties (Refer Note 27) | 2.15                    | 77.88                   |
| Other payable                              | 5.38                    | -                       |
|  | <b>25.32</b>            | <b>126.12</b>           |

\* The retention money payable is to be paid to sellers of Neeldeep Developers Private Limited, Multitude Infrastructures Private Limited and Hotel 6 in Zirakpur.



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**17. Revenue from operations**

|                                | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Sale of products and services* |                                      |                                      |
| - Room rental                  | 29.48                                | 28.27                                |
| - Food and beverages           | 7.30                                 | 6.18                                 |
| - Banquet rental               | 2.29                                 | 1.86                                 |
| - Other operational revenue    | 2.04                                 | 1.60                                 |
|                                | <u>41.11</u>                         | <u>37.91</u>                         |
| Less : Operators commission    | 4.91                                 | 5.53                                 |
|                                | <u>36.20</u>                         | <u>32.38</u>                         |

\* Revenue from operations is net off operator commission to OYO Hotels and Homes Private Limited amounting to INR 4.91 Million (March 31, 2020 INR 5.53 Mn)

**18. Other Income**

|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Profit/ unrealised gain on investments in mutual funds | 232.04                               | 743.16                               |
| Interest income on fixed deposit                       | 357.47                               |                                      |
| Interest income on financial assets at amortized cost  | 7.81                                 | 4.73                                 |
| Miscellaneous income                                   | 1.89                                 | 8.79                                 |
|  | <u>599.21</u>                        | <u>756.67</u>                        |

**19. Cost of food and beverages consumed**

|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 0.22                                 |                                      |
| Add: Purchases                         | 4.13                                 | 4.33                                 |
|  | <u>4.35</u>                          | <u>4.33</u>                          |
| Less: Inventory at the end of the year | 0.23                                 | 0.22                                 |
| Cost of food and beverages consumed    | <u>4.12</u>                          | <u>4.11</u>                          |

**20. Employee benefits expense**

|   | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                         | 103.65                               | 53.81                                |
| Contribution to provident fund (Refer note 25(a)) | 3.04                                 | 1.01                                 |
| Gratuity expense (Refer note 25(b))               | 0.62                                 | 0.67                                 |
| Staff welfare expenses                            | 0.30                                 | 1.09                                 |
|   | <u>107.61</u>                        | <u>56.58</u>                         |



**21. Finance cost**

|                        | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|------------------------|--------------------------------------|--------------------------------------|
| Interest               |                                      |                                      |
| - on lease liabilities | 0.19                                 | 0.55                                 |
| - on income tax        | 1.20                                 | 1.05                                 |
|                        | <b>1.39</b>                          | <b>1.60</b>                          |

**22. Depreciation and amortization expense**

|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant & equipment (Refer note 4) | 30.44                                | 12.38                                |
| Depreciation on right of use asset (Refer note 5)          | 0.81                                 | 1.83                                 |
|  | <b>31.25</b>                         | <b>14.21</b>                         |

**23. Other expenses**

|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Consumption of Stores, Cutlery, linen and others | 7.08                                 | 6.85                                 |
| Electricity and power cost                       | 7.02                                 | 4.86                                 |
| Office rent                                      | 0.00                                 | 0.98                                 |
| Rates and taxes                                  | 2.75                                 | 1.20                                 |
| Repairs and maintenance                          |                                      |                                      |
| - Building                                       | 0.82                                 | 0.77                                 |
| - Plant and Machinery                            | 0.09                                 | 0.06                                 |
| - Others   | 0.44                                 | 0.14                                 |
| Travelling and conveyance                        | 0.18                                 | 2.25                                 |
| Legal and professional fee                       | 20.67                                | 117.03                               |
| Management charges                               | 46.32                                | 62.15                                |
| Provision for doubtful debts                     | 0.04                                 | 3.68                                 |
| Payment to auditor (refer note below)            | 4.90                                 | 6.25                                 |
| License and subscription Charges                 | 0.43                                 | -                                    |
| Commission and brokerage                         | -                                    | 0.79                                 |
| Corporate social responsibility expenses         | 5.40                                 | -                                    |
| Miscellaneous expenses                           | 2.39                                 | 3.19                                 |
|  | <b>98.53</b>                         | <b>210.20</b>                        |
| Payment to auditor                               |                                      |                                      |
| Statutory audit fees (excluding GST)             | 4.70                                 | 6.25                                 |
| Certification fee                                | 0.20                                 | -                                    |
|  | <b>4.90</b>                          | <b>6.25</b>                          |



**24 (a). Earning per share (EPS)**

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

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

**Basic and Diluted EPS computation:**

| Particulars   | For the year ended<br>March 31, 2021 | For the period ended<br>March 31, 2020 |
|---|--------------------------------------|--|
| Profit attributable to shareholders (for basic and diluted) | 278.08                               | 371.07                                 |
| Weighted average number of shares                           | 28,00,18,016                         | 25,77,70,179                           |
| Basic and Diluted EPS                                       | 0.99                                 | 1.44                                   |

**24 (b) Disclosure relating to Corporate Social Responsibility (CSR) Expenditure**

As per provisions of Section 135 of the Companies Act, 2013, the Company has to spend at least 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013.

| Particulars   | For the year ended<br>March 31, 2021 | For the period ended<br>March 31, 2020 |
|---|--------------------------------------|--|
| (i) Gross amount required to be spent by the Company for current year | 5.40                                 | -                                      |
| (ii) Amount spent during the year on the following in cash            |                                      |  |
| 1. Construction / acquisition of any asset                            | -                                    | -                                      |
| 2. On purposes other than (1) above                                   | -                                    | -                                      |
| Total amount spent  | -                                    | -                                      |
| Amount unspent*   | 5.40                                 | -                                      |

\* The company is required to spend CSR amount over eligible CSR activities upto March 31, 2022.

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25. Employee benefits

(a) Defined Contribution Plans

The Company makes contributions towards employees provident fund scheme. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs, as specified in the rules of the scheme, to these defined contribution plan. During the year, the Company has recognised the following amount in the statement of profit and loss:

| Particulars                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------|-------------------------|-------------------------|
| Provident fund (refer note 20) | 3.04                    | 1.01                    |
| <b>Total</b>                   | <b>3.04</b>             | <b>1.01</b>             |

(b) Defined Benefit Plans

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of last drawn salary for each completed year of service. The Company provides for the liability in the books of accounts based on the actuarial valuation.

The following tables summarise the components of net benefit expense recognized in the statement of profit or loss and amounts recognized in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation (unfunded gratuity) is, as follows:

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Defined benefit obligations as at the beginning of the year | 0.67                    |                         |
| Current service cost  | 0.58                    | 0.67                    |
| Interest expense  | 0.05                    | -                       |
| Remeasurement (gain)/ loss - OCI                            | (0.16)                  | -                       |
| <b>Defined benefit obligations as at 31 March 2021</b>      | <b>1.14</b>             | <b>0.67</b>             |
| <b>Presented as:</b>  |                         |                         |
| Current portion*  | 0.01                    | 0.00                    |
| Non-current portion   | 1.13                    | 0.67                    |

\* The absolute amount of current portion of gratuity is INR 1,691

Amount recognized in Statement of Profit and Loss:

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Current service cost                                     | 0.58                    | 0.67                    |
| Net interest cost  | 0.05                    | -                       |
| <b>Amount recognized in Statement of Profit and Loss</b> | <b>0.63</b>             | <b>0.67</b>             |

Amount recognized in Other Comprehensive Income:

| Particulars                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Remeasurement of Net defined benefit liability | (0.15)                  | -                       |
| <b>Total</b>                                   | <b>(0.16)</b>           | <b>-</b>                |

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

| Particulars                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| Discount rate (per annum)*         | 6.41%                   | 6.23%                   |
| Salary Escalation rate (per annum) | 8.00%                   | 5.00%                   |
| Withdrawal rate (per annum)        | 29.00%                  | 15.00%                  |
| Mortality rate                     | 100% of IALM 2012-14    | 100% of IALM 2012-14    |
| Retirement age (Years)             | 58 years                | 58 years                |

\*The discount rate as at March 31, 2021 is based on 7 years government bond yields as at March 31, 2021.

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The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is as follows:

| Particulars                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------|-------------------------|-------------------------|
| <b>Discount rate</b>          |                         |                         |
| - Increase by 0.50%           | (0.03)                  | (0.03)                  |
| - Decrease by 0.50%           | 0.03                    | 0.03                    |
| <b>Salary escalation rate</b> |                         |                         |
| - Increase by 1%              | 0.05                    | 0.06                    |
| - Decrease by 1%              | (0.05)                  | (0.06)                  |
| <b>Withdrawal rate</b>        |                         |                         |
| - Increase by 5%              | (0.23)                  | (0.17)                  |
| - Decrease by 5%              | 0.28                    | 0.23                    |

Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

**Maturity Profile of Defined Benefit Obligation:**

| Particulars    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------|-------------------------|-------------------------|
| Year 1         | 0.01                    | 0.00                    |
| Year 2         | 0.00                    | 0.00                    |
| Year 3         | 0.00                    | 0.00                    |
| Year 4         | 0.33                    | 0.00                    |
| Year 5         | 0.31                    | 0.11                    |
| After 5th Year | 0.97                    | 1.13                    |
| <b>Total</b>   | <b>1.62</b>             | <b>1.24</b>             |

The weighted average duration of the defined benefit obligation is 10 years

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**26. Commitments and Contingencies**

**(a) Leases**

**Company as a lessee:**

The Company had entered into operating leases on office buildings, with lease terms of three years on November 08, 2019. The Company had applied its incremental borrowing rate for lease liabilities recognised in the balance sheet. The weighted average of incremental borrowing rate applied to lease liabilities, as at November 8, 2019 is 10.75%.

The Company had recognised a lease liability measured at the present value of the remaining lease payments as at November 8, 2019. The right-of-use asset is recognised amount equal to lease liability on November 08, 2019. Accordingly, a right-of-use asset of INR 13.20 Million and a corresponding lease liability of INR 13.20 Million was recognized. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

During the current year, the agreement has been renegotiated due to outbreak of Covid-19 and rental payment were substantially reduced. Hence, the Company have decided to create right of use assets and lease liability at reduced value.

Future minimum rentals payable (gross) under non-cancellable lease are as follows:

| Particulars                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Not later than 1 year                        | 0.86                    | 4.94                    |
| Later than 1 year but not later than 5 years | 0.52                    | 8.49                    |
| Later than 5 years                           | -                       | -                       |
| <b>Total</b>                                 | <b>1.38</b>             | <b>13.43</b>            |

**(b) Contingent liabilities**

There are no pending litigation/ contingent liabilities as at March 31, 2021.

**(c) Commitments**

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| <b>Capital commitments</b>  |                         |                         |
| Estimated amount of contracts remaining to be executed on capital account and not provided for<br>(net of capital advances of INR 1.36 Million (March 31, 2020: 3.05 Million))  | 11.16                   | 0.42                    |
| <b>Other commitments</b>  |                         |                         |
| The Company has other commitments for services which are issued after considering requirements per operating cycle for services, employee benefits. The Company does not have any long term commitment or material non-cancellable contractual commitments/ contracts which might have a material impact on the financial statements. |                         |                         |

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17 Related party transactions

a) Name of related parties and related parties relationship

| Nature of relationship  | Name of the party                         |
|---|---|
| Joint Venturer of the Company   | Oravel Stays Private Limited              |
| Subsidiary Company (Wholly owned)   | SB Impact (Cayman) Limited                |
| Enterprises in which director is common   | Needlepoint Developers Private Limited    |
| Enterprises in which director is common with whom transactions have taken place during the year | Multitude Infrastructures Private Limited |
| Subsidiaries of Joint Venturer  | QYO Mountainair UK Limited                |
| (P) in which director is a shareholder  | QYO Mountainair USA Inc.                  |
| Key management personnel of the Company   | QYO Workplaces India Private Limited      |
|   | QYO Hotels and Homes Private Limited      |
|   | Guerrilla India Solutions Private Limited |
|   | QYO Investments Private Limited           |
|   | QYO Investments LLP                       |
|   | Directors:-                               |
|   | Rakesh Kumar Prusti                       |
|   | Abhishek Gurjar                           |
|   | Hiroki Kimoto                             |
|   | Parthik Balasubramanian                   |
|   | Others:-                                  |
|   | Varun Jain (Company Secretary)            |
|   | Arjun Jain (CEO) w.e.f November 1, 2019   |
|   | Gautam Jain (CEO) w.e.f September 5, 2019 |

### a) Transactions with related parties:

Terms and conditions of transactions with related parties (March 31, 2020: Nil) This assessment is undertaken each financial year through examining the terms and conditions of transactions with related parties (March 31, 2020: Nil). This assessment is undertaken each financial year through examining the terms and conditions of transactions with related parties (March 31, 2020: Nil).

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**28. Unhedged foreign currency exposure**

The Company does not have derivative financial instruments such as forward exchange contracts or options as on March 31, 2021 (Nil, as on March 31, 2020)

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| Recoverable from related party                                   | 0.06                    | 0.09                    |
| Amount in foreign currency (USD)<br>Amount in Indian Rupee (INR) | 4.70                    | 6.53                    |

**29. Dues to Micro, Small and Medium Enterprises**

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| (i) Amount remaining unpaid to suppliers under MSMED as at the end of the year   | 3.77                    | 1.33                    |
| -Principal amount  |                         |                         |
| -Interest amount due thereon   |                         |                         |
| (ii) Amount of payments made to suppliers beyond the appointed day during the year   |                         | 3.78                    |
| -Principal amount  |                         |                         |
| -Interest actually paid under section 16 of MSMED  |                         |                         |
| (iii) Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED |                         |                         |
| (iv) The amount of interest  |                         |                         |
| - Accrued at the end of accounting year  |                         |                         |
| - Remaining unpaid at the end of accounting Year   |                         |                         |
| (v) Interest remaining due and payable to suppliers disallowable as deductible expenditure under the Income- Tax Act, 1961   |                         |                         |

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**30. Fair value measurement**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

The carrying value of financial instruments through categories as of March 31, 2021 and March 31, 2020 is as follows:

**a. Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)**

|                                 | Amortized Cost          |                         | Fair value through profit & loss |                         |
|---------------------------------|-------------------------|-------------------------|----------------------------------|-------------------------|
|                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 | As at<br>March 31, 2021          | As at<br>March 31, 2020 |
| Investment in mutual fund       | -                       | -                       | 2,989.29                         | 12,913.16               |
| Investment in fixed deposit     | 9,577.50                | 0.40                    | -                                | -                       |
| Trade receivables               | 6.13                    | 8.12                    | -                                | -                       |
| Security deposits (non-current) | 1.06                    | 1.06                    | -                                | -                       |
| Cash and cash equivalents       | 47.29                   | 25.67                   | -                                | -                       |
| Loans (non current)             | 82.17                   | 74.36                   | -                                | -                       |
| Loans (current)                 | 65.79                   | 30.66                   | -                                | -                       |
| Other current financial assets  | 335.36                  | 9.33                    | -                                | -                       |
|                                 | <b>10,115.30</b>        | <b>149.61</b>           | <b>2,989.29</b>                  | <b>12,913.16</b>        |

Note: The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101 and Ind AS 27.

**b. Financial Liabilities**

|                   | Amortized Cost          |                         | Fair value through profit & loss |                         |
|-------------------|-------------------------|-------------------------|----------------------------------|-------------------------|
|                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 | As at<br>March 31, 2021          | As at<br>March 31, 2020 |
| Trade payables    | 47.85                   | 80.89                   | -                                | -                       |
| Lease liabilities | 1.38                    | 11.75                   | -                                | -                       |
|                   | <b>49.23</b>            | <b>92.64</b>            |                                  |                         |

**c. Fair value hierarchy for assets and liabilities**

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

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

**i) Level 1**

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**ii) Level 2**

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

**iii) Level 3**

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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

**Financial assets and liabilities measured at fair value**

|                                      | March 31, 2021   |         |                  |
|--------------------------------------|------------------|---------|------------------|
|                                      | Level 1          | Level 2 | Level 3          |
| <b>Financial investment as FVTPL</b> |                  |         |                  |
| Investment in Quoted Mutual Funds    | 2,989.29         | -       | 2,989.29         |
|                                      | <b>2,989.29</b>  | -       | <b>2,989.29</b>  |
| March 31, 2020                       |                  |         |                  |
| <b>Financial investment as FVTPL</b> | Level 1          | Level 2 | Total            |
|                                      | 12,913.16        | -       | 12,913.16        |
|                                      | <b>12,913.16</b> | -       | <b>12,913.16</b> |



### 31. Financial risk management objectives and policies

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investments, loans, trade and other receivables and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes Investment in mutual funds, deposit with banks, trade payables and trade receivables.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments affected by interest rate risk includes Investment in mutual funds, deposit with banks. The Company is exposed to long-term fixed interest bearing assets, its interest income and related cash inflows are affected by changes in market interest rates. The Company do not have fixed rate interest bearing long term and short term debts.

#### Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Exposure in foreign currency has been disclosed in Note 28.

#### 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).

##### (a) Trade receivables

The Company does not have significant risks from the customers. However, an impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

| Ageing (Net of Provision) | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------|-------------------------|-------------------------|
| Not due                   |                         | 5.50                    |
| 0-60 days past due        | 5.96                    |                         |
| 60-120 days past due      | 0.13                    | 2.62                    |
| 120-180 days past due     | 0.01                    | -                       |
| More than 180 days        | 0.48                    | -                       |
|                           | 6.58                    | 8.12                    |



Mountainia Developers and Hospitality Private Limited

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

(Amount in Indian Rupees Millions, unless stated otherwise)

**Provision for doubtful debts**

| Ageing                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------|-------------------------|-------------------------|
| Not due               | -                       | -                       |
| 0-60 days past due    | 0.02                    | 0.58                    |
| 60-120 days past due  | 0.00                    | 3.10                    |
| 120-180 days past due | 0.01                    | -                       |
| More than 180 days    | 3.69                    | -                       |
|                       | 3.73                    | 3.68                    |

**Reconciliation of provision for doubtful debts - Trade receivables**

|                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Provision at beginning      | 3.68                    | -                       |
| Addition during the year    | 0.05                    | 3.68                    |
| Reversal during the year    | -                       | -                       |
| Utilised during the year    | -                       | -                       |
| <b>Provision at closing</b> | <b>3.73</b>             | <b>3.68</b>             |

**(b) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amount as given in Note 9.

**Liquidity risk**

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short term and long term funds. The Company's treasury function reviews the liquidity position on an ongoing basis. The Company has access to a sufficient variety of sources of funding.

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

|                             | Less than 1 year | More than 1 year | Total |
|-----------------------------|------------------|------------------|-------|
| <b>As at March 31, 2021</b> |                  |                  |       |
| Trade payables              | 47.85            | -                | 47.85 |
| Lease liabilities           | 0.86             | 0.52             | 1.38  |
|                             | 48.71            | 0.52             | 49.23 |
| <b>As at March 31, 2020</b> |                  |                  |       |
| Trade payables              | 80.89            | -                | 80.89 |
| Lease liabilities           | 3.98             | 7.77             | 11.75 |
| Other financial liabilities | 84.87            | 7.77             | 92.64 |



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

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

#### (i) Estimation of uncertainties related to global health pandemic on COVID 19

The operations of the Company have been severely impacted due to the COVID -19 pandemic and management has undertaken/is undertaking various cost savings initiatives to conserve cash. The Lockdown was lifted in a phased manner across various state in the country, post which hotels and restaurants were allowed to resume operations from June 8, 2020 in phases. Domestic airlines in India were allowed to commence operations from May 25, 2020 and several 'Air Bubble' flights were allowed to operate between India and other specified countries effective July 18, 2020. Company have a strong cash position as of 31 March 2021 and hold current investments in highly liquid mutual funds and fixed deposits.

During the lockdown, business at the Company's hotel was mainly limited to standard guests and accommodation requirements of guests rendering essential services allowed under government orders. Post lifting of the lockdown, business at hotel and restaurants have gradually started picking up. With respect to business in the financial year ending March 31, 2022 the revenue could be impacted due to further travel restrictions, if any resulting from a surge of COVID 19 cases that could influence travel decisions of guests or guests postponing discretionary spending.

In evaluating the impact of COVID-19 on the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, plant and equipment (PPE) and Investments in subsidiaries as at the balance sheet date. In this regard, the management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing estimates on the basis of all available information in its assessment of impact thereof on its financial reporting.

While assessing the recoverable amount of PPE and investments in subsidiaries, the Company has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital.

Management believes that it has considered all the possible effects that may result from the pandemic relating to COVID 19 and has made detailed assessment of its going concern assumption, liquidity position and the recoverability of its assets comprising property, plant and equipment (PPE) and Investment as at the balance sheet date.

Management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of these standalone financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the standalone financial statements as and when these

#### (ii) Critical accounting estimates and assumptions

##### a) Impairment of property, plant and equipment

The Company own 1 hotel property, 4 by OYO (Zirakpur), which is an identifiable asset that generates cash inflows, hence identified as cash generating unit. The Company assesses the carrying amount of hotel property (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

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

| Particulars                          | As at March 31, 2021 |
|--------------------------------------|----------------------|
| Discount Rate (pre tax rate of WACC) | 11.07%               |
| Long Term Growth Rate                | 5.00%                |

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

##### b) Impairment of Investment in subsidiaries

The Company assesses the carrying amounts of investment in subsidiaries to determine whether there is any indication that those investments have suffered an impairment loss. Where the carrying amount of investments exceed its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

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

| Particulars                          | As at March 31, 2021 |
|--------------------------------------|----------------------|
| Discount Rate (pre tax rate of WACC) | 11.07%               |
| Long Term Growth Rate                | 5.00%                |

From the FCFF computed, the Company has computed free cash flow to the equity (FCFE) as follows : FCFF + Surplus Cash - borrowings. As at March 31, 2021, the estimated recoverable amount of the investments exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the investments.



c) **Leases**

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

d) **Loss Allowance on trade receivables**

An impairment analysis of trade receivables is performed at each reporting period based on the customer's creditworthiness and existing market conditions as well as forward looking estimates. In calculating impairment loss, the Company has also considered the likelihood of consequential default considering emerging situations due to COVID-19 and has taken into account estimates of possible effect from the pandemic relating to COVID-19. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2021 is considered adequate.

e) **Compulsorily Convertible Preference Shares (CCPS)**

The Company has classified the CCPS as an equity since it is a non-derivative instruments and has no contractual obligation for the Company to deliver a variable number of its equity instruments. The issuance of new shares which trigger the anti-dilution protection, is within the control of the Company and also the Company has no contractual obligation for the same, the anti-dilution provision does not trigger liability classification, even though it introduces potential variability in the number of ordinary shares to be delivered on conversion of the preference shares.

f) **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of discount rate, future salary increment rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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**33. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, compulsorily convertible preference shares (CCPS) and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt; trade payables and lease liabilities, less cash and cash equivalents.

|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Total financial liabilities (Refer Note 13)    | 49.23                  | 92.64                  |
| Less: Cash and cash equivalents (Refer note 9) | 47.29                  | 25.67                  |
| <b>Net debt*</b>                               | <b>1.94</b>            | <b>66.97</b>           |
| <br>Total Capital                              | <br>14,434.26          | <br>14,155.92          |
| Capital and net debt                           | <b>14,436.20</b>       | <b>14,222.89</b>       |
| Gearing ratio                                  | 0.01%                  | 0.47%                  |

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

**34. Business Combination**

During the previous year ; the Company had entered into a Business Transfer Agreement (BTA) on November 25, 2019 whereby specific assets and liabilities of Business undertaking are acquired from seller for a purchase consideration of INR 650 Million (INR 665.47 Million after considering Stamp duty and registration fees). The specific assets and liabilities of "Hotel 6" in Zirakpur as at November 25, 2019 have been taken over at fair values. This transaction have been concluded as business acquisition and accounted as per IND AS 103 "Business Combination" accordingly, the excess of purchase consideration paid over fair value of assets acquired has been attributed to goodwill and the goodwill is not tax deductible.

| Particulars   | Amount     |
|---|------------|
| Purchase consideration                              | 665.47     |
| Less: Fair Value of assets and liabilities acquired |            |
| Property, plant and equipment                       | 660.84     |
| Security deposits                                   | 1.36       |
| Trade Receivables                                   | 1.09       |
| Trade Payables                                      | -1.09      |
| <br>Goodwill  | <br>662.20 |
|   | 3.27       |

**35. Segment reporting**

The Company is into Hospitality business. The Board of Directors of the Company functions in a supervisory capacity. The management of the Company which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, advises on resource allocation and monitor various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – "Operating Segments". Further, the Company has only domestic operations. Therefore, the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the Company.

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**36. Income on debt based mutual funds**

The main object of the parent is to carry on the business of owing and running hotels and other related activities. During the previous year ended March 31, 2020, the parent had received Rs 13,891 Mn on issuance of equity and compulsory convertible preference shares. Out of Rs. 13,891 Mn, the parent had invested Rs 1,250 Mn for buying of hotel properties and the balance amount of Rs 12,451 Mn had been temporary invested in mutual funds and these mutual funds were to be immediately redeemed as and when an investment opportunity in hotel assets is identified and finalized.

As per the Reserve Bank of India (RBI) regulations, a company will be treated as a Non-Banking Financial Company ("NBFC") if the following conditions are fulfilled i.e. (i) its income from financial assets constitutes more than 50% of its gross income; and (ii) its financial assets constitute more than 50% of its total assets. As at previous year ended March 31, 2020, Financial Assets of the parent constitutes mutual fund, cash & bank, Loan given to subsidiaries, security deposit and trade receivable which is 95% of its total assets and for the previous year ended March 31, 2020, income from these financial assets constitutes 94 % of its gross income.

Based on the legal opinion obtained by the management during previous financials year, income of Rs. 743 million (which is 94% of the total income earned during the year) on mutual funds on account of temporary deployment of funds pending utilisation in primary business operations will not be considered as income from financial assets for the purposes of categorising the parent as a Non-Banking Finance Company since such investment is for a limited period with the intention to park idle funds and can be liquidated almost immediately as and when there is an appropriate business opportunity. Accordingly, the parent was not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Board had also noted and confirmed that this situation would not arise in future and the parent has no intentions to carry on the business of NBFC.

Further, as per the Reserve Bank of India (RBI) circular dated March 15, 2012, Fixed deposits and income thereon will not be considered as Financial Assets and Financial Income while calculating 50:50 test. As at March 31, 2021, the parent has 79% of their assets from non financial assets (including fixed deposits) and 63% of their total income from non financial assets. Hence, the condition i.e., (i) its income from financial assets constitutes more than 50% of its gross income; and (ii) its financial assets constitute more than 50% of its total assets are not fulfilled for the year/as at March 31, 2021.

**37. Filing of annual return**

In accordance with the provisions of sections 92 and 137 of the Companies Act, 2013 (Companies Act) and pursuant to Circular no. F 2/4/2020-CV-V dated 17 August 2020 read with the Order no. ROC/Delhi/AGM Ext./2020/11538 dated September 8, 2020 issued by the Ministry of Corporate Affairs (MCA), in view of the Covid-19 pandemic, the MCA had extended the timeline for companies to holding their Annual General Meetings (AGM) for the year ended March 31, 2020 by up to December 31, 2020. The AGMs of the Company for the year ended March 31, 2020 was conducted on December 11, 2020 in compliance circulars as aforesaid.

Also, the Company has filed the relevant annual filings forms on August 27, 2021 with the additional fees as prescribed in the relevant provision of the Companies Act, 2013, the Company has made the default good. The provision of section 92 and section 137, respectively of companies Act, 2013 are complied with and henceforth, the default is not in continuity, from the date when the company has filed the relevant forms with the Registrar. Based on the legal opinion obtained by the Company, reporting on the adequacy of Internal Financial Control over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable to the Company in view of the exemption available to the Company in terms of the notification no. G.S.R 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017 for the financial year 2020-21.

**38. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.**

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

For and on behalf of the Board of Directors



Abhishek Gupta  
Director  
DIN: 07406331



Rakesh Kumar Prusti  
Director  
DIN: 00050270



Amit Jain  
Chief Operating Officer



Gautam Kalani  
Chief Financial Officer



Varun Jain  
Company Secretary  
Membership No. A36034

Place: Gurugram  
Date: August 30, 2021

