

Deloitte Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To The Members of Hamstede Living Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hamstede Living 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.

Emphasis of Matter

Attention is invited to Note 2.3.1 of the financial statements which sets out the Company's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation. Based on these assessments, the management has concluded that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2021.

Our opinion is not modified in respect of this matter.



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 Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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



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reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 control.
- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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Report on Other Legal and Regulatory Requirements

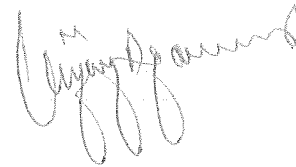
1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required 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 books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 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 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.
 - g) With respect to the other matters to be included in Auditor's Report, in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company upto March 31, 2021, 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 23(c))
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 28)
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note 29)



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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)



Vijay Agarwal
(Partner)
(Membership No. 094468)
(UDIN: 21094468AAAAFG1719)



Place: Gurugram
Date: June 15, 2021

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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 fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two 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 fixed assets were physically verified by the Management during the year and material no discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (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, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. 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 ("CARO 2016") is not applicable.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services tax, cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed that the Employees' State Insurance, Customs Duty, Sales tax, Value added tax and Excise duty are not applicable to the Company.

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



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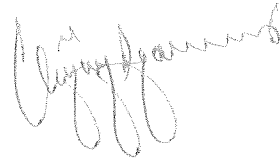
- (c) There are no dues of Income tax, Sales tax, Customs duty, Value added tax, Service tax, Goods and Services Tax and Excise duty which have not been deposited as on March 31, 2021 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) In our opinion and according to the information and explanation given to us, 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 CARO 2016 is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions 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 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable, for all transactions with the related parties entered during the period and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us, the Company has not made any private or preferential allotment of shares and any preferential allotment or private placement of fully or partly convertible debenture.
- (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 holding, or persons connected with them 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)



Vijay Agarwal
(Partner)
(Membership No. 094468)
(UDIN: 21094468AAAAFG1719)



Place: Gurugram
Date: June 15, 2021

Hamstede Living Private Limited
Balance Sheet as at 31 March 2021

	Notes	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	13.25	68.69
(b) Right of use assets	4	-	114.66
(c) Capital work-in-progress	3	-	327.50
(d) Intangible assets	5	-	10.71
(e) Intangible assets under development	5	-	7.97
(f) Financial assets			349.79
(i) Other financial assets	6	-	
		<u>13.25</u>	<u>879.32</u>
Current assets			
(a) Financial assets	6		
(i) Investments		91.12	789.70
(ii) Cash and Cash equivalents		50.50	126.82
(iii) Other financial assets		237.36	11.29
(c) Other current assets	7	-	5.12
		<u>378.98</u>	<u>932.93</u>
		<u>392.23</u>	<u>1,812.25</u>
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	8	2,950.00	50.00
Other Equity	9	(2,657.04)	1,300.26
Total Equity		<u>292.96</u>	<u>1,350.26</u>
Liabilities			
Non-current liabilities			
(a) Financial liabilities	15	-	105.33
(i) Lease liabilities			11.99
(b) Long term provisions	13	-	-
		<u>-</u>	<u>117.32</u>
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11	-	-
- Total outstanding dues of micro and small enterprises			
- Total outstanding dues of creditors other than micro and small enterprises		77.84	284.57
(ii) Lease liabilities	15	-	16.85
(iii) Other financial liabilities	10	-	3.13
(b) Other current liabilities	12	21.40	35.13
(c) Provisions	13	-	0.39
(d) Current tax liabilities (net)	14	0.03	4.59
Total Liabilities		<u>99.27</u>	<u>344.66</u>
		<u>392.23</u>	<u>1,812.25</u>
Total Equity and Liabilities			

See accompanying notes forming part of financial statements 1-30

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants



Vijay Agarwal
Partner

Place : Gurugram
Date: June 15, 2021

For and on behalf of the Board of Directors of
HAMSTEDE LIVING PRIVATE LIMITED

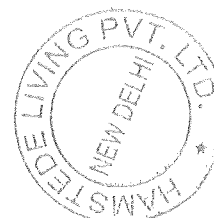


Patanjali G Keswani
Director
DIN: 0000294



Kapil Sharma
Director
Din: 00352890

Place : New Delhi
Date: June 15, 2021

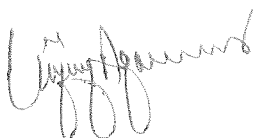


Hamstede Living Private Limited
Statement of Profit and Loss for the year ended 31 March 2021

	Notes	Year Ended 31 March 2021	Year Ended 31 March 2020
		(Rupees in lakhs)	(Rupees in lakhs)
Other income	16	73.88	35.17
Total Income (I)		73.88	35.17
Expenses			
Employee benefit expense	17	501.43	985.27
Other expenses	18	532.10	389.19
Total expenses (II)		1,033.53	1,374.46
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		(959.65)	(1,339.29)
Finance costs	19	11.50	13.59
Depreciation and amortization expense	20	62.65	39.45
Loss before tax		(1,033.80)	(1,392.34)
Tax expense:			
- Current tax		5.50	4.43
- Tax relating to earlier periods		-	0.93
		5.50	5.36
Loss for the year		(1,039.30)	(1,397.70)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		-	0.89
		-	0.89
Total Comprehensive Loss for the year		(1,039.30)	(1,396.81)
Earnings per equity share:			
(1) Basic	21	(35.94)	(279.36)
(2) Diluted	21	(35.94)	(279.36)
See accompanying notes forming part of the financial statements	1-30		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants



Vijay Agarwal
Partner

Place : Gurugram
Date: June 15, 2021

**For and on behalf of the Board of Directors of
HAMSTEDE LIVING PRIVATE LIMITED**



Patanjali G Keswani
Director
DIN: 0000294



Kapil Sharma
Director
Din: 00352890

Place : New Delhi
Date: June 15, 2021



Hamstede Living Private Limited
Statement of Changes in Equity for the year ended 31 March 2021

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

	No. of shares	Amount Rs in lakhs
Balance as at 01 April, 2019	500,000	50
Increase/(decrease) during the year*	-	-
Balance as at 31 March, 2020	500,000	50
Increase/(decrease) during the year*	29,000,000	2,900
Balance as at 31 March, 2021	29,500,000	2,950

* Increase due to conversion of CCPS shares

	Equity Component of Compound Financial Instruments	Retained Earnings	Share Issue Expenses	Rs in lakhs or equity
Balance as at 01 April, 2019	900.00	(202.93)	-	597.07
0.001% Compulsory Convertible Non Cumulative Preference Shares	2,000.00	-	-	2,000.00
Total Comprehensive Income for the year	-	(1,396.81)	-	(1,396.81)
Balance as at 31 March, 2020	2,900.00	(1,599.74)	-	1,300.26
Conversion of Compound financial instruments	(2,900.00)	-	-	(2,900.00)
Expense on account of increase in Authorised Capital	-	-	(18.00)	(18.00)
Total Comprehensive Income for the year	-	(1,039.30)	-	(1,039.30)
Balance as at 31 March, 2021	-	(2,639.04)	(18.00)	(2,657.04)

See accompanying notes forming part of the financial statements

1-30

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

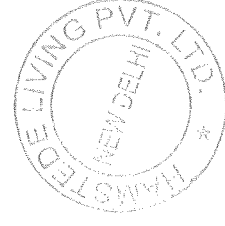
For and on behalf of the Board of Directors of
HAMSTEDE LIVING PRIVATE LIMITED


Vijay Agarwal
Partner


Kapil Sharma
Director
DIN: 0000294

Place : Gurugram
Date: June 15, 2021

Place : New Delhi
Date: June 15, 2021



Hamstede Living Private Limited
Cash flow statement for the year ended 31 March 2021

	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
A. Cash flow from operating activities		
Loss before tax	(1,033.80)	(1,392.34)
Non-cash adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	62.65	39.45
Lease Rent waiver	(28.32)	-
Reversal of Lease	(13.42)	-
Finance income (including fair value change in financial instruments)	(4.02)	(2.09)
Finance costs (including fair value change in financial instruments)	11.49	12.98
Provisions/liabilities no longer required written back	(16.70)	-
Advance written off	10.39	-
CWIP Written Off	378.47	-
Provision for gratuity	-	5.74
Provision for leave encashment	-	6.45
Loss on Sale/Disposal of Assets	13.58	-
Net (gain)/ loss on sale of current investments	(11.40)	(22.72)
Operating loss before working capital changes:	(631.08)	(1,352.54)
Movements in working capital:		
Decrease/(Increase) in loans and advances and other current assets	128.83	(364.57)
(Decrease)/Increase in other current liabilities and other current financial liabilities	(224.08)	252.28
Cash used in Operations	(726.33)	(1,464.83)
Direct taxes paid (net of refunds)	-	(0.56)
Net cash flow used in operating activities (A)	(726.33)	(1,465.38)
B. Cash flows used in investing activities		
Purchase of Property, Plant & Equipment including CWIP and capital advances	(47.51)	(420.40)
Sale of Property, Plant & Equipment	14.69	-
Purchase of current investments	-	(2,437.96)
Sale of current investments	700.84	1,670.98
Interest received	0.01	2.09
Net Cash flow used in investing activities (B)	668.03	(1,185.30)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	-	2,000.00
Share Issue expenses	(18.00)	-
Repayment of Lease Liabilities	-	(27.14)
Interest paid	(0.02)	(0.09)
Net Cash from financing activities(C)	(18.02)	1,972.77
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(76.32)	(677.90)
Cash and cash equivalents at the beginning of the year	126.82	804.73
Cash and cash equivalents at the end of the year	50.50	126.82
Components of cash and cash equivalents		
Cash on Hand	0.57	0.61
Balances with Scheduled Banks in		
- Current accounts	49.93	126.11
- Deposits with original maturity of less than three months	-	0.10
Total cash and cash equivalents	50.50	126.82

See accompanying notes forming part of the financial statements

1-30

In terms of our report attached

For DELOITTE HASKINS & SELLS



Vijay Agarwal
Partner

Place : Gurugram
Date: June 15, 2021

For and on behalf of the Board of Directors of
HAMSTEDE LIVING PRIVATE LIMITED



Patanjali G Keswani
Director
DIN: 0000294



Kapil Sharma
Director
Din: 00352890

Place : New Delhi
Date: June 15, 2021



Hamstede Living Private Limited
Notes to financial statements for the year ended March 31, 2021

1.1 Corporate Information

Hamstede Living Private Limited (the Company) is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Asset No. 6, Aerocity Hospitality District, New Delhi 110037. As on March 31, 2021, the Company becomes a subsidiary of 'Lemon Tree hotels Limited' which is a public Company, pursuant to the provisions of Companies Act, 2013.

The principal activities of the Company is to provide full-range accommodation and lodging services including food services, facilities management, transportation, laundry, communication, broadband, entertainment and community services through designing, developing, constructing, repositioning, refurbishing, owning, acquiring, leasing, and managing short and long stay real estate projects (including, shared accommodation, hostels, guesthouses), with a primary focus on student housing, co-living for working professionals/adults etc.

The financial statements are approved for issue by the Board of directors on June 15, 2021.

1.2 Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

2 Basis of preparation of financial statements and Significant accounting policies

2.1 Basis of preparation and Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value / amortized cost (refer note 27).

Accounting policies have been consistently applied 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.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except where otherwise indicated.

2.2 Significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading



Hamstede Living Private Limited
Notes to financial statements for the year ended March 31, 2021

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign Currencies

Functional and presentation currency

The Company's financial statements are presented in 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) has been rounded to the nearest of lakhs rupees, except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognized 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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

(c) Fair value measurement

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

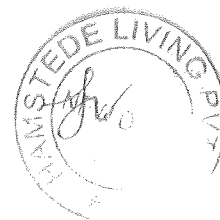
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes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

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

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

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



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

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

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

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

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

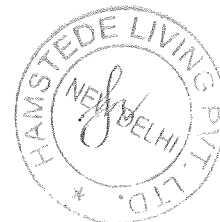
This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Disclosures for valuation methods, significant estimates and assumptions (note 2.3)
- Quantitative disclosures of fair value measurement hierarchy (note 27)
- Financial instruments (including those carried at amortized cost) (note 27)

(d) Revenue Recognition

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 net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.



(e) Taxes

Tax expense represents Current income tax and Deferred tax.

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.

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

Deferred tax

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

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

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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



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Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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 recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized 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 recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognized in profit or loss.

Sales/ Value Added Taxes/Goods & Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ value added taxes 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 recognized 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.

(f) Property, plant, and equipment

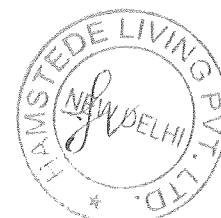
Capital work in progress is stated at cost. Property, Plant, and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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.

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.

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.

Depreciation on fixed assets is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of fixed assets as follows:

Fixed Assets	Useful Life Considered
Computers	3 years
Lease hold improvements	6 years
Furniture and fixtures	10 years
Office equipment	5 years



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The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to 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.

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 asset (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.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at each year end either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(h) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

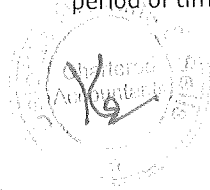
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument.

(i) Leases

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys a right to control



the use of an identified asset, the company assesses whether: (i) the contract involves use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on individual asset basis unless the asset does not generate cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or, if not readily determinable, using the incremental borrowing rate.

Transition to Ind AS 116

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

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively. As at April 01, 2019, the company's lease primarily consists of office leases which are either expiring within 12 months or the underlying asset is of low value. Thus, there has been no impact of transition to Ind AS 116 in financial statements.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the 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's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To



estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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.

(k) Provisions

General

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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 recognized 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.

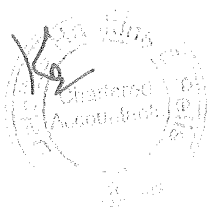
Contingent Assets/ Liabilities

Contingent assets are not recognized. However, when realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized 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) Retirement and other employee benefits

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. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



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Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized 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

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

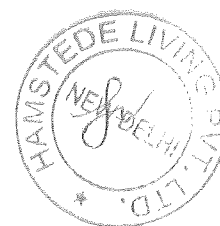
Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

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

(m) 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 recognized 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 recognized 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 amortized 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/associates carried at cost

Debt instruments at amortized cost

A debt instrument is measured at the amortized 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 most applicable to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and 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').

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



Equity instruments

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 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 derecognized (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.

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



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- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. 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 recognized 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 recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortized cost

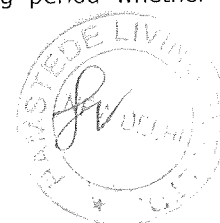
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 27.

Financial guarantee

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its



Hamstede Living Private Limited
Notes to financial statements for the year ended March 31, 2021

recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities are inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

If a financial guarantee is an integral element of debts held by the entity, it is not accounted for separately.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(n) 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.

(o) Measurement of EBITDA

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

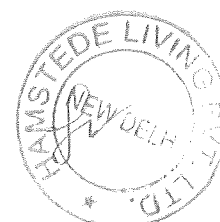
(p) Cash Flow Statement

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.

(q) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS 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.



2.3 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.

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

The Company has accumulated losses of Rs. 2,639.04 lacs and has incurred current year loss of Rs. 1,039.30 lacs (previous year March 2020 Rs. 1,396.81 lacs) for the year ended March 31, 2021. The Company, being a start-up entity, is currently in its investment phase.

Due to current COVID 19 situation, the management has slowed down its expansion plan and the management believes there are no requirement for raising additional funds for the year ending March 31, 2021. Further, the Company has assessed the impact of macro-economic conditions on its business and the carrying value of its assets mainly comprising of Property, Plant and Equipment (PPE) and security deposits as at the balance sheet date.

Also, the parent Company confirms that they provide unconditional and irrevocable financial support, as and when require.

Based on the above, management has concluded that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its aforesaid assets as on March 31, 2021.

Management believes that it has taken into account the possible impact of known events arising from COVID 19 pandemic in the preparation of these financial statements. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

2. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 26 for further disclosures.



3. Termination of Lease

The company has lease liability and Right of use assets balance as on 31st March 2021 of Rs. 105.32 lakhs and Rs. 91.90 lakhs respectively pertaining to leasehold land. Due to cancellation of lease effective from 31st March 2021, the company (Lessee) has derecognized the full right-of-use asset and lease liability and the difference between the two of Rs. 13.40 lakhs is recorded at gain on termination of lease in statement of profit and loss.



Hamstede Living Private Limited
Notes to financial statements for year ended 31 March 2021

3 Property, plant and equipment

Rs in lakhs

Particulars	Leasehold improvements	Office equipments	Furniture and Fixtures	Computers	Total	Capital Work in Progress
Cost or Deemed Cost						
Balance as at 01 April, 2019	0.20	-	-	8.07	8.27	0.95
Additions	24.14	3.06	8.64	40.37	76.21	328.43
Disposals	-	-	-	-	-	1.88
Balance as at 31 March, 2020	24.34	3.06	8.64	48.44	84.48	327.50
Additions	2.02	-	-	39.02	39.02	39.88
Disposals	-	-	-	-	-	-
Balance as at 31 March, 2021	26.36	3.06	8.64	9.42	47.48	-
Depreciation						
Balance as at 01 April, 2019	-	-	-	0.29	0.29	-
Charge for the year	2.81	0.36	0.66	11.67	15.50	-
Disposals	-	-	-	-	-	-
Balance as at 31 March, 2020	2.81	0.36	0.66	11.96	15.79	-
Charge for the year	23.55	0.58	0.82	10.89	35.84	-
Disposals	-	-	-	17.40	17.40	-
Balance as at 31 March, 2021	26.36	0.94	1.48	5.45	34.23	-
Net Book value						
Balance as at 31 March, 2021	-	2.12	7.16	3.97	13.25	-
Balance as at 31 March, 2020	21.53	2.70	7.98	36.48	68.69	327.50

4 Right of use assets

Particulars	As at	As at
	31 March 2021 (Rupees in lakhs)	31 March 2020 (Rupees in lakhs)
Opening Balance	114.66	-
Additions during the year	-	136.50
Disposal during the year	91.91	-
Depreciation during the year	22.75	21.84
Closing Balance	-	114.66

Intangible Assets	(Rs in lakhs)		
	Software	Total	Intangible Asset Under Development
Particulars			
Balance as at 01 April, 2019	1.16	1.16	-
Additions	11.67	11.67	7.97
Disposals	-	-	-
Balance as at 31 March, 2020	12.83	12.83	7.97
Additions	-	-	3.12
Disposals	12.83	12.83	11.08
Balance as at 31 March, 2021	-	-	-
Amortisation			
Balance as at 01 April, 2019	0.01	0.01	-
Amortisation	2.11	2.11	-
Disposals	-	-	-
Balance as at 31 March, 2020	2.12	2.12	-
Amortisation	4.06	4.06	-
Disposals	6.18	6.18	-
Balance as at 31 March, 2021	-	-	-
Net Block			
Balance as at 31 March, 2021	-	-	-
Balance as at 31 March, 2020	10.71	10.71	7.97



Hamstede Living Private Limited
Notes to financial statements for the year ended 31 March 2021

6 Financial assets

	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
(i) Investments		
Investments at fair value through Profit & Loss		
Unquoted mutual funds		
5584,704(Previous year 16,287.157) Units of Nippon India Liquid Fund- Direct Plan Growth Plan - Growth Option	91.12	789.70
	91.12	789.70
	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
(ii) Cash and cash equivalents		
Balance with banks		
On current & cash credit accounts	49.93	126.11
Deposits with original maturity of 3 months or less	-	0.10
Cash on hand	0.57	0.61
	50.50	126.82
	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
(iii) Other financial assets		
Non Current		
Security Deposit	-	349.79
	-	349.79
Current		
Advances recoverable	-	9.90
Interest accrued on deposits with banks	-	-
Security Deposit	237.36	1.39
	237.36	11.29
7 Other assets		
	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
Current		
Other Advances	-	2.63
Prepaid Expense	-	2.49
	-	5.12



Hamstede Living Private Limited
Notes to financial statements for the year ended 31 March 2021

8 Equity Share capital

Authorised Share Capital

Equity shares	
No. of shares	Rs in lakhs
500,000	50
-	-
500,000	50
19,500,000	1,950
20,000,000	2,000
40,000,000	4,000

At 1 April, 2019
Increase/(decrease) during the year
At 31 March, 2020
Reclassified from Preference shares
Increase/(decrease) during the year
At 31 March, 2021

Terms/rights attached to equity shares

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

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

No. of shares	Rs in lakhs
500,000	50
-	-
500,000	50
29,000,000	2,900
29,500,000	2,950

At 1 April, 2019
Increase/(decrease) during the year
At 31 March, 2020
Increase/(decrease) during the year*
At 31 March, 2021

* Increase due to conversion of CCPS shares

Shares held by holding company

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Equity shares of Rs. 10 each fully paid up			337,500	33.75
Magnolia Grove Investment Ltd	28,762,500	2,876.25		
Lemon Tree Hotels Limited				

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

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Equity shares of Rs. 10 each fully paid up			337,500	67.50%
Magnolia Grove Investment Ltd	28,762,500	97.50%	150,000	30.00%
Lemon Tree Hotels Limited				

The Company has not issued Bonus Share, Share for consideration other than Cash and has not bought back shares during the period of five years immediately preceding the reporting date.



Hamstede Living Private Limited
Notes to financial statements for the year ended 31 March 2021

9 Other equity

	As at 31 March, 2021 Rs in lakhs	As at 31 March, 2020 Rs in lakhs
(i) Preference Share Capital-equity component	(2,639.04)	2,900.00
(ii) Retained Earnings	(18.00)	(1,599.74)
(iii) Share Issue Expenses	(2,657.04)	1,300.26

(i) Preference Share Capital

Authorised Share Capital

	Preference shares	
	No. of shares	Rs in lakhs
At 1 April, 2019	9,000,000	900
Issued during the year	20,000,000	2,000
At 31 March, 2020	29,000,000	2,900
Reclassified into equity shares	(19,500,000)	(1,950)
At 31 March, 2021	9,500,000	950

Terms/rights attached to preference shares

Preference Shares: The Company in previous year had issued 200 Lakhs 0.001% Compulsory Convertible Preference Shares (CCPS) in four series viz. Series I, II, III & IV having a par value of INR 10 per share. Each preference shareholder is entitled to receive notice of, and to attend, Shareholder Meetings of the Company. Further, preference shareholder is entitled to vote together with the holders of Equity Shares of the Company, on an As-Converted Basis, subject to applicable Law. Each CCPS is entitled to a preferential dividend of 0.001% per annum which shall become due and payable as and when the Company has profits available for distribution as per the Companies Act and dividend is actually declared by the Company.

Terms of conversion: The term of the Series I to IV CCPS shall be a period of 19 (nineteen) years and 364 (three hundred and sixty-four days) from the date of their issuance.

Upon conversion of CCPS, the Equity Shares issued will, in all respects, rank pari passu with the Equity Shares in Issue on the CCPS Conversion Date. During the year, CCPS has been converted into equity shares in ratio 1:1

Issued Preference Share Capital

0.001% Compulsory Convertible Non Cumulative Preference Shares of INR 10 each issued, subscribed and fully paid

	No. of shares	Rs in lakhs
At 1 April, 2019	9,000,000	900
Issued during the year	20,000,000	2,000
At 31 March, 2020	29,000,000	2,900
Issued during the year	-	-
Conversion into equity	(29,000,000)	(2,900)
At 31 March, 2021	-	-

Shares held by holding company

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
0.001% Compulsory Convertible Non Cumulative Preference Shares of Rs. 10 each fully paid up Magnolia Grove Investment Ltd	-	-	19,575,000	1,957.50

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

	As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
0.001% Compulsory Convertible Non Cumulative Preference Shares of Rs. 10 each fully paid up Magnolia Grove Investment Ltd	-	-	19,575,000	67.50%
Lemon Tree Hotels Limited	-	-	8,700,000	30.00%

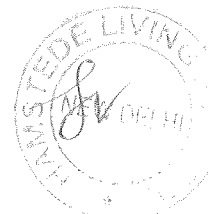
The company has not issued any shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

(ii) Retained Earnings

	As at 31 March, 2021 Rs in lakhs	As at 31 March, 2020 Rs in lakhs
Opening Balance	(1,599.74)	(202.93)
Loss for the year	(1,039.30)	(1,396.81)
At 31 March, 2021	(2,639.04)	(1,599.74)

(iii) Share issue expenses

	As at 31 March, 2021 Rs in lakhs	As at 31 March, 2020 Rs in lakhs
Opening Balance	(18.00)	-
Addition during the year	(18.00)	-
At 31 March, 2021	(36.00)	-



Hamstede Living Private Limited
Notes to financial statements for the year ended 31 March 2021

10 Financial liabilities	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
Other current financial liabilities	-	3.13
Capital creditors	-	3.13
11 Trade Payables	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
Trade payables	-	-
- Due to micro and small enterprises	77.84	284.57
- Others	77.84	284.57
12 Other current liabilities	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
Statutory Dues	21.40	35.13
	21.40	35.13
13 Provisions	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
Non Current		
Provision for employee benefits	-	6.16
- Provision for leave benefits	-	5.83
- Provision for gratuity	-	11.99
Current		
Provision for employee benefits	-	0.38
- Provision for leave benefits	-	0.02
- Provision for gratuity	-	0.39
14 Current Tax Liabilities (net)	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
Provision for taxation (net)	0.03	4.59
	0.03	4.59
15 Lease Liabilities	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
Opening balance	122.17	-
Additions during the year	-	136.50
Deletions during the year	(105.33)	-
Interest accrued during the year	11.47	12.82
Payment of Lease liabilities	(28.32)	(27.14)
Closing Balance	-	122.17
	-	16.85
Current	-	105.33
Non Current	-	-



Hamstede Living Private Limited
Notes to financial statements for the year ended 31 March 2021

16 Other income	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Interest Income on :	0.01	2.09
-Bank Deposits	11.40	22.72
Profit on sale of investment	4.02	10.36
Fair Value gain on investment at fair value through profit or loss	28.32	-
Lease Rent Waiver	13.42	-
Reversal of Lease created on application of Indas 116 (refer note 2.3.3)	0.01	-
Income Tax Refund	16.70	-
Provisions/liabilities no longer required written back	<u>73.88</u>	<u>35.17</u>

17 Employee benefit expense	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Salaries, wages and bonus	489.70	870.86
Contribution to provident fund	6.79	23.95
Staff recruitment and training expenses	-	64.77
Gratuity expense	-	5.74
Leave compensation expenses	4.57	6.45
Staff welfare expenses	0.37	13.50
	<u>501.43</u>	<u>985.27</u>

18 Other expenses	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Repair and maintenance	0.42	1.80
- Others	0.58	25.91
Rent	0.19	18.12
Rates and taxes	9.18	8.42
Insurance	1.69	2.48
Communication costs	0.06	1.41
Printing and stationery	0.03	80.49
Traveling and conveyance	0.22	2.02
Advertising and sales promotion	-	141.60
Management & incentive fees	25.86	101.93
Legal and professional fees	13.58	-
Loss on Sale/Disposal of Assets	10.39	-
Advances Written Off	378.47	-
CWIP Written Off	05.35	-
Security Deposit Written Off	6.08	5.00
Payment to auditors - for statutory audit fees	<u>532.10</u>	<u>389.19</u>

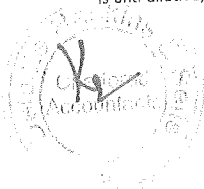
19 Finance costs	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Interest	0.02	0.09
- on loans from others	-	0.07
- on others	11.47	12.82
- on lease liabilities	0.01	0.62
Bank charges	<u>11.50</u>	<u>13.59</u>

20 Depreciation and amortization expense	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Depreciation of tangible assets	35.84	15.50
Depreciation of right of use assets	22.75	21.84
Amortization of intangible assets	4.06	2.11
	<u>62.65</u>	<u>39.45</u>

21 Earnings per share (Basic And Diluted)	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Loss after Tax (Rs in lakhs)	(1,039.30)	(1,396.81)
Weighted Average Number of Equity Shares*	2,891,507	500,000
Basic Earning Per share	<u>(35.94)</u>	<u>(279.36)</u>
Loss after Tax (Rs in lakhs)	(1,039.30)	(1,396.81)
Weighted average number of equity shares in calculating diluted EPS **	2,891,507	500,000
Diluted Earning Per share	<u>(35.94)</u>	<u>(279.36)</u>

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year.

**In Previous year, effect of potential equity shares are not considered in computation of diluted earning per share (as its effect is anti dilutive)



22. Employment benefit plans

a. Defined contribution plans

The Company makes Provident Fund which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 6.79 Lacs (Year ended 31 March, 2020 Rs. 23.95 Lacs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plans

i. Gratuity

The Company operates a non-funded gratuity defined benefit scheme for its employees under Payment of Gratuity Act. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a ceiling of Rupees 2,000,000. Vesting occurs on completion of five years of service.

These plans typically expose the Company to actuarial risks such as investment risk, interest risks, longevity risk and salary risk

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability, however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March, 2020 by the Fellow of the Institute of Actuaries of India, Mr. Ashok Kumar Garg. The present value of the defined benefit obligation and related service cost were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial calculations were as follows:

Particulars	Valuation as at
	31 March 2020
Discount rate	7% p.a.
Salary growth rate	6% p.a.
Withdrawal rate (per annum)	5% p.a.
Mortality	IALM 2012-14

The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations. The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the gratuity plan.

Movement in the present value of the defined benefit obligation are as follows:

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Balance as at the beginning of the year	5.85	0.42
Interest cost	-	0.03
Current service cost	-	5.74
Benefits paid/adjusted	(5.85)	-
Actuarial (gains)/losses on obligation	-	(0.34)
Balance as at the end of the year	(0.00)	5.85

Amount recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	(Rupees in lakhs)	(Rupees in lakhs)
Interest cost	-	0.03
Current service cost	-	5.74
Components of defined benefit costs recognised in profit or loss	-	5.77
Actuarial (gains)/losses on obligation	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-

The current service cost and the interest cost for the year are included in the 'Employee benefits expenses' and 'Finance cost' respectively in the Statement of Profit and Loss. The measurement of the net defined liability is included in other comprehensive income.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



Hamstede Living Private Limited
Notes to the financial statements for the year ended 31 March 2021

Particulars	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
	-	(0.57)
If the discount rate increases by 1%	-	0.67
If the discount rate decreases by 1%	-	(0.58)
If the expected salary growth increases by 1%	-	-
If the expected salary growth decreases by 1%	-	(0.21)
If attrition rate increases by 1 %	-	0.20
If attrition rate decreases by 1 %	-	-
The average duration of the defined benefit obligation at 31 March 2021 is Nil.		
The expected contribution for the next annual reporting period is Rs. Nil.		

ii. Compensated absences

The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the compensated absences plan:

Movement in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 March 2021 (Rupees in lakhs)	Year Ended 31 March 2020 (Rupees in lakhs)
Balance as at the beginning of the year	6.54	0.60
Interest cost	-	0.04
Current service cost	4.57	6.45
Benefits paid	(11.11)	-
Actuarial (gains)/losses on obligation	-	(0.55)
Balance as at the end of the year	(0.00)	6.54

The amount recognised in the Statement of Profit and Loss:

Particulars	Year ended 31 March 2021 (Rupees in lakhs)	Year Ended 31 March 2020 (Rupees in lakhs)
Interest cost	-	0.04
Current service cost	4.57	6.45
Net actuarial (gain) / loss recognised in the year	-	(0.55)
Total	4.57	5.94

The assumptions used in determining compensated absences liability for the Company's plans are shown below:

Particulars	Valuation as at 31 March 2021	31 March 2020
Discount rate	-	7 % p.a.
Salary growth rate	-	6 % p.a.
Withdrawal rate (per annum)	-	5 % p.a.
Mortality	-	IALM 2012-14

The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

23. Commitments

a. Leases

The company has entered into operating leases for office premises, hostel buildings and others. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. The operating lease payments of Rs 0.50 lacs (Previous year: Rs 75.91 lacs) has been recognised in the Statement of Profit and Loss.

For transition, the Company has assessed whether the contract is, or contains, the lease. The Company has elected not to apply the requirements of IND AS 116 to leases for which the underlying asset is of low value on a lease-by-lease basis and the leases with less than 12 months of lease term on the date of initial application. Therefore Impact of Transition of IND AS 116 is nil.

b. Commitments

The estimated amount of contracts of capital nature (net of advances) remaining to be executed and not provided for is Nil (Previous year Rs 27.20 lacs) and other commitments of Rs Nil (Previous year Rs 53.38 lacs).

c. Contingent liabilities

There is no contingent liability or pending litigation as on 31 March 2021 (Previous year Rs Nil).

24. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2021 (Rupees in lakhs)	As at 31 March 2020 (Rupees in lakhs)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year ;	Nil	Nil
(ii) The amount of interest paid by the buyer in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year ;	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 ;	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of the each accounting year ;	Nil	Nil
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil



Hamstede Living Private Limited
Notes to the financial statements for the year ended 31 March 2021

25. Segment information

The Company is into rental housing business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

There is no customer that individually accounted for more than 10% of the Company's revenue for the year ended 31 March 2021 and 31 March 2020.

25.2. 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. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument

Financial assets/liabilities	As at 31 March 2021		As at 31 March 2020	
	(Rupees in lakhs)		(Rupees in lakhs)	
	FTPVL	Amortised cost	FTPVL	Amortised cost
Assets				
Non-current assets				
Financial assets				349.79
- Other financial assets				349.79
Current assets				
Financial assets	91.12	-	789.70	-
- Investments	-	50.50	-	126.82
- Cash and cash equivalents	-	237.36	-	31.29
- Other financial assets	91.12	287.87	789.70	138.11
Liabilities				
Non-current liabilities				
Financial liabilities				105.33
Lease liabilities				105.33
Current liabilities				
Financial liabilities		77.84		284.57
- Trade payables		-		16.85
- Lease liabilities		-		3.13
- Other financial liabilities		77.84		304.55

Fair value hierarchy and valuation techniques used to determine fair values:

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities (In particular the valuation technique(s) and inputs used):

Financial assets/liabilities	Fair value at		Fair value hierarchy
	As at		
	31 March 2021	31 March 2020	
	(Rupees in lakhs)		
Liabilities	91.12	789.70	Level 1
Assets			Level 1

There were no transfers between the Level 1, Level 2 and Level 3 during the year. There is no change in the valuation technique during the year. The Company classifies investment in mutual funds in Level 1 as quoted prices can be corroborated in active market for identical assets.

26. Financial risk management objectives and policies

The Company's principal financial liabilities comprise 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 other receivables and cash & cash equivalents that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

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 and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner.

The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

Particulars	On demand	0 - 1 year	1 - 5 years	> 5 years	Total
	(Rupees in lakhs)	(Rupees in lakhs)	(Rupees in lakhs)	(Rupees in lakhs)	(Rupees in lakhs)
As at 31 March 2021					
Other financial liabilities	-	77.84	-	-	77.84
Lease liability (Undiscounted)	-	-	-	-	-
Less: Discount	-	-	-	-	-
Net Lease liability	-	77.84	-	-	77.84
As at 31 March 2020					
Other financial liabilities	-	287.71	-	-	287.71
Lease liability (Undiscounted)	-	28.32	132.02	-	160.34
Less: Discount	-	11.47	26.69	-	38.16
Net Lease liability	-	16.85	105.33	-	122.17
		304.55	105.33	-	287.71



Hamstede Living Private Limited
Notes to the financial statements for the year ended 31 March 2021

27. Related party transactions

a. List of related parties:

Name of Related Parties

Holding Company

Key Management Personnel

Entity having significant influence

Subsidiary of entity having significant influence over the company

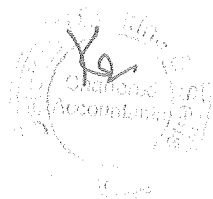
Entity owned or significantly influenced by key management personnel or their relatives

- Maunolla Grove Investment Limited (upto March 31, 2021)
- Lemon Tree Hotels Limited (as on March 31, 2021)
- Mr. Rahul Pandit (Managing Director & CEO) (upto March 31, 2021)
- Mr. Patanjali Govind Keswani (Chairman & Director)
- Lemon Tree Hotels Limited (upto March 31, 2021)
- Beragruen Hotels Private Limited
- Celsia Hotels Private Limited
- Fleur Hotels Private Limited
- Hyacinth Hotels Private Limited
- Invoea Hotels & Resorts Limited
- Nightingale Hotels Private Limited (merged with Fleur Hotels Private Limited)
- Toucan Real Estates Private Limited

b. Disclosure of transactions between the Company and related parties are as under:

(Rupees in Lakhs)

Transactions with Related Party	Year Ended	Holding Company	Key Managerial Person	Entity having significant influence	Subsidiary of entity having significant influence over the company	Entity owned or significantly influenced by key management personnel or their relatives
Issue of preference share capital						
Maunolla Grove Investment Limited	31-Mar-21 31-Mar-20	1,350.00				
Lemon Tree Hotels Limited	31-Mar-21 31-Mar-20			600.00		
Mr. Rahul Pandit	31-Mar-21 31-Mar-20		10.00			
Toucan Real Estate Private Limited	31-Mar-21 31-Mar-20					40.00
Rent expense						
Beragruen Hotels Private Limited	31-Mar-21 31-Mar-20					2.95
Fleur Hotels Private Limited	31-Mar-21 31-Mar-20					0.40
Lemon Tree Hotels Limited	31-Mar-21 31-Mar-20			41.75		
Reimbursement of expenses						
Lemon Tree Hotels Limited	31-Mar-21 31-Mar-20			0.02		
Traveling and conveyance						
Celsia Hotels Private Limited	31-Mar-21 31-Mar-20					0.48
Fleur Hotels Private Limited	31-Mar-21 31-Mar-20					4.83
Hyacinth Hotels Private Limited	31-Mar-21 31-Mar-20					4.93
Invoea Hotels & Resorts Limited	31-Mar-21 31-Mar-20					0.11
Lemon Tree Hotels Limited	31-Mar-21 31-Mar-20			19.77		
Nightingale Hotels Private Limited	31-Mar-21 31-Mar-20					0.36
Management & incentive fees						
Lemon Tree Hotels Limited	31-Mar-21 31-Mar-20			141.60		
Staff welfare expenses						
Hyacinth Hotels Private Limited	31-Mar-21 31-Mar-20					3.18
Lemon Tree Hotels Limited	31-Mar-21 31-Mar-20			0.84		



c. Disclosure of outstanding balances with related parties are as under:

Particulars	Year Ended	Holding Company	Key Managerial Person	Entity having significant influence	Subsidiary of entity having significant influence over the	Entity owned or significantly influenced by key management personnel or
Payables						
Berooruen Hotels Private Limited	31-Mar-21	-	-	-	1.08	-
	31-Mar-20	-	-	-	1.08	-
Hyacinth Hotels Private Limited	31-Mar-21	-	-	-	-	-
	31-Mar-20	-	-	-	0.42	-
Lemon Tree Hotels Limited	31-Mar-21	-	-	71.60	-	-
	31-Mar-20	-	-	145.20	-	-

d. Key managerial personnel compensation:

Particulars	Year Ended 31 March 2021 (Rupees in lakhs)	Year Ended 31 March 2020 (Rupees in lakhs)
Short-term employee benefits	106.66	137.41
Total	106.66	137.41

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and settlement occurs in cash. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020 : Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

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

28. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
29. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
30. In accordance with Indian Accounting Standard 12 "Income Tax", deferred tax asset has not been recognised as Company are in losses and there is no convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.

For and on behalf of the Board of Directors
HAMSTEDE LIVING PRIVATE LIMITED


Patanjali G Keswani
Director

DIN: 0000294
Place: New Delhi
Date: June 15, 2021

Kapil Sharma
Director
DIN: 00352890

