

INDEPENDENT AUDITOR'S REPORT

To the Members of **Manakin Resorts Private Limited**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **Manakin Resorts Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

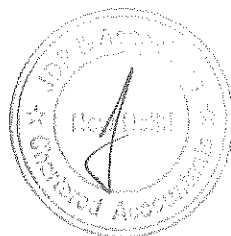
Emphasis of Matter

Attention is invited to Note 25 of the financial statements which sets out the Company's assessment of impact of COVID-19 pandemic situation, the uncertainties associated therewith on its financial statements and going concern assumption. 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Ind AS financial statements and our auditor's report thereon.



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Our opinion on the Ind AS 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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

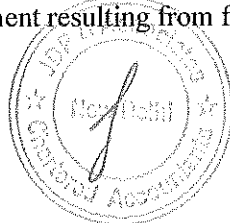
Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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



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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books



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- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (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) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

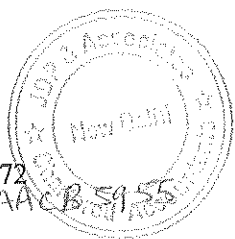
In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

- (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 27 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For JDP & Associates
Firm Registration No: 026828N
Chartered Accountants


Jatija Kumar
Partner

Membership No.: 531072
UDIN: 1531072AAAAACB5955
Place: New Delhi
Date: June 09, 2021



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(Chartered Accountants)

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Manakin Resorts Private Limited ("the Company")

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has physically verified the fixed assets at reasonable intervals, there were no material discrepancy during the physical verification of fixed assets.
- c) The company is holding the title deeds of immovable properties in its name.
- (ii) Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.
- (iii) The Company has not granted any loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of, clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans.
- The company has not made any investments, guarantees, and securities during the year.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.
- (vii) a) Undisputed statutory dues including provident fund, employee state insurance, labour welfare fund, income-tax, goods and service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions related to excise and customs duty are not applicable to the Company.
- b) According to information and explanation given to us, there are no undisputed amounts payable in respect of income tax, sales tax, goods and service tax, duty of customs, value added tax, excise duty cess and other material statutory dues were outstanding for a period of more than six months from the date they become payable
- c) According to the records of the Company, there are no dues of income tax, sales tax, goods and service tax, excise duty and cess which have not been deposited on account of any dispute.



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- (viii) The company did not have any outstanding dues in respect of a bank, financial institutions or debenture holders during the year.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and there are no term loans outstanding during the year.
- (x) To the best of our knowledge no fraud is committed by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration is not payable by the Company during the year. Hence reporting under clause 3(xi) is not applicable
- (xii) The company is not a Nidhi Company so Nidhi Rules, 2014 are not applicable to the company.
- (xiii) All transactions with the related party are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by applicable accounting standards. Provision of section 177 is not applicable to the Company.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures
- (xv) The Company has not entered into any non-cash transaction with the director or person connected with director as required under section 192 of The Companies Act, 2013.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

For JDP & Associates

Firm Registration No: 026828N

Chartered Accountants


Jatin Kumar

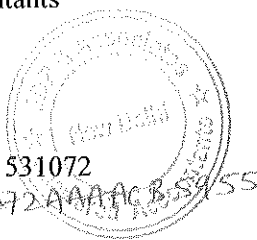
Partner

Membership No.: 531072

UDIN: 21531072AAATCB5955

Place: New Delhi

Date: June 09, 2021



JDP & Associates

(Chartered Accountants)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MANAKIN RESORTS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of **Manakin Resorts Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For JDP & Associates

Firm Registration No: 026828N

Chartered Accountants



Jatin Kumar

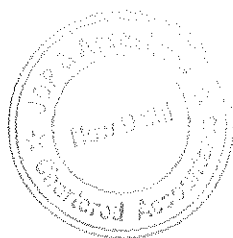
Partner

Membership No.: 531072

UDIN: 21531072 AAAACB 5955

Place: New Delhi

Date: June 09, 2021



Manakin Resorts Private Limited
Balance Sheet as at March 31, 2021


| | Notes | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|-------------------------------------|-------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 648.24 | 667.54 |
| Intangible assets | 4 | 5.21 | 6.39 |
| Financial assets | 5 | | |
| Other financial assets | | 14.69 | 14.69 |
| Deferred Tax assets (net) | 6 | 28.38 | 34.69 |
| Other non-current assets | 7 | 37.34 | 37.29 |
| | | <u>733.86</u> | <u>760.60</u> |
| Current assets | | | |
| Inventories | 8 | 8.35 | 9.58 |
| Financial assets | 9 | | |
| Trade receivables | | 15.68 | 26.80 |
| Cash and Cash equivalents | | 23.34 | 15.56 |
| Loans | | 606.78 | 690.28 |
| Other financial assets | | 130.93 | 76.38 |
| Other current assets | 10 | 24.58 | 25.90 |
| | | <u>809.66</u> | <u>844.50</u> |
| Total Assets | | <u><u>1,543.52</u></u> | <u><u>1,605.10</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 11 | 571.43 | 571.43 |
| Other Equity | 12 | 898.94 | 916.83 |
| Total Equity | | <u>1,470.37</u> | <u>1,488.26</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Provisions | 13 | 4.90 | 7.10 |
| | | <u>4.90</u> | <u>7.10</u> |
| Current liabilities | | | |
| Financial liabilities | 14 | | |
| Trade payables | | 51.04 | 82.39 |
| Other financial liabilities | | 12.33 | 11.01 |
| Other current liabilities | 15 | 1.38 | 10.36 |
| Provisions | 13 | 3.50 | 5.98 |
| | | <u>68.25</u> | <u>109.74</u> |
| Total Liabilities | | <u>73.15</u> | <u>116.84</u> |
| Total Equity and Liabilities | | <u><u>1,543.52</u></u> | <u><u>1,605.10</u></u> |

Summary of significant accounting policies 2

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

As per our report of even date


For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants


Jatin Kumar
Partner
Membership No. 531072
Place : New Delhi
Date : June 09, 2021



For and on behalf of the Board of Directors of
Manakin Resorts Private Limited


Davinder Tomar
Director
DIN No: 00013336


Sumant Jaidka
Director
DIN No: 05201572


Manakin Resorts Private Limited
Statement of Profit and Loss for the period ended March 31, 2021

| | Notes | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in Lakhs |
|--|-------|-------------------------------|-------------------------------|
| Revenue from operations | 16 | - | 343.00 |
| Other Income | 17 | 4.62 | 5.32 |
| Total Income | | 4.62 | 348.32 |
| Expenses | | | |
| Cost of materials consumed | 18 | - | 42.16 |
| Employee benefits expense | 19 | 33.10 | 127.81 |
| Other expenses | 20 | 26.16 | 171.81 |
| Total Expenses | | 59.26 | 341.78 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | | (54.64) | 6.54 |
| Finance costs | 21 | 0.22 | 3.76 |
| Depreciation and amortization expense | 22 | 20.49 | 30.93 |
| Finance Income | 23 | (60.36) | (60.47) |
| Profit before tax | | (14.99) | 32.32 |
| Tax expense: | | | |
| (1) Current tax | | - | 4.70 |
| (2) Adjustment of tax relating to earlier years | | 0.92 | (7.35) |
| (3) Deferred tax | | 6.05 | (3.41) |
| | | 6.98 | (6.06) |
| (Loss)/Profit for the period | | (21.96) | 38.38 |
| Other comprehensive income | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent years: | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | 4.07 | (1.82) |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent years | | 4.07 | (1.82) |
| Other Comprehensive Income for the period , net of tax | | 4.07 | (1.82) |
| Total comprehensive income for the period, net of tax | | (17.89) | 36.56 |
| Earnings per share : | 24 | | |
| (1) Basic | | (0.31) | 0.64 |
| (2) Diluted | | (0.31) | 0.64 |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date

For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants



Jatin Kumar
Partner
Membership No. 531072



Place : New Delhi
Date : June 09, 2021

For and on behalf of the Board of Directors of
Manakin Resorts Private Limited


Davander Tomar
Director
DIN No: 00013336


Sumant Jaidka
Director
DIN No: 05201572

Manakin Resorts Private Limited
Statement of Changes in Equity

A. Equity Share Capital

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

As at April 1, 2019
Issue of share capital
As at March 31, 2020
Issue of share capital
As at March 31, 2021

| | No. of shares | Amount Rs in lakhs |
|------------------------|---------------|-----------------------|
| As at April 1, 2019 | 5,714,280 | 571.43 |
| Issue of share capital | - | - |
| As at March 31, 2020 | 5,714,280 | 571.43 |
| Issue of share capital | - | - |
| As at March 31, 2021 | 5,714,280 | 571.43 |

B. Other Equity

For the year ended 31 March, 2021


| | Securities Premium Reserve Rs in lakhs | Retained Earnings Rs in lakhs | Total Other equity Rs in lakhs |
|---|---|----------------------------------|-----------------------------------|
| Balance at April 1, 2019 | 910.32 | (30.05) | 880.27 |
| Total Comprehensive Income for the year | - | 36.56 | 36.56 |
| Balance at March 31, 2020 | 910.32 | 6.51 | 916.83 |
| Total Comprehensive Income for the year | - | (17.89) | (17.89) |
| Balance at March 31, 2021 | 910.32 | (11.39) | 898.94 |

Summary of significant accounting policies

2


As per our report of even date

For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants


Jatin Kumar
Partner
Membership No. 531072
Place : New Delhi
Date : June 09, 2021



For and on behalf of the Board of Directors of
Manakin Resorts Private Limited


Davinder Tomar
Director
DIN No: 00013336


Sumant Jindka
Director
DIN No: 05201572

Manakin Resorts Private Limited
Statement of Cash flow for the year ended 31 March 2021

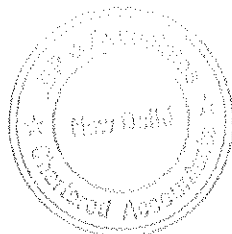
| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|---|-------------------------------|-------------------------------|
| Operating activities | | |
| Profit/(Loss) before tax | (14.99) | 32.32 |
| Adjustments to reconcile profit/(loss) before tax to net cash flows: | | |
| Depreciation and amortisation expenses | 20.49 | 30.93 |
| Finance income (including fair value change in financial instruments) | (60.01) | (59.60) |
| Profit on sale of Investment | - | 0.87 |
| Finance costs (including fair value change in financial instruments) | 0.16 | 0.20 |
| Provision for gratuity | 1.11 | 0.85 |
| Provision for leave encashment | (1.71) | 0.63 |
| Net (gain)/ loss on sale of current investments | - | - |
| | <u>(54.96)</u> | <u>6.20</u> |
| Working Capital Adjustment: | | |
| Change in trade receivables | 11.13 | 5.49 |
| Change in loans and advances and other current assets | 88.80 | (97.73) |
| Change in inventories | 1.23 | (0.30) |
| Change in liabilities and provisions | (39.02) | (14.40) |
| | <u>7.18</u> | <u>(100.75)</u> |
| Income tax paid (net of refunds) | (0.23) | (7.27) |
| Net cash flow from operating activities | <u>6.95</u> | <u>(108.02)</u> |
| Investing activities | | |
| Purchase of Property, plant and equipment including capital advances | (0.64) | (1.49) |
| (Purchase)/sale of current investments | - | 97.48 |
| Interest received | 1.48 | 6.33 |
| Net Cash flow used in investing activities | <u>0.82</u> | <u>102.33</u> |
| Financing activities | | |
| Net Cash from financing activities | <u>-</u> | <u>-</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>7.78</u> | <u>(5.69)</u> |
| Cash and cash equivalents at the beginning of the year | <u>15.56</u> | <u>21.25</u> |
| Cash and cash equivalents at the end of the year | <u>23.34</u> | <u>15.56</u> |
| Components of cash and cash equivalents | | |
| Cash on hand | 0.02 | 0.08 |
| Balances with Scheduled Banks in - Current accounts | 23.32 | 15.48 |
| Total cash and cash equivalents | <u>23.34</u> | <u>15.56</u> |

Summary of significant accounting policies

As per our report of even date


For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants


Jatin Kumar
Partner
Membership No. 531072



For and on behalf of the Board of Directors of
Manakin Resorts Private Limited

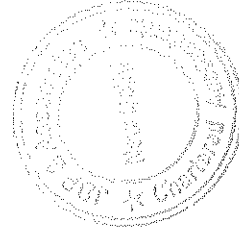

Davander Tomar
Director
DIN No: 00013336


Sumant Jaidla
Director
DIN No: 05201572

Place : New Delhi
Date : June 09, 2021

MamaIn Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

| 3 Property, plant and equipment | Rs. in Lakhs | | | | | | | | | |
|---------------------------------|----------------|---------------------------|---------------------|-----------------------|-------------------|------------------------|-----------|----------|-------------------|--------|
| | Freehold land | Building on freehold land | Plant and Machinery | Electrical equipments | Office equipments | Furniture and Fixtures | Computers | Vehicles | Ship (house Boat) | Total |
| Cost or valuation | | | | | | | | | | |
| As at April 1, 2019 | 120.82 | 552.10 | 21.75 | 141.68 | 25.86 | 18.94 | 2.69 | 4.18 | 29.65 | 917.74 |
| Additions | - | - | 2.36 | 0.06 | - | - | 0.54 | - | - | 2.95 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | 120.82 | 552.10 | 24.10 | 141.74 | 25.86 | 18.94 | 3.23 | 4.18 | 29.65 | 920.69 |
| Additions | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | 120.82 | 552.10 | 24.10 | 141.74 | 25.86 | 18.94 | 3.23 | 4.18 | 29.65 | 920.69 |
| Depreciation | | | | | | | | | | |
| As at April 1, 2019 | - | 41.86 | 9.10 | 125.64 | 19.41 | 17.39 | 1.84 | 2.59 | 5.71 | 223.55 |
| Charge for the year | - | 10.01 | 7.27 | 3.58 | 4.02 | 0.35 | 0.46 | 0.10 | 3.80 | 29.60 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | - | 51.87 | 16.37 | 129.22 | 23.43 | 17.75 | 2.30 | 2.70 | 9.51 | 253.15 |
| Charge for the year | - | 10.01 | 2.43 | 1.72 | 0.91 | 0.05 | 0.28 | 0.10 | 3.80 | 19.31 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | - | 61.88 | 18.81 | 130.93 | 24.34 | 17.80 | 2.58 | 2.80 | 13.31 | 272.45 |
| Net Book value | | | | | | | | | | |
| As at March 31, 2021 | 120.82 | 490.21 | 5.29 | 10.81 | 1.53 | 1.14 | 0.65 | 1.38 | 16.33 | 648.24 |
| As at March 31, 2020 | 120.82 | 500.23 | 7.73 | 12.53 | 2.44 | 1.20 | 0.94 | 1.43 | 20.13 | 667.54 |
| Net book value | | | | | | | | | | |
| Property, plant and equipment | March 31, 2021 | March 31, 2020 | | | | | | | | |
| | 648.24 | 667.54 | | | | | | | | |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

| 4 Intangible Assets | Rs. in lakhs | |
|-----------------------------|--------------|-------|
| | Software | Total |
| Cost or valuation | | |
| As at April 1, 2019 | 9.26 | 9.26 |
| Additions | - | - |
| Disposals | - | - |
| As at March 31, 2020 | 9.26 | 9.26 |
| Additions | - | - |
| Disposals | - | - |
| As at March 31, 2021 | 9.26 | 9.26 |
| Amortisation and impairment | | |
| As at April 1, 2019 | 1.54 | 1.54 |
| Amortisation | 1.33 | 1.33 |
| Disposals | - | - |
| As at March 31, 2020 | 2.87 | 2.87 |
| Amortisation | 1.18 | 1.18 |
| Disposals | - | - |
| As at March 31, 2021 | 4.05 | 4.05 |
| Net Book | | |
| As at March 31, 2021 | 5.21 | 5.21 |
| As at March 31, 2020 | 6.39 | 6.39 |

Net book value

| | March 31, 2021 | March 31, 2020 |
|-------------------|----------------|----------------|
| Intangible Assets | 5.21 | 6.39 |



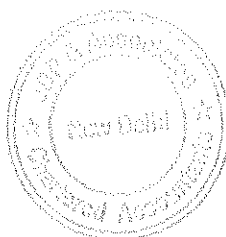
Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

5 Financial assets

(a) Other financial assets

Security deposits
Non current bank balances

| | <u>March 31, 2021</u> | <u>March 31, 2020</u> |
|--|-----------------------|-----------------------|
| | <u>Rs in lakhs</u> | <u>Rs in lakhs</u> |
| | 6.94 | 6.94 |
| | 7.75 | 7.75 |
| | <u>14.69</u> | <u>14.69</u> |



Manakin Resorts Private Limited

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

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|--|-------------------------------|-------------------------------|
| 6 Deferred tax assets (net) | | |
| Property, plant and equipment | 69.60 | 65.75 |
| Deferred tax liability | 69.60 | 65.75 |
| Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis | 1.24 | 1.56 |
| Effect of unabsorbed depreciation and business loss | 51.58 | 52.26 |
| Provision for gratuity | 1.73 | 2.51 |
| MAT credit entitlement receivable | 42.97 | 43.22 |
| Provision for leave compensation | 0.45 | 0.89 |
| Deferred tax asset | 97.98 | 100.45 |
| | 28.38 | 34.69 |

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

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Profit/(loss) before tax | (14.99) | 32.32 |
| Tax rate | 26.00% | 26.00% |
| Tax at statutory income tax rate | (3.90) | 8.40 |
| Effect of non-deductible expenses | - | 0.11 |
| Income tax charge/ (credit) in respect of earlier year | 0.92 | (7.35) |
| Unrecognized tax assets (net) and other adjustments | 9.94 | (7.22) |
| Net | 6.97 | (6.06) |
| As per profit and loss account | | |

7 Other non-current assets

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|--|-------------------------------|-------------------------------|
| Capital Advances | 11.80 | 11.16 |
| Advance Income Tax (net of provision for taxation) | 25.54 | 26.13 |
| Total | 37.34 | 37.29 |

8 Inventories

(at lower of cost and net realisable value)

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|---|-------------------------------|-------------------------------|
| Food and beverages (excluding liquor and wine) | - | 1.18 |
| Stores, cutlery, crockery, linen, provisions and others | 8.35 | 8.40 |
| Total | 8.35 | 9.58 |



Manakın Resorts Private Limited

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

| 9 Financial assets | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| (i) Trade receivables | 15.68 | 26.80 |
| | 15.68 | 26.80 |
| Break-up for security details: | | |
| Trade receivables | | |
| Unsecured, considered good | 15.68 | 26.80 |
| Doubtful | - | - |
| | 15.68 | 26.80 |
| Impairment Allowance (allowance for bad and doubtful debts) | | |
| Unsecured, considered good | - | - |
| Doubtful | - | - |
| | - | - |
| Total Trade receivables | 15.68 | 26.80 |

| (ii) Cash and cash equivalents | March 31, 2021 | March 31, 2020 |
|--------------------------------|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Balance with banks | | |
| On current accounts | 23.32 | 15.48 |
| Cash on hand | 0.02 | 0.08 |
| | 23.34 | 15.56 |

At March 31, 2021, the Company had available Rs. Nil (March 31, 2020: Rs. Nil) of undrawn committed borrowing facilities. Cash and Bank balances are non- interest bearing.

Cash at banks does not earn any interest.

Cash at bank are non-interest bearing financial assets.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

| | | |
|---------------------------------|-------|-------|
| Balances with banks | | |
| on current accounts | 23.32 | 15.48 |
| Cash on hand | 0.02 | 0.08 |
| Total cash and cash equivalents | 23.34 | 15.56 |

| (iii) Loans | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| 9.00% Loan to related party (repayable on demand) | 606.78 | 690.28 |
| | 606.78 | 690.28 |

| (iv) Other financial assets | March 31, 2021 | March 31, 2020 |
|-----------------------------|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Security deposits | 1.01 | 0.56 |
| Interest accrued on others | 129.92 | 75.82 |
| | 130.93 | 76.38 |

Break up of current financial assets carried at amortised cost

| | | |
|---|---------------|---------------|
| 9.00% Loan to related party (repayable on demand) | 606.78 | 690.28 |
| Trade receivables | 15.68 | 26.80 |
| Cash and cash equivalents | 23.34 | 15.56 |
| Security deposits | 1.01 | 0.56 |
| Interest accrued on others | 129.92 | 75.82 |
| Total current financial assets carried at amortised cost | 776.73 | 809.03 |

10 Other current assets

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Balance with statutory/ government authorities | 15.18 | 14.60 |
| Prepaid Expenses | 3.78 | 4.64 |
| Advance for supply of goods or rendering of services | 5.62 | 6.66 |
| Total | 24.58 | 25.90 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

11 Equity Share capital

Authorised Share Capital:-

| | No. of shares | Rs in lakhs |
|-------------------------------------|---------------|-------------|
| As at April 1, 2019 | 6,000,000 | 600.00 |
| Increase/(decrease) during the year | - | - |
| As at March 31, 2020 | 6,000,000 | 600.00 |
| Increase/(decrease) during the year | - | - |
| As at March 31, 2021 | 6,000,000 | 600.00 |

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 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:-

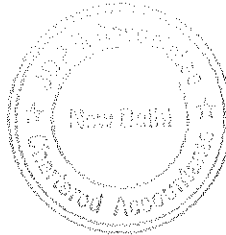
| | No. of shares | Rs in lakhs |
|--|---------------|-------------|
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| As at April 1, 2019 | 5,714,280 | 571.43 |
| Increase/(decrease) during the year | - | - |
| As at March 31, 2020 | 5,714,280 | 571.43 |
| Increase/(decrease) during the year | - | - |
| Increase/(decrease) during the year | 5,714,280 | 571.43 |

| | March 31, 2021 | | March 31, 2020 | |
|---|----------------|-------------|----------------|-------------|
| | No. of shares | Rs in lakhs | No. of shares | Rs in lakhs |
| Equity shares of Rs. 10 each fully paid up | | | | |
| PSK Resorts & Hotels Private Limited | 5,142,852 | 514.29 | 5,142,852 | 514.29 |

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

| | March 31, 2021 | | March 31, 2020 | |
|---|----------------|----------------|----------------|----------------|
| | No. of shares | % Shareholding | No. of shares | % Shareholding |
| Equity shares of Rs. 10 each fully paid up | | | | |
| PSK Resorts & Hotels Private Limited | 5,142,852 | 90.00% | 5,142,852 | 90.00% |
| Lemon Tree Hotels Limited | 571,428 | 10.00% | 571,428 | 10.00% |

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.



12 Other equity

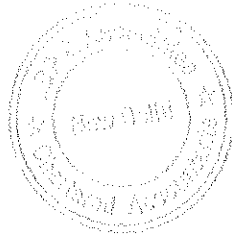
Securities Premium

| | Rs in lakhs |
|-------------------------------------|-------------|
| As at April 1, 2019 | 910.32 |
| Add: On issue of shares | - |
| Increase/(decrease) during the year | - |
| As at March 31, 2020 | 910.32 |
| Increase/(decrease) during the year | - |
| As at March 31, 2021 | 910.32 |

Retained Earnings

| | Rs in lakhs |
|----------------------------|-------------|
| As at April 1, 2019 | (30.05) |
| Profit/(loss) for the year | 36.56 |
| As at March 31, 2020 | 6.51 |
| Profit/(loss) for the year | (17.89) |
| As at March 31, 2021 | (11.38) |

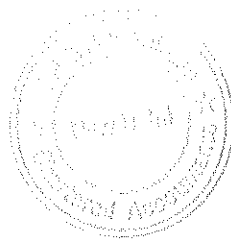
| | March 31, 2021 | March 31, 2020 |
|--------------------|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Other reserves | | |
| Securities Premium | 910.32 | 910.32 |
| Retained Earnings | (11.38) | 6.51 |
| | <u>898.94</u> | <u>916.83</u> |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

13 Provisions

| | March 31, 2021 | March 31, 2020 |
|------------------------------|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Provision for gratuity | 6.67 | 9.64 |
| Current | 1.77 | 2.54 |
| Non-current | 4.90 | 7.10 |
| Provision for leave benefits | 1.73 | 3.44 |
| Provision for leave benefits | 1.73 | 3.44 |
| Current | 1.73 | 3.44 |
| Non-current | - | - |
| Total current | 3.50 | 5.98 |
| Total non-current | 4.90 | 7.10 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

14 Financial liabilities

| | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| (i) Trade payables | | |
| -Micro and small enterprises | 0.17 | 3.53 |
| -Other than Micro and small enterprises | 50.88 | 78.86 |
| | <u>51.04</u> | <u>82.39</u> |
| (ii) Other financial liabilities | | |
| Outstanding dues of other creditors | 12.33 | 11.01 |
| | <u>12.33</u> | <u>11.01</u> |

15 Other current liabilities

| | March 31, 2021 | March 31, 2020 |
|------------------------|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Advance from customers | 0.52 | 6.53 |
| Statutory Liabilities | 0.86 | 3.84 |
| | <u>1.38</u> | <u>10.36</u> |



Manakin Resorts Private Limited

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

16 Revenue From Operations

| | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Sale of products and services | | |
| Room rentals | - | 250.29 |
| Food and beverage (excluding liquor and wine) | - | 38.74 |
| Telephone and telex | - | 0.22 |
| Other Services | - | 53.75 |
| | <u>-</u> | <u>343.00</u> |

17 Other income

| | March 31, 2021 | March 31, 2020 |
|--------------------------|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Insurance claim received | 4.62 | 5.32 |
| | <u>4.62</u> | <u>5.32</u> |

18 Cost of Material Consumed

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Consumption of food & beverages (excluding liquor & wine) | | |
| Inventory at the beginning of the year | 1.18 | 1.46 |
| Add: Purchases | (1.18) | 41.88 |
| | - | 43.34 |
| Less: Inventory at the end of the year | - | 1.18 |
| Cost of food and beverage consumed | <u>-</u> | <u>42.16</u> |

19 Employee benefit expense

| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| | Rs in lakhs | Rs in lakhs |
| Salaries, wages and bonus | 23.44 | 100.84 |
| Contribution to provident fund and other funds | 8.06 | 10.57 |
| Gratuity expense | 1.11 | 1.47 |
| Staff welfare and training expenses | 0.49 | 14.93 |
| | <u>33.10</u> | <u>127.81</u> |



Manakin Resorts Private Limited

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

20 Other expenses

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|---|-------------------------------|-------------------------------|
| Consumption of stores, cutlery, crockery, provisions and others | 0.02 | 7.34 |
| Rent expenses | - | 5.03 |
| Power and fuel | 9.24 | 46.97 |
| Linen and uniform washing and laundry expenses | - | 6.97 |
| Guest transportation | - | 3.86 |
| Spa expenses | - | 6.33 |
| Subscription charges | - | 1.78 |
| Repair and maintenance | | |
| - Buildings | 0.07 | 0.57 |
| - Plant and machinery | 2.58 | 4.71 |
| - Others | 0.24 | 5.07 |
| Rates and taxes | 3.12 | 4.11 |
| Insurance | 4.01 | 7.36 |
| Communication costs | 0.96 | 3.86 |
| Printing and stationery | 0.16 | 2.14 |
| Traveling and conveyance | 0.06 | 3.79 |
| Vehicle running and maintenance | - | 0.08 |
| Advertisement and business promotion | 0.10 | 1.86 |
| Commission -other than sole selling agent | 0.15 | 16.38 |
| Security and cleaning expenses | 1.94 | 17.28 |
| Legal and professional fees | 1.82 | 4.53 |
| Equipment hire charges | - | 3.77 |
| Payment to auditors | 1.03 | 1.03 |
| Management Fee | 0.46 | 14.98 |
| Miscellaneous expenses | 0.20 | 2.01 |
| Total | 26.16 | 171.81 |
| Payment to auditor | | |
| Statutory audit fees | 0.55 | 0.55 |
| Tax audit audit fees | 0.12 | 0.12 |
| Others | 0.36 | 0.36 |
| | 1.03 | 1.03 |

21 Finance cost

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|---|-------------------------------|-------------------------------|
| Interest | | |
| On Income tax | 0.16 | 0.20 |
| Bank charges (including commission on credit card collection) | 0.06 | 3.56 |
| Total | 0.22 | 3.76 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

22 Depreciation and Amortization Expense

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|-----------------------------------|-------------------------------|-------------------------------|
| Depreciation of tangible assets | 19.31 | 29.60 |
| Amortization of intangible assets | 1.18 | 1.33 |
| Total | 20.49 | 30.93 |

23 Finance income

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|-------------------------------|-------------------------------|-------------------------------|
| Interest Income on : | | |
| Bank Deposits | 1.48 | 0.41 |
| Interest on income tax refund | 0.35 | - |
| Others | 58.53 | 59.19 |
| Profit on sale of Investment | - | 0.87 |
| | 60.36 | 60.47 |

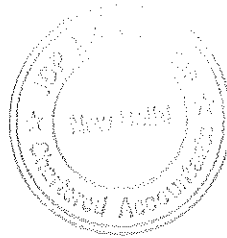
24 Earnings Per Share (Basic And Diluted)

| | March 31, 2021 Rs in lakhs | March 31, 2020 Rs in lakhs |
|--|-------------------------------|-------------------------------|
|--|-------------------------------|-------------------------------|

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS.

| | | |
|--|---------------|-------------|
| Profit/(Loss) after tax (Rs in lakhs) | (17.89) | 36.56 |
| Weighted Average Number of Equity Shares | 5,714,280 | 5,714,280 |
| Basic and Diluted EPS | (0.31) | 0.64 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

1. Corporate Information

Manakin Resorts 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.

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

The financial statements were authorised for issue in accordance with a resolution of the directors on June 09, 2021.

2 Basis of preparation

2.1 Significant accounting policies

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost or at amortised cost except for the following assets and liabilities:

- Net defined benefit (asset)/liability
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

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 Summary of 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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



Manakin Resorts 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

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

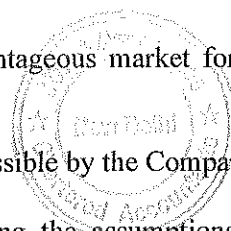
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 that market participants act in their economic best interest.



Manakin Resorts Private Limited

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

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as 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.

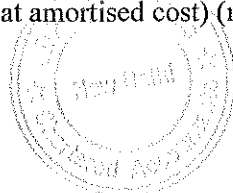
At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 25)
- Quantitative disclosures of fair value measurement hierarchy (note 29)
- Financial instruments (including those carried at amortised cost) (note 29)



(d) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Company has adopted Ind AS 115 using cumulative catch-up transition method, where any effect arising upon application of this standard is recognised as at the date of initial application (i.e April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under previous standards on revenue i.e Ind AS 18 and Ind AS 11. There was no impact on adoption of Ind AS 115 to the financial statements of the Company.

In arrangements for room revenue and related services, the Company has applied the guidance in Ind AS 115 for recognition of Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room revenue and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

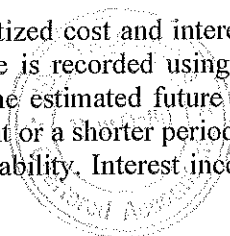
Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Good & Service Tax, Value Added Taxes (VAT) and Luxury Tax. Shortfall of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT/GST.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, 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.



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Dividends

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

Gain/(loss) on sale of investment in mutual funds

Gain/(loss) on sale of investment in mutual funds is recorded as other income on transfer of title from the Company and is determined as the difference between the redemption price and carrying value of the investments.

(e) Taxes

Current income tax

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

Current income tax relating to items 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 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are 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 utilised

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The carrying amount of deferred tax assets 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items 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.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

(f) Property, plant and equipment

Capital work in progress, 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.

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 recognized 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 recognized in profit or loss as incurred.

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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 (SLM) |
|---------------------------------------|------------------------------|
| Plant & Machinery | 15 Years |
| Building | 60 Years |
| Electrical installations and fittings | 10 Years |
| Office Equipment's | 5 Years |
| Furniture and Fixtures | 8 Years |
| Vehicles | 8 Years |
| Computers | 3 Years |
| Ship (house Boat) | 15 Years |

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 annually 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 costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Inventories

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

(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 units (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized 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 recognized 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 recognized. The reversal is limited so that the carrying amount of the

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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 recognized for the asset in prior years. Such reversal is recognized 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

(l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group 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.

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 recognized in profit or loss on the earlier of:

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as

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an expense in the consolidated 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

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. Actuarial 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 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 the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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

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

included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, loans to subsidiaries etc. For more information on receivables, refer to Note 9.

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 P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt 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 consolidated 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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.

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 entity reverts to recognizing 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. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

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.

Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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.

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, financial guarantee contracts and derivative financial instruments.

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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.

Loans and borrowings

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

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.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

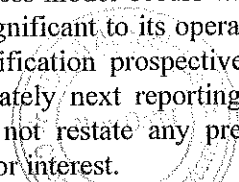
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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.

Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.



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The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|-------------------------|------------------------|--|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognized in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date. |

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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 realise 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) Segment reporting policies

Identification of segments

The management of the Company reviews the specific performance of its respective hotel properties. However, since all hotels have similarity in terms of products and services, customer classes, method of providing services and the regulatory environment, the individual hotels qualify for aggregation. Thus, the management has considered aggregating all the hotels as one reportable operating segment. Accordingly, the figures appearing in these financial statements relate to the Company's single operating segment.



Manakin Resorts Private Limited

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

(p) 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.



25. Significant accounting judgments, 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.

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

The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it. As the spread of the pandemic increased, entities are experiencing conditions often associated with a general economic downturn. In many countries, there has been severe disruption in regular business operations due to lockdown, travel bans, quarantines and other emergency measures. Currently there is a particularly high degree of uncertainty about the ultimate trajectory of the pandemic and the path and time needed for a return to a "steady state." The continuation of these circumstances could have a prolonged negative impact on the financial condition and results of operations.

For the year ended March 31, 2021, the Company has considered possible effects due to COVID 19 in its assessment of the going concern assumption and liquidity position for the next one year, recoverability of assets comprising Property, Plant and Equipment (PPE) and trade receivables as at the balance sheet date.

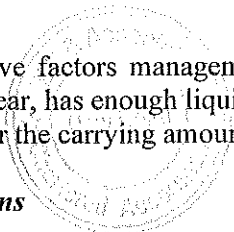
The Management have assessed the effect of these macro-economic conditions into their estimates of future cash flows to make good-faith estimates for determining the values of the Company's assets including investments and liabilities. The Management has carefully considered these unique circumstances and risk exposures when analyzing how recent events may affect their financial reporting to develop estimates considering all available relevant information.

While assessing the recoverable amount of PPE and investments, the Company has used significant assumptions such as hotel occupancy rates, average room rate per hotel, terminal growth rate and weighted average cost of capital. For assessing the recoverable amount of trade receivables, the Company has calculated the expected credit loss from the debtors considering amount to be realized from them in future after factoring the impact on credit risk due to COVID 19.

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 associated economic impact of the pandemic is highly dependent on variables that are difficult to predict including the degree to which governments may further restrict business and other activities. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise. The management believes that it will not have negative impact on future cash flows and the financial position of the Company.

Based on a collective assessment of the above factors management believes that the Company will continue as a going concern for the next one year, has enough liquidity to meet its obligations and based on fair value assessment will be able to recover the carrying amount of its assets as on March 31, 2021.

Critical judgements, estimates and assumptions



Manakin Resorts Private Limited

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

1. Impairment of property, plant and equipment

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

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

| <u>Particulars</u> | <u>As at March 31,</u> |
|---|------------------------|
| <u>2021</u> | |
| Discount Rate (<i>pre tax rate of WACC</i>) | 12.50% |
| Long Term Growth Rate | 5.50% |

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

2. Loss Allowance on trade receivables

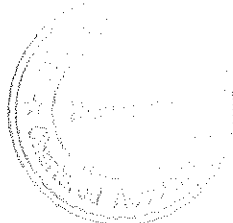
An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. In calculating expected credit loss, the Company has also considered the likelihood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

26. Gratuity and other post-employment benefit plans

Rs. In lakhs

| | March 31, 2021 | March 31, 2020 |
|---------------|----------------|----------------|
| Gratuity plan | 6.67 | 9.64 |
| Total | 6.67 | 9.64 |

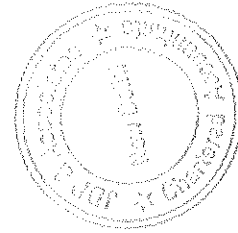
The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

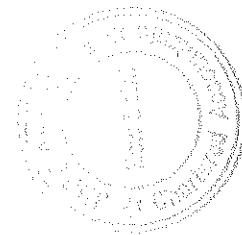
| | Gratuity cost charged to profit or loss | | Remeasurement gains/(losses) in other comprehensive income | | | | | Rs. In Lakhs | | | | |
|----------------------------|---|--------------|--|--------------------------------------|---------------|--|---|--------------|---|------------------------|---------------------------|---------------------------|
| | April 1, 2020 | Service cost | Net interest expense | Sub-total included in profit or loss | Benefits paid | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions | | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | Contributions by employer |
| Defined benefit obligation | 9.64 | 0.64 | 0.47 | 1.11 | - | - | - | - | (4.07) | (4.07) | - | 6.68 |
| Fair value of plan assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Benefit liability | 9.64 | 0.64 | 0.47 | 1.11 | - | - | - | - | (4.07) | (4.07) | - | 6.68 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020:

| | | Remeasurement gains/(losses) in other comprehensive income | | | | | | Rs. In lakhs | |
|---|-------------|--|---|---|------------------------|---------------------------|--|--------------|-------------|
| Gratuity cost charged to profit or loss | | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | Contributions by employer March 31, 2020 | | |
| Defined benefit obligation | 6.96 | 0.48 | 1.47 | (0.62) | - | 0.37 | 1.46 | 1.83 | 9.64 |
| Fair value of plan assets | - | - | - | - | - | - | - | - | - |
| Benefit liability | 6.96 | 0.99 | 1.47 | (0.62) | - | 0.37 | 1.46 | 1.82 | 9.64 |



Manakin Resorts Private Limited

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

The major categories of plan assets of the fair value of the total plan assets are as follows:

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

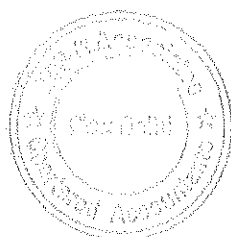
| | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Discount rate: | % | % |
| Pension plan | 5.60% | 5.60% |
| Future salary increases: | | |
| Pension plan | 5.00% | 5.00% |
| Life expectation for pensioners at the age of 65: | Years | Years |
| Pension plan | | |
| Male | 60 | 60 |
| Female | 60 | 60 |

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

India gratuity plan:

| | March 31, 2021 | March 31, 2021 | March 31, 2021 | March 31, 2021 |
|--------------------------------------|----------------------|-------------------|--------------------------------|-------------------|
| Assumptions | Discount rate | | Future salary increases | |
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (0.20) | 0.21 | 0.21 | (0.20) |
| | March 31, 2020 | March 31, 2020 | March 31, 2020 | March 31, 2020 |
| Assumptions | Discount rate | | Future salary increases | |
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (0.29) | 0.31 | 0.31 | (0.29) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



Manakin Resorts Private Limited**Notes to financial statements for the year ended March 31, 2021**

The following payments are expected contributions to the defined benefit plan in future years:

| Duration (Years) | <i>Rs. In lakhs</i> | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 1 | 1.77 | 2.61 |
| 2 | 1.37 | 2.02 |
| 3 | 1.09 | 1.57 |
| 4 | 0.87 | 1.24 |
| 5 | 0.68 | 0.97 |
| Above 5 | 1.75 | 3.28 |
| Total expected payments | 7.53 | 11.68 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 3.74 years (March 31, 2020: 4 years).

27. Commitments and contingencies**a. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for:

At March 31, 2021, the Company had Rs. Nil commitments (March 31, 2020: Rs Nil)

b. Contingent liabilities

Claims against the Company not acknowledged as debts

| | <i>Rs. In lakhs</i> | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| a. Counter guarantees issued in respect of guarantees issued by company's bankers | 7.75 | 7.75 |
| b. Luxury Tax (2013-14) | 6.45 | 6.45 |
| c. VAT – Kerala | 5.02 | 5.02 |



Manakin Resorts Private Limited

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

28. Related Party Transactions

| | |
|---|---|
| a) Names of related parties | |
| Ultimate Holding company | - Lemon Tree Hotels Limited |
| Holding Company | - PSK Resorts & Hotels Private Limited |
| Fellow subsidiary companies | - Fleur Hotels Private Limited - Grey Fox Project Management Company Private Limited |
| Key Management Personnel | - Mr. Sumant Jaidka - Mr. Cyrus Mehernosh Madan (Director) upto November 09, 2020 |
| Enterprise in which Holding company has significant influence | -Mind Leaders Learning India Private Limited |

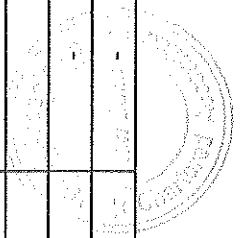


Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Rs. in Lakhs

| Transactions with Related Party | Year Ended | Ultimate holding company | Holding company | Fellow subsidiary | Enterprise in which Ultimate Holding has significant influence | Key Management Personnel |
|--|------------|--------------------------|-----------------|-------------------|--|--------------------------|
| Reimbursement of expenses incurred on company's behalf | | | | | | |
| Lemon Tree Hotels Limited | 31-Mar-21 | 4.21 | - | - | - | - |
| | 31-Mar-20 | 4.34 | - | - | - | - |
| Amount Received from the party | | | | | | |
| Lemon Tree Hotels Limited | 31-Mar-21 | - | - | - | - | - |
| | 31-Mar-20 | 0.24 | - | - | - | - |
| Fleur Hotels Private Limited | 31-Mar-21 | - | - | - | - | - |
| | 31-Mar-20 | - | - | 0.05 | - | - |
| Loan Given | | | | | | |
| Fleur Hotels Private Limited | 31-Mar-21 | - | - | - | - | - |
| | 31-Mar-20 | - | - | 100.00 | - | - |
| Repayment of Loan Given | | | | | | |
| Fleur Hotels Private Limited | 31-Mar-21 | - | - | 83.50 | - | - |
| | 31-Mar-20 | - | - | - | - | - |



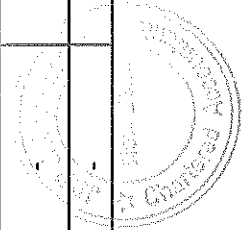
Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

| Transactions with Related Party | Year Ended | Ultimate holding company | Holding company | Fellow subsidiary | Enterprise in which Ultimate Holding has significant influence | Key Management Personnel |
|--|------------|--------------------------|-----------------|-------------------|--|--------------------------|
| Interest on Loan Given | | | | | | |
| Grey Fox Project Management Company Private Limited | 31-Mar-21 | - | - | 12.63 | - | - |
| | 31-Mar-20 | - | - | 14.06 | - | - |
| Fleur Hotels Private Limited | 31-Mar-21 | - | - | 45.91 | - | - |
| | 31-Mar-20 | - | - | 45.12 | - | - |
| Training Fee Paid (Net of Taxes) | | | | | | |
| Mind Leaders Learning India Private Limited | 31-Mar-21 | - | - | - | - | - |
| | 31-Mar-20 | - | - | - | 0.50 | - |
| Management fees paid (common cost allocation) | | | | | | |
| Lemon Tree Hotels Limited | 31-Mar-21 | 0.97 | - | - | - | - |
| | 31-Mar-20 | 16.18 | - | - | - | - |
| Remuneration Paid | | | | | | |
| Mr. Anish Kumar | 31-Mar-21 | - | - | - | - | - |
| | 31-Mar-20 | - | - | - | - | 0.59 |
| Balances outstanding at the year-end- Short-term loans and advances | | | | | | |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

| Transactions with Related Party | Year Ended | Ultimate holding company | Holding company | Fellow subsidiary | Enterprise in which Ultimate Holding has significant influence | Key Management Personnel |
|--|------------|--------------------------|-----------------|-------------------|--|--------------------------|
| Grey Fox Project Management Company Private Limited | 31-Mar-21 | - | - | 140.28 | - | - |
| | 31-Mar-20 | - | - | 140.28 | - | - |
| Fleur Hotels Private Limited | 31-Mar-21 | - | - | 466.50 | - | - |
| | 31-Mar-20 | - | - | 550.00 | - | - |
| Interest accrued on borrowings | | | | | | |
| Fleur Hotels Private Limited | 31-Mar-21 | - | - | 86.12 | - | - |
| | 31-Mar-20 | - | - | 43.67 | - | - |
| Grey Fox Project Management Company Private Limited | 31-Mar-21 | - | - | 43.81 | - | - |
| | 31-Mar-20 | - | - | 32.14 | - | - |
| Balances outstanding at the year-end- Other creditors/Receivables | | | | | | |
| Lemon Tree Hotels Limited | 31-Mar-21 | (17.51) | - | - | - | - |
| | 31-Mar-20 | (20.52) | - | - | - | - |
| Mind Leaders Learning India Private Limited | 31-Mar-21 | - | - | - | (0.06) | - |
| | 31-Mar-20 | - | - | - | 0.03 | - |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: 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.

29. 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

a. Financial Assets

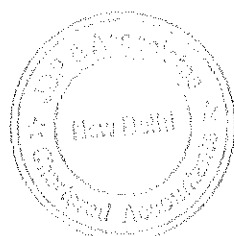
Rs. in lakhs

| | March 31, 2021 | | March 31, 2020 | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | FVTPL | Amortized Cost | FVTPL | Amortized Cost |
| Financial Assets | | | | |
| Loans | - | 606.78 | - | 690.28 |
| Trade Receivables | - | 15.68 | - | 26.80 |
| Security Deposits | - | 7.95 | - | 7.50 |
| Other bank balances | - | 7.75 | - | 7.75 |
| Interest accrued on others | - | 129.92 | - | 75.82 |
| Cash and Cash Equivalents | - | 23.34 | - | 15.56 |
| Investments in Mutual Funds | - | - | - | - |
| Total Financial Assets | - | 791.43 | - | 823.71 |

b. Financial Liabilities

Rs. in lakhs

| | March 31, 2021 | | March 31, 2020 | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | FVTPL | Amortized Cost | FVTPL | Amortized Cost |
| Financial Liabilities | | | | |
| Trade Payables | - | 51.04 | - | 82.39 |
| Other Current Financial Liabilities | - | 12.33 | - | 11.01 |
| Total Financial Liabilities | - | 63.38 | - | 93.40 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

c. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

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

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

i) Level 1

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

ii) Level 2

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

iii) Level 3

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

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

Financial assets and liabilities measured at fair value

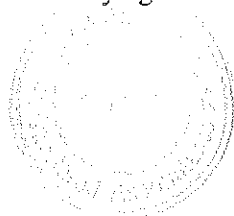
Rs in lakhs

| | March 31, 2021 | | | |
|---------------------------------------|----------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial investments as FVTPL | | | | |
| Unquoted Mutual Funds | - | - | - | - |

Rs in lakhs

| | March 31, 2020 | | | |
|---------------------------------------|----------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial investments as FVTPL | | | | |
| Unquoted Mutual Funds | - | - | - | - |

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.



30. Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that 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:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

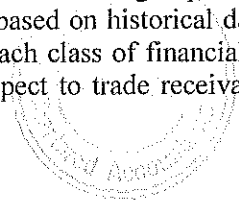
Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and Security Deposits

Customer credit risk is managed by business through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 29. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

several jurisdictions and industries and operate in largely independent markets.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 29. The Company does not hold collateral as security.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amount as illustrated in Note 29.

Rs. in lakhs

| Ageing | March 31, 2021 | March 31, 2020 |
|-----------------------|-----------------------|-----------------------|
| Not due | - | - |
| 0-60 days past due | - | 11.31 |
| 61-120 days past due | - | 13.62 |
| 121-180 days past due | - | - |
| 180-365 days past due | - | 1.35 |
| 365-730 days past due | 15.68 | 0.52 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

Expected credit loss for trade receivable under simplified approach

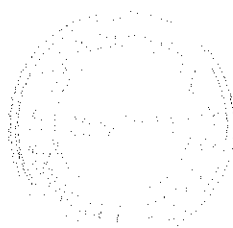
| Ageing | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Gross carrying amount | 15.68 | 26.80 |
| Expected credit loss | - | - |
| Carrying amount of trade receivable (net of impairment) | 15.68 | 26.80 |

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

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

| | <i>Rs. in lakhs</i> | | | | | |
|-------------------------------|---------------------|--------------------|----------------|--------------|-----------|--------------|
| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
| Year ended | | | | | | |
| March 31, 2021 | | | | | | |
| Borrowings | - | - | - | - | - | - |
| Trade and other payables | 51.04 | - | - | - | - | 51.04 |
| Financial Liabilities | 12.33 | - | - | - | - | 12.33 |
| | 63.37 | - | - | - | - | 63.37 |
| Year ended | | | | | | |
| March 31, 2020 | | | | | | |
| Borrowings | - | - | - | - | - | - |
| Trade and other payables | 82.39 | - | - | - | - | 82.39 |
| Other dues of other creditors | 11.01 | - | - | - | - | 11.01 |
| | 93.40 | - | - | - | - | 93.40 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

31. Capital management

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

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

| | March 31, 2021 | <i>Rs. in lakhs</i> March 31, 2020 |
|--|-------------------|--|
| Borrowings | - | - |
| Trade payables (Note 14) | 51.04 | 82.39 |
| Less: cash and cash equivalents (Note 9) | 23.34 | 15.56 |
| Net debt | 27.70 | 66.83 |
| | | |
| Total capital | 1470.37 | 1488.26 |
| Capital and net debt | 1,498.08 | 1,555.09 |
| | | |
| Gearing ratio | 1.85% | 4.30% |

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

32. Segment Reporting

Hoteliering business is the company's only business segment and domestic operations is the only geographical segment and hence disclosure of segment wise information is not applicable under Ind AS 108 – "Operating Segments".

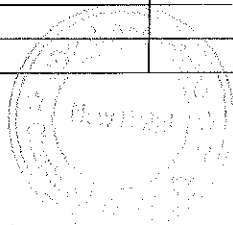
Information about geographical areas

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

Below is the detail of customer individually accounted for more than 10% of the revenue.

| Party | <i>Rs. in Lakhs</i> | |
|------------------------------------|---------------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Make My Trip India Private Limited | - | 50.61 |
| IBIBO Group Private Limited | - | 32.55 |



Manakin Resorts Private Limited
Notes to financial statements for the year ended March 31, 2021

33.Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

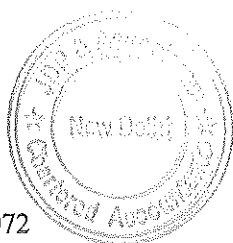
| | <i>Rs in lakhs</i> | |
|--|--------------------|-------------------|
| | March 31, 2021 | March 31, 2020 |
| the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 0.17 | 3.53 |
| the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | Nil | Nil |
| the amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | Nil | Nil |

As per our report of even date

For JDP & Associates
 Firm Registration No. 026828N
 Chartered Accountants

For and on behalf of the Board of Directors of
Manakin Resorts Private Limited


Jatin Kumar
 Partner
 Membership No. 531072




Davander Tomar
 Director
 Din: 00013336


Sumant Jaidka
 Director
 Din: 05201572

Place: New Delhi

Date: June 09, 2021