



APAS & Co.
CHARTERED ACCOUNTANTS

606, 6th FLOOR, PP CITY CENTRE
ROAD NO. 44, PITAMPURA
DELHI - 110034
TEL.: 011-49058720
E-MAIL : apas.delhi@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
PSK Resorts & Hotels Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of PSK Resorts & Hotels Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, 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, 2020, the loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 13 to the Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

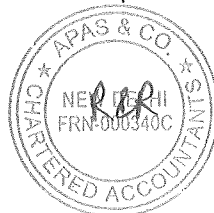
Basis for Opinion

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.

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 and Those Charged with Governance 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

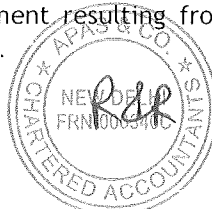
Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

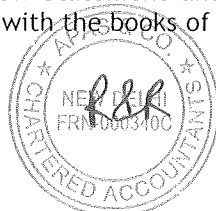
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial 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
 - (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;





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- (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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) In view of notification of ministry of corporate affairs dated 13th June 2017, read with notification no. GSR 464E dated 5th June 2015, clause (i) of section 143(3) of the Companies Act in respect of internal financial controls is not applicable to the Company during the year.
- (g) 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 does not have any pending litigations which could impact its financial positions.
 - 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 APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

Rajeev Ranjan

(RAJEEV RANJAN)
PARTNER
M No. 535395

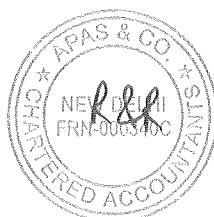
PLACE : NEW DELHI
DATED : May 26, 2020
UDIN : 20535395AAAABE6030





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

- (i) The Company does not have any fixed assets as on the date of Balance Sheet. Therefore, requirements under clause 3(i)(a-c) are not applicable to the Company.
- (ii) The Company does not have any inventories as on the date of Balance Sheet. Therefore, requirements under clause 3(ii) are not applicable to the Company.
- (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) We are informed that the company has not granted any loans or provided any guarantees, or given any security or made any investments requiring compliance with provisions of section 185 and 186 of the Companies Act. Accordingly, provisions of clause 3(iv) are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public in terms of directive issued by Reserve Bank of India and provision of section 73 to 76 of the Companies Act, 2013.
- (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) As per information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (viii) The Company does not have any borrowings from banks, financial institutions, the government or debenture holders as on the date of Balance Sheet. Therefore requirements under clause 3(viii) are not applicable to the Company.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer and term loan during the year.
- (x) Based upon the audit procedures and information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (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.





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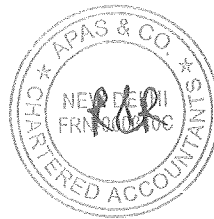
- (xiii) No related party transactions were entered into by the Company during the year. Hence, provisions of Section 188 of Companies Act 2013 are not applicable. Further, provisions of section 177 of the Companies Act 2013 are not applicable to the company as the paid up capital, turnover and borrowings are below the limit specified.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (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 APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

Rajeev Ranjan

(RAJEEV RANJAN)
PARTNER
M No. 535395

PLACE : NEW DELHI
DATED : May 26, 2020
UDIN : 20535395AAAABE6030



PSK Resorts & Hotels Private Limited
Balance Sheet as at March 31, 2020

	Note	March 31, 2020 Rs in lakhs	March 31, 2019 Rs in lakhs
ASSETS			
Non-current assets			
Financial assets	3	2,340.00	2,340.00
-Investments		<u>2,340.00</u>	<u>2,340.00</u>
Current assets			
Financial assets	4	0.06	0.13
-Cash and Cash equivalents		0.10	0.13
Other current assets	5	<u>0.16</u>	<u>0.26</u>
Total Assets		<u><u>2,340.16</u></u>	<u><u>2,340.26</u></u>
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	6	118.69	118.69
Other Equity	7	<u>2,220.40</u>	<u>2,221.44</u>
Total Equity		<u>2,339.09</u>	<u>2,340.13</u>
Liabilities			
Current liabilities			
Financial liabilities	8	1.00	-
-Borrowings		0.07	0.13
Other current financial liabilities	9	<u>1.07</u>	<u>0.13</u>
Total Liabilities		<u>1.07</u>	<u>0.13</u>
Total Equity and Liabilities		<u><u>2,340.16</u></u>	<u><u>2,340.26</u></u>
Summary of significant accounting policies	2.2		
The accompanying notes are an integral part of the financial statements.	1 to 16		

As per our report of even date

For APAS & Co.
Firm Registration No. 000340C
Chartered Accountants

Rajeev Ranjan

Rajeev Ranjan
Partner
Membership No. 535395

Place : New Delhi
Date: May 26, 2020

For and on behalf of the Board of Directors of
PSK Resorts & Hotels Private Limited

Cyrus Mehernosh Madan
Cyrus Mehernosh Madan
Director
DIN: 02695031

Kapil Sharma
Kapil Sharma
Director
DIN: 00352890



PSK Resorts & Hotels Private Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Note	March 31, 2020 Rs in lakhs	March 31, 2019 Rs in lakhs
Expenses	10	1.04	0.80
Other expenses		1.04	0.80
Total expenses			
Loss for the year		(1.04)	(0.80)
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss		(1.04)	(0.80)
Total Comprehensive Income for the year			

(Losses)/ Earnings per equity share:

(1) Basic	11	(0.01)	(0.01)
(2) Diluted	11	(0.01)	(0.01)

Summary of significant accounting policies

2.2

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

1 to 16

As per our report of even date

For APAS & Co.
Firm Registration No. 000340C
Chartered Accountants

Rajeev Ranjan

Rajeev Ranjan
Partner
Membership No. 535395

For and on behalf of the Board of Directors of
PSK Resorts & Hotels Private Limited

Cyrus Mehernosh Madan

Cyrus Mehernosh Madan
Director
DIN: 02695031

Kapil Sharma

Kapil Sharma
Director
DIN: 00352890

Place : New Delhi
Date: May 26, 2020



PSK Resorts & Hotels Private Limited
Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 1 each issued, subscribed and fully paid

At April 1, 2018
Issue of share capital
At March 31, 2019
Issue of share capital
At March 31, 2020

	No. of shares	Amount Rs in lakhs
At April 1, 2018	11,869,100	118.69
Issue of share capital	-	-
At March 31, 2019	11,869,100	118.69
Issue of share capital	-	-
At March 31, 2020	11,869,100	118.69

Rs. In lakhs

	Reserves and Surplus		Other equity
	Securities Premium	Retained Earnings	
At April 1, 2018	2,253.31	(31.07)	2,222.24
Total Comprehensive Income for the year	-	(0.80)	(0.80)
At March 31, 2019	2,253.31	(31.87)	2,221.44
Total Comprehensive Income for the year	-	(1.04)	(1.04)
At March 31, 2020	2,253.31	(32.91)	2,220.40

Summary of significant accounting policies

2.2

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

1 to 16

As per our report of even date

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Cyrus Mehernosh Madan
Director
DIN: 02695031

Kapil Sharma
Kapil Sharma
Director
DIN: 00352890

Place : New Delhi
Date: May 26, 2020



PSK Resorts & Hotels Private Limited
Cash flow statement for the year ended March 31, 2020

	For the year ended March 31, 2020 Rs. In lakhs	For the year ended March 31, 2019 Rs. In lakhs
Cash flow from operating activities	(1.04)	(0.80)
Loss before tax	(1.04)	(0.80)
Operating profit before working capital changes:		
Movements in working capital:		
(Increase) in loans and advances and other current assets	0.03	(0.13)
Change in liabilities and provisions	(0.06)	0.07
Cash Generated from Operations	(1.07)	(0.86)
Net cash flow from/(used in) operating activities	(1.07)	(0.86)
Cash flows from financing activities	1.00	-
Proceeds from short term borrowings	1.00	-
Net Cash from financing activities	(0.07)	(0.86)
Net increase/(decrease) in cash and cash equivalents	0.13	0.99
Cash and cash equivalents at the beginning of the year	0.06	0.13
Cash and cash equivalents at the end of the year		
Components of cash and cash equivalents	0.02	0.02
Cash on Hand		
Balances with Scheduled Banks in	0.04	0.11
- Current accounts		
Total cash and cash equivalents	0.06	0.13

Summary of significant accounting policies

1 to 16

As per our report of even date

For APAS & Co.
Firm Registration No. 000340C
Chartered Accountants

For and on behalf of the Board of Directors of
PSK Resorts & Hotels Private Limited

Rajeev Ranjan

Rajeev Ranjan
Partner
Membership No. 535395

Cyrus Mehernosh Madan

Cyrus Mehernosh Madan
Director
DIN: 02695031

Kapil Sharma

Kapil Sharma
Director
DIN: 00352890

Place : New Delhi
Date: May 26, 2020



1. Corporate Information

PSK Resorts & Hotels 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 financial statements were authorised for issue in accordance with a resolution of the directors on May 26, 2020.

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 going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost.

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
- 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) 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.

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

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

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

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

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



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

Deferred tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-



assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

(d) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised 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 recognised as a finance cost.

(e) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular



way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

Equity instruments in subsidiaries are carried at cost in separate financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

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.



PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

Financial liabilities

Initial recognition and measurement

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

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

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

(f) 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.



PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

3 Financial assets

	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Investments		
Investments in Equity Instruments of Subsidiary company		
5,142,852 (31 March 2019:- 5,142,852) equity shares of Manakin Resorts Private Limited of Rs. 10 each fully paid.	2,340.00	2,340.00
	<u>2,340.00</u>	<u>2,340.00</u>
Current	-	-
Non-Current	<u>2,340.00</u>	<u>2,340.00</u>



PSK Resorts & Hotels Private Limited

Notes to financial statements for the year ended March 31, 2020

4 Financial assets	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Cash and cash equivalents		
Balance with banks		
On cash credit accounts	0.04	0.11
Cash on hand	0.02	0.02
	<u>0.06</u>	<u>0.13</u>
5 Other current assets	As at March 31, 2020 Rs in lakhs	As at March 31, 2019 Rs in lakhs
Security deposits	0.10	0.10
Amount recoverable in cash or in kind	-	0.03
Total	<u>0.10</u>	<u>0.13</u>



PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

6 Equity Share capital

Authorised Share Capital

	Equity shares		5% Redeemable Preference shares	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
At April 1, 2018	12,000,000	120.00	50,000	50.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	12,000,000	120.00	50,000	50.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2020	12,000,000	120.00	50,000	50.00

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid

	No. of shares	Rs in lakhs
At April 1, 2018	11,869,100	118.69
Increase/(decrease) during the year	-	-
At March 31, 2019	11,869,100	118.69
Increase/(decrease) during the year	-	-
At March 31, 2020	11,869,100	118.69

Shares held by holding company

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Equity shares of Re. 1 each fully paid up Lemon Tree Hotels Limited	11,869,100	118.69	11,869,100	118.69

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% held	No. of shares	% held
Equity shares of Re. 1 each fully paid up Lemon Tree Hotels Limited	11,869,100	100.00%	11,869,100	100.00%

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

7 Other equity

Securities Premium

	Rs in lakhs
At April 1, 2018	2,253.31
Increase/(decrease) during the year	-
At March 31, 2019	2,253.31
Increase/(decrease) during the year	-
At March 31, 2020	2,253.31

Retained Earnings

	Rs in lakhs
At April 1, 2018	(31.07)
Profit/(loss) for the year	(0.80)
At March 31, 2019	(31.87)
Profit/(loss) for the year	(1.04)
At March 31, 2020	(32.91)

Other reserves
Securities Premium
Retained Earnings

	As At March 31, 2020	As At March 31, 2019
	Rs in lakhs	Rs in lakhs
Securities Premium	2,253.31	2,253.31
Retained Earnings	(32.91)	(31.87)
	2,220.40	2,221.44



PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

8 Financial liabilities

	As at March 31, 2020 Rs.	As at March 31, 2019 Rs in lakhs
(i) Borrowings		
Non-current borrowings		
Loan from related parties		
0% loan from Lemon Tree Hotels Limited repayable on demand	1.00	-
Total non-current borrowings	1.00	-



PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

10 Other expenses

	For the year ended March 31, 2020 Rs in lakhs	For the year ended March 31, 2019 Rs in lakhs
Rates and taxes	0.04	0.02
Legal and professional fees	0.87	0.44
Payment to auditors	0.09	0.08
Miscellaneous expenses	0.03	0.26
Total	1.03	0.80
Payment to auditor	0.09	0.08
As auditor	0.08	0.08

11 Earnings per share (Basic And Diluted)

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss attributable to equity holders (for basic and diluted) (Rs in lakhs)	(1.04)	(0.80)
Weighted Average Number of Equity Shares (for basic and diluted)*	11,869,100	11,869,100
Basic & Diluted EPS	(0.01)	(0.01)

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.



12. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. 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.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

13. Commitments and contingencies

Commitments

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

At March 31, 2020, the Company had commitments of Rs. Nil (March 31, 2019: Nil)

Contingent liabilities

At March 31, 2020, the Company had contingent liability of Rs. Nil (March 31, 2019: Nil)



12. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) 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, 2020</u>
Discount Rate (<i>pre tax rate of WACC</i>)	12.50%
Long Term Growth Rate	5.50%

As at March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount and the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the CGU.

b) 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, 2020 is considered adequate.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

- d) The Company has considered possible effects that may result from the pandemic relating to COVID 19 and has made detailed assessment of its going concern assumption, liquidity position for next one year and believes that they can meet all their obligations with the support of the parent company. Also, the parent Company confirms that they provided unconditional and irrevocable financial support by way of continuous investment in the Company in the form of equity investment and unsecured loan, as and when required. In view of the above, these accounts have been prepared on a going concern basis.

13. Commitments and contingencies

Commitments

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

At March 31, 2020, the Company had commitments of Rs. Nil (March 31, 2019: Nil)

Contingent liabilities

At March 31, 2020, the Company had contingent liability of Rs. Nil (March 31, 2019: Nil)

PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

14. Related Party Transactions

a) Names of related parties where control exists irrespective of whether transactions have occurred

Holding company	- Lemon Tree Hotels Limited
Subsidiary companies	- Manakin Resorts Private Limited
Key Management Personnel	- Mr. Kapil Sharma (Director) - Mr. Cyrus Mehemoth Madan (Director)

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	Holding Company
Loan Taken		
Lemon Tree Hotels Limited	31-Mar-20	1.00
	31-Mar-19	-

Commitments with related parties

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



PSK Resorts & Hotels Private Limited
Notes to financial statements for the year ended March 31, 2020

15. As per the information available with the Company in response to the enquiries from existing suppliers with whom Company deals, none of the suppliers are registered with The Micro, Small and Medium Enterprises Development Act, 2006.
16. There is no unhedged foreign currency exposure as at the balance sheet date.

As per our report of even date

For APAS & Co.
Firm Registration No. 000340C
Chartered Accountants



Rajeev Ranjan
Partner
Membership No. 535395

**For and on behalf of the Board of Directors of
PSK Resorts & Hotels Private Limited**



Cyrus Mehernosh Madan
Director
DIN: 02695031



Kapil Sharma
Director
DIN: 00352890

Place : New Delhi
Date : May 26, 2020

