

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED

AUDITOR'S REPORT AND SPECIAL PURPOSE
FINANCIAL STATEMENTS

31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

TH/DN/PD

Independent Auditor's Report To the Shareholders of Kudakurathu Island Resort Private Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of Kudakurathu Island Resort Private Limited ("the Company"), which comprise the Special Purpose statement of financial position as at 31 March 2024, 31 March 2023 and 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the Special Purpose financial statements, including a material accounting policy information for years ended 31 March 2024, 31 March 2023 and 31 March 2022 (hereinafter referred to as the "Special Purpose Financial Statements").

In our opinion, the accompanying special purpose financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, 31 March 2023 and 31 March 2022 and its financial performance and its cash flows for Years ended 31 March 2024, 31 March 2023 and 31 March 2022 in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of preparation and Restriction on Use

We draw attention to Note 2.1 of the special purpose financial statements, which describes the purpose of these special purpose financial statements. As more fully described in this Note, these special purpose financial statements as at and for years ended 31 March 2024, 2023 and 2022 have been prepared solely for the purpose of providing financial information on reporting dates that are aligned with that of the Issuer to be used in preparation of the Unaudited Proforma Financial Information for inclusion in the Draft Red Herring Prospectus to be prepared by the Issuer for filing with Securities and Exchange Board of India ("SEBI"), in connection with the proposed initial public offer, pursuant to the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"). As a result, the Special Purpose Financial Statements may not be suitable for another purpose. Our report is intended solely for the Company, the Issuer and the auditors of the Issuer and should not be used by parties other than these parties. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the Special Purpose Financial Statements

Management is responsible for the preparation of the special purpose financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of management and those charged with governance for the Special Purpose Financial Statements (Continued)

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

Auditor's responsibilities for the audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 ISAs 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 Special Purpose these financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose 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.

For and on behalf of Ernst & Young
Partner: Dhunya Nizar
Licensed Auditor: ICAM-IL-Z73

XXXXXX 2024
Male'

Kudakurathu Island Resort Pvt Ltd
Special Purpose statement of financial position as at 31 March 2024, 2023 and 2022
(All amounts are in USD millions, unless otherwise stated)

	Notes	March 31, 2024	March 31, 2023	March 31, 2022
ASSETS				
Non-current assets				
Property, plant and equipment	6	92.92	1.04	-
Right of use assets	7	14.36	19.60	21.00
Capital work-in-progress	6	0.82	71.50	45.95
Other non-current assets	9	1.02	3.05	1.92
		<u>109.12</u>	<u>95.19</u>	<u>68.87</u>
Current assets				
Inventories	10	0.55	-	-
Financial assets				
Investments	8	-	-	4.74
Trade receivables	11	0.20	-	-
Cash and cash equivalents	12	2.74	11.26	0.28
Other current assets	9	8.09	10.69	5.11
		<u>11.58</u>	<u>21.95</u>	<u>10.13</u>
TOTAL		<u><u>120.70</u></u>	<u><u>117.14</u></u>	<u><u>79.00</u></u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	37.93	37.93	31.50
Other equity	14	26.75	34.30	16.15
		<u>64.68</u>	<u>72.23</u>	<u>47.65</u>
Non-current liabilities				
Financial liabilities				
Borrowings	15	32.96	23.14	9.20
Lease liability	16	13.61	18.03	17.33
		<u>46.57</u>	<u>41.17</u>	<u>26.53</u>
Current liabilities				
Financial liabilities				
Lease liability	16	0.14	-	-
Trade payables	18	2.16	-	-
Other financial liabilities	17	6.62	2.77	3.24
Other current liabilities	19	0.53	0.97	1.58
		<u>9.45</u>	<u>3.74</u>	<u>4.82</u>
Total liabilities		<u>56.02</u>	<u>44.91</u>	<u>31.35</u>
TOTAL		<u><u>120.70</u></u>	<u><u>117.14</u></u>	<u><u>79.00</u></u>

The board of directors is responsible for these financial statements.

Signed for and on behalf of the board by,

Name of the director

Signature

.....

.....

.....

.....

05 September 2024
India

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

Kudakurathu Island Resort Pvt Ltd

Special Purpose Statement of comprehensive income for the years ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

	Notes	March 31, 2024	March 31, 2023	March 31, 2022
Income				
Revenue from operations	20	6.39	-	-
Other income	21	0.12	0.03	0.08
Total income (I)		6.51	0.03	0.08
Expenses				
Cost of materials consumed	22	1.20	-	-
Employee benefits expense	22A	3.89	0.10	0.05
Other expenses	22B	10.68	0.35	0.19
Depreciation and amortisation expense	23	4.14	-	-
Total expenses (II)		19.92	0.45	0.24
Loss before finance costs and tax (I-II)		(13.40)	(0.42)	(0.16)
Finance costs	24	3.15	-	-
Net loss before tax		(16.55)	(0.42)	(0.16)
Tax expenses:				
Current tax	25	-	-	-
Deferred tax	25	-	-	-
Total tax expenses		-	-	-
Net loss for the year		(16.55)	(0.42)	(0.16)
Other comprehensive income		-	-	-
Total comprehensive income for the year, net of tax		(16.55)	(0.42)	(0.16)

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

Kudakurathu Island Resort Pvt Ltd

Special Purpose Statement of changes in equity for the year ended year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

A. Equity share capital

Particulars	In USD			in No		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
At the beginning of the year	37.93	31.50	31.50	37.93	31.50	31.50
Balance at the beginning of the current reporting period	37.93	31.50	31.50	37.93	31.50	31.50
Changes in equity share capital during the year	-	6.43	-	-	6.43	-
At the end of the year	37.93	37.93	31.50	37.93	37.93	31.50

B. Other equity

	Reserves and surplus			Compulsarily convertible debentures classified as equity	Equity component of optionally convertible debentures	Total
	Share premium	Advance towards share capital	Retained earnings			
Balance as at March 31, 2021	2.50	13.00	(1.19)	-	-	14.31
Advance towards share capital	-	2.00	-	-	-	2.00
Loss for the year	-	-	(0.16)	-	-	(0.16)
Total comprehensive income for the year ended March 31, 2022	-	-	(0.16)	-	-	(0.16)
Balance as at March 31, 2022	2.50	15.00	(1.35)	-	-	16.15
Advance towards share capital	-	-	-	-	-	-
Share premium	18.57	-	-	-	-	18.57
Loss for the year	-	-	(0.42)	-	-	(0.42)
Total comprehensive income for the period ended March 31, 2023	-	-	(0.42)	-	-	34.30
Balance as at March 31, 2023	21.07	15.00	(1.77)	-	-	34.30
Advance towards share capital	-	9.00	-	-	-	9.00
Loss for the year	-	-	(16.55)	-	-	(16.55)
Total comprehensive income for the period ended March 31, 2024	-	-	(16.55)	-	-	(16.55)
Balance as at March 31, 2024	21.07	24.00	(18.32)	-	-	26.75

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

Kudakurathu Island Resort Pvt Ltd
Special purpose Statement of cash flow for the year ended 31 March 2024, 2023 and 2022
(All amounts are in USD millions, unless otherwise stated)

	March 31, 2024	March 31, 2023	March 31, 2022
A. Cash flows from operating activities			
Profit before tax	(16.55)	(0.42)	(0.16)
Adjustments for:			
Depreciation and amortisation	4.14	-	-
Finance costs	3.15	-	-
Interest income	(0.04)	(0.02)	(0.07)
Operating profit before working capital changes	(9.30)	(0.44)	(0.23)
Movements in working capital :			
(Increase) / decrease in inventories	(0.55)	-	-
(Increase) / decrease in trade receivables	(0.20)	-	-
Increase / (decrease) in trade payables	2.16	-	-
Increase / (decrease) in other current liabilities	0.19	-	-
Cash generated / (used) from operations	(7.70)	(0.44)	(0.23)
Direct taxes paid (net of refunds)			
Net cash flow generated / (used) in operating activities (A)	(7.70)	(0.44)	(0.23)
B. Cash flows from investing activities			
Payments towards purchase of property and capital work in progress	(23.92)	(24.51)	(13.86)
Withdrawal of fixed deposit	-	4.74	(2.23)
Interest received	0.04	0.02	0.07
(Increase) / decrease in other assets	4.62	(6.70)	(3.25)
(Increase) / decrease in Other financial liabilities	3.87	(0.47)	0.69
Increase / (decrease) in other current liabilities	(0.64)	(0.60)	(5.40)
Net cash flow generated / (used) in investing activities (B)	(16.03)	(27.52)	(23.98)
C. Cash flows from financing activities			
Repayment of long-term borrowings	-	(9.20)	9.20
New loan obtained	8.50	23.14	-
Issue of share capitals	-	6.43	10.75
Advance for share issuance	9.00	-	2.00
Share premium received	-	18.57	1.25
Lease payment	(1.05)	-	-
Interest paid	(1.24)	-	-
Net cash flow generated / (used) from financing activities (C)	15.21	38.94	23.20
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(8.52)	10.98	(1.01)
Cash and cash equivalents at the beginning of the year	11.26	0.28	1.29
Cash and cash equivalents at the end of the year	2.74	11.26	0.28
Cash and cash equivalents include			
Balances with banks	2.73	11.26	0.28
Cash on hand	0.01	-	-
Total cash and cash equivalents (refer note 14)	2.74	11.26	0.28

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

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

1 CORPORATE INFORMATION

1.1 Reporting entity

Kudakurathu Island Resort Private Limited (the “Company”) (Registration No.C06152018) is a private limited liability company incorporated and domiciled in the Republic of Maldives since 17 July 2018. The registered office of the Company is situated at Ma. Dawn Shine, Zamaanee Goalhi, K Male’, Republic of Maldives.

1.2 Principal activities and nature of operations

The Company is engaged in owning and operating the “Amari Raaya Resort” (currently know “Raaya by Atmosphere” which provides accommodation facilities, food, and beverages to the tourists and other facilities and recreational activities.

1.3 Date of authorisation for issue

The financial statements of the Company for the years ended 31 March 2024, and the years ended 31 March 2023 and 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 05 August 2024.

2 BASIS OF PREPARATION

2.1 Special Purpose financial statements

The statutory year-end of the Company is 31 December. These special purpose financial statements as at and for years ended 31 March 2024, 2023 and 2022 have been prepared solely for the purpose of providing financial information on reporting dates that are aligned with that of the Issuer to be used in preparation of the Unaudited Proforma Financial Information for inclusion in the Draft Red Herring Prospectus to be prepared by the Issuer for filing with Securities and Exchange Board of India (“SEBI”), in connection with the proposed initial public offer, pursuant to the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “ICDR Regulations”).

As such, these special purpose financial statements as at and for year ended 31 March 2024, 2023 and 2022 of the Company are prepared in addition to the statutory financial statements as at and for the year ended 31 December, and therefore should not be used for any other purpose except as described above.

2.1 Statement of compliance

The statements of financial position, statements of comprehensive income, statements of cash flows and statements of changes in equity, together with accounting policies and notes form the special purpose financial statements (“financial statements”) of the Company. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

2.2 Basis of measurement

These financial statements have been prepared on a historical cost basis and presented in United States dollars (“USD”). All values are rounded to the nearest millions, except when otherwise indicated.

2.3 Comparative information

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022**

2 BASIS OF PREPARATION (CONTINUED)

2.4 Going concern

The Board of Directors is satisfied that the company has adequate resources to continue its operations in the foreseeable future and is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore going-concern basis has been adopted in preparing these financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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, 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 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.

3.1 Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature of operations and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax, income and expense already recorded.

The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in Maldives.

3.2 Useful life of the Property, Plant and Equipment

The Company reviews the residual values, useful lives and methods of depreciation of assets at each reporting date. Management estimates these values, rates, methods and hence they are subject to uncertainty.

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

4 MATERIAL ACCOUNTING POLICY INFORMATION

The following are the significant accounting policies applied by the Company in preparing its financial statements:

4.1 Foreign currency translation

The financial statements are presented in USD, which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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 measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

4.2 Revenue recognition

The Company owns and operates “Amari Raaya Resort” undertake all resort related activities such as room service, food and beverages, spa service and water sports and related activities. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Room service

The performance obligation is satisfied over-time and the payment is generally due upon check out.

Foods and beverages

The performance obligation is satisfied upon delivery of the foods and beverages and the payment is generally due upon check out.

Other services

The performance obligation is satisfied upon delivery of the other services and the payment is generally due upon check out.

Others

Other income is recognised on an accrual basis.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.2 Revenue recognition (Continued)

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

4.3 Expenditure recognition

Expenses are recognised in the statement of comprehensive income on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to statement of comprehensive income in arriving at the profit for the period.

4.4 Taxes

Current tax

Current tax assets and liabilities for the current period 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 end of the reporting period. Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. 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 end of the reporting period.

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:

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

4 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

4.4 Taxes (Continued)

Deferred tax (Continued)

- 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 end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at end of each reporting period 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 end of the reporting period.

Deferred tax relating to items recognised outside statement of comprehensive income is recognised outside statement of comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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 income 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, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in statement of comprehensive income.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables that are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.5 Leases

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

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease right of Kudakurathu in Raa Atoll from 50 years from 01 June 2011

The right-of-use assets are subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.5 Leases (Continued)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.6 Property, plant and equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The cost of the self-constructed assets includes the cost of materials, direct labour cost and appropriate proportion of production overheads. The cost of property, plant and equipment acquired by the Company includes cost of acquisition together with any incidental expenses incurred in bringing the assets to its working condition for the intended use. When a major inspection of plant and machinery is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are met.

Depreciation on property, plant and equipment of the Company is charged on a straight-line basis to write off the cost over the estimated useful life of the assets. Estimated useful life of the major asset classes are as follows:

Island improvements	10 Years
Building	25 Years
Plant & Machinery	10 Years
Furniture & fittings	10 Years
Operating assets	3 years
Computers	5 Years
Vehicles	5 to 10 Years
Electronic equipment	5 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, 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. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment/ Reversal of impairment

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial instruments (Continued)

Financial assets (Continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables.

De-recognition

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 statement of financial position) when:

- The rights to receive cash flows from the asset have expired.

Or

**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial instruments (Continued)

Financial assets (Continued)

De-recognition (Continued)

- 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 its 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.

Impairment of financial assets

The Company applies a simplified approach in calculating ECLs for trade receivables and contract assets. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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, interest bearing loans and borrowings and amounts due to related parties.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial instruments (Continued)

Financial liabilities (Continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings.

De-recognition

Financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

4.9 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts if any. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

4.10 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be used in operations or sold in the ordinary course of business less the estimated processing cost to make them usable for operations. The value of each category of inventory is determined on weighted average cost basis.

4.11 Provisions

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 any provision is presented in the income statement 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.12 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 MARCH 2024, 31 MARCH 2023 AND 31 MARCH 2022

5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the financial statements of the Company in the foreseeable future. The Company intends to adopt these amended standards, if applicable, when they become effective.

5.1 Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ✓ What is meant by a right to defer settlement
- ✓ That a right to defer must exist at the end of the reporting period
- ✓ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ✓ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

5.2 Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 6 - Property, plant and equipment as at March 31, 2024

	Island improvements	Freehold Buildings	Plant and machinery	Furniture and fixtures	Operating assets	Computers	Vehicles	Electrical installations	Total	Capital Works in Progress
Gross block										
Opening	-	-	-	-	-	-	1.04	-	1.04	71.50
Additions/ transfers	5.76	69.07	4.77	6.65	1.23	0.71	3.56	4.09	95.84	25.16
Disposals	-	-	-	-	-	-	-	-	-	(95.84)
Closing balance	5.76	69.07	4.77	6.65	1.23	0.71	4.60	4.09	96.87	0.82
Accumulated Depreciation										
Opening	-	-	-	-	-	-	-	-	-	-
Charge for the year	0.35	1.82	0.28	0.42	0.27	0.09	0.22	0.50	3.95	-
Disposals	-	-	-	-	-	-	-	-	-	-
Closing balance	0.35	1.82	0.28	0.42	0.27	0.09	0.22	0.50	3.95	-
Net Block	5.40	67.26	4.49	6.22	0.96	0.62	4.38	3.59	92.92	0.82

Property, Plant and Equipment As at March 31, 2023

	Island improvements	Freehold Buildings	Plant and machinery	Furniture and fixtures	Operating assets	Computers	Vehicles	Electrical installations	Total	Capital Works in Progress
Gross block										
Opening	-	-	-	-	-	-	-	-	-	45.95
Additions	-	-	-	-	-	-	1.04	-	1.04	25.55
Disposals	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	1.04	-	1.04	71.50
Accumulated Depreciation										
Opening	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Net Block	-	-	-	-	-	-	1.04	-	1.04	71.50

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Property, Plant and Equipment As at March 31, 2022

	Island improvements	Freehold Buildings	Plant and machinery	Furniture and fixtures	Operating assets	Computers	Vehicles	Electrical installations	Total	Capital Works in Progress
Gross block										
Opening	-	-	-	-	-	-	-	-	-	45.95
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	45.95
Accumulated Depreciation										
Opening	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Net Block	-	-	-	-	-	-	-	-	-	45.95

Notes

The amount of interest on lease liabilities capitalised during the years ended 31 March 2024, 2023 and 2022 was USD 0.8 Million, USD 1.56 Million and USD 1.49 Million respectively. The incremental borrowing rate used was 12.25%, 9% and 9% for the years ended 31 March 2024, 2023 and 2022 respectively.

The amount of depreciations on right-of-used assets capitalised during the years ended 31 March 2024, 2023 and 2022 was USD 0.189 Million, USD 0.52 Million and USD 0.54 Million respectively.

The amount of interest on bank loans and related party loans capitalised during the years ended 31 March 2024, 2023 and 2022 was USD 1.28 Million, USD 1.21 Million and USD 0.131 Million respectively. The rate of interest used was the actual bank interest rate for Bank loans and 10% for the related party loan.

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 7 - Right of Use Assets As at March 31, 2024

	Leasehold Land	Total
Opening	21.95	21.95
Lease modifications	(4.86)	(4.86)
Disposals	-	-
Closing balance	17.09	17.09
Accumulated Depreciation		
Opening	2.35	2.35
Charge for the year	0.38	0.38
Disposals	-	-
Closing balance	2.73	2.73
As at 31 March 2024	14.36	14.36
Right of Use Assets As at March 31, 2023		
Opening	22.82	22.82
Additions	-	-
Lease modification	(0.87)	(0.87)
Closing balance	21.95	21.94
Accumulated Depreciation		
Opening	1.83	1.83
Charge for the year	0.52	0.52
Disposals	-	-
Closing balance	2.35	2.35
As at 31 March 2023	19.61	19.60
Right of Use Assets As at March 31, 2022		
Opening	25.15	25.15
Additions	-	-
Lease modification	(2.33)	(2.33)
Closing balance	22.82	22.83
Accumulated Depreciation		
Opening	1.29	1.29
Charge for the year	0.54	0.54
Disposals	-	-
Closing balance	1.83	1.83
As at 31 March 2022	20.99	21.00

As per the agreement entered with the The government of the Republic of Maldives, the Company has obtained the lease right of the Island of Kudakurathu in Raa Atoll for a period of 50 years from 01 June 2011.

Refer note 15 for the securities with regards to the headlease rights.

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 8 - Investments

Particulars	Non-current			Current		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Investments in fixed deposits - at amortised cost						
Investment in fixed deposits	-	-	-	-	-	4.74
Total investments	-	-	-	-	-	4.74

Note 9 - Other assets

Particulars	Non-current			Current		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Advances to suppliers	-	-	-	5.71	10.54	4.91
Less: Allowance for doubtful advances	-	-	-	-	-	-
	-	-	-	5.71	10.54	4.91
Advances to employees	-	-	-	0.12	0.15	0.20
Other receivables	1.02	3.05	1.92	2.10	-	-
Prepaid expenses	-	-	-	0.16	-	-
Total Other assets	1.02	3.05	1.92	8.09	10.69	5.11

Note 10 - Inventories

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Food, beverages and other supplies	0.55	-	-
Total Inventories	0.55	-	-

Note 11 - Trade receivables

Particulars	Current		
	March 31, 2024	March 31, 2023	March 31, 2022
Trade receivables	0.20	-	-
Less : Allowance for credit impaired	-	-	-
Total Trade receivables	0.20	-	-

For explanations on the Company's credit risk management process, refer note 31.

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Kudakurathu Island Resort Pvt Ltd
Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022
(All amounts are in USD millions, unless otherwise stated)

12 - Cash and bank balances	March 31, 2024	March 31, 2023	March 31, 2022
Cash and cash equivalents			
Balances with banks:			
– On current accounts	2.73	11.26	0.28
– Cash on hand	0.01	-	-
	<u>2.74</u>	<u>11.26</u>	<u>0.28</u>

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

	March 31, 2024	March 31, 2023	March 31, 2022
Balances with banks:			
– On current accounts	2.73	11.26	0.28
– Cash on hand	0.01	-	-
	<u>2.74</u>	<u>11.26</u>	<u>0.28</u>
Total Cash and cash equivalents	<u>2.74</u>	<u>11.26</u>	<u>0.28</u>

Changes in liabilities arising from financing activities

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Opening Balance of borrowings	23.14	9.20	-
Add:			
Proceeds from borrowings	8.50	23.14	9.20
Accrual of Interest	0.57	0.69	-
Less:			
Repayment of borrowings	-	(9.20)	-
Payment of interest	-	(0.69)	-
Closing balance of borrowings	<u>32.21</u>	<u>23.14</u>	<u>9.20</u>
Opening Balance of lease liabilities	18.03	17.33	18.18
Add:			
Modifications	(4.86)	(0.86)	(2.32)
Interest expenses	1.64	1.56	1.48
Less:			
Payments	(1.05)	-	-
Closing balance of lease liabilities	<u>13.76</u>	<u>18.03</u>	<u>17.34</u>
Total liabilities from financing activities	<u>45.97</u>	<u>41.17</u>	<u>26.54</u>

Break up of financial assets carried at amortised cost

Particulars	Non-current			Current		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Trade receivables	-	-	-	0.20	-	-
Cash and cash equivalents	-	-	-	2.74	11.26	0.28
Total financial assets carried at amortised cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.94</u>	<u>11.26</u>	<u>0.28</u>

Note 13. Equity share capital

	March 31, 2024	March 31, 2023	March 31, 2022
Authorised shares			
Authorised share capital	43.07	43.07	31.50

USD 43.072 million (March 31, 2023: 43.072 million, March 31, 2022: 31.5 million) Equity shares of MVR. 15.42 each (Converted 1USD = 15.42 MVR)

Issued, subscribed and fully paid-up share capital

Issued, subscribed and fully paid-up share capital	37.93	37.93	31.50
37.928 million (March 31, 2023: 37.928 million, March 31, 2022: 31.5 million)	37.93	37.93	31.50
Equity shares of MVR. 15.42 each			

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

	March 31, 2024		March 31, 2023		March 31, 2022	
	No. of shares	Amount in Million	No. of shares	Amount in Million	No. of shares	Amount in Million
Equity shares						
At the beginning of the year	37,928,889	37.93	31,500,000	31.50	20,750,000	20.75
Issue of shares	-	-	6,428,889	6.43	10,750,000	10.75
Outstanding at the end of the year	37,928,889	37.93	37,928,889	37.93	31,500,000	31.50

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of MVR 15.42 (converted into USD 1/-) per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the year/ previous year.

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

Equity share capital

Name of the	March 31, 2024		March 31, 2023		March 31, 2022	
	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares
Equity shares of MVR						
RP HOLDINGS LIMITED	35.59%	13,500,000	23.73%	9,000,000	28.57%	9,000,000
PANCHSHIL REALTY AND DEVELOPERS PRIVATE LIMITED	47.46%	18,000,000	47.46%	18,000,000	57.14%	18,000,000
PANCHSHIL IT PARK PRIVATE LIMITED	16.95%	6,428,889	16.95%	6,428,889	0.00%	-
SANKEN OVERSEAS PRIVATE LIMITED	0.00%	-	5.93%	2,250,000	7.14%	2,250,000
ORIENT HOSPITALITY SINGAPORE PTE LTD	0.00%	-	5.93%	2,250,000	7.14%	2,250,000

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 14 - Other equity	March 31, 2024	March 31, 2023	March 31, 2022
Share Premium			
Balance as per the last financial statements	21.07	2.50	2.50
Share premium received during the year	-	18.57	-
Closing balance	<u>21.07</u>	<u>21.07</u>	<u>2.50</u>
Retained Earnings			
Balance as per the last financial statements	(1.77)	(1.35)	(1.19)
Loss for the year	(16.55)	(0.42)	(0.16)
Net surplus in the statement of profit and loss	<u>(18.32)</u>	<u>(1.77)</u>	<u>(1.35)</u>
Advance towards share capital			
Balance as per the last financial statements	15.00	15.00	13.00
Advance towards share capital during the year	9.00	-	2.00
Closing balance	<u>24.00</u>	<u>15.00</u>	<u>15.00</u>
Total other equity	<u><u>26.75</u></u>	<u><u>34.30</u></u>	<u><u>16.15</u></u>

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

	Non-current			Current		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Term loans (secured)						
USD Syndicated loan with Sampath Bank PLC and Seylan Bank PLC	-	-	9.20	-	-	-
Standard Chartered Bank USD Loan	24.07	15.00	-	-	-	-
Loan from Panchshili Reality and Developers Pvt Ltd	8.89	8.14	-	-	-	-
	<u>32.96</u>	<u>23.14</u>	<u>9.20</u>	<u>-</u>	<u>-</u>	<u>-</u>
The above amount includes						
Secured borrowings	24.07	15.00	9.20	-	-	-
Unsecured borrowings	8.89	8.14	-	-	-	-
Total Borrowings	<u>32.96</u>	<u>23.14</u>	<u>9.20</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Maturity analysis of borrowings is disclosed in note No 30

Standard Chartered Bank USD Loan

31 March 2024 and 2023

USD 25 Mn facility agreement with STANDARD CHARTERED BANK (HONG KONG) LIMITED. The terms and condition of the loan as follows;

Facility amount: USD 25 Mn

Interest rate: Compounded Reference Rate for that day plus Margin of 7.4% per annum

Repayment: The Borrower shall repay the Loans in full on the Termination Date i.e 36 months after the first Utilisation Date.

Securities:

- Ownership and beneficial rights, titles and interests of the mortgagor on, over and to the Island and the resort under the Head Lease of Kudakurathu Island, Raa Atoll, Republic of Maldives.

- All immovable assets from time to time situated on or forming part of the Island and the resort including buildings, installations, facilities, structures, fixed plants and machinery constructed or to be constructed on the island and the resort, fixtures and fittings and any and all substitutions, replacements, renewals and additions.

- All movable assets including all plants, machinery, equipment, tools, furniture, vehicles, cutlery and crockery, linen, stock, spare parts, instruments, engine appliances, accessories, apprentices and everting used and associated with the Island.

Covenants:

- Loan to value shall not exceed 60.6%

Loan from Panchshili Reality

31 March 2024 and 2023:

As agreed with Panchshili Reality and Developers Pvt Ltd, a sum of USD 55 Mn and 2 Mn has been agreed to lend as Inter Corporate Deposit. The terms and condition of the loan as follows;

Facility amount: USD 55 Mn and 2 Mn

Interest rate: 10% per annum

Repayment: 5 years from the date of remittance

31-Mar-22

USD Syndicated loan with Sampath Bank PLC and Seylan Bank PLC

The Company has entered into a USD 25 Mn syndicated term loan facility with Sampath Bank PLC and Seylan Bank PLC. The terms and condition of the loan as follows;

Facility amount: USD 25 Mn

Interest rate: 3 months LIBOR plus Margin of 6.75% floor rate

Repayment: Capital to be repaid in 29 installments over 7 years after the grace period of 2 years

Securities:

- Ownership and beneficial rights, titles and interests of the mortgagor on, over and to the Island and the resort under the Head Lease of Kudakurathu Island, Raa Atoll, Republic of Maldives.

- All immovable assets from time to time situated on or forming part of the Island and the resort including buildings, installations, facilities, structures, fixed plants and machinery constructed or to be constructed on the island and the resort, fixtures and fittings and

- All movable assets including all plants, machinery, equipment, tools, furniture, vehicles, cutlery and crockery, linen, stock, spare parts, instruments, engine appliances, accessories, apprentices and everting used and associated with the Island.

Covenants:

- Maintain a Debt to Equity Ratio of the project below 34: 66 throughout the term

- Adjusted Debt Service Coverage Ratio at or above 1.20 times as of first testing date and thereafter

Kudakurathu Island Resort Pvt Ltd
Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022
(All amounts are in USD millions, unless otherwise stated)

Note 16 - Lease liability

	Non-current			Current		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Lease Liability	13.61	18.03	17.33	0.14	-	-
	<u>13.61</u>	<u>18.03</u>	<u>17.33</u>	<u>0.14</u>	<u>-</u>	<u>-</u>

Movement of the lease liability

	March 31, 2024	March 31, 2023	March 31, 2022
Opening balance	18.03	17.33	18.18
Interest	1.64	1.56	1.48
Modification	(4.86)	(0.86)	(2.33)
Payment	(1.05)	-	-
Closing balance	<u>13.76</u>	<u>18.03</u>	<u>17.33</u>

Recorded in the statement of Comprehensive income

	March 31, 2024	March 31, 2023	March 31, 2022
Depreciations	0.19	-	-
Interest	0.84	-	-
	<u>1.03</u>	<u>-</u>	<u>-</u>

Amount capitalised

	March 31, 2024	March 31, 2023	March 31, 2022
Depreciations	0.19	0.52	0.54
Interest	0.80	1.56	1.48
	<u>0.99</u>	<u>2.08</u>	<u>2.02</u>

Incremental Borrowing Rate

March 31, 2024	March 31, 2023	March 31, 2022
12.25%	9.00%	9.00%

Note 17 - Other financial liabilities

	Non-current			Current		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Retentions	-	-	-	2.79	2.47	1.69
Capital creditors	-	-	-	3.83	0.30	1.55
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>6.62</u>	<u>2.77</u>	<u>3.24</u>

Note 18 - Trade payables

	March 31, 2024	March 31, 2023	March 31, 2022
Trade payables	1.82	-	-
Accrued expenses	0.34	-	-
	<u>2.16</u>	<u>-</u>	<u>-</u>

Note 19 - Other Liabilities

	Current		
	March 31, 2024	March 31, 2023	March 31, 2022
Advance from customers	0.19	-	-
Other liabilities	0.34	0.97	1.58
Total other liabilities	<u>0.53</u>	<u>0.97</u>	<u>1.58</u>

Kudakurathu Island Resort Pvt Ltd
Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022
(All amounts are in USD millions, unless otherwise stated)

Note 20 - Revenue from operations			
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from contracts with customers			
Revenue from room rentals	3.91	-	-
Sale of food and beverages	1.79	-	-
Other revenue	0.69	-	-
Total revenue from operations	<u>6.39</u>	<u>-</u>	<u>-</u>
Type of goods or service	<u>March 31, 2024</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Revenue from hotel operations	6.39	-	-
	<u>6.39</u>	<u>-</u>	<u>-</u>
Reconciliation of the amount of revenue recognised in the statement of profit & loss with the contracted price			
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue as per contracted price	6.39	-	-
Revenue from contract with customers	<u>6.39</u>	<u>-</u>	<u>-</u>
Disaggregated revenue recognition			
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue recognised over a period of time	3.91	-	-
Revenue recognised at a point of time	2.48	-	-
	<u>6.39</u>	<u>-</u>	<u>-</u>
Note 21 - Other income			
	March 31, 2024	March 31, 2023	March 31, 2022
Interest income on			
- Bank deposits	0.04	0.02	0.07
	<u>0.04</u>	<u>0.02</u>	<u>0.07</u>
Net gain on foreign exchange fluctuations	-	0.00	-
Miscellaneous income	0.08	0.01	0.00
	<u>0.08</u>	<u>0.01</u>	<u>0.00</u>
	<u>0.12</u>	<u>0.03</u>	<u>0.08</u>

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 22 - Cost of materials consumed	March 31, 2024	March 31, 2023	March 31, 2022
Cost of food and beverages consumed			
Inventory at the beginning of the year	-	-	-
Add: Purchases	1.75	-	-
	1.75		
Less: Inventory at the end of the year	0.55	-	-
Cost of food and beverages consumed	1.20	-	-
Cost of Construction material sold	-	-	-
	1.20	-	-

Details of food and beverages consumed

There are no items of food and beverages whose purchases exceeded 10% of total consumption. It is not practicable to furnish the information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

Note 22A - Employee benefit expenses	March 31, 2024	March 31, 2023	March 31, 2022
Salaries, wages and bonus	3.84	0.10	0.05
Contribution to provident and other funds	0.05	-	-
Staff welfare expenses	0.00	-	-
	3.89	0.10	0.05

Note 22B - Other expenses	March 31, 2024	March 31, 2023	March 31, 2022
Power, fuel and light	1.59	-	-
	1.59	-	-
Housekeeping expenses	0.09	-	-
Repairs and maintenance			
Plant and machinery	0.12	-	-
Buildings	0.00	-	-
Vehicle	0.01	-	-
Others	0.03	-	-
Others (Preopening)	0.01	-	-
Rates and taxes	0.00	-	-
Insurance charges	0.17	0.02	0.08
Advertising and sales promotion	0.90	-	-
Travelling and conveyance	0.39	-	0.03
Printing and stationery	0.02	-	-
Legal and professional fees	0.89	0.27	0.03
Linen, laundry and cleaning	0.05	-	0.00
Internet, telephone and other operating supplies	0.25	-	-
Auditors' remuneration (refer note 23.01 below)	0.04	-	0.00
Management fees	0.06	-	-
Security expenses	0.12	-	-
Exchange loss (net)	(0.00)	-	0.00
Preopening expenses	4.13	-	-
Miscellaneous expenses	1.53	0.00	0.00
Rent	0.01	0.02	0.03
Bank charges	0.17	0.04	0.02
Marketing fee	0.10	-	-
	10.68	0.35	0.19

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

22.01 Auditors' Remuneration

	March 31, 2024	March 31, 2023	March 31, 2022
As auditor:			
- Audit fee	0.02	-	0.00
- Reimbursement of expenses	0.00	-	-
- others	0.02	-	-
	<u>0.04</u>	<u>-</u>	<u>0.00</u>

Note 23 - Depreciation and amortisation expense

	March 31, 2024	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (refer note 4)	3.95	-	-
Depreciation of right-of-use assets (refer note 4)	0.19	-	-
	<u>4.14</u>	<u>-</u>	<u>-</u>

Note 24 - Finance costs

	March 31, 2024	March 31, 2023	March 31, 2022
Interest expenses			
- on bank facilities	1.81	-	-
- on inter corporate deposit	0.50	-	-
- Lease liabilities	0.84	-	-
	<u>3.15</u>	<u>-</u>	<u>-</u>
Total finance cost	<u>3.15</u>	<u>-</u>	<u>-</u>

Note 25. Income tax

The major components of income tax expense for the years ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 are:

Statement of profit and loss section

	March 31, 2024	March 31, 2023	March 31, 2022
Current income tax:			
Current income tax charge	-	-	-
Adjustment for current tax of previous years	-	-	-
Deferred tax:	-	-	-
Total current tax expense	-	-	-
OCI Section:			
Deferred tax related to items recognised in OCI during the year	-	-	-
Income tax expense reported in the statement of profit or loss	-	-	-

Reconciliation of tax expense and the accounting profit multiplied by Maldives's domestic tax rate for the year ended

	March 31, 2024	March 31, 2023	March 31, 2022
Accounting loss before tax	(16.55)	(0)	(0)
Computed tax expense In accordance with the provisions of the Income Tax Act No. 25 of 2019 and subsequent amendments			
Adjustments for:			
Total amount of deductions allowed	(5.56)	-	-
Total amount of deductions not allowed	4.01	-	-
Interest disallowed under the thin capitalisation rule (Section 71 of the Act)	2.31	-	-
Deductible disallowed interest brought forward from previous years	-	-	-
	(15.79)	(0)	(0)
Size of the tax bracket available at 0%	-	-	-
Amount of tax subject to 15%	-	-	-
At the effective tax rate of 15% (31 March 2024: 15%, 31 March 2023: 15%, 31 March 2022: 15%)	-	-	-
Income tax expense reported in the statement of comprehensive income	-	-	-

Statement of Balance sheet section

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Accelerated depreciation for tax purpose	1.06	-	-
Tax losses	2.47	0.10	0.04
Unclaimed interest	0.35	-	-
Net deferred tax expense/(income)	-	-	-
Net deferred tax assets/(liabilities)	3.88	0.10	0.04
Net deferred tax assets recognised in Balance Sheet*	-	-	-

Reflected in the balance sheet as follows

	March 31, 2024	March 31, 2023	March 31, 2022
Deferred tax liability	-	-	-
Deferred tax assets	-	-	-
Deferred tax assets (net)	-	-	-

Tax losses available for set off against future taxable profits of the company are mentioned below:

Particulars	March 31, 2024	
	Amount	Offsetting maximum period
Accumulated tax losses	16.45	5 Years from it occurred
Disallowed interest under Thin capitalisaiton	3.52	10 years from it occurred

Particulars	March 31, 2023	
	Amount	Offsetting maximum period
Accumulated tax losses	0.66	5 Years from it occurred
Disallowed interest under Thin capitalisaiton	0.08	10 years from it occurred

Particulars	March 31, 2022	
	Amount	Offsetting maximum period
Accumulated tax losses	0.24	5 Years from it occurred

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax assets have not been recognised in these financial statements because it is not probable that future taxable profit will be available against which the company can utilise the benefits therefrom.

Note 26. Commitments and contingencies

a. Capital commitments

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on other account	3.18	9.70	26.79

Company as a lessee

The Company has recognised right-of-use assets in relation to the leasehold rights of the Kudakurathu in Raa Atoll as per the agreements entered with the Government of Maldives for a period of 50 years from 01 June 2011.

The Maturity analysis of lease liabilities is disclosed in note No 31

Note 27. Particulars of unhedged foreign currency exposure as at the

	March 31, 2024		March 31, 2022	
	Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.
Payables Other than USD	-	-	-	-

	March 31, 2021	
	Amount in foreign currency	Amount in Rs.
Payables Other than USD	-	-

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 28. Related Party Disclosures

Disclosures of transactions with Related Parties are as under:

A. Description of Related Parties

i) Name of the Related party and nature of relationship

A. Related parties where control exists

Nature of relationship	Name of the Company
Investors	RP Holdings Limited
	Panchshil Realty and Developers Private Limited
	Panchshil IT Park Private Limited
	Sanken Overseas Private Limited
	Orient Hospitality Singapore Pte Ltd (Prior to 31 March 2023)

C. Transactions with Related Parties

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
RP Holdings Limited			
Funds received for the issuance of shares	4.50	15.00	-
Funds received for advances for shares issuance	9.00	-	-
Panchshil Realty and Developers Private Limited			
Funds received for issuance of shares	-	-	10.50
Loan received	-	8.14	-
Interest accrued	0.75	0.64	-

Balances outstanding as at year end:

Related Party Disclosures-Balance outstanding

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Payables			
Loan payables	8.89	8.14	-

Transactions with key management personnel

Compensation of key management personnel of the Company

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Short term Benefits	-	-	-
Post employment Benefits	-	-	-

Note 29. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2024

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Total carrying value	Total fair value
Financial assets				
Trade and other receivables	0.20	-	0.20	0.20
Cash and cash equivalents	2.74	-	2.74	2.74
Total-Financial assets	2.94	-	2.94	2.94
Financial liabilities				
Borrowings	32.96	-	32.96	32.96
Other financial liabilities	6.62	-	6.62	6.62
Lease Liability	13.76	-	13.76	13.76
Trade payables	2.16	-	2.16	2.16
Total-Financial liabilities	55.50	-	55.50	55.50

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2023

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Total carrying value	Total fair value
Financial assets				
Loans	-	-	-	-
Current investments	-	-	-	-
Trade and other receivables	-	-	-	-
Cash and cash equivalents	11.26	-	11.26	11.26
Other bank balances	-	-	-	-
Other financial assets	-	-	-	-
Total-Financial assets	11.26	-	11.26	11.26
Financial liabilities				
Borrowings	23.14	-	23.14	23.14
Other financial liabilities	2.77	-	2.77	2.77
Lease Liability	18.03	-	18.03	18.03
Total-Financial liabilities	43.94	-	43.94	43.94

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2022

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Total carrying value	Total fair value
Financial assets				
Current investments	-	4.74	4.74	4.74
Cash and cash equivalents	0.28	-	0.28	0.28
Total	0.28	4.74	5.02	5.02
Financial liabilities				
Borrowings	9.20	-	9.20	9.20
Other financial liabilities	3.24	-	3.24	3.24
Lease Liability	17.33	-	17.33	17.33
Total	29.77	-	29.77	29.77

Note 30. Financial instruments risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised 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 prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings and investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024, March 31, 2023, and March 31, 2022.

The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed-to floating interest rates of the debt are all constant as at March 31, 2024, March 31, 2023, and March 31, 2022.

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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected the Company profit before tax is affected through the impact on floating rate borrowings, as follows:

Risk management- Interest rate sensitivity Table

	March 31, 2024		March 31, 2023		March 31, 2022	
	Increase / decrease in basis points	Effect on profit before tax	Increase / decrease in basis points	Effect on profit before tax	Increase / decrease in basis points	Effect on profit before tax
USD	+ 50	1.20	+ 50	0.75	+ 50	0.46
	- 50	(1.20)	- 50	(0.75)	- 50	(0.46)

Note 30. Financial instruments risk management objectives and policies (Continued)

Credit risk

Credit risk is the risk that a 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 from its financing activities, including deposits with banks, other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. In case of hospitality business, credit risk is managed by each business unit 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 assessment. Outstanding customer receivables are regularly monitored.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in this section.

The Company assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Particulars	Not due	Within 120 days*	More than 120 days*	Total
March 31, 2024	0.12	0.08	-	0.20
Estimated total gross carrying amount	-	-	-	-
ECL - Simplified approach	-	-	-	-
Net carrying amount	-	-	-	-

Particulars	Not due	Within 120 days*	More than 120 days*	Total
March 31, 2023	-	-	-	-
Estimated total gross carrying amount	-	-	-	-
ECL - Simplified approach	-	-	-	-
Net carrying amount	-	-	-	-

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 30. Financial instruments risk management objectives and policies (Continued)

Particulars	Not due	Within 120 days*	More than 120 days*	Total
March 31, 2022	-	-	-	-
Estimated total gross carrying amount	-	-	-	-
ECL - Simplified approach	-	-	-	-
Net carrying amount	-	-	-	-

Foreign currency risk

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

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	March 31, 2024		March 31, 2023		March 31, 2022	
	Increase / decrease in rate	Effect on profit before tax	Increase / decrease in rate	Effect on profit before tax	Increase / decrease in rate	Effect on profit before tax
Other than USD payables	+ 50	-	-	-	+ 50	-
	- 50	-	-	-	- 50	-

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and polices related to such risk are overseen by Senior management. Management monitors the Company's net liquidity position on a monthly and quarterly basis through its Senior management meeting and board meetings.

The Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and borrowings from banks and related parties.

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

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 30. Financial instruments risk management objectives and policies (Continued)

Risk management- Liquidity risk As at March 31, 2024

	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at March 31, 2024						
Borrowings	1.39	0.57	2.03	35.96	-	39.95
Trade Payables	2.16	-	-	-	-	2.16
Lease Liability	0.39	-	1.16	6.90	46.93	55.38
Other financial liabilities	6.62	-	-	-	-	6.62
Total	10.56	0.57	3.19	42.86	46.93	104.10

Risk management- Liquidity risk As at March 31, 2023

	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at March 31, 2023						
Borrowings	0.64	0.45	1.34	28.64	-	31.07
Lease Liability	-	-	-	7.05	49.38	56.42
Other financial liabilities	2.77	-	-	-	-	2.77
Total	3.41	0.45	1.34	35.68	49.38	90.26

Risk management- Liquidity risk As at March 31, 2022

	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at March 31, 2022						
Borrowings	-	0.32	0.95	7.41	8.41	17.09
Lease Liability	-	-	-	5.55	50.88	56.42
Total	-	0.32	0.95	12.96	59.29	73.51

Kudakurathu Island Resort Pvt Ltd

Notes to the Special Purpose financial statements year ended 31 March 2024, 2023 and 2022

(All amounts are in USD millions, unless otherwise stated)

Note 30. Financial instruments risk management objectives and policies (Continued)

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it 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 the capital using gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Borrowings (Note 17)	32.96	23.14	9.20
Less: cash and short-term and long term deposits (Note 14A and 14B)	2.74	11.26	0.28
Net debt	30.22	11.88	8.92
Equity share capital (Note 15)	37.93	37.93	31.50
Other equity (Note 16)	26.75	34.30	16.15
Total capital	64.68	72.23	47.65
Capital and net debt	94.90	84.11	56.57

Gearing ratio

32%	14%	16%
-----	-----	-----

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.