

**Independent Auditor's Report on Special Purpose Ind AS Carve-Out Financial Statements
of Panchshil Infrastructure Holdings Private Limited**

To,
The Board of Directors of
Panchshil Infrastructure Holdings Private Limited
Tech Park One, Tower - E, 191
Yerwada, Pune, Maharashtra 411006

Opinion

We have audited the accompanying Special Purpose Ind AS Carve-Out Financial Statements of Marriott Suites, Pune Hotel and Oakwood Residence Naylor Road, Pune Hotel ("the Hotel Business") transferred by Panchshil Infrastructure Holdings Private Limited (the "Transferor") including transfer of Business Assets and Liabilities in accordance with Business Transfer Agreement ("BTA") dated August 6, 2024, which comprises of the Special Purpose Carve-Out Balance Sheets as at March 31, 2024 and March 31, 2023; the Special Purpose Carve-Out Statement of Profit and Loss (including other comprehensive income); the Special Purpose Carve-Out Statement of Changes in Equity, the Special Purpose Carve-Out Statement of Cash Flows, and a summary of material accounting policies and other explanatory information for the year ended March 31, 2024 and March 31, 2023 (hereinafter referred to as the "Special Purpose Carve-Out Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Carve Out Financial Statements of the Hotel Business have been prepared, in all material respects in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Carve-out Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Carve-Out Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ('Act') and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the audit of Special Purpose Carve-Out Financial Statements' section of our report. We are independent of the Transferor 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 Special Purpose Carve-Out Financial Statements under the provisions of the Act 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 audit opinion on the Special Purpose Carve-Out Financial Statements.

THIS SPACE IS INTENTIONALLY LEFT BLANK



Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the Special Purpose Carve-Out Financial Statements, which describes the basis of accounting. The Special Purpose Carve-Out Financial Statements have been prepared solely for the preparation of the Unaudited Proforma Financial Information which are being prepared for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") to be prepared by Ventive Hospitality Limited (formerly known as ICC Realty (India) Private Limited) ("the Issuer") for filing with SEBI, in connection with the proposed IPO, 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 Carve-Out Financial Statements may not be suitable for another purpose. Our report is intended solely for the Company and the auditors of the Issuer in connection with their report on the Compilation of Unaudited Proforma Financial Information to be included in the DRHP of the Issuer and should not be used for any other purpose.

Our opinion is not modified in respect of the above matter.

Management's responsibility for the Special Purpose Carve-Out Financial Statements

The Board of Directors of the Transferor is responsible for the preparation of the Special Purpose Carve-Out Financial Statements in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Carve-Out Financial Statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Hotel Business and for preventing and detecting frauds and other irregularities; application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 of the Special Purpose Carve-Out Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Carve-Out Financial Statements, Board of Directors of the Transferor is responsible for assessing the Hotel Business'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 Hotel Business or to cease operations or has no realistic alternative but to do so.

The Board of Directors of the Transferor is also responsible for overseeing the Hotel Business's financial reporting process.

Auditor's Responsibilities for the audit of Special Purpose Carve-Out Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Carve-Out 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 Special Purpose Carve-Out Financial Statements.

THIS SPACE IS INTENTIONALLY LEFT BLANK



S R B C & CO LLP

Chartered Accountants

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 Special Purpose Carve-Out 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 Hotel Business's internal control.
- ▶ Evaluate the appropriateness of accounting policies and 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 Hotel Business'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 Hotel Business to cease to continue as a going concern.

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.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003


per **Mustafa Saleem**
Partner

Membership Number: 136969
UDIN: 24136969BKFGUU1939
Place of Signature: Pune
Date: August 30, 2024



Panchshil Infrastructure Holdings Private Limited

Special Purpose Carve out Balance sheet as at March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	514.04	526.29
Capital work-in-progress	3.a	47.03	-
Other Intangible Assets	3	-	-
Right of use assets	3.b	108.90	123.10
Financial assets			
Other financial assets	4	14.13	10.22
Deferred tax assets (net)	5	30.50	35.08
Other non-current assets	6	8.07	2.23
Total non-current assets		722.67	696.92
Current assets			
Inventories	7	13.09	14.04
Financial assets			
Trade receivables	8	70.30	59.44
Cash and cash equivalents	9	23.10	50.49
Other financial assets	4	0.91	0.85
Other current assets	6	19.57	20.09
Total current assets		126.97	144.91
TOTAL ASSETS		849.64	841.83
EQUITY AND LIABILITIES			
Equity			
Other equity	10	(14.63)	(168.13)
		(14.63)	(168.13)
Non-current liabilities			
Financial liabilities			
Borrowings	11 (A)	435.49	603.25
Lease liabilities	12	114.26	122.93
Other non-current liabilities	13	70.52	73.88
Provisions	14	4.69	4.15
		624.96	804.21
Current liabilities			
Financial liabilities			
Borrowings	11 (B)	92.43	75.15
Lease liabilities	12	8.67	7.18
Trade payables	15	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	1.45
- Total outstanding dues of creditors other than micro enterprises and small enterprises		69.88	62.19
Other financial liabilities	16	8.23	7.62
Other current liabilities	13	14.78	27.76
Provisions	14	3.50	3.34
Current tax liabilities	17	41.82	21.05
		239.31	205.74
Total liabilities		864.27	1,009.95
TOTAL EQUITY AND LIABILITIES		849.64	841.83

Summary of material accounting policies to Special Purpose carve out financial statements

2

The accompanying notes are an integral part of the Special Purpose carve out financial statements.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Mustafa Saleem
Partner
Membership No.: 136969
Place: Pune
Date: August 30, 2024



For and on behalf of the Board of Directors of
Panchshil Infrastructure Holdings Private Limited

Atul Chordia
Director
DIN: 00054998
Place: Pune
Date: August 30, 2024

Sagar Chordia
Director
DIN: 00054123
Place: Pune
Date: August 30, 2024



Panchshil Infrastructure Holdings Private Limited**Special Purpose Carve Out Statement of profit and loss for the year ended March 31, 2024**

(All amounts are in Indian Rupees million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I Income			
Revenue from operations	18	850.80	817.82
Other income	10	18.79	17.04
Total income (I)		869.59	834.86
II Expenses			
Cost of materials consumed	20	80.99	79.91
Employee benefits expense	21	117.83	106.41
Finance costs	23	86.57	102.14
Depreciation and amortisation expense	24	52.21	55.43
Other expenses	22	383.91	352.51
Total expenses (II)		721.51	696.40
III Profit before tax (I-II)		148.08	138.46
IV Tax expenses:			
Current tax	5	35.44	33.16
Deferred tax charge	5	4.58	13.27
Total tax expenses (III-IV)		40.02	46.43
V Profit for the year (III-IV)		108.06	92.03
VI Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
Re-measurement losses on defined benefit plans		(0.19)	(0.64)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(0.19)	(0.64)
VII Total comprehensive income for the year, net of tax (V+VI)		107.87	91.39

Summary of material accounting policies to Special Purpose carve out financial statements

2

The accompanying notes are an integral part of the Special Purpose Carve out financial statements.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants

ICAI firm registration number: 324982E/E300003

per Mustafa Saleem
Partner

Membership No.: 136969

Place: Pune

Date: August 30, 2024

For and on behalf of the Board of Directors of
Panchshil Infrastructure Holdings Private LimitedAtul Chordia
Director

DIN: 00054998

Place: Pune

Date: August 30, 2024

Sagar Chordia
Director

DIN: 00054123

Place: Pune

Date: August 30, 2024



Panchshil Infrastructure Holdings Private Limited**Special purpose Carve Out Statement of cash flow for the year ended March 31, 2024**

(All amounts are in Indian Rupees million, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flows from operating activities		
Profit before tax	148.08	138.46
Adjustments for:		
Depreciation and amortisation expenses	52.21	55.43
Liabilities written back	(0.81)	(11.88)
Loss on discard of property plant and equipment	0.84	-
Provision for doubtful receivables and advances	0.49	2.26
Debit balance written off	0.15	-
Finance costs	86.57	102.14
Interest income	(0.30)	(0.27)
Operating profit before working capital changes	287.23	286.15
Movements in working capital :		
Increase in other non current assets	(5.84)	(2.23)
(Increase) / decrease in inventories	0.95	(3.00)
Increase in trade receivables	(11.35)	(15.16)
(Increase) / decrease in other current financial assets	(0.06)	0.28
(Increase) / decrease in other non current financial assets	(3.91)	6.46
(Increase) / decrease in other current assets	0.52	(3.35)
Increase / (decrease) in trade payables	6.23	(51.37)
Increase / (decrease) in other non-current financial liabilities	(3.36)	73.88
Increase in other current financial liabilities	0.67	3.20
Increase / (decrease) in other current liabilities	(12.98)	20.68
Increase in provisions	0.70	0.19
Cash generated from operations	258.80	315.72
Direct taxes paid (net of refunds)	(14.67)	(12.11)
Net cash flow generated in operating activities (A)	244.13	303.61
B. Cash flows from investing activities		
Payments towards purchase of property, plant and equipment and capital work in progress	(73.96)	(16.66)
Sale of property, plant and equipment	1.10	-
Net cash flow used in investing activities (B)	(72.86)	(16.66)
C. Cash flows from financing activities		
Repayment of long-term borrowings	(151.65)	(17.50)
Net (investment)/withdrawal during the year	45.63	(151.76)
Interest paid	(73.44)	(85.66)
Lease liability paid	(19.21)	(14.40)
Net cash flow used from financing activities (C)	(198.67)	(269.31)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(27.40)	17.62
Cash and cash equivalents at the beginning of the year	50.49	32.86
Cash and cash equivalents at the end of the year	23.10	50.48
Cash and cash equivalents include		
Balances with banks	22.50	50.02
Cash on hand	0.60	0.47
Total cash and cash equivalents (refer note 9)	23.10	50.48

Summary of material accounting policies to Special Purpose carve out financial statements

2

The accompanying notes are an integral part of the Special Purpose Carve out financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI firm registration number: 324982E/E300003

per Mustafa Saleem
Partner

Membership No.: 136969

Place: Pune

Date: August 30, 2024



For and on behalf of the Board of Directors of

Panchshil Infrastructure Holdings Private Limited

Atul Chordia

Director

DIN: 00054998

Place: Pune

Date: August 30, 2024

Sagar Chordia

Director

DIN: 00054123

Place: Pune

Date: August 30, 2024



Panchshil Infrastructure Holdings Private Limited

Special Purpose Carve Out Statement of changes in equity for the year ended for the March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

A. Equity share capital

Particulars	Amount Rs		in numbers	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	-	-	-	-
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the year	-	-	-	-
At the end of the year	-	-	-	-

B. Other equity*

	Amount Rs
Balance as at 1 April 2022	(107.76)
Net withdrawal during the year	(151.76)
Profit for the year	92.03
Other comprehensive expenses	(0.64)
Balance as at March 31, 2023	(168.13)
Net investment during the year	45.63
Profit for the year	108.06
Other comprehensive expenses	(0.19)
Balance as at March 31, 2024	(14.63)

* represents the difference between the assets and liabilities of Carve Out business of Panchshil Infrastructure Holdings Private Limited being net asset value excluding capital contribution from owner. The accompanying notes are an integral part of the Special Purpose Carve out financial statement.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Muskan Saleem
Partner

per: Muskan Saleem

Partner

Membership No.: 136969

Place: Pune

Date: August 30, 2024

For and on behalf of the Board of Directors of
Panchshil Infrastructure Holdings Private Limited



Atul Chordia
Director

Atul Chordia

Director

DIN: 00054998

Place: Pune

Date: August 30, 2024

Sagar Chordia
Director

Sagar Chordia

Director

DIN: 00054123

Place: Pune

Date: August 30, 2024



1. Corporate Information

Panchshil Infrastructure Holdings Private Limited ("the Company") is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of real estate development and sale, operation of service apartments and a commercial hotel.

2. Material accounting policies

The material accounting policies applied by the Company in the preparation of its Special Purpose Carve Out Financial Statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Special Purpose Carve Out Financial Statements, unless otherwise indicated

2.1 Purpose of preparation of these Special Purpose Carve Out Financial Statements

The Board of Directors of Panchshil Infrastructure Holdings Private Limited ("the Company") approved the transfer of Marriott Suites and Oakwood Residence Hotel including transfer of Business Assets and Liabilities in accordance with the Business Transfer Agreement dated August 06, 2024 (the "Hotel Business") as a going concern with all the related rights, title and interest in and to the Hotel Business.

These Special Purpose Carve Out Financial Statements of the Hotel Business are being prepared:

a) For the purpose of inclusion in the Offer Document to be prepared by Ventive Hospitality Private Limited (formerly known as ICC Realty (India) Private Limited) ("the Issuer"), for filing with Securities and Exchange Board of India ("SEBI"), in connection with the proposed Initial Public Offer ("IPO"), pursuant to the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and accordingly carve out financial information of Hotel Business for the year ended March 31, 2024 have been included. Further, in consultation with SEBI, the Company has voluntarily included carve out financial information of the Hotel Business for the year ended March 31, 2023 and March 31, 2022. As per the management, inclusion of the voluntary carve out financial information would provide relevant and useful information for the aforesaid proposed IPO.

b) For the purpose of preparation of the Unaudited Proforma Financial Information of the Issuer which are being prepared for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP"), in connection with the proposed IPO of equity shares of face value of Rs. 1 each of the Issuer.

These Special Purpose Carve Out Financial Statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on August 30, 2024. The transfer of Hotel Business is subject to the satisfaction of conditions as stipulated in the Business Transfer Agreement dated August 06, 2024.

2.2. Basis of Preparation of these Special Purpose Carve Out Financial Statements

(i) The Special Purpose Carve Out Financial Statements of the Hotel Business of the Company, which comprises the Special Purpose Carve Out Balance Sheets as at March 31, 2024 and as at March 31, 2023, the Special Purpose Carve Out Statements of Profit and Loss including Other Comprehensive Income, the Special Purpose Carve Out Statements of Cash Flows and the Special Purpose Carve Out Statement of Changes in Equity for the years ended March 31, 2024 and March 31, 2023, and notes to the Special Purpose Carve Out Financial Statements, including a summary of material accounting policies and other explanatory information (collectively the "Special Purpose Carve Out Financial Statements") have been prepared:

a. taking into consideration the terms of the Business Transfer Agreement dated August 06, 2024;

b. in accordance with Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

Accordingly, the Special Purpose Carve Out Financial Statements include only those assets and liabilities (including contingencies) that are to be acquired by the Issuer under the terms of the Business Transfer Agreement dated August 06, 2024, being the assumed assets and assumed liabilities for all the years presented.

(ii) The Special Purpose Carve Out Financial Statements have been prepared using basis of preparation and using the accounting principles under the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended ('Ind AS') on a carve out basis taking into account the specifics to be considered in preparing the Special Purpose Carve Out Financial Statements.

Whilst the financial information included in these Special Purpose Carve Out Financial Statements is in accordance with basis of preparation using Ind AS principles, however, these Special Purpose Carve Out Financial Statements do not include all of the information required for a complete set of Ind AS financial statements.

(iii) The Hotel Business has historically operated as part of the Company and not as a standalone entity. Financial statements representing the operations of the Hotel Business have been derived from the Company's accounting records and are presented on a carve out basis.

(iv) The principal purpose of Special Purpose Carve Out Statements of Profit and Loss is to present the historical operations of the carved out Hotel business and reflect all the costs of doing business and corresponding revenue. Therefore, these Special Purpose Carve Out Statements of Profit and Loss includes the relevant costs and revenue as if the carve out business operated as a separate entity in the periods presented.



(v) Other equity/Net parent investment, as disclosed in these Special Purpose Carve Out Financial Statements, being net asset value, represents the difference between the assumed assets and liabilities of the Hotel Business of the Company.

(vi) Assets, liabilities, income and expenses recognised in these Special Purpose Carve Out Financial Statements that are directly attributable to the Hotel Business are based on the books of accounts and underlying accounting records maintained by the Company and as per conditions set out in the Business Transfer Agreement dated August XX, 2024.

(vii) These Special Purpose Carve Out Financial Statements may not include all the actual expenses that would have been incurred had the carve out business operated as a standalone company during the periods presented and may not reflect the financial position and financial performance had it operated as a standalone company during such periods. Actual costs that would have been incurred if carve out business had operated as a standalone company would depend on multiple factors, including organizational structure, capital structure, strategic and tactical decisions made in various areas, including information technology and infrastructure.

(viii) Therefore, the resulting financial position, financial performance and cash flows in these Special Purpose Carve Out Financial Statements may not be that which might have existed if the carve out business had been a standalone company. Further, the information may not be representative of the financial position, financial performance and cash flows which may prevail after the transaction.

(ix) The Special Purpose Carve Out Financial Statements as presented are not legal entity financial statements and hence, no earnings per share (EPS), basic and diluted, has been computed and disclosed.

(x) The Special Purpose Carve Out Financial Statements have been prepared under the historical cost convention on the accrual basis, except for certain other financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and

(xi) The Special Purpose Financial Statements are Special Purpose Financial Statements prepared solely as per the purpose of preparation. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. Further, the Special Purpose Financial Statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013.

(xii) The Special Purpose Carve Out Financial Statements of the Hotel Business of the Company are presented in INR (Rs.) and all values are rounded to the nearest millions (Rs. 000,000), except when otherwise indicated.

2.5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Significant accounting judgements, estimates and assumptions

The preparation of the Special Purpose Carve Out 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 asset or liability affected in future periods.

b. Estimates and assumptions

The Carve out business of 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 beyond the Company's control. Such changes are reflected in the assumptions when they occur.

c. Current versus non-current

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

An asset is classified as a current asset when it is either:

- Expected to be realised or intended to sold or consumed in the 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 it is 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 assets.

A liability is classified as a current liability when either:

- It is expected to be settled in the 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.

All other liabilities are classified as non-current. Deferred tax assets/ (liabilities) are classified as non-current assets/ (liabilities).

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

d. 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. 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, based on the lowest level input that is significant to the fair value measurement as a whole.

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

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

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

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

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

The Company's management determines the policies and procedures for both recurring fair value measurement, such unquoted financial assets measured at fair value, and for non-recurring measurement, such as non-current assets held for sale.

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.

e. Revenue Recognition

Revenue from contracts with customers

Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. The Company collects goods and service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

(i) Hotel operations - Rooms, Food, Beverage and other allied hotel services including banquet services:

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

In relation to other allied hotel services, the revenue has been recognized by reference to the time of service rendered

Variable Consideration:

If the consideration in a contract includes a variable amount (like volume rebates/incentives, cash discounts etc.), the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Contract balances

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 policy no. 2.3.m Financial Instruments – Financial assets at amortised cost.

Contract liabilities

A contract liability is the obligation to render 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 renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods 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.

f. Functional currencies

The Company's financial statements are presented in Indian Rupees ('INR'), which is its functional currency and presentation currency; the currency of primary economic environment in which company operates.

Transactions and balances

Initial recognition: Transactions in foreign currency are initially recorded at the functional currency spot rate of exchange at the date the transaction first qualifies for recognition.

Translation and exchange differences

Monetary items: Monetary assets and liabilities denominated in foreign currencies are translated at their respective functional currency exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.



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

g. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the Profit or Loss. The 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 arrangements, 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 arrangements, 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 utilized.

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. 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.



h. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any and Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and borrowing costs, if the recognition criteria are met.

The cost also include initial estimate of decommissioning, restoring and similar liabilities. Any trade discount or rebate are deducted in arriving at purchase price. Such cost include the cost of replacing parts of property, plant and equipment.

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

Depreciation is calculated on a written down value basis using the rates arrived at, based on the management's estimated useful lives. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful lives to provide depreciation on its property, plant and equipment.

Assets	Useful lives estimated by the management (years)	
	Years	Hospitality
Buildings	30	
Plant and Machinery	5 – 20	
Furniture and Fittings	10 – 15	
Computers	6	
Computers Software	3 – 10	
Office Equipment	20	
Vehicles	10	

Life of the following assets are either lower/higher than those indicated in Schedule II. However, the Management believes that the estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- The useful lives of buildings are estimated as 30 years for service apartments. These lives are lower than those indicated in schedule II.
- Leasehold building has been amortized over the lease period of 30 years.
- Plant and machinery (including electrical installations) and office equipment are depreciated over the estimated useful lives of 20 years, which are higher than those indicated in schedule II.
- The useful lives of furniture and fittings are estimated as 10 to 15 years. These lives are higher than those indicated in schedule II.
- Computers and vehicles are depreciated over the estimated useful lives of 6 years and 10 years respectively, which are higher than those indicated in schedule II.
- Computer software has different lives ranging between 3-10 years based on their estimated intended usage.

Assets costing less than Rs. 5000 are depreciated @ 100% in the year it is put to use.

An item of property, plant and equipment and any significant part initially recognised is de-recognised 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 profit and loss when the asset is derecognised.

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and adjustments are made whenever necessary.

I. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

J. Company as a lessee

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

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.



Accounting of Operating leases: At the date of commencement of the lease, the Company recognises a Right-of-Use asset ("ROU") and a corresponding Lease Liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less Accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful lives of the assets, as follows:

Office premises / Office Building : 5 to 10 years

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in 2.3.o Impairment of non-financial assets.

k. Borrowings costs

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

l. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets i.e. computer software is amortized on a straight line basis over the period of expected future economic benefits i.e. over their estimated useful lives of 6 years.

m. Financial instruments

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

Financial assets

Classification

Financial assets are classified as subsequently measured at amortised cost, fair value through comprehensive income ('FVOCI') or fair value through other profit or loss ('FVTPL').

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

Subsequent measurement

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

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')



Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the company.

Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Such instruments are measured at fair value at initial recognition as well as at each reporting date fair value movements are recognised in the Other Comprehensive Income ('OCI'). Interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest earned on such instruments is reported as interest income using the EIR method.

Further, the Company may make an irrevocable election at initial recognition, to classify as FVOCI, particular investments in equity instruments (except equity instruments held for trading) that would otherwise be measured as FVTPL. The Company makes such an election on an instrument-by-instrument basis. Such instruments are measured at fair value on initial recognition as well as at each reporting date. All fair value changes are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on de-recognition. However, the company may transfer the cumulative gain/loss within equity. Dividend received on these equity investments is recorded in the profit and loss statement.

Financial assets classified as measured at FVTPL

A financial asset shall be measured at FVTPL, unless it is measured at amortised cost or at FVOCI. The Company classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the statement of profit and loss eg mutual fund. Further, the Company may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

De-recognition

A financial asset (or, where applicable, a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Company.
- Trade receivables under Ind-AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

The impairment loss/ (gain) is recognised in the statement of profit and loss, except for impairment loss/ (gain) on financial assets measured at FVOCI, which shall be recognised in the OCI.



Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Financial liabilities

Classification

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss ('FVTPL').

Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities at FVTPL

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

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

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

The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the EIR method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 profit and loss.

De-recognition

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

Offsetting of financial instruments

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

n.Embedded derivatives

If the hybrid contract contains a host that is a financial asset, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

The Company does not have hybrid instruments wherein the economic characteristics and risks of embedded derivative and the host contract are not closely related.



o. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

p. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

In the statements of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Cash dividend distribution to equity holders

The Company recognises a liability to make cash distribution to its equity shareholders in form of dividend, when the distribution is authorised and the distribution is no longer at the Company's discretion. As per the provisions of the Indian corporate laws, a distribution is authorised when it is approved by the shareholders in the general meeting. The Company accordingly recognises dividend after it is approved in the shareholders' meeting. A corresponding amount is recognised directly in equity.

q. Provisions

Provisions are recognised when the Company has a present obligation 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.

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.

r. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Company also discloses contingent liability when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

The Company does not recognise a contingent liability but only makes disclosures for the same in the financial statements.



s. Retirement and other employee benefits

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Refer Note 27 for additional disclosures relating to Company's defined benefit plan.

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 27

t. Segment reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial information based on the internal reporting reviewed by Chief Operating Decision Makers (CODM) to assess performance and allocate resources.

Operating segments are defined as 'Business Units' of the Company about which separate financial information is available that is evaluated regularly by the chief operating decision-makers, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company has structured its operations into two reportable segment, i.e. real estate leasing and development (Leasing) and Hotel. However, for the purpose of special purpose carve out financials "Hotel" segment is the considered as the only segment as there is only Hotel business activity. The Company's activity are restricted within India and hence no separate geographical segment is required.

u. Other income

Interest income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate ('EIR') applicable. For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

2.3 Significant accounting judgements, estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of contingencies, useful lives of property, plant and equipment and defined benefit plan.

i) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Carve out business of the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

(ii) Useful lives of Property, plant and equipment-

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.



(iii) Defined benefit plan

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables for India.

Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 27.

New and amended standards

Amendments to Standards effective 1 April 2023

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023 which have been applied by the Company for the reporting period commencing from April 1, 2023. The Company applied for the first-time these amendments.

Ind AS 1 – Presentation of Financial Statements

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statement.

Ind AS 12 – Income Taxes

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The amendments had no impact on the Company's financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

The amendments had no impact on the Company's financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.



Note 3 : Property, Plant and Equipment As at March 31, 2024

	Freehold land*	Freehold Buildings*	Plant and machinery	Furniture and fixtures	Office equipments	Computers	Vehicles	Electrical Installations	Total
Gross block									
Opening	219.13	1,090.51	345.68	325.68	12.57	16.59	28.19	100.97	2,139.31
Additions	-	-	6.91	0.41	15.29	3.61	0.71	-	26.94
Disposals	-	-	(6.87)	-	-	-	(1.07)	-	(7.94)
Closing balance	219.13	1,090.51	345.72	326.09	27.86	20.20	27.83	100.97	2,158.31
Accumulated Depreciation									
Opening	-	858.38	296.43	312.26	9.33	15.39	26.28	94.97	1,613.04
Charge for the year	-	22.74	8.50	3.14	0.88	0.84	0.80	1.11	38.01
Disposals	-	-	(5.73)	-	-	-	(1.04)	-	(6.77)
Closing balance	-	881.12	299.20	315.40	10.21	16.23	26.04	96.08	1,644.28
Net Block	219.13	209.39	46.52	10.69	17.65	3.97	1.79	4.89	514.03

Note 3 : Property, Plant and Equipment As at March 31, 2023

	Freehold land*	Freehold Buildings*	Plant and machinery	Furniture and fixtures	Office equipments	Computers	Vehicles	Electrical Installations	Leasehold - Building	Total	Other Intangibles assets (Computer Software)
Gross block											
Opening	219.13	1,090.51	332.57	324.17	11.44	15.70	28.19	100.97	35.24	2,157.92	11.70
Additions	-	-	14.11	1.51	1.13	0.80	-	-	-	18.84	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing balance	219.13	1,090.51	345.68	325.68	12.57	16.59	28.19	100.97	35.24	2,174.56	13.70
Accumulated Depreciation											
Opening	-	833.08	287.97	308.48	8.83	14.96	25.47	93.59	35.24	1,607.62	13.12
Charge for the year	-	25.30	8.46	3.78	0.50	0.43	0.80	1.38	-	40.65	0.58
Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	858.38	296.43	312.26	9.33	15.39	26.28	94.97	35.24	1,648.27	13.70
Net Block	219.13	232.13	49.25	13.42	3.24	1.20	1.91	6.00	-	526.29	-

*Assets pledged as security and restriction on titles

Freehold land and building with carrying amount of Rs. 428.53 millions (31 March 2023: Rs. 451.26 million) have been pledged to secure borrowings of the Company under a mortgage (Refer 11A)



Note 2.a Capital Work in progress

As at March 31, 2024

Particulars	Amount
Opening	-
Additions for the year*	47.03
Disposals /Capitalised during the year	-
Closing balance	47.03

As at March 31, 2023

Particulars	Amount
Opening	-
Additions during the year	-
Disposals /Capitalised during the year	-
Closing balance	-

*Additions to capital work in progress pertains to the centralisation of Air Conditioning system at the hotels.

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan of delivery in the financial year.

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 3.b - Right of use assets

As at March 31, 2024

Particulars	Amount
Gross block	
Opening	137.30
Additions	-
Disposals	-
Closing balance	137.30
Accumulated Depreciation	
Opening	14.20
Charge for the year	14.20
Disposals	-
Closing balance	28.40
Net Block	108.90

As at March 31, 2023

Particulars	Amount
Gross block	
Opening	-
Additions	137.30
Disposals	-
Closing balance	137.30
Accumulated Depreciation	
Opening	-
Charge for the year	14.20
Disposals	-
Closing balance	14.20
Net Block	123.10

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 4 - Other financial assets

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non-current	Current	Non-current
At Amortised cost				
Unsecured, considered good				
Security Deposit	0.45	14.13	0.85	10.22
Interest accrued	0.46	-	-	-
Total other financial assets	0.91	14.13	0.85	10.22

Note 5. Income tax

The major components of income tax expense for the years ended March 31, 2024

Statement of profit and loss section

Particulars	As at March 31, 2024	As at March 31, 2023
Current income tax:		
Current income tax charge	35.44	33.16
Deferred tax	4.58	13.27
Total current tax expense	40.02	46.43
OCI Section:		
Deferred tax related to items recognised in OCI during the year	-	-
Income tax expense reported in the statement of profit or loss	40.02	46.43

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 5. Income tax (contd.)

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

Particulars	Balance sheet	
	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	148.08	138.46
Computed tax expense		
At India's statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	37.27	34.85
Adjustments for:		
Reversal of deferred tax on temporary items	-	3.11
Impact of change in Tax rate	-	5.51
Tax on permanent disallowances	0.22	0.01
Others	2.53	2.95
Income tax expense reported in the statement of profit and loss	40.02	46.43

Deferred tax relates to the following

Particulars	Balance sheet	
	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for financial reporting	29.38	33.36
Provision for bad and doubtful debts	1.12	1.72
Net deferred tax assets	30.50	35.08

Reflected in the balance sheet as follows

Particulars	Balance sheet	
	As at March 31, 2024	As at March 31, 2023
Deferred tax liability	-	-
Deferred tax assets	30.50	35.08
Deferred tax assets (net)	30.50	35.08
Movement of deferred tax		
Balance at the beginning of the year	35.08	48.36
Charge during the year	(4.58)	(13.28)
Balance at the end of the year	30.50	35.08

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 6 - Other assets

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Advances to suppliers	7.64	-	13.67	-
Prepaid expenses	11.93	8.07	6.42	2.23
Total Other assets	19.57	8.07	20.09	2.23

Note 7 - Inventories (valued at lower of cost and NRV)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Food, beverages and other supplies	12.75	13.66
Crockery, cutlery and linen	0.34	0.38
Total Inventories	13.09	14.04

Note 8 - Trade receivables

Particulars	As at	As at
	March 31, 2024	March 31, 2023
At Amortised cost		
Secured, considered good		
Unsecured, considered good*	70.30	59.44
Credit impaired	4.47	6.85
Total	74.77	66.29
Less : Allowance for credit impaired	(4.47)	(6.85)
Total Trade receivables	70.30	59.44

*Trade receivables have been hypothecated with banks against term loan, for details (refer note 11A)
For terms and conditions relating to related party receivables, refer note 50.

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

Movement in expected credit allowance is given below:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	5.05	9.57
Reversal during the year, net	(2.38)	(2.72)
Balance at the end of the year	4.47	6.85

For explanations on the Company's credit risk management process, refer note 25.

The Company does not have any trade receivable which are either credit impaired or where there is significant increase in credit except the ones already provided for.

Note 9 - Cash and cash equivalents

Particulars	As at	As at
	March 31, 2024	March 31, 2023
At Amortised cost		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	22.50	50.02
Cash on hand	0.60	0.47
Total	23.10	50.49

Changes in liabilities arising from financing activities

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening Balance of borrowings	678.40	694.83
Add:		
Accrual of Interest	73.37	85.53
Less:		
Repayment of borrowings	(151.65)	(17.50)
Payment of interest	(73.44)	(85.66)
Non Cash Changes	1.24	1.20
Closing balance of borrowings	527.92	678.40
Total liabilities from financing activities	527.92	678.40



Panchshil Infrastructure Holdings Private Limited

Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Note 10 - Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as per the last financial statements *	(168.13)	(107.76)
Net (investment)/withdrawal during the year	45.63	(151.76)
Profit for the year	108.06	92.03
Other comprehensive income expenses	(0.19)	(0.64)
Total other equity	(14.63)	(168.13)

Basis above, other detailed disclosures in respect of Share Capital and Other equity are not applicable and has not been disclosed in these Special Purpose Carve Out Financial Statements.

* represents the difference between the assets and liabilities of Carve Out business of Panchshil Infrastructure Holdings Private Limited being net asset value excluding capital contribution from owner.

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Panchshil Infrastructure Holdings Private Limited

Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Note 11 (A)- Long Term Borrowings (at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised cost		
Term loans (secured) [Refer below note 1]		
A. Indian rupee loan from banks (secured)	280.06	391.98
B. Indian rupee loan from banks (secured)	155.43	111.77
	435.49	603.25
The above amount includes		
Secured borrowings	435.49	603.25
Unsecured borrowings	-	-
Total Borrowings	435.49	603.25

Note 11 (B)- Short Term Borrowings (at amortised cost)

	As at March 31, 2024	As at March 31, 2023
The Maturity analysis of borrowings is disclosed in note No 11A		
A. Indian rupee loan from banks (secured)	36.66	44.35
B. Indian rupee loan from banks (secured)	55.77	30.80
	92.43	75.15

Note A : Indian rupee loan from Banks

Secured Indian rupee loan from bank repayable in 16 quarterly unequal instalments starting from March 2023. The loan is secured by first charge by way of Mortgage over land and structure thereon of the Oakwood Residence project and Marriott Suites, hypothecation of current and future receivable from the Oakwood Residences and Marriott Suites assets (including Escrow Accounts). The loan carries a floating interest @ 10.65 % p.a. (March 31, 2023: 10.65% p.a).

Note B : Indian rupee loan from Banks

Secured Indian rupee loan from bank repayable in 16 quarterly unequal instalments starting from March 2023. The loan is secured by first charge by way of Mortgage over land and structure thereon of the Oakwood Residence project and Marriott Suites, hypothecation of current and future receivable from the Oakwood Residences and Marriott Suites assets (including Escrow Accounts). The loan carries a floating interest @ 10.50 % to 11.50% p.a. (March 31, 2023: 10.16% to 10.50% p.a).

Note 12- Lease liability

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease Liability	114.26	122.93	8.67	7.18
	114.26	122.93	8.67	7.18

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 13 : Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advance from customers	-	-	7.44	5.16
Others				
Deferred revenue	70.52	73.88	3.36	3.36
Value added tax	-	-	0.46	1.39
Statutory dues payable	-	-	3.50	17.85
Other liabilities	-	-	0.02	-
Total other liabilities	70.52	73.88	14.78	27.76

Note 14 - Provisions

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for leave encashment	1.05	1.08	0.77	0.83
Provision for gratuity (refer note 27)	3.64	2.42	3.38	2.51
Total provisions	4.69	3.50	4.15	3.34

Note 15 - Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised cost		
- Total outstanding dues of micro enterprises and small enterprises	-	1.45
- Total outstanding dues of creditors other than micro enterprises and small enterprises (MSME)	69.88	62.19
Total trade payables	69.88	63.64

All trade payables are current in nature. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 25

Note 16 - Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current :		
Interest free deposits	1.53	1.53
Employee related liabilities	6.70	6.03
Interest accrued but not due	-	0.06
Total financial liabilities	8.23	7.62

Note 17 - Current tax provision (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax provision	41.82	21.05
Total Current tax provision (net)	41.82	21.05

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Panchshil Infrastructure Holdings Private Limited**Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupees million, unless otherwise stated)

Note 18 - Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
From hotel operations		
Room income (refer note 30)	601.75	589.36
Other hotel services including banquet income and membership fees	19.42	17.15
Sale of food and beverages (refer note 30)	229.63	211.31
	<u>850.80</u>	<u>817.82</u>
Type of goods or service	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from hotel operations	850.80	817.82
	<u>850.80</u>	<u>817.82</u>

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	850.80	817.82
Total	<u>850.80</u>	<u>817.82</u>

Disaggregated revenue recognition

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised over a period of time	621.17	606.51
Revenue recognised at a point of time	229.63	211.31
	<u>850.80</u>	<u>817.82</u>

Contract Balances

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade Receivables	70.30	59.44
	<u>70.30</u>	<u>59.44</u>

Note 19 - Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental income	1.80	1.53
Interest income	0.30	0.27
Liability written back	0.81	11.88
Sale of SEIS script (refer note 30)	7.76	-
Scrap sales	4.08	-
Miscellaneous income	4.04	3.36
	<u>18.79</u>	<u>17.04</u>

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Panchshil Infrastructure Holdings Private Limited

Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Note 20 - Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of food and beverages consumed		
Inventory at the beginning of the year	13.66	10.65
Add: Purchases	80.08	82.92
	<u>93.74</u>	<u>93.57</u>
Less: Inventory at the end of the year	12.75	13.66
Cost of food and beverages consumed	<u>80.99</u>	<u>79.91</u>

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 21 - Employee benefit expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	91.20	85.97
Contribution to provident and other funds	6.10	4.74
Gratuity expenses (refer note 27)	1.44	1.13
Staff welfare expenses	19.09	14.57
	<u>117.83</u>	<u>106.41</u>

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Panchshil Infrastructure Holdings Private Limited

Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Note II - Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power, fuel and light	88.04	82.54
Housekeeping expenses	28.92	19.93
Repairs and maintenance		
Plant and machinery		
Buildings	34.80	36.91
Others	15.16	17.85
Equipment rental charges	-	0.32
Rates and taxes	1.50	1.91
Insurance charges	31.35	27.30
Advertising and sales/business promotion	2.91	2.42
Travelling and conveyance	50.53	35.33
Printing and stationery	6.18	7.80
Legal and professional fees	1.44	1.61
Linen, laundry and cleaning charges	23.98	17.08
Internet, telephone and other operating supplies	20.49	20.93
Management fees	22.40	24.58
Communication costs	27.81	14.72
Security expenses	0.27	-
Provision for doubtful debts and advances	11.60	13.79
Loss on discarded of property, plant and equipment	0.49	2.26
Debit balance written off	0.84	-
Exchange loss (net)	0.15	-
Miscellaneous expenses	0.73	5.88
Auditors' remuneration (Refer note 22.01)	13.32	19.95
	1.00	-
	383.91	352.51

22.01 Auditors' Remuneration

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditors' remuneration		
- Audit fee	1.00	-
	1.00	-

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Panchshil Infrastructure Holdings Private Limited

Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Note 24 - Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	38.01	40.65
Depreciation of right of use property (refer note 3b)	14.20	14.20
Amortisation of intangible assets (refer note 3)	-	0.58
	<u>52.21</u>	<u>55.43</u>

Note 23 - Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses		
- on bank facilities	64.60	79.14
-Lease liabilities	12.02	11.46
-Collecting agents commission	-	0.37
- on others*	0.00	-
	<u>76.62</u>	<u>90.97</u>
Other borrowing costs		
Bank charges	9.94	11.17
	<u>9.95</u>	<u>11.17</u>
Total finance cost	<u>86.57</u>	<u>102.14</u>

*Rounded off to 0.00 as nearest Rs in million

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 25. Financial Instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade payables, borrowings, security deposits and employee related liabilities. 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 trade receivables, security deposits given, interest accrued on deposits 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 and March 31, 2023.

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 and March 31, 2023.

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

Particulars	March 31, 2024		March 31, 2023	
	Increase / decrease in basis points	Effect on profit before tax	Increase / decrease in basis points	Effect on profit before tax
INR	+ 50	(2.97)	+ 50	(3.50)
	- 50	2.97	- 50	3.50

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, if any, investment in mutual fund and other financial instruments.

Trade receivables

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 based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

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				
Estimated total gross carrying amount	9.47	44.12	21.19	74.77
ECL - Simplified approach	(2.95)	-	(1.52)	(4.47)
Net carrying amount	6.52	44.12	19.67	70.30

Particulars	Not due	Within 120 days	More than 120 days	Total
March 31, 2023				
Estimated total gross carrying amount	12.62	35.12	18.55	66.29
ECL - Simplified approach	(2.36)	-	(4.50)	(6.85)
Net carrying amount	10.27	35.12	14.05	59.44

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.

Particulars	March 31, 2024		March 31, 2023	
	Increase / decrease in rate	Effect on profit before tax	Increase / decrease in rate	Effect on profit before tax
USD payables	5%	(0.52)	+ 50	(0.36)
	-5%	0.52	- 50	0.36
SGD payables	5%	(0.01)	+ 50	(0.04)
	-5%	0.01	- 50	0.04

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



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 policies 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. They use rolling forecasts on the basis of expected cash flows.

The Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short term borrowings from bank.

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

Risk management- Liquidity risk As at March 31, 2024

Particulars	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at March 31, 2024						
Borrowings	-	12.50	81.10	437.50	-	531.10
Trade Payable	-	527.93	-	-	-	527.93
Lease Liability	-	4.80	15.17	89.46	67.12	176.54
Other financial liabilities	6.70	-	-	1.53	-	8.23
Total	6.70	545.23	96.27	528.49	67.12	1,243.80

Risk management- Liquidity risk As at March 31, 2023

Particulars	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at March 31, 2023						
Borrowings	-	17.50	70.00	595.00	-	682.50
Trade Payables	-	63.64	-	-	-	63.64
Lease Liability	-	4.80	14.40	85.34	91.20	195.74
Other financial liabilities	7.67	-	-	-	-	7.67
Total	7.67	85.94	84.40	680.34	91.20	949.55

76 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
Borrowings (Note 11 A)	527.92	678.40
Less: cash and short-term and long term deposits (Note 9 and 14B)	23.10	50.49
Net debt	504.82	627.91
Other equity (Note 10)	(14.63)	(168.13)
Total capital	(14.63)	(168.13)
Capital and net debt	490.19	459.78
Gearing ratio %	102.98%	136.57%

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 27. Disclosure pursuant to Employee benefits
 A. Defined benefit plans:

The Company operates a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is non-funded.

Changes in defined benefit obligation and plan assets as at March 31, 2024

	Gratuity cost charged to statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)		Remeasurement gains/(losses) in other comprehensive income		Sub-total included in OCI	Contributions by employer	March 31, 2024
	Service cost	Transfer in /Out	Net interest expense	Sub-total included in statement of profit and loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)			
Gratuity									
Defined benefit obligation	5.85	1.07	-	1.44	(1.43)	0.02	0.18	0.19	6.06
Fair value of plan assets									
Benefit Liability	5.85	1.07	0.37	1.44	(1.43)	0.02	0.18	0.19	6.06
Total benefit liability	5.85	1.07	0.37	1.44	(1.43)	0.02	0.18	0.19	6.06

Changes in defined benefit obligation and plan assets as at March 31, 2023

	Gratuity cost charged to statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)		Remeasurement gains/(losses) in other comprehensive income		Sub-total included in OCI	Contributions by employer	March 31, 2023
	Service cost	Transfer in /Out	Net interest expense	Sub-total included in statement of profit and loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)			
Gratuity									
Defined benefit obligation	5.50	1.51	-	1.79	(0.80)	(0.15)	(0.33)	(0.64)	5.85
Fair value of plan assets									
Benefit Liability	5.50	1.51	0.28	1.79	(0.80)	(0.15)	(0.33)	(0.64)	5.85
Total benefit liability	5.50	1.51	0.28	1.79	(0.80)	(0.15)	(0.33)	(0.64)	5.85

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:
 For Hotel operations

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.10%	7.2-7.3%
Future salary increase	7.0-9.0%	7.0-9.0%
Expected rate of return on plan assets	NA	NA
Rate of Employee Turnover	40.0-45.0%	40.0-45.0%
Mortality Rate During Employment	IALM(2012-14) ult	IALM(2012-14) ult
Retirement age	58 years	58 years

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2024		March 31, 2023	
	Sensitivity level	(Increase) / decrease in defined benefit obligation (Impact) for the current year	Sensitivity level	(Increase) / decrease in defined benefit obligation (Impact) for the current year
Discount rate	1% increase	-0.13	1% increase	-1.23
	1% decrease	0.14	1% decrease	1.28
Future salary increase	1% increase	0.08	1% increase	0.71
	1% decrease	-0.07	1% decrease	-0.69
Withdrawal rate	1% increase	-0.02	1% increase	-0.11
	1% decrease	0.02	1% decrease	0.11

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

The followings are the expected future benefit payments for the defined benefit plan:

	As at March 31, 2024	As at March 31, 2023
Disclosure pursuant to Employee benefits	2.42	2.47
Within the next 12 months (next annual reporting period)	4.35	4.24
Beyond 5 years	1.64	1.34
Total expected payments	8.41	8.05

Weighted average duration of defined plan obligation (based on discounted cash flows)

	As at March 31, 2024	As at March 31, 2023
Gratuity	2.39-2.42 years	2.16-2.28 years

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Panchshil Infrastructure Holdings Private Limited

Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Note 28. Commitments and contingencies**a. Operating lease commitments: where the Company is the lessee**

The Company has lease contracts for leasehold building used in its hospitality operations. Lease of building has lease term of 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are no restrictions imposed by the lease agreement.

Future minimum rentals payable under non cancellable operating leases are, as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	19.97	19.20
After one year but not more than five years	89.46	85.34
Above 5 years	67.12	91.20

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

As at March 31, 2024

Particulars	Right of Use (ROU) Asset	Total
Gross Block		
As at April 1, 2023	137.30	137.30
Additions	-	-
Disposals	-	-
As at March 31, 2024	137.30	137.30
Depreciation		
As at April 1, 2023	14.20	14.20
Charge for the year	14.20	14.20
As at March 31, 2024	28.40	28.40
Net Block as at March 31, 2024	108.90	108.90

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

As at March 31, 2023

Particulars	Right of Use (ROU) Asset	Total
Gross Block		
As at April 1, 2022	-	-
Additions	137.30	137.30
Disposals	-	-
As at March 31, 2023	137.30	137.30
Depreciation		
As at April 1, 2022	-	-
Charge for the year	14.20	14.20
As at March 31, 2023	14.20	14.20
Net Block as at March 31, 2023	123.10	123.10

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at March 31, 2024	As at March 31, 2023
Opening	130.12	-
Additions	-	133.06
Accretion of interest	12.02	11.46
Payments	(19.21)	(14.40)
Closing Balance	122.93	130.12
Current	8.67	7.18
Non-current	114.26	122.93

The effective interest rate for lease liabilities is 9.47%, with maturity of November 30, 2031.

The following are the amounts recognised in profit or loss:

	As at March 31, 2024	As at March 31, 2023
Depreciation expense of right-of-use assets	14.20	14.20
Interest expense on lease liabilities	12.02	11.46
Variable lease payments (included in other expenses)	1.50	1.91
Total amount recognised in profit or loss	27.72	27.57

The Maturity analysis of lease liabilities is disclosed in note No 28.

b. Capital commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on other account and not provided for (net of advances)*	23.55	8.53

*Capital commitments pertains to the centralised air conditioning systems, elevator and CCTV systems at the hotels.

c. Contingent liabilities

There are no contingent liabilities against the Company as at and for each of the years ended March 31, 2024 and March 31, 2023

Note 29. Particulars of unhedged foreign currency exposure as at the balance sheet date

Particulars	#REF!	March 31, 2023	
		Amount in foreign currency	Amount in Rs.
Payables	USD	0.12	10.05
	SGD	0.00	0.28
		0.09	7.15
		0.00	0.20

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 30. Related Party Disclosures

Disclosures of transactions with Related Parties are as under:

A. Description of Related Parties

Name of the Related party and nature of relationship

A. Related parties where control exists	
Holding Company	Premsagar Infra Realty Private Limited
B. Names of other related parties with whom transactions have taken place during the year:	
Key managerial personnel	Atul Chordia (Director) Sagar Chordia (Director)
Enterprise having significant influence on the Company	Pune Infreality and Ventures Private Limited
Fellow subsidiaries	Eon Hadapsar Infrastructure Private Limited Eon Hinjewadi Infrastructure Private Limited
Relatives of Directors and Key managerial personnel	Mrs. Sarita Doshi Sagar Chordia - HUF
Enterprises owned or significantly influenced by key management personnel or	A2Z Online Services Private Limited Gramercy Trade Industries Private Limited Panchshil Realty & Developers Private Limited P-One Infrastructure Private Limited Shahenshah Properties Private Limited Panchshil Corporate Park Private Limited Wakiad Realty Private Limited Panchshil Hotels Private Limited Panchshil Techpark Private Limited Eon Kharadi Infrastructure Private Limited Ventive Hospitality Limited (formerly known as ICC Realty (India) Private Limited)

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Note 30. Related Party Disclosures (Contd...)

B. Transactions with Related Parties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for Doubtful Debts		
A2Z Online Services Private Limited	-	0.85
Food & beverage expenses:-		
A2Z Online Services Private Limited	-	12.26
Panchshil Hotels Private Limited	0.05	0.36
Gramercy Trade Industries Private Limited	-	0.00
Panchshil Realty & Developers Private Limited	0.14	0.01
Panchshil Isahparli Private Limited	0.00	-
Wakad Realty Private Limited	0.00	-
Eon Kharadi Infrastructure Private Ltd.	0.02	-
Management Salaries /Food Cost /Guest Transport		
Eon Hinjewadi Infrastructure Private Limited	11.91	-
Ventive Hospitality Limited (formerly known as ICC Realty (India) Private Limited)	-	-
Panchshil Corporate Park Private Limited	2.13	-
Room Rental		
A2Z Online Services Private Limited	7.69	12.26
Gramercy Trade Industries Private Limited	-	0.01
Panchshil Hotels Private Limited	-	0.06
Panchshil Realty & Developers Private Limited	-	0.03
SEIS Script Sale		
Panchshil Realty & Developers Private Limited	7.77	-
Interest cost on ICD Taken		
Premisagar Infra Realty Private Limited	-	-
Reimbursement paid		
Ventive Hospitality Limited (formerly known as ICC Realty (India) Private Limited)	-	8.24
Eon Hinjewadi Infrastructure Private Limited	-	0.15
Panchshil Corporate Park Private Limited	-	1.08
C. Outstanding Balances at the end of the year		
Receivables		
A2Z Online Services Private Limited	12.99	7.38
Eon Hadapsar Infrastructure Private Limited	0.19	0.19
Shahenshah Properties Private Limited	0.05	0.05
Panchshil Corporate Park Private Limited	2.32	2.44
Panchshil Hotels Private Limited	0.05	0.10
Panchshil Realty & Developers Private Limited	0.19	0.05
P-One Infrastructure Private Limited	0.07	0.07
Panchshil Techpark Private Limited	0.02	-
Eon Hinjewadi Infrastructure Private Limited	0.09	-
Wakad Realty Private Limited	0.00	-
Eon Kharadi Infrastructure Private Limited	0.02	-
Eon Hinjewadi Infrastructure Private Limited	0.09	-
Panchshil Realty & Developers Private Limited	7.77	-
Payables		
Eon Hinjewadi Private Limited	-	0.06
Ventive Hospitality Limited (formerly known as ICC Realty (India) Private Limited)	0.10	0.33

The entity has entitlement of 250 complimentary room nights as per agreement with Marriot for which amount is not quantifiable and hence cannot be disclosed separately.

(THIS SPACE HAS BEEN LEFT INTENTIONALLY BLANK)



Panchshil Infrastructure Holdings Private Limited

Notes to the Special Purpose Carve Out financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees million, unless otherwise stated)

Note 31. 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	70.30	-	70.30	70.30
Cash and cash equivalents	23.10	-	23.10	23.10
Other financial assets	15.04	-	15.04	15.04
Total-Financial assets	108.44	-	108.44	108.44
Financial liabilities				
Borrowings	527.92	-	527.92	527.92
Other financial liabilities	8.23	-	8.23	8.23
Lease Liability	122.93	-	122.93	122.93
Trade payables	69.88	-	69.88	69.88
Total-Financial liabilities	728.96	-	728.96	728.96

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				
Trade and other receivables	59.44	-	59.44	59.44
Cash and cash equivalents	50.40	-	50.40	50.40
Other financial assets	11.07	-	11.07	11.07
Total-Financial assets	121.00	-	121.00	121.00
Financial liabilities				
Borrowings	678.40	-	678.40	678.40
Other financial liabilities	7.62	-	7.62	7.62
Lease Liability	130.12	-	130.12	130.12
Trade payables	63.64	-	63.64	63.64
Total-Financial liabilities	879.78	-	879.78	879.78

For S R B C & CO LLP
Chartered Accountants


ICAI firm registration number: 324982E/E300003


per Mustafa Saleem
Partner

Membership No.: 136969

Place: Pune

Date: August 30, 2024

For and on behalf of the Board of Directors of
Panchshil Infrastructure Holdings Private Limited

Atul Chordia
Director

DIN: 00054998

Place: Pune

Date: August 30, 2024


Sagar Chordia
Director

DIN: 00054123

Place: Pune

Date: August 30, 2024