

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Duet India Hotels (Chennai OMR) Private Limited

Opinion

We have audited the accompanying Special Purpose Preliminary Ind AS financial statements of Duet India Hotels (Chennai OMR) Private Limited ("Company") which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended March 31, 2022 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Preliminary Ind AS Financial Statements"). These Special Purpose Preliminary Ind AS Financial Statements have been prepared as part of the Company's conversion to Indian Accounting Standards (Ind AS).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Preliminary Ind AS financial statements have been prepared in all material respects with the Basis of Preparation set out in Note 1.2 of the Special purpose Preliminary Ind AS financial statements which describes how Ind AS have been applied under Ind AS 101, including assumptions management has made about the standards and interpretations expected to be effective, and the policies expected to be adopted when management prepares its first complete set of Ind AS financial statements as at March 31, 2023.

Basis for Opinion

We conducted our audit of the Special Purpose Preliminary Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Preliminary Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Preliminary Ind AS 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 Preliminary Ind AS financial statements.

Emphasis of Matter Paragraph - Basis of accounting and restriction on use

We draw attention to Note 1.2 to the accompanying Special Purpose Preliminary Ind AS Financial statements which describes the basis of accounting and presentation and further states that why there is a possibility that the Special purpose preliminary Ind AS financial statements may require adjustment before constituting the final Ind AS financial statements pursuant to requirements of Companies Act, 2013. Moreover, we draw attention to the fact that, under Ind AS only a complete set of financial statements with comparative financial information and explanatory notes can provide a fair presentation of the entity's financial position, results of operations and cash flows in accordance with Ind AS. Our opinion is not modified in respect of this matter.

Our report on the Special Purpose Preliminary Ind AS Financial Statements has been issued solely in connection with the Company's conversion of the basis of preparation of financial statements to Ind AS and is intended for the information and use of the management of the Company and the proposed acquirer of the Company in preparation of their proforma financial statements as mentioned in Note 1.2 to the Special Purpose Preliminary Ind AS financial statements. It should not be used for any other purpose or provided to other parties.

Management's Responsibility for the Special Purpose Preliminary Ind AS financial statements

The Company's Board of Directors is responsible for ensuring that these Special Purpose Preliminary Ind AS financial statements are prepared in accordance with note 1.2 of the financial statements. The management is also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 and

presentation of the Special Purpose Ind AS financial statements and ensuring those are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Special Purpose Preliminary Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Preliminary Ind AS 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 Preliminary Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose Preliminary Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Other Matters

The Company had prepared a separate set of financial statements for the year ended March 31, 2022 in accordance with the Accounting Standards specified under section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 on which we issued a qualified opinion in our separate auditor's report to the members of the Company dated September 30, 2022.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership No.: 095169
UDIN: 23095169BGXZXV9805

Place: Chennai
Date: March 24, 2023

Duet India Hotels (Chennai OMR) Private Limited
Special Purpose Preliminary Ind AS Balance Sheet as at March 31, 2022
(Amount in Rs. Millions, unless otherwise stated)

	Notes	As at March 31, 2022	As at April 1, 2021
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	471.35	499.22
(b) Intangible assets	4	1.60	2.77
(c) Financial assets			
(i) Loans	5(a)	-	-
(ii) Other financial assets	5(b)	33.83	32.95
(d) Non-current tax assets (net)	6	1.80	0.84
(e) Other non-current assets	7	3.09	2.35
Total non-current assets		511.67	538.13
II. Current assets			
(a) Inventories	8	0.49	0.17
(b) Financial assets			
(i) Trade receivables	9(a)	7.43	2.52
(ii) Loans	9(b)	0.36	0.71
(iii) Cash and cash equivalent	9(c)	3.97	3.20
(iv) Other financial assets	9(d)	0.01	0.10
(c) Other current assets	10	10.01	13.50
Total current assets		22.27	20.20
Total assets		533.94	558.33
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	11(a)	44.55	44.55
(b) Instruments entirely equity in nature	11(b)	580.64	565.69
(c) Other equity	11(c)	(664.40)	(597.99)
Total equity		(39.21)	12.25
II. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	491.50	464.53
(b) Non-current provisions	13	1.13	1.33
(c) Deferred tax liability (net)			
Total non-current liabilities		492.63	465.86
III. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	14(a)		
- Total outstanding dues of micro enterprises and small enterprises		0.43	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		31.50	24.81
(ii) Other financial liabilities	14(b)	17.40	19.09
(b) Other current liabilities	15(a)	17.68	22.80
(c) Short-term provisions	16	13.51	13.52
Total current liabilities		80.52	80.22
Total equity and liabilities		533.94	558.33

Summary of significant accounting policies 2

The accompanying notes forms an integral part of the Special Purpose Preliminary Ind AS financial statements

As per our report of even date.

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

For and on behalf of the Board Directors of
Duet India Hotels (Chennai OMR) Private Limited

per Sanjay Vij
Partner
Membership No. 095169

Sudhir Gupta
Director
DIN: 03102047

Rahul N Latta
Director
DIN: 07886515

Place: Chennai
Date: March 24, 2023

Place: Gurugram
Date: March 24, 2023

Place: Gurugram
Date: March 24, 2023

Duet India Hotels (Chennai OMR) Private Limited
Special Purpose Preliminary Ind AS Statement of Profit and Loss for the year ended March 31, 2022
(Amount in Rs. Millions, unless otherwise stated)

	Notes	For the year ended on March 31, 2022
I. INCOME		
(a) Revenue from operations	17	60.13
(b) Other income	18	6.00
		66.13
II. EXPENSES		
(a) Food and beverages consumed	19	4.74
(b) Employee benefits expenses	20	18.36
(c) Other expenses	21	49.90
		73.00
III. Profit/(Loss) before finance cost, depreciation, amortisation and tax (I-II)		(6.87)
IV. Depreciation and amortisation expenses	22	29.04
V. Finance costs	23	48.36
		77.40
VI. Profit/(loss) before tax (III-IV-V)		(84.27)
VII. Tax expense	6	
- Current Income tax		-
- Deferred tax expenses/(income)		(0.07)
Total tax expense		(0.07)
VIII. Profit/(Loss) after tax		(84.20)
IX. Other comprehensive income		
Items that will not be reclassified to profit or loss		
(i) Re-measurement gains/(losses) on defined benefit plans		0.28
(ii) Income tax effect of re-measurement gains/(losses) on defined benefit plans		(0.07)
Total other comprehensive income/(loss)		0.21
X. Total comprehensive income for the year (VIII+IX)		(83.99)
		(83.99)
XI. Earnings Per share (Equity shares, face par value of Rs. 10 (absolute value) each)	24	
(a) Basic (in absolute Rs.)		(6.10)
(b) Diluted (in absolute Rs.)		(6.10)

Summary of significant accounting policies

2

The accompanying notes forms an integral part of the Special Purpose Preliminary Ind AS financial statements

In terms of our report attached

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

For and on behalf of the Board Directors of
Duet India Hotels (Chennai OMR) Private Limited

per Sanjay Vij
Partner
Membership No. 095169

Sudhir Gupta
Director
DIN: 03102047

Rahul N Latta
Director
DIN: 07886515

Place: Chennai
Date: March 24, 2023

Place: Gurugram
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Duet India Hotels (Chennai OMR) Private Limited
Special Purpose Preliminary Ind AS Statement of changes in equity for the year ended March 31, 2022
(Amount in Rs. Millions, unless otherwise stated)

a. Equity share capital

	As at March 31, 2022		As at April 1, 2021	
	Nos	Amount	Nos	Amount
Equity shares				
At the beginning of the year	44,550	44.55	44,550	44.55
Add: Addition during the year	-	-	-	-
Balance at the end of the year	44,550	44.55	44,550	44.55

b. Instruments entirely equity in nature

	As at March 31, 2022		As at April 1, 2021	
	Nos	Amount	Nos	Amount
Equity component of Fully Compulsorily Convertible Debentures (FCCDs) of Rs 10/- each				
At the beginning of the year	56,569,466	565.69	56,569,466	565.69
Add: Addition during the year	1,495,000	14.95	-	-
Balance at the end of the year (C)	58,064,466	580.64	56,569,466	565.69

c. Other equity

	Equity component of intercompany borrowings (Note No.11 (c))	Reserve & Surplus			Total
		Securities premium (Note No.11 (c))	Retained earnings (Note No.11 (c))	Other comprehensive income - Remeasurements of defined benefit liability / asset (Note No.11 (c))	
Balance as at April 1, 2021	37.07	308.38	(943.44)	-	(597.99)
Profit/(loss) for the year	-	-	(84.20)	-	(84.20)
Issued during the year	-	-	-	-	-
Remeasurement of defined benefit liability (net of tax)	-	-	-	0.21	0.21
Additional contribution during the year	17.16	-	-	-	17.16
Other reserves	-	-	0.42	-	0.42
Balance as at March 31, 2022	54.23	308.38	(1,027.22)	0.21	(664.40)

The accompanying notes forms an integral part of the Special Purpose Preliminary Ind AS financial statements
As per our report of even date attached

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per Sanjay Vij
Partner
Membership No. 095169

Place: Chennai
Date: March 24, 2023

For and on behalf of the Board Directors of
Duet India Hotels (Chennai OMR) Private Limited

Sudhir Gupta
Director
DIN: 03102047

Place: Gurugram
Date: March 24, 2023

Rahul N Latta
Director
DIN: 07886515

Place: Gurugram
Date: March 24, 2023

Duet India Hotels (Chennai OMR) Private Limited
Special Purpose Preliminary Ind AS Statement of Cash Flows for the year ended March 31, 2022
(Amount in Rs. Millions, unless otherwise stated)

Particulars	For the year ended on March 31, 2022
Cash flows from operating activities	
Profit/(Loss) before tax	(84.27)
Adjustments to reconcile profit/(loss) before tax to net cash flows:	
Depreciation and amortisation expense	29.04
*Net Loss on account of foreign exchange fluctuation	-
Liabilities no longer required written back	(4.14)
Interest income	(1.70)
Finance costs	48.18
Operating profit before changes in assets and liabilities	(12.89)
Changes in assets and liabilities:	
Decrease/ (Increase) in loans and security deposits	0.12
Decrease/ (Increase) in other non current financial assets	(1.00)
Decrease/ (Increase) in other non-current assets	(0.74)
Decrease/ (Increase) in inventories	(0.32)
Decrease/ (Increase) in trade receivables	(4.91)
Decrease/ (Increase) in other current financial assets	0.09
Decrease/ (Increase) in other current assets	3.49
(Decrease)/ Increase in Trade Payables	11.26
(Decrease)/ Increase in other financial liabilities	(1.69)
(Decrease)/ Increase in provisions	0.07
(Decrease)/ Increase in other current liabilities	(5.11)
Cash generated from operations	(11.63)
Income tax paid (net of refunds)	(0.96)
Net cash from/(used in) operating activities (A)	(12.59)
Cash flows from investing activities	
Purchase of property, plant and equipment, intangible assets and capital work-in-progress (including capital advances)	(0.01)
Intercompany loans given	0.00
Interest received on bank deposits (finance income)	1.70
Net cash from/(used in) investing activities (B)	1.69
Cash flows from financing activities	
Proceeds from Fully Compulsorily Convertible Debentures (FCCDs)	14.95
Proceeds from Intercompany loan	0.35
Equity contribution in form of borrowings	17.16
Repayment of borrowing from financial institutions	26.28
Interest paid	(47.07)
Net cash from/(used in) financing activities (C)	11.67
Net increase in cash and cash equivalents (A+B+C)	0.77
Cash and cash equivalents at the beginning of the year	3.20
Cash and cash equivalents at year end	3.97
Components of cash and cash equivalents	For the year ended on March 31, 2022
Cash on hand	0.17
Balances with banks:	
On current accounts	3.80
Cash and cash equivalents as per note 9(c)	3.97

Refer note 9(c) for "Changes in liabilities arising from financing activities"

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

The accompanying notes forms an integral part of the Special Purpose Preliminary Ind AS financial statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

For and on behalf of the Board Directors of
Duet India Hotels (Chennai OMR) Private Limited

per Sanjay Vij
Partner
Membership No. 095169

Sudhir Gupta
Director
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Rahul N Latta
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Place: Chennai
Date: March 24, 2023

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Duet India Hotels (Chennai OMR) Private Limited

Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022

(Amount in Rs. Millions, unless otherwise stated)

1.1 Corporate information

Duet India Hotels (Chennai OMR) Private Limited ('the Company') was incorporated on July 21, 2010 under the Companies Act, 1956. The Company is primarily engaged in acquisition, development, operation and management of Hotels in India.

The Special Purpose Preliminary Ind AS financial statements are approved for issue by the Board of directors on March 24, 2023.

1.2 Basis of preparation

The Shareholders of the Company ("ACIC Mauritius 1") at their meeting held on March 17, 2023 have approved the sale of their shareholding in the Company to SAMHI Hotels Limited ("SAMHI" or "Acquirer") and the Company is in the process of finalizing the terms of sale with SAMHI. The stake sale is conditional to raising funds through initial public issue of equity shares of SAMHI ("Proposed IPO") and SAMHI is the process of obtaining required regulatory approvals for the Proposed IPO.

These Special Purpose Preliminary Ind AS Financial Statements will be used by the Acquirer for the purpose of Proforma Financial Statements to be included in the Offer document to be filed by the acquirer in connection with the Proposed IPO, as aforesaid pursuant to the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The management has voluntarily adopted Ind AS in the year ending March 31, 2023 and these Special Purpose Preliminary Ind AS Financial Statements of the Company have been prepared in accordance with recognition and measurement principles prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules 2016 issued thereunder, principles of Ind AS 101, and other accounting principles generally accepted in India ("IndAS"). However, all the disclosures as required under IndAS have not been furnished in these Special Purpose preliminary Financial Statements.

The financial statements up to year ended March 31, 2022 and March 31, 2021 issued by the Company's management on September 30, 2022 and November 8, 2021 were prepared in accordance with the accounting standards notified under Companies Accounting Standards) Rule, 2021 (as amended) and other relevant provisions of the Companies Act, 2013 ('Indian GAAP' or Previous GAAP')

The transition to IndAS was carried out from the accounting principles generally accepted in India ('Indian GAAP') which is considered as "Previous GAAP" as defined in IndAS 101, "First Time Adoption". An explanation of how the transition to IndAS has impacted the Company's equity and profits/loss is provided in the Special Purpose Preliminary Reconciliation of Equity as at April 1, 2021 and March 31, 2022 and Special Purpose Reconciliation of profit/loss for the year ended March 31, 2022.

The preparation of these Special Purpose Preliminary Ind AS Financial Statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Indian GAAP. The accounting policies have been applied consistently to all periods presented in these Special Purpose preliminary Financial Statements. They have also been applied in preparing the IndAS opening Balance Sheet as at April 1, 2021 (date of transition) for the purpose of transition to IndAS required by IndAS 101. The impact arising from the adoption of IndAS on the date of transition has been adjusted against Other Equity.

These Special Purpose Preliminary Ind AS Financial Statements for the year ended March 31, 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2021) and as per the presentation, accounting policies including

Duet India Hotels (Chennai OMR) Private Limited**Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022**

(Amount in Rs. Millions, unless otherwise stated)

amended Schedule III disclosures followed as at and for the period ended September 30, 2022. These special purpose preliminary Ind AS financial statements were approved by the Board of Directors on March 20, 2023.

The items in the Special Purpose Preliminary Financial Statements have been classified considering the principles under IndAS 1, "Presentation of Financial Statements". Management of the Company has prepared the Special Purpose Preliminary Financial Statements which comprise the Balance Sheet as at March 31, 2022 and April 1, 2021, the Statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in Equity for the year ended March 31, 2022, Reconciliation of Equity as at March 31, 2022 and as at March 31, 2021, Reconciliation of Profit and Loss for the year ended March 31, 2022, Notes to First time adoption, Notes to Reconciliation and Significant Accounting Policies.

The management will prepare and issue first complete IndAS Financial Statements as at and for the year ending March 31, 2023. Until the first complete IndAS Financial Statements are issued, the balances in the Special Purpose Preliminary Financial Statements can change if (a) there are any new IndAS standards issued through March 31, 2023, (b) there are any amendments/modifications made to existing IndAS standards or interpretations thereof through March 31, 2023 effecting the IndAS balances in the Special Purpose Preliminary Financial Statements, (c) if the management makes any changes in the elections and/or exemptions.

Only a complete set of Ind AS Financial Statements together with comparative financial information can provide a fair presentation of the Company's state of affairs (Balance Sheet), profit and loss (Statement of Profit and Loss including Other Comprehensive Income (OCI)), cash flows and the changes in equity. While preparing the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022, the relevant comparative financial information under Ind AS for the year ended March 31, 2021 has not been presented.

Going concern assumption

The Company has incurred a loss of Rs. 83.99 during the current year and has accumulated losses of Rs. 1,027.22 at the year-end resulting in fully erosion of net worth of the Company. Further, as at the year end, the Company's current liabilities exceed its current assets by Rs. 58.25. Asiya Capital investment Kuwait, the ultimate holding company has undertaken to provide unconditional continued financial and operational support to the Company. Management believes that the continued financial and operational support from the ultimate holding company and operational efficiencies with the expected significant improvements in the average room rates and increase in demand leading to incremental increase in top line and bottom line will enable the Company to settle its obligations as they fall due. Further, in an earlier year, the Company updated its loan arrangement with L&T Infrastructure Finance Company Limited (L&T Infra), made prepayment of loan amounting to Rs. 118.55 to be utilised towards payment of upcoming principal repayments upto March 31, 2025, which improved the credit rating of the Company and accordingly the rate of interest was reduced by L&T Infra from 12.45% to 9.95%. Subsequent, to the year end, the Company has refinanced its existing loan facility and the rate of interest is revised to 9.30%. In view of the aforesaid the management believes that there is no material uncertainty on going concern assumptions of the Company and has continued to prepare these financials statement on a going concern basis.

Functional and presentation currency

These Special Purpose Preliminary Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

Duet India Hotels (Chennai OMR) Private Limited**Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022**

(Amount in Rs. Millions, unless otherwise stated)

Basis of Measurement

The Special Purpose Preliminary Ind AS financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value

Significant accounting judgments, estimates and assumptions.

The preparation of Special Purpose Preliminary Ind AS financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.

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 in any future periods affected.

The following are the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Special Purpose Preliminary Ind AS financial statements:

i) Provisions

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', which involves key assumptions about the likelihood and magnitude of an outflow of resources.

ii) Useful lives, recoverable amounts and impairment of property, plant and equipment

The estimated useful lives and recoverable amounts of property, plant and equipment are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, obsolescence, demand, competition, known technological advances. The Company reviews the useful lives and recoverable amounts of property, plant and equipment at the end of each reporting date.

iii) Impairment testing:

Property, plant and equipment and intangible assets that are subject to depreciation/amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iv) Impairment of investments:

The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

v) Employee benefit obligations

Employee benefit obligations (gratuity and compensated absences) are determined using actuarial valuations, which involves 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.

vi) Fair value measurement of financial instruments

The fair values of financial instruments recorded in the balance sheet in respect of which quoted prices in active markets are not available, are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also, refer note 32 for further disclosures.

vii) Recognition of Deferred tax assets/liabilities

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss.

viii) Litigation

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

ix) Business combinations

Acquisition of assets along with related input, outputs and processes which qualify as a business combination is accounted for using the acquisition method involving fair valuation of consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed measured on a provisional basis, if any.

Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

x) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

Duet India Hotels (Chennai OMR) Private Limited

Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022

(Amount in Rs. Millions, unless otherwise stated)

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

xi) Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

xii) Measurement of fair values

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

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.'

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

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

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

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

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

'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.

2. Summary of significant accounting policies**1) Property, plant and equipment****Recognition and measurement**

Property, plant and equipment including capital work in progress are measured at cost less accumulated depreciation and any accumulated impairment losses if any.

Cost comprises the purchase price, import duties and other non-refundable taxes or levies, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the profit or loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

Depreciation

Depreciation on Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life.

Depreciation on addition/ (disposals) is provided on a pro-rata basis i.e. from/ (up to) the date on which the asset is ready for use/ (disposed off).

The management estimate of the useful life of various categories of assets is as follows:

Asset Category*	Useful Life (Years)	Useful life as per Schedule II (Years)
Building	10-60	60
Computers and accessories	3-6	3-6
Plant and machinery	5-20	15
Furniture and fixtures	3-15	10

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* For the above class of assets, the management based on assessment of external valuation specialist and internal technical evaluation, has determined that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives of few assets included in the above asset categories are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Freehold land is not depreciated.

2) Intangible assets

Recognition and measurement

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

Amortization

Intangible assets of the Company represents computer software. Computer software are amortized using the straight-line method over the estimated useful life (at present three to ten years) or the tenure of the respective software license, whichever is lower. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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

3) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are initially recognized at fair value. 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 of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a difference between the transaction price and the fair value of financial instruments whose fair value is based on a quoted price in an active market or a valuation technique that uses only data from observable markets, the Company recognizes the difference as a gain or loss at inception ('day 1 gain or loss'). In all other cases, the entire day 1 gain or loss is deferred and recognized in the income statement over the life of the transaction until the transaction matures or is closed out.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVOCI – debt investment;

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- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

A debt investment is measure at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the 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.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
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Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

*iii. Derecognition**Financial assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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v. Financial guarantee

Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Such guarantees are initially measured at fair value and subsequently at the higher of:

- the expected credit loss allowance determined in accordance with Ind AS 109; and
- the amount recognized initially less, when appropriate, cumulative amortization recognized in accordance with Ind AS.

vi. Modification of financial assets and liabilities

Financial assets:

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in statement of profit and loss.

Financial Liabilities:

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit and loss.

vii. Fully Compulsorily convertible debentures

The Company has issued fully compulsorily convertible debentures (FCCDs). As per the terms of debenture agreement, each debenture will be converted into equity shares based on an agreed conversion formula (fixed to fixed conversion). FCCDs are separated into liability and equity components based on the terms of the contract. On issuance of the FCCDs, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished or converted.

The remainder of the proceeds is allocated to equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification.

viii. Not compulsorily convertible preference shares

The Company has issued not compulsorily convertible preference (NCCPSs). As per the terms of NCCPS agreement, each NCCPS will be redeemed within 36 months from the deemed date of allotment. Accordingly, the same amount has been treated as financial liability in books and carried at amortized cost.

ix. Compulsorily convertible cumulative preference shares

The Company has issued Compulsory convertible Cumulative Preference Shares (CCCPS). As per the terms of CCCPS agreement, each CCCPS will be converted into 1 equity share after 10 years, but not exceeding 15 years from the date

of issue. These CCCPS are classified as equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification.

4) Impairment

A. Impairment of financial instruments

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at Fair value through profit and loss (FVTPL) are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is 90 days or more past due.

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Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

B. Impairment of Non-financial assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset (or cash generating unit).

These budgets and forecast calculations generally cover a period of ten years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the tenth year.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

5) Inventories

Inventories which comprises stock of food and beverages (including liquor), operating supplies and stock-in-trade are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition. In determining the cost, first in first out ("FIFO") method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale.

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6) Government grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The Company imports capital goods and avails concession for custom duty under Export Promotion Capital Goods (EPCG) Scheme. Such duty saved is grossed up and recorded as per of property, plant and equipment and correspondingly as deferred income. Further, these grants are classified as income grant and is recognized as income over the periods of related costs, for which it is intended to compensate, which is generally upon earning of foreign currency revenue.

The Company receives benefits in the form of duty credit scrips under the Service Exports from India Scheme (SEIS). The grant is classified as income grant and its recognized as income as and when the condition associated with grant is fulfilled, which is generally upon earning foreign currency revenue.

7) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which 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 determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates

8) Contingent liabilities

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 or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Company does not recognize a contingent liability but discloses its existence in the Special Purpose Preliminary Ind AS financial statements.

9) Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition and/or construction of those property plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalized. Capitalization of borrowing costs is suspended in the period during which active development is delayed due to interruption, other than temporary interruption. Other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

10) Employee benefits

(a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(b) Post-employment benefits

Defined contribution plan – Provident fund and Employee State Insurance

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amounts. Provident fund scheme and employee state insurance are defined contribution schemes. The Company makes specified monthly contributions towards these schemes. The Company's contributions are recorded as an expense in the Profit or loss during the period in which the employee renders the related service. If the contribution already paid is less than the contribution payable under the scheme for service received before the balance sheet date, the deficit payable under the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plan – Gratuity

The Company's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

(c) Other long-term employee benefit obligations – Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group 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 group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

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 reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

11) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group 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. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

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Income from operations

Rooms, Food and Beverage & Banquets

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.

Space rentals

Rentals basically consists of rental revenue earned from letting of spaces within the property. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services

In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

12) Accounting for Foreign Currency Transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the profit or loss on net basis.

13) Income Taxes

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment,

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

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.

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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.

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

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

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

14) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

Identification of segments:

In accordance with Ind AS 108, Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

15) Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results would be anti - dilutive.

16) Leases

Company as a Lessee

On inception of a contract, the Company (as a lessee) assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and do not contain a purchase option or are low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognized right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option and any lease modification.

Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

Duet India Hotels (Chennai OMR) Private Limited

Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022

(Amount in Rs. Millions, unless otherwise stated)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

17) Cash and cash equivalents

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

18) Investment in subsidiaries:

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

19) Profit before finance cost, depreciation, amortisation and tax:

The Company presents EBITDA in the statement of profit and loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Special Purpose Preliminary Ind AS financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards. Accordingly, the group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss.

Measurement of Profit before finance cost, depreciation, amortisation and tax:

The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs, share of profit/ loss from associate/ joint ventures and tax expense.

3 Property, plant and equipment

	Freehold land	Building	Plant and machinery	Furniture and fixtures	Computers	Total
Gross carrying amount						
Balance as at April 1, 2021	146.20	237.95	64.79	47.32	2.96	499.22
Additions	-	-	0.01	-	-	0.01
Disposal/ adjustments	-	-	-	-	-	-
Balance as at March 31, 2022	146.20	237.95	64.80	47.32	2.96	499.23
Accumulated depreciation						
Balance as at April 1, 2021	-	-	-	-	-	-
Depreciation charge for the year (Note 22)	-	7.81	10.17	7.73	2.17	27.88
Disposal/ adjustments	-	-	-	-	-	-
Balance as at March 31, 2022	-	7.81	10.17	7.73	2.17	27.88
Net carrying amount						
Balance as at April 1, 2021	146.20	237.95	64.79	47.32	2.96	499.22
Balance as at March 31, 2022	146.20	230.14	54.63	39.59	0.79	471.35

The Company has elected to use fair value of all items of property, plant and equipment on the date of transition and designate the same as deemed cost.

For details of pledged assets refer Note 37

4 Intangible assets

	Computer software	Total
Gross carrying amount		
Balance as at April 1, 2021	2.77	2.77
Additions	-	-
Disposal/ adjustments	-	-
Balance as at March 31, 2022	2.77	2.77
Amortisation		
Balance as at April 1, 2021	-	-
Amortisation expense for the year (Note 22)	1.17	1.17
Disposal/ adjustments	-	-
Balance as at March 31, 2022	1.17	1.17
Net carrying amount		
Balance as at April 1, 2021	2.77	2.77
Balance as at March 31, 2022	1.60	1.60

All intangible assets are carried in balance sheet as at April 1, 2021 in accordance with previous GAAP. The Company has elected to regard such carrying value as deemed cost at the date of transition.

5 Financial assets-Non current

5(a) Loans - Non-current

	As at March 31, 2022	As at April 1, 2021
At amortised cost		
Intercompany loans to others parties (unsecured)	10.80	12.44
Less: provision for doubtful loans	(10.80)	(12.44)
Total Non-current loan	-	-
Breakup of Loans receivable		
(i) Loans Receivables considered good - Secured	-	-
(ii) Loans Receivables considered good - Unsecured	-	-
(iii) Loans Receivables which have significant increase in Credit Risk	-	-
(iv) Loans Receivables - credit impaired	10.80	12.44
Total Loans receivable	10.80	12.44

5(b) Other non current financial assets

	As at March 31, 2022	As at April 1, 2021
Security deposits considered good at amorised cost(unsecured)	2.38	2.50
Bank deposits (due to mature after 12 months from the reporting date)*	31.45	30.45
	33.83	32.95

* These fixed deposits includes Rs. 31.45 (April 1, 2021 Rs. 30.45) which are not available for use by the Company as the same has been placed as fixed deposits for the stipulated cash margin in Debt Service Reserve Account; with the Pollution Control Board and against bank guarantee issued towards the Director General of Foreign Trade, India.

Breakup of non current financial assets measured at amortised cost

Particulars	As at March 31, 2022	As at April 1, 2021
Loans - Non-current (Note 5(a))	-	-
Other non current financial assets (Note 5(b))	33.83	32.95
Total current financial assets measured at amortised cost	33.83	32.95

6 Income taxes

For the year ended on
March 31, 2022

The major components of income tax expense are:

(i) Amount recognised in statement of profit and loss

Current tax:

Current tax on profits for the year

Total current tax expense

-

-

Deferred tax:

Relating to origination and reversal of temporary differences

Total deferred tax charge

0.07

0.07

Income tax expense reported in the Statement of Profit and Loss

0.07

(ii) Income tax recognised in other comprehensive income

Deferred tax charge (credit):

Income tax effect of re-measurement gains/(losses) on defined benefit plans

Income tax credited to other comprehensive income

(0.07)

(0.07)

(iii) Reconciliation of effective tax rate

Loss before tax

At Company's statutory income tax rate of 25.168%

(84.27)

(21.21)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Deferred tax asset not created on business losses and depreciation

Total adjustments

21.21

21.21

Income tax expense

-

(iv) Deferred tax asset/ (liability)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at April 1, 2021
Deferred tax assets		
Carry forward losses and unabsorbed depreciation	229.58	214.74
Property, plant and equipment, intangible assets.	17.40	22.98
Provision for employee benefits	0.30	0.36
Allowances for doubtful debts and advances	0.40	0.40
Total deferred tax assets (A)	247.68	238.48
Deferred tax liabilities		
Effective interest rate accounting	(0.16)	(0.14)
Total deferred tax liabilities (B)	(0.16)	(0.14)
Net deferred tax asset / (liability) (A+B)	247.52	238.34
Net Deferred tax asset not recognised on carry forward losses and unabsorbed depreciation and other differences	247.52	238.34
Net deferred tax asset / (liability)	-	-

(v) Deferred tax movement in Statement of Profit and Loss

Particulars	For the year ended on March 31, 2022	
	Statement of Profit and loss	Other comprehensive income
Accumulated depreciation and amortisation on property, plant and equipment, intangible assets.	5.58	-
Carry forward losses	(5.66)	-
Provision for employee benefits	0.13	(0.07)
Interest on loan from financial institution on amortised cost basis	0.02	-
Deferred tax expense/ (income)	0.07	(0.07)

(vi) Reconciliation of opening and closing deferred tax asset / (liability)

Particulars	For the year ended on March 31, 2022
Opening balance	-
Deferred tax expense recognised in statement of Profit or Loss	0.07
Deferred tax income recognised in OCI	(0.07)
Closing balance	-

The Company has tax losses (including unabsorbed depreciation) amounting to Rs. 912.24 (April 1, 2021 - Rs. 853.26) that are available for offsetting for subsequent years in accordance with Income Tax Act, 1961. Substantially all of these losses (excluding unabsorbed depreciation) will expire in March 2030. In the absence of convincing evidence that the sufficient taxable profit will be available against which unused tax losses can be utilized, the management consider its prudent to recognise deferred tax assets on tax losses and unabsorbed depreciation only to the extent of deferred tax liabilities. If the Company were able to recognise all unrecognised deferred tax assets, the profit and total equity would increase by Rs. 229.58 (April 1, 2021 - Rs. 214.74).

(vii) Tax Losses and tax credits for which no deferred tax asset was recognised expire as follows:

Expire assessment year	For the year ended on March 31, 2022		As at April 1, 2021	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Business loss				
2025-26	62.64	15.77	62.64	15.77
2026-27	64.62	16.26	64.62	16.26
2027-28	100.85	25.38	100.85	25.38
2028-29	98.22	24.72	98.22	24.72
2029-30	75.87	19.09	75.87	19.09
2030-31	58.98	14.84	-	-
Unabsorbed depreciation				
Indefinite life as per local laws	451.06	113.52	451.06	113.52
Total Deferred tax asset on tax losses and unabsorbed depreciation		229.58		214.74
Less Deferred tax asset recognised to the extent of deferred tax liability on other component		-		-
Net Deferred tax asset not recognised on tax losses and unabsorbed depreciation		229.58		214.74

Other non current tax assets

	As at March 31, 2022	As at April 1, 2021
Non-current		
Advance income tax (including TDS receivable net of provision)	1.80	0.84
Total other non-current tax assets	1.80	0.84

7 Other non current assets

	As at March 31, 2022	As at April 1, 2021
Non-current assets		
Unsecured unless stated otherwise		
Capital advances	2.35	2.35
Prepaid expenses	0.74	-
Total Other non current assets	3.09	2.35

8 Inventories (Valued at lower of cost or NRV)

	As at March 31, 2022	As at April 1, 2021
Food and beverages	0.32	0.17
Stores and operating supplies	0.17	-
Total Inventories (Valued at lower of cost or NRV)	0.49	0.17

9 Financial Assets

9(a) Trade receivables

	As at March 31, 2022	As at April 1, 2021
<i>Unsecured considered good unless stated otherwise</i>		
Considered good	6.00	1.92
Credit impaired	0.50	0.50
Unbilled revenue, considered good	1.43	0.60
	7.93	3.02
Less: Allowance for bad and doubtful debts	(0.50)	(0.50)
Total trade receivables	7.43	2.52

Current portion	7.43	2.52
Non-current portion	-	-

Break-up of security details of trade receivables

Particulars	As at March 31, 2022	As at April 01, 2021
Secured, considered good		
Unsecured, considered good	7.43	2.51
Trade receivables - credit impaired	0.50	0.50
Total	7.93	3.01
Allowance for bad and doubtful debts	(0.50)	(0.50)
Total trade receivables	7.43	2.51

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Trade receivables Ageing Schedule

As at 31 March 2022

Unbilled	Outstanding for following periods from date of transaction						Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years		
	INR	INR	INR	INR	INR	INR	INR
Undisputed Trade Receivables – considered good	-	5.33	0.05	0.08	0.01	0.03	5.50
Undisputed Trade Receivables – considered doubtful	-	-	0.50	-	-	-	0.50
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – considered doubtful	-	-	-	-	0.33	0.17	0.50
Unbilled revenue	1.43	-	-	-	-	-	1.43
Total	1.43	5.33	0.55	0.08	0.34	0.20	7.93

As at 1 April 2021

Unbilled	Outstanding for following periods from date of transaction						Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years		
	INR	INR	INR	INR	INR	INR	INR
Undisputed Trade Receivables – considered good	-	0.55	0.76	0.40	0.14	0.06	1.91
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – considered doubtful	-	-	-	0.33	0.17	-	0.50
Unbilled revenue	0.60	-	-	-	-	-	0.60
Total	0.60	0.55	0.76	0.73	0.31	0.06	3.01

The Company tracks trade receivables based on transaction date, thus ageing of trade receivables has been disclosed following transaction date.

Set out below is the movement in the allowance for doubtful debts of trade receivables:

	As at March 31, 2022
Balance at beginning of the year	(0.50)
Movement in bad and doubtful debts on trade receivables.	-
Balance at end of the year	(0.50)

9(b) **Loans - Current**

	As at March 31, 2022	As at April 1, 2021
To related parties		
Intercompany loans to related parties (unsecured)*#	0.36	0.71
To parties other than related parties		
Intercompany loans to others parties (unsecured)	1.10	1.10
Less: provision for doubtful loans	(1.10)	(1.10)
Total Loans-Current	0.36	0.71

* Intercompany loans to related parties includes the amount of Interest receivable on intercompany loans amounting to Rs. 0.36 (April 1, 2021 Rs. 0.71)

The Company has given intercompany loans to related parties at an interest rate of 14% (April 1, 2021: 14%). The loans are repayable as per the mutual consent between both the parties . Interest on intercompany loan given has been waived off as per mutual consent and accordingly no interest is accrued on these loan transactions from FY 2016-17 till March 31, 2022.

9(c) **Cash and cash equivalent**

	As at March 31, 2022	As at April 1, 2021
Balance with banks		
-In current accounts	3.80	3.09
Cash in Hand	0.17	0.11
Total Cash and cash equivalent	3.97	3.20

Changes in liabilities arising from financing activities*
As at March 31, 2022

Particulars	As at April 1, 2021	Cash flows	Non Cash adjustment#	As at March 31, 2022
Current borrowing	-	-	-	-
Loans from financial institutions	464.53	26.28	0.69	491.50
Total Liability from financing activities	464.53	26.28	0.69	491.50

*Refer cash flow statement for cash flow from financing activities

Non cash adjustment related to impact of effective interest rate on loan from financial institution.

9(d) **Other current financial assets**

	As at March 31, 2022	As at April 1, 2021
Loan to employees	0.01	0.03
Interest accrued but not due on deposits	-	0.07
Total Other current financial assets	0.01	0.10

Breakup of current financial assets measured at amortised cost

Particulars	As at March 31, 2022	As at April 1, 2021
Trade receivables (Note 9(a))	7.43	2.52
Loans - Current (Note 9(b))	0.36	0.71
Cash and cash equivalent (Note 9(c))	3.97	3.20
Other current financial assets (Note 9(d))	0.01	0.10
Total current financial assets measured at amortised cost	11.77	6.53

10 **Other current assets**

	As at March 31, 2022	As at April 1, 2021
Unsecured considered goods		
Balance with customs, excise and other authorities	6.31	9.12
Prepaid expenses	2.55	0.88
Advances to suppliers	0.92	3.50
Other receivables	0.23	-
Total Other current assets	10.01	13.50

11 Share capital

	As at March 31, 2022	As at April 1, 2021
Authorised		
4,990,000 (previous year 4,990,000) Equity shares of Rs. 10 each	49.90	49.90

11(a) Equity Share capital

	As at March 31, 2022	As at April 1, 2021
Issued, subscribed and paid up		
4,455,473 (previous year 4,455,473) Equity shares of Rs.10 each.	44.55	44.55
	44.55	44.55

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2022 No.	As at March 31, 2022 Amount
Equity shares		
Balance as at the beginning/end of the year	4,455,473	44.55

b) Terms/rights attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in Company's residual assets. The equity shares are entitled to receive dividend as and when declared subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder are in proportion to the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held. During the year ended March 31, 2022 and year ended April 1, 2021, the Company has not declared any dividend to equity shareholders.

Shares held by Holding company/Entity having significant influence

	As at March 31, 2022 No.	As at March 31, 2022 Amount	As at April 1, 2021 No.	As at April 1, 2021 Amount
Equity shares of Rs. 10 each fully paid up held by				
ACIC Mauritius 1, the holding company	3,386,159	33.86	3,386,159	33.86
ACIC Mauritius 2, entity having significant influence	1,069,314	10.69	1,069,314	10.69
	4,455,473	44.55	4,455,473	44.55

Details of shareholders holding more than 5% shares of the Company

	As at March 31, 2022 No.	As at March 31, 2022 % holding	As at April 1, 2021 No.	As at April 1, 2021 % holding
Equity shares of Rs. 10 each fully paid up held by				
ACIC Mauritius 1, the holding company	3,386,159	76%	3,386,159	76%
ACIC Mauritius 2, entity having significant influence	1,069,314	24%	1,069,314	24%

Details of shares held by promoters as on March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
ACIC Mauritius 1, the holding company	3,386,159	-	3,386,159	76%	-
ACIC Mauritius 2, entity having significant influence	1,069,314	-	1,069,314	24%	-
Total	4,455,473	-	4,455,473	100%	

11(b) Instruments entirely equity in nature

	As at March 31, 2022	As at April 1, 2021
58,064,466 (April 1, 2021 - 56,569,466) Fully Compulsorily Convertible Debentures (FCCDs) of Rs 10 each.	580.64	565.69
Total	580.64	565.69

a) Reconciliation of Fully Compulsorily Convertible Debentures (FCCDs) outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2022		As at April 1, 2021	
	No.	Amount	No.	Amount
i) Equity component of Fully Compulsorily Convertible Debentures (FCCDs)*				
Balance at the beginning of the year	56,569,466	565.69	56,569,466	565.69
Add : Additions made during the year	1,495,000	14.95	-	-
Balance at the year	58,064,466	580.64	56,569,466	565.69

Details of shareholders holding more than 5% Fully Compulsorily Convertible Debentures (FCCDs) of the Company

	As at March 31, 2022		As at April 1, 2021	
	No.	% holding	No.	% holding
ACIC Mauritius 1, the holding company	58,064,466	100%	56,569,466	100.00%
	58,064,466	100%	56,569,466	100.00%

Details of Fully Compulsorily Convertible Debentures (FCCDs) held by promoters as on March 31, 2022

Promoter Name	No. of FCCDs at the beginning of the year	Change during the year	No. of FCCDs at the end of the year	% of Total Shares	% change during the year
ACIC Mauritius 1, the Ultimate holding company	56,569,466	-	56,569,466	100%	-
Total	56,569,466	-	56,569,466	100%	

*** Equity component of Fully Compulsorily Convertible Debentures (FCCDs) of Rs. 10 each**

	As at March 31, 2022	As at April 1, 2021
- Fully Compulsory Convertible Debentures (FCCDs) issued to Ultimate Holding Company- ACIC Mauritius 1		
5,437,204 (April 1, 2021 - 5,437,204) of Rs.10 each (unsecured)(Note 1)	54.37	54.37
8,640,737 (April 1, 2021 - 8,640,737) of Rs.10 each (unsecured)(Note 2)	86.41	86.41
16,791,840 (April 1, 2021 - 16,791,840) of Rs.10 each (unsecured)(Note 3)	167.92	167.92
5,147,736 (April 1, 2021 - 5,147,736) of Rs.10 each (unsecured)(Note 3)	51.48	51.48
1,202,410 (April 1, 2021 - 1,202,410) of Rs.10 each (unsecured)(Note 3)	12.02	12.02
1,904,274 (April 1, 2021 - 1,904,274) of Rs.10 each (unsecured)(Note 3)	19.04	19.04
888,125 (April 1, 2021 - 888,125) of Rs.10 each (unsecured)(Note 3)	8.88	8.88
15,680,400 (April 1, 2021 - 15,680,400) of Rs.10 each (unsecured)(Note 4)	156.80	156.80
876,740 (April 1, 2021 - 876,740) of Rs.10 each (unsecured)(Note 4)	8.77	8.77
1,495,000 (April 1, 2021 - Nil) of Rs.10 each (unsecured)(Note 5)	14.95	-
	580.64	565.69

Notes

- FCCDs of Rs. 10 each having a coupon rate of SBI base rate plus 300 base points per annum were allotted on 6 April 2017 to Asiya Asset Management Cayman Ltd. Each debenture holder will get 1 equity share of Rs. 63 each in place of 6.3 debentures on maturity before 10 years from the date of issue. These FCCDs's do not carry any interest till the repayment of term loans from the banks and financial institution and accordingly no interest is accrued on these FCCDs's till March 31, 2022. These FCCDs's were transferred by Asiya Asset Management (Cayman) Limited. to ACIC Mauritius 1 on December 29, 2018
- FCCDs of Rs. 10 each having a coupon rate of SBI Base rate plus 300 basis points per annum were allotted on October 22, 2018, November 22, 2018, December 31, 2018, February 5, 2019 and March 1, 2019. Each debenture holder will get 1 equity share of Rs 10 each in place of 6.2 FCCDs on or before maturity. These FCCDs's do not carry any interest till the repayment of term loans from the banks and financial institution and accordingly no interest is accrued on these FCCDs's till March 31, 2022.
- FCCDs of Rs. 10 each having a coupon rate of SBI Base rate plus 300 basis points per annum were allotted on May 13, 2019, June 28, 2019, October 1, 2019, December 20, 2019 and February 3, 2020. Each debenture holder will get 1 equity share of Rs 10 each in place of 6.2 FCCDs on or before maturity. These FCCDs's do not carry any interest till the repayment of term loans from the banks and financial institution and accordingly no interest is accrued on these FCCDs's till March 31, 2022.
- FCCDs of Rs. 10 each having a coupon rate of SBI Base rate plus 300 basis points per annum were allotted on October 01, 2020 and November 18, 2020. Each debenture holder will get 1 equity share of Rs 10 each in place of 6.2 FCCDs's on or before maturity. These FCCDs's do not carry any interest till the repayment of term loans from the banks and financial institution and accordingly no interest is accrued on these FCCDs's till March 31, 2022.
- FCCDs of Rs. 10 each having a coupon rate of SBI Base rate plus 300 basis points per annum were allotted on October 09, 2021. Each debenture holder will get 1 equity share of Rs 10 each in place of 6.2 FCCDs's on or before maturity. These FCCDs's do not carry any interest till the repayment of term loans from the banks and financial institution and accordingly no interest is accrued on these FCCDs's till March 31, 2022.

11(c) Other equity

	As at March 31, 2022	As at April 1, 2021
Securities premium	308.38	308.38
Equity Component of intercompany borrowings	54.23	37.07
Retained earnings	(1,027.22)	(943.44)
Other comprehensive income - Remeasurements of defined benefit liability / asset	0.21	-
	(664.40)	(597.99)

i) Securities premium

Balance at the beginning of the year	308.38	308.38
Add : Additions made during the year	-	-
Balance at the year	308.38	308.38

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013.

ii) Equity component of intercompany borrowings		
Balance at the beginning of the year	37.07	37.07
Add : Additions made during the year	17.16	-
Balance at the year	54.23	37.07

Equity component of intercompany borrowings represents difference between fair value and carrying value of borrowings from fellow subsidiaries.

iii) Retained earnings		
Balance at the beginning of the year	(943.44)	(943.44)
Profit/(loss) for the year	(84.20)	-
Other adjustment	0.42	-
Balance at the year	(1,027.22)	(943.44)

Retained earnings represent the amount of accumulated profits/(losses) of the Company.

iv) Other comprehensive income - Remeasurements of defined benefit liability / asset		
Balance at the beginning of the year	-	-
Remeasurement of defined benefit liability (net of tax)	0.21	-
Balance at the year	0.21	-

Remeasurements of defined benefit liability comprises actuarial gains and losses.

12 Financial Liabilities- Non current

(i) Borrowings

	As at March 31, 2022	As at April 1, 2021
Loans from financial institutions*	491.50	464.53
Total non-current borrowings	491.50	464.53
Aggregate secured loans	491.50	464.53
Aggregate unsecured loans	-	-

* The loan carries interest at 9.95% (April 1, 2021: 9.95%) per annum linked to L&T Infra PLR (floating) with monthly rests and is repayable in 40 quarterly instalments after a moratorium period of 24 months from the date of first disbursement i.e July 7, 2018. During the earlier year, the Company updated its loan arrangement with L&T Infrastructure Finance Company Limited (L&T Infra), made prepayment of loan amounting to Rs. 118.55 for operational purpose.

The term loan is secured by mortgage on all immovable properties together with all buildings, structures and appurtenances thereon and thereunder, both present and future; charge by way of hypothecation on all the movable assets of the Company, including but not limited to cash flows, receivables, movable machinery, machinery spares, tools, equipment(s) and accessories, both present and future; Pledge by the Promoter(s) of 100% of the fully paid up share capital of the Company /100% of CCCPS/FCCDs, in demat form; and pledge/charge on investments, if any, in demat form, of the Company.

Subsequent to year end, the Company has entered into an agreement with Indusind Bank Limited ('New Facility') to take over existing loan facilities from financial institutions ('Existing Facility') at interest rate ranging from 9.30% (linked to 3Month T-Bill to be reset every 3 months).

The New Facility is secured by:

1. Mortgage on all immovable properties of the Borrower(s) together with all buildings, structures and appurtenances thereon and thereunder, both present and future
2. Charge by way of hypothecation on all the current and movable fixed assets of the Borrower(s), including but not limited to cash flows, receivables, movable machinery, machinery spares, tools, equipment(s) and accessories, both present and future
3. Assignment by way of hypothecation/security interest/charge of all present and future rights, title, interest, benefit, claims and demand whatsoever of the Borrower(s), as per applicable law, in (i) the business documents; (ii) in the clearances relating to the business/Borrower hotel, (i) in any letter of credit, guarantee, performance bond or any other instruments provided by any counter party in favour of the Borrower(s) and (iv) in all insurance proceeds
4. Pledge charge /Hypothecation on investments, if any, in demat form, of the Borrower charge on all reserves and permitted investments and the bank accounts of the Borrower including but not limited to Escrow / Trust and Retention Account (TRA) and Debt Service Reserve Account (DSRA)
5. Pledge by the Promoter(s) of 30% of the fully paid up share capital of the Borrower with NDU over the rest/pledge over 30% of CCD/CCPS with NDU over the rest, in demat form (free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement), together with all accretions thereon
6. Hypothecation / Assignment, as applicable, by way of charge over Unsecured Loan/ financial assistance/ funds infused by the Promoter(s), if any, in the Borrower.

13 Non current provisions

	As at March 31, 2022	As at April 1, 2021
Provision for employee benefits		
- Provision for gratuity (refer note 27)	0.49	0.53
- Provision for compensated absences	0.64	0.80
Total non-current provisions	1.13	1.33

14 Financial Liabilities- Current Liabilities

14(a) Trade payables

	As at March 31, 2022	As at April 1, 2021
- total outstanding dues to micro and small enterprises (refer note 34)	0.43	-
- total outstanding dues to creditors other than micro and small enterprises	31.50	24.81
	31.93	24.81

Trade payables Ageing schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of transaction					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	0.43	-	-	-	0.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	8.67	11.44	6.40	4.59	0.40	31.50
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	8.67	11.87	6.40	4.59	0.40	31.93

As at 1 April 2021

Particulars	Outstanding for following periods from due date of transaction					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.11	11.58	6.00	1.12	-	24.81
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	6.11	11.58	6.00	1.12	-	24.81

The Company tracks trade payables based on transaction date, thus ageing of trade payables has been disclosed following transaction date.

14(b) Other financial liabilities

	As at March 31, 2022	As at April 1, 2021
Creditors for capital expenditure	16.06	17.77
Employee related payables	1.34	1.32
Total Other financial liabilities	17.40	19.09

15 Other current liabilities

15(a) Other liabilities

	As at March 31, 2022	As at April 1, 2021
Statutory dues payable	1.59	4.25
Contract liabilities*	0.08	0.01
Deferred revenue of government grant	16.01	16.01
Other payables	-	2.53
Total Other liabilities	17.68	22.80

*Contract liabilities represents amounts received from the guests for future events/ bookings.

16 Current provisions

	As at March 31, 2022	As at April 1, 2021
Provision for employee benefits		
- Provision for gratuity (refer note 27)	-	-
- Provision for compensated absences	0.08	0.09
Provision for contingency (refer note 26B and 28b(2))	13.43	13.43
Total Current provisions	13.51	13.52

17 Revenue from operations		For the year ended March 31, 2022
Revenue from contracts with customers		
Room rentals		45.64
Food and beverages		14.09
Other operating revenue		0.40
Total		60.13
18 Other income		For the year ended March 31, 2022
a) Interest Income		
Interest income from financial assets at amortised cost		
Bank deposits		1.70
b) Other gain or losses		
Liabilities no longer required written back		4.14
Miscellaneous income		0.16
Total		6.00
19 Food and beverages consumed		For the year ended March 31, 2022
Opening inventory		
Food and beverages		0.16
		0.16
Add: Purchases		
Food and beverages		4.90
		4.90
Less: Closing inventory		
Food and beverages		0.32
		0.32
Food and beverages consumed		
Food and beverages		4.74
		4.74
20 Employee benefit expenses		For the year ended March 31, 2022
Salaries, wages and bonus		12.74
Gratuity (refer note 27)		0.28
Contribution to provident fund and other funds (refer note 27)		0.85
Staff welfare expenses		4.49
Total		18.36

21 Other expenses

	For the year ended March 31, 2022
Consumption of stores and operating supplies	3.68
Rates and taxes	2.76
Brand, license and marketing fees	14.99
Insurance	1.33
Power, fuel and water charges	13.58
Printing and stationery	0.57
Communication	1.73
Travelling and conveyance	0.79
Management fees	1.43
Legal and professional	2.57
Payment to auditors*	1.23
Repairs and maintenance	
- building	0.56
- plant and machinery	1.74
- others	1.51
Security services	0.77
Contractual labour	0.65
Net Loss on account of foreign exchange fluctuation	-
Miscellaneous expenses	0.01
Total	49.90
*Payment to auditors	
Statutory audit fees	1.23
Total	1.23

22 Depreciation and amortisation expenses

	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	27.87
Amortisation of intangible assets (refer note 4)	1.17
Total	29.04

23 Finance costs

	For the year ended March 31, 2022
Interest on loans from financial Institutions	47.76
Interest cost on government grant	-
Bank charges	0.60
Total	48.36

24 Earning per share

	For the year ended March 31, 2022
Net profit/(loss) attributable to equity shareholders (A)	(84.20)
Weighted average of number of equity shares used in computing basic earnings per share (B)	13,806,789
Weighted average of number of equity shares used in computing diluted earnings per share (C)	13,806,789
Basic earnings/ (loss) per share (A/B) (absolute Rs.)	(6.10)
Diluted earnings/ (loss) per share (A/C)* (absolute Rs.)	(6.10)

*In case of loss, potential equity shares are anti-dilutive, the effect of the same are ignored in calculating diluted earnings per share as per the requirements of Ind AS 33.

Reconciliation of net profit attributable to equity shareholders (basic earnings per share)

Net profit / (loss) after tax as per statement of profit and loss	(84.20)
Net profit/ (loss) attributable to equity shareholders	(84.20)

Calculation of weighted average number of shares for basic/diluted earnings per share for the year ended March 31, 2022

Particulars	Number	Weighted Average
Equity shares as on April 1, 2021	4,455,473	4,455,473
Instruments entirely equity in nature		
Fully compulsory convertible debentures (FCCDs) as on April 1, 2021	9,110,187	9,110,187
Fully compulsory convertible debentures issued during the year ended March 31, 2022	241,129	241,129
	13,806,789	13,806,789

25 Key accounting changes

A - Impact of First time adoption of Ind AS

25.1 First-time adoption of Ind-AS

- a. The Special Purpose Preliminary Financial Statements of the Company have been prepared in accordance with recognition and measurement principles prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules 2016 issued thereunder, and other accounting principles generally accepted in India ("IndAS"). However, all the disclosures as required under IndAS have not been furnished in these Special Purpose preliminary Financial Statements.
- b. The Company's management ('the management') had issued Financial Statements of the Company for the year ended March 31, 2022 and March 31, 2021 on September 30, 2022 and November 8, 2021 respectively that were prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP').
- c. The transition to IndAS was carried out from the accounting principles generally accepted in India ('Indian GAAP') which is considered as "Previous GAAP" as defined in IndAS 101, "First Time Adoption". An explanation of how the transition to IndAS has impacted the Company's equity and profits/loss is provided in the Special Purpose Preliminary Reconciliation of Equity as at April 1, 2021 and March 31, 2022 and Special Purpose Reconciliation of profit/loss for the year ended March 31, 2022. The preparation of these Special Purpose Preliminary Financial Statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Indian GAAP. The accounting policies have been applied consistently to all period presented in these Special Purpose Preliminary Financial Statements. They have also been applied in preparing the IndAS opening Balance Sheet as at April 1, 2021 (date of transition) for the purpose of transition to IndAS required by IndAS 101. The impact arising from the adoption of IndAS on the date of transition has been adjusted against Retained Earnings.
- d. The items in the Special Purpose Preliminary Financial Statements have been classified considering the principles under IndAS 1, "Presentation of Financial Statements". The Management of the Company has prepared the Special Purpose Preliminary Financial Statements which comprise the Balance Sheet as at April 1, 2021 and as at March 31, 2022, the Statement of Profit and loss, Statement of Cash Flows and Statement of Changes in Equity for the year ended March 31, 2022 and Reconciliation of Equity as at April 1, 2021 and as at March 31, 2022, Reconciliation of Profit and Loss for the year ended March 31, 2022, Notes to First-time adoption, Notes to Reconciliation and Significant Accounting Policies.
- e. The management will prepare and issue first complete IndAS Financial Statements as at and for the year ending March 31, 2023. Until the first complete IndAS Financial Statements are issued, the balances in the Special Purpose Preliminary Financial Statements can change if (a) there are any new IndAS standards issued through March 31, 2023, (b) there are any amendments/modifications made to existing IndAS standards or interpretations thereof through March 31, 2023 effecting the IndAS balances in the Special Purpose Preliminary Financial Statements, (c) if the management makes any changes in the elections and/or exemptions and (d) here are any changes in significant accounting judgements, estimates and assumptions. Only a complete set of IndAS Financial Statements together with comparative financial information can provide a fair presentation of the Company's state of affairs (Balance Sheet), profit and loss (Statement of Profit and Loss including Other Comprehensive Income (OCI)), cash flows and the changes in equity. While preparing the Special Purpose Preliminary Financial Statements under IndAS for the year ended March 31, 2022, the relevant comparative financial information under IndAS for the year ended March 31, 2021 has not been presented.
- f. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2021 and the financial statements as at and for the year ended March 31, 2022.

25.2 Exemptions applied

Ind AS 101 First-Time Adoption allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. For transition to Ind AS, the Company has applied the following exemptions:

(i) Deemed cost for property, plant and equipment

IndAS 101 permits a first time adopter to measure the carrying value for all of its Property Plant and equipment at fair value in the financial statements as at the date of transition to IndAS and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at fair value at the date of transition. Intangible assets have been measured at cost at the date of transition.

(ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2021 (the transition date).

(iii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTPL criteria based on the facts and circumstances that existed as of the transition date.

25.3 Exceptions

Ind AS 101 First-Time Adoption provides first-time adopters certain exceptions from the retrospective application of certain requirements under Ind AS. For transition to Ind AS, the Company has applied the following exceptions:

(i) Recognition of financial assets and liabilities

The Company has recognised financial assets and liabilities on transition date which are required to be recognised by IndAS and were not recognised under previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e. April 1, 2021.

(iii) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(iv) Estimates

The entity's estimates in accordance with IndAS at the date of transition to IndAS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Duet India Hotels (Chennai OMR) Private Limited

Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022

(All amounts in Rs. Millions, unless stated otherwise)

25.4.1 First time Ind AS adoption reconciliations - Effect of Ind AS adoption on the balance sheet as at March 31, 2022

	Notes	As at March 31, 2022			
		As per the Audited Indian GAAP	Other Adjustment	Effect of transition to Ind AS	As per Ind AS
ASSETS					
I. Non-current assets					
(a) Property, plant and equipment	25.6 (1) & 26B	711.12	11.54	(251.31)	471.35
(b) Intangible assets		1.60	-	-	1.60
(c) Financial assets		-	-	-	-
(i) Loans		-	-	-	-
(ii) Other financial assets		33.83	-	-	33.83
(d) Non-current tax assets (net)		1.80	-	-	1.80
(e) Other non-current assets	25.6 (2)	8.41	-	(5.32)	3.09
Total non-current assets		756.76	11.54	(256.63)	511.67
II. Current assets					
(a) Inventories		0.49	-	-	0.49
(b) Financial assets		-	-	-	-
(i) Trade receivables		7.43	-	-	7.43
(ii) Loans		0.36	-	-	0.36
(iii) Cash and cash equivalent		3.97	-	-	3.97
(iv) Other financial assets		0.01	-	-	0.01
(c) Other current assets	25.6 (2)	10.78	-	(0.77)	10.01
Total current assets		23.04	-	(0.77)	22.27
Total Assets		779.80	11.54	(257.40)	533.94
EQUITY AND LIABILITIES					
I. Equity					
(a) Equity share capital		44.55	-	-	44.55
(b) Instruments entirely equity in nature	25.6 (3)	-	-	580.64	580.64
(c) Other equity		-	-	-	-
(i) Securities premium		308.38	-	-	308.38
(ii) Equity Component of intercompany borrowings	25.6 (7)	-	-	54.23	54.23
(iii) Equity component of guarantee given by holding company	25.6 (5)	-	-	-	-
(iv) Retained earnings	25.6 (1, 2, 4, 5 & 8) & 26A, 26B	(757.33)	(2.99)	(266.90)	(1,027.22)
(v) Other comprehensive income - Remeasurements of defined benefit liability / asset	25.6 (4)	-	-	0.21	0.21
Total equity		(404.40)	(2.99)	368.18	(39.21)
II. Non-current liabilities					
(a) Financial liabilities		-	-	-	-
(i) Borrowings	25.6 (3 & 7) & 26A	1,131.99	1.10	(641.59)	491.50
(b) Non-current provisions		1.13	-	-	1.13
Total Non current liabilities		1,133.12	1.10	(641.59)	492.63
III. Current liabilities					
(a) Financial liabilities		-	-	-	-
(i) Trade payables		-	-	-	-
- Total outstanding dues of micro enterprises and small enterprises		0.43	-	-	0.43
- Total outstanding dues of creditors other than micro enterprises and small enterprises		31.50	-	-	31.50
(ii) Other financial liabilities		17.40	-	-	17.40
(b) Other current liabilities	25.6 (8)	1.67	-	16.01	17.68
(c) Short-term provisions	26B	0.08	13.43	-	13.51
Total current liabilities		51.08	13.43	16.01	80.52
Total Equity and Liabilities		779.80	11.54	(257.40)	533.94

Duet India Hotels (Chennai OMR) Private Limited

Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022

(All amounts in Rs. Millions, unless stated otherwise)

25.4.2 First time Ind AS adoption reconciliations - Effect of Ind AS adoption on the balance sheet as at April 1, 2021

	Notes	As at April 1, 2021			
		As per the Audited Indian GAAP	Other Adjustment	Effect of transition to Ind AS	As per Ind AS
ASSETS					
I. Non-current assets					
(a) Property, plant and equipment	25.6 (1) & 26B	751.68	12.26	(264.72)	499.22
(b) Intangible assets		2.77	-	-	2.77
(c) Financial assets		-	-	-	-
(i) Loans		-	-	-	-
(ii) Other financial assets		32.95	-	-	32.95
(d) Non-current tax assets (net)		0.84	-	-	0.84
(e) Other non-current assets	25.6 (2)	8.43	-	(6.08)	2.35
Total non-current assets		796.67	12.26	(270.80)	538.13
II. Current assets					
(a) Inventories		0.17	-	-	0.17
(b) Financial assets		-	-	-	-
(i) Trade receivables		2.52	-	-	2.52
(ii) Loans		0.71	-	-	0.71
(iii) Cash and cash equivalent		3.20	-	-	3.20
(iv) Other financial assets		0.10	-	-	0.10
(b) Current tax assets (net)	25.6 (2)	-	-	-	-
(c) Other current assets	3	14.26	-	(0.76)	13.50
Total current assets		20.96	-	(0.76)	20.20
Total Assets		817.63	12.26	(271.56)	558.33
EQUITY AND LIABILITIES					
I. Equity					
(a) Equity share capital		44.55	-	-	44.55
(b) Instruments entirely equity in nature	25.6 (3)	-	-	565.69	565.69
(c) Other equity		-	-	-	-
(i) Securities premium		308.38	-	-	308.38
(ii) Equity Component of intercompany borrowings	25.6 (7)	-	-	37.07	37.07
(iii) Equity component of guarantee given by holding company		-	-	-	-
(iv) Retained earnings	25.6 (1, 2 & 8) & 26A, 26B	(661.01)	(2.27)	(280.16)	(943.44)
(v) Other comprehensive income - Remeasurements of defined benefit liability / asset		-	-	-	-
Total equity		(308.08)	(2.27)	322.60	12.25
II. Non-current liabilities					
(a) Financial liabilities		-	-	-	-
(i) Borrowings	25.6 (3 & 7) & 26A	1,073.60	1.10	(610.17)	464.53
(b) Non-current provisions		1.33	-	-	1.33
Total Non current liabilities		1,074.93	1.10	(610.17)	465.86
III. Current liabilities					
(a) Financial liabilities		-	-	-	-
(i) Borrowings		-	-	-	-
(i) Trade payables		-	-	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		24.81	-	-	24.81
(ii) Other financial liabilities	25.6 (8)	19.09	-	-	19.09
(b) Other current liabilities	26B	6.79	-	16.01	22.80
(c) Short-term provisions		0.09	13.43	-	13.52
Total current liabilities		50.78	13.43	16.01	80.22
Total Equity and Liabilities		817.63	12.26	(271.56)	558.33

25.5 Effect of Ind AS adoption on the statement of profit and loss for the period ended March 31, 2022

	Notes	For the year ended March 31, 2022			
		As per audited India GAAP	Other Adjustment	Effect of transition to Ind As	As per Ind AS
I. INCOME					
(a) Revenue from operations		60.13		-	60.13
(b) Other income		6.00		-	6.00
Total income (I)		66.13	-	-	66.13
II. EXPENSES					
(a) Food and beverages consumed		4.74		-	4.74
(b) Employee benefits expenses	25.6 (4)	18.08		0.28	18.36
(C) Other expenses		49.90		-	49.90
		72.72	-	0.28	73.00
III. Profit/(Loss) before finance cost, depreciation, amortisation and tax (I-II)		(6.59)	-	(0.28)	(6.87)
IV. Depreciation and amortisation expenses	25.6 (1) & 26	41.73	0.72	(13.41)	29.04
V. Finance costs	25.6 (2, 4)	48.01	-	0.35	48.36
		89.74	0.72	(13.06)	77.40
VI. Profit/(loss) before tax (III-IV-V)		(96.33)	(0.72)	12.78	(84.27)
VII. Tax expense					
- Current Income tax		-	-	-	-
- Deferred tax expenses/(income)		-	-	(0.07)	(0.07)
Total tax expense		-	-	(0.07)	(0.07)
VIII. Profit/(Loss) after tax		(96.33)	(0.72)	12.85	(84.20)
IX. Other comprehensive income					
Items that will not be reclassified to profit or loss		-	-	-	-
(i) Re-measurement gains/(losses) on defined benefit plans	25.6 (4)	-	-	0.28	0.28
(ii) Income tax effect of re-measurement gains/(losses) on defined benefit plans		-	-	(0.07)	(0.07)
Total other comprehensive income/(loss)		-	-	0.21	0.21
X. Total comprehensive income for the year (VIII+IX)		(96.33)	(0.72)	13.06	(83.99)

25.6 Note on key reconciliation Ind AS adjustments and other adjustments

1. IndAS 101 permits an entity to elect to measure an item of property, plant and equipment at the date of transition to IndAS at its fair value and use that fair value as its deemed cost at that date. Accordingly, the Company has elected to use the fair value of all the items of property, plant and equipment on the date of transition and designate the same as deemed cost. Fair value has been determined, by obtaining an external third party valuation, a level 3 valuation technique. Accordingly as at April 1, 2021, the net carrying value of property, plant and equipment has decreased by Rs. 264.72 with a corresponding adjustment to retained earnings. The loss for the year ended March 31, 2022 has decreased on account of reduced depreciation by Rs. 13.41. Consequently, the property plant and equipment and total equity as at March 31, 2022 has decreased by Rs. 251.31. In view of the unabsorbed tax depreciation available with the Company, no deferred tax liability has been recognised on the above fair value gain recorded by the Company.

2. Under Indian GAAP, transaction cost incurred in connection with borrowings were recorded under Other Assets and were amortised on straight-line basis and charged to statement of profit and loss for the period. Under IndAS transaction cost/fees that are directly related to the origination of the borrowings and are an integral part of the Effective Interest Rate (EIR) are included in the carrying amount of the loan and charged to profit or loss using the EIR method. Accordingly, borrowings as at March 31, 2022 have been reduced by Rs. 6.65 (April 1, 2021 Rs. 7.41) with a corresponding credit to Other Non current assets by Rs. 5.32 (April 1, 2021 Rs. 6.08), Other current assets by Rs. 0.76 (April 1, 2021 Rs. 0.76) and retained earnings by Rs. 0.07 (April 1, 2021 Rs. 0.07). The profit for the year ended March 31, 2022 has increased by Rs. 0.07 as a result of decrease in finance cost due to accretion of liability by applying the effective interest rate method.

3. The Company has issued Fully Compulsory Convertible Debentures (FCCDs) amounting to Rs. 580.64 (April 1, 2021 Rs. 565.69). Under previous GAAP these were classified as part of non-current borrowings whereas under IndAS these have been accounted for as compound financial instruments and have been recognised as instruments entirely equity in nature, equity component of FCCDs and debt component of FCCDs depending upon the terms of the agreement. Accordingly, the Company at transition date has recorded FCCDs amounting to Rs. 580.64 March 31, 2022 as instruments entirely equity in nature.

4. Both under Indian GAAP and IndAS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under IndAS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income. Due to this, for the year ended March 31, 2022 remeasurement gain on defined benefit plans amounting to Rs. 0.28 has been recognised in the OCI and the employee benefit cost is increased by same amount.

5. Under Indian GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per IndAS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per IndAS.

6. The Company has availed inter corporate borrowings from its fellow subsidiary companies. Over the past years the fellow subsidiary companies have been waiving interest on such borrowings payable by the Company. Under the previous GAAP these loans were recorded as long term borrowings from related parties. Considering the substance of the agreement, these borrowings have been regarded as non refundable interest free borrowings by the management and accordingly have recognised the same as equity component of inter company borrowings. Accordingly, the Company has recognized equity component of borrowings as at March 31, 2022 amounting to Rs. 51.85 (April 1, 2021 Rs. 37.07).

7. The Company under the EPCG scheme has received grants from the Government in form of waiver of import duty on purchase of capital goods. These, however are conditional on the Company achieving specified future export obligations. Under previous GAAP, the Company recognised its property, plant and equipment at the net cost i.e. the import duty was excluded from the cost of the property, plant and equipment and adjusted directly with the export benefits. Under Ind AS the custom duty waiver is accounted for as government grant as deferred revenue and recorded as income as and when obligation is met. Accordingly, deferred revenue of Rs. 16.01 has been recognised as at March 31, 2022 (April 1, 2021 - Rs. 16.01) with a corresponding debit to retained earnings as at March 31, 2022.

Duet India Hotels (Chennai OMR) Private Limited

Notes to the Special Purpose Preliminary Ind AS financial statements for the year ended March 31, 2022

(All amounts in Rs. Millions, unless stated otherwise)

26A The Company in earlier years had entered into loan transactions with different companies under the SARE group pursuant to which it was carrying loan receivable of Rs. 1.10 as at March 31, 2020. During the year ended March 31, 2021, the Company had assigned loan receivable from SARE group company of Rs 1.10 to Duet India Hotels (Hyderabad) Private Limited.

The above accounting treatment done by the Company was qualified by the statutory auditors in their audit report for the said year. Considering the matter is sub-judice, the Company has reversed the impact of assignment and adjustment done in earlier years and has created a provision for loan receivable arising out of this reversal. This has resulted reduction in retained earnings as at transition date of Rs. 1.10 (Rs. 1.10 as at March 31, 2022) and increase in long term borrowings by the same amount.

26B In an earlier year, the Company had engaged with a service provider for assisting in hotel renovations at an agreed value of Rs 10.28 (design fees and Project Management fees) and a further incentive at a proportion of saving from the budgeted renovation cost. Till the end of FY 19-20, the service provider raised invoices of Rs 3.95 for services rendered, and Rs 4.73 for construction services and Rs 4.00 for incentives representing saving from budgeted renovation cost. The service provider initiated arbitration proceedings for recovery of above amounts and the management filed a counter claim disputing service provider's claims on account of delay and lack of submission of cost details and saving arising out of the efforts of service provider. The management had not recorded the above amounts claimed by the service provider in its books of account and the matter was qualified by the statutory auditors in their audit report for the said year.

Considering the matter is sub-judice the management believes it is prudent to record the contractual claims made by the service provider in the financial statements and accordingly has recorded a provision for contingency of Rs. 13.43 with a corresponding debit to property, plant and equipment (PPE). This has resulted in increase in provision for contingency by Rs. 13.43 and property plant and equipment by Rs. 12.26 as at April 1, 2021 (date of transition). Further, the loss for the year ended March 31, 2022 increased by Rs. 0.72 on account of additional depreciation recorded by the Company on capitalisation of the above amount.

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27 Gratuity and other post employment benefit plans

(a) Defined benefit plan

(i) Gratuity

The Company has a defined benefit plan for gratuity which provides for a lumpsum payment to vested employees on departure i.e. at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service except death while in employment. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company provides for the liability in its books of accounts based on an actuarial valuation carried out by a qualified independent actuary.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

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

	As at March 31, 2022
Discount rate	7.26%
Increase in compensation cost	10.00%
Retirement Age (years)	58/60

Withdrawal rates: Age related and past experience

Age	% Withdrawal
	As at March 31, 2022
Upto 30 years	15%
Between 31 and 44 years	15%
Above 44 years	20%
Mortality rates inclusive of provision for disability	IALM (2012-14)

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Changes in the present value of the defined benefit obligation are as follows:		As at March 31, 2022
Opening defined benefit obligation		0.53
Interest cost		0.04
Current service cost		0.20
Benefits paid		-
Actuarial loss/ (gain)		(0.28)
Closing defined benefit obligation		0.49

Balance sheet		As at March 31, 2022
Present value of defined benefit obligation		(0.49)
Plan liability		(0.49)

Expenses recognized in Statement of Profit and Loss		For the year ended on March 31, 2022
Interest cost on benefit obligation		0.04
Current service cost		0.20
Net benefit expense		0.24

Actuarial (gains) / losses recognised in other comprehensive income		For the year ended on March 31, 2022
Actuarial loss/ (gain) arising from change in demographic assumption		0.00
Actuarial loss arising from change in financial assumption		(0.02)
Actuarial loss/ (gain) arising from experience adjustment		(0.26)
Total expense/ (income) recognised in other comprehensive income		(0.28)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Sensitivity level	Discount rate		Salary growth rate	
	0.50% decrease	0.50% increase	0.50% decrease	0.50% increase
Increase/ (decrease) in defined benefit obligation	0.02	(0.02)	(0.02)	0.02

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.

Sensitivities due to mortality and withdrawals rate are not material and hence impact of change not calculated.

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

	As at
	March 31, 2022
Within next 12 months	0.00
Between 1 and 5 years	0.18
Beyond 5 years	0.31

The Company's best estimate of expense for the next annual reporting period is Rs. 0.35

The average duration of the defined benefit plan obligation at the end of the reporting period is 26.92 years (April 1, 2021 : 28.25 years)

(b) Defined contribution plan

Contribution to Defined Contribution Plan, recognised as expenses during the period as under:

	For the year ended on
	March 31, 2022
Employers' contribution to employees' provident fund	0.73
Employers' contribution to employees' state insurance	0.12
	0.85

(c) Code on Social Security, 2020

The Code on Social Security, 2020 ('the Code') relating to employee benefits received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020 and invited suggestions from the stakeholders. The date of implementation of the Code is yet to be notified by the Government and when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The Company will assess the impact of the Code and give effect in the financial results when the Code and Rules thereunder are notified.

28 Commitments and contingencies

a Capital and other commitments

The Company has Rs Nil (April 1, 2021: Rs. Nil) amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at year end.

b Contingent liabilities

1. Impact of Supreme Court judgement with regard to Provident Fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

2. The Company in earlier years had availed custom duty exemptions under the Export Promotion Capital Goods Scheme (EPCG) of Ministry of Commerce and Industry, Government of India. Under the Scheme, the Company was required to fulfil an export obligation over a period of six to eight years from the date of availing the benefit. During FY 2019-20, the department had revoked fixed deposits amounting to Rs. 11.38 given as bank guarantee against duty saved by the Company as it did not fulfil the required export obligation. The management believes that considering the export revenue earned by the Company and its fellow subsidiaries is sufficient to discharge the export obligations required to be fulfilled by the Company, it will recover back the balance amount of Rs. 11.38.

For the licenses, where the Company fulfils its export obligations after considering export revenues of group companies, it unwinds deferred government grant revenue pursuant to receiving the Export Obligation Discharge Certificates and accordingly is carrying a deferred government grant revenue of Rs. 16.01 as at reporting date.

3. During the year 2018-19, the Company had received a Show cause notice from a Land Acquisition Officer under Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 for acquisition of a small portion of land admeasuring 298 sq mtr in the hotel property owned by the Company. The Company was asked to submit reasons as to why the proposed land should not be acquired by the Authority. The Company, replied to the above notice by objecting to the proposed land acquisition along with reasons thereof. There has been no response from the authority thereafter and the management believes that no further adjustment is required in the financial statements in this regard

4 Income tax matters under litigation

The assessing officer, while assessing the income for assessment year 2016-17, had disallowed certain expenditure amounting to Rs. 3.60 citing that the Company has not been able to justify these expenses. Similarly expenses amounting to Rs. 9.27 were disallowed for assessment year 2018-19. The Company has contested these matters and the matters are currently pending with Commissioner of Income Tax (Appeals). The management based on expert advise believes that no liability is expected to dwelve up on the Company in these matters.

29 Related party transactions

Names of related parties and related party relationship

a) Related parties and nature of related party relationships where control exists :-

Ultimate holding company

Asiya Capital Investments Company, Kuwait

Holding Company

ACIC Mauritius 1

b) Other related parties with whom transactions have taken place :-

Entities under common control

Duet India Hotels (Ahmedabad) Private Limited
Duet India Hotels (Chennai) Private Limited
Duet India Hotels (Hyderabad) Private Limited
Duet India Hotels (Navi Mumbai) Private Limited
Duet India Hotels (Pune) Private Limited
Duet India Hotels (Jaipur) Private Limited
ACIC Advisory Private Limited

Entity having significant influence

ACIC Mauritius 2

c) Transactions with related parties during the period	For the year ended March 31, 2022	
Issue of Fully Compulsory Convertible Debentures (FCCDs) of Rs. 10 each		
-ACIC Mauritius 1		14.95
Equity Contribution in the form of loan		
-Duet India Hotels (Pune) Private Limited		17.27
-Duet India Hotels (Jaipur) Private Limited		0.21
Repayment of Equity contribution in the form of loan		
-Duet India Hotels (Hyderabad) Private Limited		0.32
Management fees expenses		
-ACIC Advisory Private Limited		0.35
Trade Payable		
-Duet India Hotels (Pune) Private Limited		0.09
Short term loan and advances*		
-Duet india Hotels (Mumbai) Private Limited		0.35
d) Balances outstanding at the end of the year	As at	As at
	March 31, 2022	April 1, 2021
Equity Contribution in the form of loan		
-Duet India Hotels (Pune) Private Limited	47.14	29.87
-Duet India Hotels (Navi Mumbai) Private Limited	4.50	4.50
-Duet India Hotels (Hyderabad) Private Limited	2.38	2.70
-Duet India Hotels (Jaipur) Private Limited	0.21	-
Instruments entirely equity in nature		
Fully Compulsory Convertible Debentures (FCCDs)		
-ACIC Mauritius 1	580.64	565.69
Trade receivables		
-Duet India Hotels (Chennai) Private Limited	0.48	0.48
Trade Payable		
-ACIC Advisory Private Limited	0.35	-
-Duet India Hotels (Pune) Private Limited		0.09
-Duet India Hotels (Hyderabad) Private Limited		0.41
Short term loan and advances*		
-Duet India Hotels (Ahmedabad) Private Limited	0.36	0.36
-Duet India Hotels (Mumbai) Private Limited	-	0.35

*Short term loans and advances includes accrued interest receivable

30 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Director of the Company who is responsible for allocating resources and assessing performance of the operating segments, have been identified as the chief operating decision-maker. From the internal organisation of the Company's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by it to provide those services, "Hotel Services" has been identified to be the Company's sole operating segment. The Company's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS.

A. Information about products and services

Since the company has only one hotel and has similarity in terms of products and services, customer classes, method of providing services and the regulatory environment, the individual hotels qualify for aggregation, the management has considered all the hotels operations as one reportable operating segment. Accordingly, the figures appearing in these financial statements relate to the Company's single operating segment.

B. Information about geographical areas

The Company operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, geographical segment information is not required to be disclosed.

C. Information about major customers (from external customers)

The Company does not derive revenue from one customer or group which would amount to 10 per cent or more of the Company's revenue.

31 Fair values measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, that are carried in the financial statements:-

	Note	Carrying value		Fair value	
		As at March 31, 2022	As at April 1, 2021	As at March 31, 2022	As at April 1, 2021
FINANCIAL ASSETS					
Financial assets measured at amortised cost					
(i) Trade receivables	9(a)	7.43	2.52	7.43	2.52
(ii) Loans	5(a) & 9(b)	0.36	0.71	0.36	0.71
(iii) Cash and cash equivalents	9(c)	3.97	3.20	3.97	3.20
(iv) Other financial assets	5(b) & 9(d)	33.84	33.05	33.84	33.05
Total		45.60	39.48	45.60	39.48
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost					
(i) Borrowings	12	491.50	464.53	491.50	464.53
(ii) Trade payables	14(a)	31.93	24.81	31.93	24.81
(iii) Other financial liabilities	14(b)	17.40	19.09	17.40	19.09
		540.83	508.43	540.83	508.43

The management assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables, security deposits, margin money deposits, unbilled revenue, retention money, trade and other payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

32 Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

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

Details of significant unobservable inputs for measurement of fair values

Non-current (security deposits) - Risk adjusted discount rate

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Financial investments at FVTPL	March 31, 2022	-	-	-	-
Financial assets for which fair values are disclosed					
Financial asset measured at amortised cost	March 31, 2022	-	-	-	-
Financial Liabilities					
Financial liabilities measured at amortised cost	March 31, 2022	-	-	-	-

There have been no transfers among level 1 and level 2 during the Current year.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at April 1, 2021

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Financial investments at FVTPL	April 1, 2021	-	-	-	-
Financial assets for which fair values are disclosed					
Financial asset measured at amortised cost	April 1, 2021	-	-	-	-
Financial Liabilities					
Financial liabilities measured at amortised cost	April 1, 2021	-	-	-	-

There have been no transfers among level 1 and level 2 during the previous year.

33 Financial risk management objectives and policies

The Company's financial liabilities comprise borrowings, retention money, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include security deposits, trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management reviews and agrees policies for managing each of these risks, which are summarized below.

1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The financial instruments affected by market risk are its term loans from banks and financial institutions.

The sensitivity analyses in the following sections relates to the position as at March 31, 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are constant.

Assumptions made in calculating the sensitivity analyses - The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial liabilities held at March 31, 2022.

The following assumptions have been made in calculating the sensitivity analyses:

a. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022.

a. 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 term loan with floating interest rates. As at March 31, 2022 the Company's borrowings are at floating rate of interest (Refer Note no. 12).

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. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on profit (loss) before tax
March 31, 2022		
Term loans from banks and financial institutions	50	(2.41)
Term loans from banks and financial institutions	(50)	2.41

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b. Foreign currency risk

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

Foreign currency sensitivity

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

March 31, 2022	Change in USD rate	Effect on profit (loss) before tax
	+5%	-
	-5%	-

2. Credit risk

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

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Credit limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

Financial instruments and cash deposits

Credit risk from balances with banks are managed by the Company's management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the management on an annual basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the Balance Sheet March 31, 2022 and April 1, 2021 is the carrying amounts given in Notes 9(b), 9(c) and 9(d).

The Company considers that its cash and cash equivalents have low credit risk.

Allowance for bad and doubtful debts on trade receivables

Particulars	As at March 31, 2022	As at April 1, 2021
Gross carrying amount	7.93	3.02
Allowance for bad and doubtful debts	(0.50)	(0.50)
Net Carrying amount of trade receivables	7.43	2.52

3. Liquidity risk

Liquidity risks are managed by the Company's management in accordance with Company's policy. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and equity shares. The company attempts to ensure that there is a balance between the timing of outflow and inflow of funds. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low since company has access to a sufficient variety of sources of funding.

The Company is not subject to any restrictions on the use of its capital that could significantly impact its operations. Subsequent to the year end, the Company has obtained an additional credit facility provided in terms of Government of India's Emergency Credit Line Guarantee Scheme (ECLGS) 3.0 from its lenders. In light of these facilities, the Company is not exposed to any liquidity risk.

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

Particulars	Carrying Amount	Contractual cash flows	On demand Amount	< 3 months Amount	3 to 12 months Amount	1 to 5 years Amount	> 5 years Amount
Year ended March 31, 2022							
Loans from financial institutions*	491.50	498.22	-	-	-	85.58	412.64
Trade payables	31.93	31.93	-	31.93	-	-	-
Employee related payables	1.34	1.34	-	1.34	-	-	-
Creditors for capital expenditure	16.06	16.06	-	16.06	-	-	-
	540.83	547.55	-	49.33	-	85.58	412.64
Year ended April 1, 2021							
Loans from financial institutions*	464.53	498.22	-	-	-	32.48	465.74
Trade payables	24.81	24.81	-	24.81	-	-	-
Employee related payables	1.32	1.32	-	1.32	-	-	-
Creditors for capital expenditure	17.77	17.77	-	17.77	-	-	-
	508.43	542.12	-	43.90	-	32.48	465.74

*As per expected repayment schedule considering moratorium period exercised by the Company

34 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2022	As at April 1, 2021
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	0.43	-
-Interest due on above	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

35 Corporate Social Responsibility Expenditure

There is no amount required to be spent by the Company as per Section 135 of the Companies Act, 2013.

36 Capital management

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

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

	As at March 31, 2022	As at April 1, 2021
Borrowings (Refer Note No 12)	491.50	464.53
Less: Cash and cash equivalents (Refer Note no 9(c))	3.97	3.20
Net debt (A)	495.47	467.73
Total Capital (Refer Note No 11(a), 11(b) and 11(c))	(39.21)	12.25
Capital and net debt (B)	456.26	479.98
Gearing ratio [(A)/(B)]	109%	97%

In order to achieve this overall objective, the Company 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.

37 Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

	Note	As at March 31, 2022	As at April 1, 2021
Current			
Financial assets			
First charge			
Trade receivables	9(a)	7.43	2.52
Loans	9(b)	0.36	0.71
Cash and cash equivalents	9(c)	3.97	3.20
Other financial assets	9(d)	0.01	0.10
		11.77	6.53
Non-financial assets			
First charge			
Inventories	8	0.49	0.17
Other current assets	10	10.01	13.50
		10.50	13.67
Total current assets pledged as security		22.27	20.20
Non-current			
First charge			
Property, plant and equipment	3	471.35	499.22
Intangible assets	4	1.60	2.77
Non-current tax assets (net)	6	1.80	0.84
Other non-current assets	7	3.09	2.35
Financial assets			
Loans	5(a)	-	-
Other financial assets	5(b)	33.83	32.95
Total non-currents assets pledged as security		511.67	538.13
Total assets pledged as security		533.94	558.33

38 Ratio analysis and its elements

Ratio	Numerator	Denominator	As at March 31, 2022
Current ratio	Current Assets	Current Liabilities	0.28
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(12.54)
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(0.24)
Return on Equity ratio	Net profit/(loss) after taxes – Preference Dividend	Average Shareholder's Equity	(6.23)
Inventory Turnover ratio	Food and beverages consumed	Average Inventory	14.36
Trade Receivable Turnover Ratio	Net revenue from operations on credit	Average Trade Receivable	12.01
Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables	1.93
Net Capital Turnover Ratio	Net revenue from operations	Average working capital	1.03
Net Profit ratio	Net profit/(loss) after taxes	Net revenue from operations	(1.41)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(0.08)
Return on Investment	Interest (Finance Income)	Investment	0.05

Since comparative period numbers are not disclosed in the special purpose preliminary IND AS financial statement for the year ending March 31, 2022, the variances in ratios and reasons thereof are not explained in this note.

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39 Impact of COVID-19

The operations of the Company for the year ended March 31, 2022 were significantly impacted due to COVID 19. In evaluating the impact of COVID-19, on its ability to continue as a going concern, the management has made a detailed assessment of its liquidity position and believes that it has sufficient financing arrangements to fulfil its working capital requirements in addition to the funds expected to be generated from the operating activities and unconditional continued financial and operational support to the Company from its ultimate parent Company. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of property, plant & equipment, investment, trade receivables, inventories, and other current assets appearing in the financial statements of the Company.

40 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.

(iii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(v) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(vi) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(viii) The Company is not a CIC as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016.

(ix) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(x) The company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017".

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per Sanjay Vij
Partner
Membership No. 095169

Place: Chennai
Date: March 24, 2023

For and on behalf of the Board Directors of
Duet India Hotels (Pune) Private Limited

Sudhir Gupta
Director
DIN: 03102047

Rahul N Latta
Director
DIN: 07886515

Place: Gurugram
Date: March 24, 2023

Place: Gurugram
Date: March 24, 2023