**S.N. Dhawan & CO LLP**
**Chartered Accountants**

51-52, II Floor, Udyog Vihar Phase IV, Gurugram, Haryana 122016, India

Tel: +91 124 481 4444

**`INDEPENDENT AUDITOR'S REPORT**

To the Members of
**Mahananda Spa And Resorts Private Limited**
**Report on the audit of the financial statements**

## Opinion

We have audited the financial statements of **Mahananda Spa And Resorts Private Limited** ("the Company"), which comprise the balance sheet as at 31 March, 2024, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirement of SA 720 (Revised), 'The Auditor's Responsibilities Relating to Other Information'.

### Management's responsibility for the financial statements

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

In preparing the financial statements, the 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 the 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 financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Other matter**

The comparative financial information of the Company as at and for the year ended 31 March, 2023 included in the financial statements have been audited by the predecessor auditor, who have expressed unmodified opinion vide their report dated 24 May 2023.

Our opinion on the financial statements is not modified in respect of above matter on the comparative financial information.

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in the paragraph (h)(vi) below on reporting under Rule 11(g).

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act,

   (e) On the basis of the written representations received from the directors as on 31 March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended; in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, Section 197 of the Act related to the managerial remuneration not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position in its financial statements – Refer Note 35 (e) (to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 35 (b) to the financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 35 (d) to the financial statements.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company has not paid or declared any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility, however, the same was not enabled for the year. Consequently, we are unable to comment on the operating effectiveness of the audit trail facility and any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

VINESH JAIN Digitally signed by VINESH JAIN
Date: 2024.05.14 19:59:11
+05'30'

**Vinesh Jain**
Partner
Membership No.: 087701
UDIN: 24087701BKDAPE7664

Place: New Delhi
Date: 14 May 2024

**Annexure A to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Mahananda Spa And Resorts Private Limited** on the financial statements as of and for the year ended 31 March 2024

(i) In respect of property, plant and equipment and other intangible assets

(a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible assets. Accordingly, the provisions of clause 3(i)(a)(B) of the Order are not applicable.

(b) The Company has a program of physical verification of its property, plant and equipment under which property, plant and equipment and right to use assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'property plant and equipment') are held in the name of the Company. .

(d) The Company has not revalued its property, plant and equipment during the year being under cost model.

(e) There are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii)

(a) The Management has conducted physical verification of inventory at reasonable intervals during the year. According, to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate, having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification as compared with books of account.

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. As represented by the Company, no quarterly returns/statements are required to be filed by the Company with such banks.

(iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of clause 3(iii)(a) to (f) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposit during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence reporting under clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)

(a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable to the Company, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable. The operations of the Company, during the year do not give rise to liabilities of sales tax, service tax, duty of excise and value added tax.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not availed any term loan during the year, accordingly provisions of clause 3(ix) (c) of the Order are not applicable during the year

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used for long-term purposes during the year by the Company.

(e) The Company does not have any subsidiary, associate or joint venture, accordingly the provisions of clause 3((ix)(e) of the Order are not applicable.

(f) The Company does not have any subsidiary, associate or joint venture, accordingly the provisions of clause 3((ix)(f) of the Order are not applicable.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x)(b) of the order are not applicable.

(xi)

(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(c) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Since, the Company is a private limited Company, therefore, the provision of Section 177 of the Act are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company does not have an internal audit system as it is not required to have an internal audit system as per Section 138 of the Act. Accordingly, the provisions of clause 3(xiv) (a) and (b) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of Section 192 of the Act are not applicable.

(xvi)

(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.

(d) The Group does not have any CIC as part of the Group.

(xvii) The Company has not incurred cash losses during the current financial year. However, the Company has incurred cash loss of Rs. 562.12 lakhs and during the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors of the Company during the year and we did not observe or were informed of any material issues, objections and concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Since the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, provisions of clause 3 (xx) (a) and (b) of the order are not applicable.

(xxi) In our opinion and according to the information and explanations given to us, the Company does not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3(xxi) of the Order are not applicable.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

VINESH JAIN

Digitally signed by VINESH JAIN
Date: 2024.05.14 19:59:39 +05'30'

**Vinesh Jain**
Partner
Membership No.: 087701
UDIN : 24087701BKDAPE7664

Place: New Delhi
Date: 14 May 2024

**Annexure B to the Independent Auditor's Report of even date on the financial statements of MAHANANDA SPA AND RESORTS PRIVATE LIMITED**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mahananda Spa And Resorts Private Limited of even date)

**Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls with reference to the financial statements of **MAHANANDA SPA AND RESORTS PRIVATE LIMITED** ("the Company") as at 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

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

**Auditors' responsibility**

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

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

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

**Meaning of internal financial controls with reference to financial statements**

6. A Company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the financial statements

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

**Inherent limitations of internal financial controls with reference to the financial statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

VINESH JAIN

Digitally signed by VINESH JAIN
Date: 2024.05.14 19:59:54 +05'30'

**Vinesh Jain**
Partner
Membership No.: 087701
UDIN: 24087701BKDAPE7664

Place: New Delhi
Date: 14 May 2024

**MAHANANDA SPA AND RESORTS PRIVATE LIMITED**
**CIN-U55101UR2009PTC032889**
**Balance Sheet as at March 31, 2024**
**All amounts are in INR lacs unless otherwise stated**

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 38,520.76 | 38,873.31 |
| Financial assets | | | |
| i. Other Financial Assets | 4 | 477.77 | 857.15 |
| Income tax assets (net) | 5 | 90.06 | 28.42 |
| Deferred tax assets (net) | 6 | 292.58 | 330.48 |
| Other non-current assets | 7 | 7.99 | - |
| **Total non-current assets** | | **39,389.16** | **40,089.36** |
| **Current assets** | | | |
| Inventories | 8 | 81.28 | 40.19 |
| Financial assets | | | |
| i. Trade receivables | 9 | 1,057.61 | 243.48 |
| ii. Cash and cash equivalents | 10 | 948.57 | 940.12 |
| iii. Bank balances other than cash and cash equivalents | 11 | 561.93 | - |
| Other current assets | 7 | 121.72 | 652.18 |
| **Total current assets** | | **2,771.11** | **1,875.97** |
| **Total assets** | | **42,160.27** | **41,965.33** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 12 | 40,649.21 | 40,649.21 |
| Other equity | 13 | (513.29) | (614.30) |
| **Total equity** | | **40,135.92** | **40,034.91** |
| **LIABILITES** | | | |
| **Non-current liabilities** | | | |
| Provisions | 15 | 21.74 | 12.63 |
| **Total non-current liabilities** | | **21.74** | **12.63** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 908.41 | - |
| ii. Trade payables | 17 | | |
| (a) total outstanding dues of micro and small enterprises | | 22.04 | - |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 441.91 | 232.73 |
| iii. Other financial liabilities | 18 | 198.82 | 1,448.81 |
| Provisions | 15 | 17.61 | 17.85 |
| Other current liabilities | 16 | 413.82 | 218.40 |
| **Total current liabilities** | | **2,002.61** | **1,917.79** |
| **Total liabilities** | | **2,024.35** | **1,930.42** |
| **Total equity and liabilities** | | **42,160.27** | **41,965.33** |

**See accompanying notes forming part of financial statements**

In terms of our report attached

**For S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

VINESH JAIN Digitally signed by VINESH JAIN Date: 2024.05.14 19:56:21 +05'30'

**Vinesh Jain**
Partner

Membership No. 087701

Place: New Delhi
Date: May 14, 2024

**For and on behalf of the Board of Directors**
Mahananda Spa and Resorts Private Limited

Ramesh Juneja Digitally signed by Ramesh Juneja Date: 2024.05.14 15:50:26 +05'30'

**Ramesh Juneja**
Director
DIN - 00283399

PREM KUMAR ARORA Digitally signed by PREM KUMAR ARORA Date: 2024.05.14 16:03:01 +05'30'

**Prem Kumar Arora**
Director
DIN - 00704226

Faisal Siddqui Digitally signed by Faisal Siddqui Date: 2024.05.14 16:41:59 +05'30'

**Mohammad Faisal Siddiqui**
Chief Executive Officer

MANJIT KUMAR Digitally signed by MANJIT KUMAR Date: 2024.05.14 16:44:22 +05'30'

**Manjit Kumar**
Chief Financial Officer

DEEKSHA THAKRAL Digitally signed by DEEKSHA THAKRAL Date: 2024.05.14 16:17:29 +05'30'

**Deeksha Thakral**
Company Secretary
M.No. - A53108

Place: New Delhi
Date: May 14, 2024

**MAHANANDA SPA AND RESORTS PRIVATE LIMITED**
**CIN-U55101UR2009PTC032889**
**Statement of Profit and Loss for the year ended March 31, 2024**
**All amounts are in INR lacs unless otherwise stated**

| | Particulars | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|---|
| | **Income** | | | |
| I | Revenue from operations | 19 | 7,433.24 | 944.07 |
| II | Other income | 20 | 64.03 | 47.37 |
| III | **Total income (I+II)** | | **7,497.27** | **991.44** |
| IV | **Expenses** | | | |
| | Cost of materials consumed | 21 | 1,122.92 | 102.99 |
| | Employee benefits expense | 22 | 1,412.51 | 799.37 |
| | Finance costs | 23 | 78.43 | 0.01 |
| | Depreciation and amortisation expense | 24 | 1,983.46 | 345.37 |
| | Other expenses | 25 | 2,763.13 | 651.19 |
| | **Total expenses (IV)** | | **7,360.45** | **1,898.93** |
| V | **Profit/(loss) before tax (III-IV)** | | **136.82** | **(907.49)** |
| VI | **Tax expense:** | | | |
| | Current tax | 26 | - | - |
| | Deferred tax | 26 | 35.59 | (227.30) |
| | Taxes for earlier years | 26 | 6.79 | - |
| | **Total tax expense (VI)** | | **42.38** | **(227.30)** |
| VII | **Profit/(loss) for the year (V-VI)** | | **94.44** | **(680.19)** |
| VIII | **Other comprehensive income** | | | |
| | i. Item that will not be reclassified to profit or loss | | | |
| | - Remeasurement gain / (loss) of the defined benefit plan | | 8.88 | (3.80) |
| | ii. Income tax relating to item that will not be reclassified to profit or loss | | | |
| | - Remeasurement of the defined benefit plan | | (2.31) | 0.99 |
| IX | **Other comprehensive income for the year** | | **6.57** | **(2.81)** |
| X | **Total comprehensive income for the year (VII+IX)** | | **101.01** | **(683.00)** |
| | **Earnings per equity share (EPS) (face value of INR 10 each)** | 27 | | |
| | Basic EPS (in INR) | | 0.02 | (0.17) |
| | Diluted EPS (in INR) | | 0.02 | (0.17) |

**See accompanying notes forming part of financial statements** -

In terms of our report attached

**For S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

VINESH JAIN Digitally signed by VINESH JAIN Date: 2024.05.14 19:56:54 +05'30'

**Vinesh Jain**
Partner
Membership No. 087701

Place: New Delhi
Date: May 14, 2024

**For and on behalf of the Board of Directors**
Mahananda Spa and Resorts Private Limited

Ramesh Juneja Digitally signed by Ramesh Juneja Date: 2024.05.14 15:50:46 +05'30'

**Ramesh Juneja**
Director
DIN - 00283399

PREM KUMAR ARORA Digitally signed by PREM KUMAR ARORA Date: 2024.05.14 16:03:16 +05'30'

**Prem Kumar Arora**
Director
DIN - 00704226

Faisal Siddqui Digitally signed by Faisal Siddqui Date: 2024.05.14 16:42:36 +05'30'

**Mohammad Faisal Siddiqui**
Chief Executive Officer

MANJIT KUMAR Digitally signed by MANJIT KUMAR Date: 2024.05.14 16:45:03 +05'30'

**Manjit Kumar**
Chief Financial Officer

DEEKSHA THAKRAL Digitally signed by DEEKSHA THAKRAL Date: 2024.05.14 16:18:01 +05'30'

**Deeksha Thakral**
Company Secretary
M.No. - A53108

Place: New Delhi
Date: May 14, 2024

**MAHANANDA SPA AND RESORTS PRIVATE LIMITED**
**CIN-U55101UR2009PTC032889**
**Statement of Cash Flows for the year ended March 31, 2024**
**All amounts are in INR lacs unless otherwise stated**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Operating activities** | | |
| **A. Cash flow from Operating activities** | | |
| **Profit/ (Loss) before tax** | **136.82** | **(907.49)** |
| *Adjustments for :* | | |
| Movement of reserves | - | (28,464.73) |
| Depreciation and amortisation expense | 1,983.46 | 345.37 |
| Net foreign exchange differences | (19.91) | (0.11) |
| Finance income | (44.12) | (47.26) |
| Finance costs | 78.43 | 0.01 |
| Trade and other receivable balances written off | 133.30 | 0.64 |
| *Working capital adjustments:* | | |
| (Increase)/ Decerease in trade receivables | (927.52) | (244.01) |
| (Increase)/ Decerease in inventories | (41.09) | (40.19) |
| (Increase)/ Decerease in financial asset - others | 379.38 | (841.28) |
| (Increase)/ Decerease in other asset | 522.47 | 874.94 |
| Increase/ (Decrease) in provisions | 17.75 | 26.68 |
| Increase/ (Decrease) in trade payable | 231.23 | (152.35) |
| Increase/ (Decrease) in other financial liability | (589.40) | 207.04 |
| Increase/ (Decrease) in other liability | 195.42 | 206.30 |
| **Cash flow generated from/ (used in) operations** | **2,056.22** | **(29,036.44)** |
| Income tax paid | (68.43) | (28.43) |
| **Net cash flows from operating activities** | **1,987.79** | **(29,064.87)** |
| **B. Cash flow from Investing activities** | | |
| Proceeds from sale of property, plant and equipment | 3.78 | - |
| Purchase of property, plant and equipment | (2,295.28) | (9,631.20) |
| Bank deposit not considered as cash and cash equivalents (net) | (561.93) | - |
| Interest received (finance income) | 44.12 | 47.26 |
| **Net cash from/ (used in) investing activities** | **(2,809.31)** | **(9,583.94)** |
| **C. Cash flow from Financing activities** | | |
| Proceeds from issue of shares | - | 38,483.61 |
| Interest paid | (78.43) | - |
| Proceeds from short-term borrowings (net) | 908.41 | (25.00) |
| **Net cash flows from/(used in) financing activities** | **829.98** | **38,458.61** |
| Net increase in cash and cash equivalents | 8.46 | (190.20) |
| Cash and cash equivalents at the beginning of the year | 940.12 | 1,130.32 |
| **Cash and cash equivalents at the end of the year (see note 10)** | **948.58** | **940.12** |

**Notes:**
i. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
ii. Figures in brackets indicate cash outflow.
iii. Figures for the previous year have been regrouped wherever considered necessary.
iv. Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

**See accompanying notes forming part of financial statements**

In terms of our report attached

**For S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

VINESH JAIN Digitally signed by VINESH JAIN Date: 2024.05.14 19:57:34 +05'30'

**Vinesh Jain**
Partner
Membership No. 087701

Place: New Delhi
Date: May 14, 2024

**For and on behalf of the Board of Directors**
Mahananda Spa and Resorts Private Limited

Ramesh Juneja Digitally signed by Ramesh Juneja Date: 2024.05.14 15:51:02 +05'30'

**Ramesh Juneja**
Director
DIN - 00283399

PREM KUMAR ARORA Digitally signed by PREM KUMAR ARORA Date: 2024.05.14 16:03:31 +05'30'

**Prem Kumar Arora**
Director
DIN - 00704226

Faisal Siddqui Digitally signed by Faisal Siddqui Date: 2024.05.14 16:43:07 +05'30'

**Mohammad Faisal Siddiqui**
Chief Executive Officer

MANJIT KUMAR Digitally signed by MANJIT KUMAR Date: 2024.05.14 16:45:32 +05'30'

**Manjit Kumar**
Chief Financial Officer

DEEKSHA THAKRAL Digitally signed by DEEKSHA THAKRAL Date: 2024.05.14 16:18:24 +05'30'

**Deeksha Thakral**
Company Secretary
M.No. - A53108

Place :New Delhi
Date : May 14, 2024

**MAHANANDA SPA AND RESORTS PRIVATE LIMITED**
**CIN-U55101UR2009PTC032889**
**Statement of Changes in Equity for the year ended March 31, 2024**
**All amounts are in INR lacs unless otherwise stated**

**a. Equity share capital**

| Particulars | Amount |
|---|---|
| **Equity shares of INR 10 each issued, subscribed and fully paid** | |
| **As at April 1, 2022** | **2,165.60** |
| Changes in equity share capital during the year | - |
| **As at March 31, 2023** | **2,165.60** |
| Changes in equity share capital during the year | - |
| **As at March 31, 2024** | **2,165.60** |

**b. Preference share capital**

| | |
|---|---|
| **Equity component of optionally convertible preference share** | |
| **As at April 1, 2022** | **28,483.61** |
| Changes in preference share capital during the year | 10,000.00 |
| **As at March 31, 2023** | **38,483.61** |
| Changes in preference share capital during the year | - |
| **As at March 31, 2024** | **38,483.61** |
| **Total (a+b)** | |
| **As at April 1, 2022** | **30,649.21** |
| Changes during the year | 10,000.00 |
| **As at March 31, 2023** | **40,649.21** |
| Changes during the year | - |
| **As at March 31, 2024** | **40,649.21** |

**c. Other equity**

| Particulars | Equity component of optionally convertible preference share | Security premium reserve | Retained earnings | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2022** | **28,483.61** | **167.14** | **(98.44)** | **28,552.31** |
| Issued during the year | (28,483.61) | - | - | (28,483.61) |
| Transfer during the year | - | - | | - |
| Profit for the year | - | - | (680.19) | (680.19) |
| Other comprehensive income for the year, net of income | - | - | (2.81) | (2.81) |
| **Total comprehensive income for the year** | **-** | **-** | **(683.00)** | **(683.00)** |
| **Balance as at March 31, 2023** | **-** | **167.14** | **(781.44)** | **(614.30)** |
| Issued during the year | - | - | - | - |
| Transfer during the year | - | - | - | - |
| Profit for the year | - | - | 94.44 | 94.44 |
| Other comprehensive income for the year, net of income | - | - | 6.57 | 6.57 |
| **Total comprehensive income for the year** | **-** | **-** | **101.01** | **101.01** |
| **Balance as at March 31, 2024** | **-** | **167.14** | **(680.43)** | **(513.29)** |

**See accompanying notes forming part of financial statements** -

In terms of our report attached

**For S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

VINESH JAIN Digitally signed by VINESH JAIN Date: 2024.05.14 19:55:01 +05'30'

**Vinesh Jain**
Partner
Membership No. 087701

Place: New Delhi
Date: May 14, 2024

**For and on behalf of the Board of Directors**
Mahananda Spa and Resorts Private Limited

Ramesh Juneja Digitally signed by Ramesh Juneja Date: 2024.05.14 15:51:30 +05'30'

**Ramesh Juneja**
Director
DIN - 00283399

PREM KUMAR ARORA Digitally signed by PREM KUMAR ARORA Date: 2024.05.14 16:03:51 +05'30'

**Prem Kumar Arora**
Director
DIN - 00704226

Faisal Siddqui Digitally signed by Faisal Siddqui Date: 2024.05.14 16:43:44 +05'30'

**Mohammad Faisal Siddiqui**
Chief Executive Officer

MANJIT KUMAR Digitally signed by MANJIT KUMAR Date: 2024.05.14 16:46:00 +05'30'

**Manjit Kumar**
Chief Financial Officer

**Deeksha Thakral**
Company Secretary
M.No. - A53108

DEEKSHA THAKRAL Digitally signed by DEEKSHA THAKRAL Date: 2024.05.14 16:19:10 +05'30'

Place :New Delhi
Date : May 14, 2024

## 1 Corporate information

Mahananda Spa & Resorts (P.) Limited (hereinafter referred to as the company) was incorporated on 22-07-2009 having registered office at Khasra No. 605, PTC Road, Narendra Nagar, Tehri Garhwal, Uttarakhand-249175. The Registered office has been changed wef 1st Apr 2019 whereas earlier Registered office was at Ganga Beach Resorts, Tapovan Tehri Garhwal, Tehri Garhwal, UR, 249192. The objective of the company is to carry on the business, in or outside India, of hotels, resorts, motels, guesthouses, lodges, cottages, restaurants, bars, pubs etc. The company is primarily engaged in the business of owning, operating & managing hotels and resorts. The current hotels are being managed by an operator under the Operating and Service Agreement. The hotel is being operated as a part of the chain of hotels which is operated as per the policies of the operator subject to the purview of the Operation and Service agreement.

The board of directors of the Company approved the financial statements for the year ended 31 March, 2024 and authorised for issue on May 13, 2024

## 2 Material Accounting Policies

### 2.01 Statement of Compliance and basis of preparation of financial statements

"These financial statements are prepared and presented in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") The accounting policies have been consistently applied for all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on a historical cost basis, except for

- Certain financial assets and liabilities at fair value (refer to accounting policy regarding financial instruments);
-Employee's defined benefit plan measured as per actuarial valuation

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle. Based on nature of operations, the Company has considered an operating cycle of 12 months.

The financial statements are presented in Indian Rupee, which is the functional currency of the Company and all values are rounded to the nearest lacs (Rs./00000), except when otherwise indicated.

### 2.03 New and amended standards adopted by the Company

**i. Ind AS 1 – Presentation of Financial Statements**
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements

**ii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments had no impact on the Company's financial statements.

### 2.04 Statement of compliance and basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i. Certain financial assets and liabilities that is measured at fair value
ii. Assets held for sale-measured at fair value less cost to sell
iii. Defined benefit plans-plan assets measured at fair value

### 2.05 Use of estimates & judgements

The preparation of these financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management of the Reporting Entity to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.
The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

i. Determination of useful life of property, plant and equipment and intangible assets
ii. Loss allowance for expected credit losses
iii. Measurement of defined benefit obligations – Key actuarial assumptions
iv. Recognition and measurement of provisions and contingencies
v. The net realisable value of an item of inventory
vi. Recognition and measurement of provisions and contingencies
v. Lease term regarding exercise of extension options

### 2.06 Inventories

Inventories are valued at the lower of cost (on Weighted Average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable levied taxes/duties.

### 2.07 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises of cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.08 Loyalty Program**

The company is covered by an Operations and Service Agreement where a lot of operating decisions are being carried out. The loyalty program is being managed by the operator. The operator has operates multiple hotels across the country and the globe. According to the said program the loyalty points are earned by the customer based on the monetary amount spend by the customer in any of the hotels managed by the operator. The said loyalty points being earned by the customer, can be utilized in any of the hotels/resorts being operated by the operator using his brand name for various things as per the policy of the operator. The monetary value of the said loyalty points being earned by the customers is calculated centrally by the operator and billed to the 'company'. In case any customer redeems the loyalty points in the company then the company charges the operator a fixed amount as mutually decided between them. Thus, the operator at a central level is responsible for the computation and recording of performance obligations and the same is not done at the company level. The expense is recognized based on the invoice received from the operator and the income is booked based on the invoicing done to the operator

**2.09 Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

i. **Income From Operations**

a. **Rooms, Banquets, Food & Beverages :**

The revenue for these supply and services is booked at the end of the day based on the usage and occupancy. The usage of services and gods, if governed by the operator's loyalty program, is billed directly to operator and not the customer as per a fixed monetary rate as per the policy of the operator subject to the provisions of the Operations and Service Agreement. However there might be certain cases, where the supply is directly billed to the customer based on the policy and agreement between the operator and the company.

b. **Recreational Services:**

These include services like health, wellness, spa, salon, gaming zone, tour operators and the like. These are booked based on the supply of such services to the customer.

c. **Other Allied Services:**

In relation to laundry income, communication income, airport transfers income, the revenue has been recognized by reference to the time of service rendered.

ii. **Contract Balances:**

a. **Contract assets:**

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

b. **Contract liabilities:**

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

iii. **Interest:**

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

**2.10 Employee Benefit Expense**

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

i. **Defied contribution plans**

A defied contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts

a. **Provident and Family pension fund**

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12% of employee's eligible salary). The contributions are made to the provident fund managed by the trust set up by the Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

b. **Superannuation**

The Company has a defied contribution plan for eligible employees, wherein it annually contributes a sum equivalent to a defined percentage of the eligible employee's annual basic salary to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

c. **Gratuity:**

The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date.

d. **Leave Encashment:**

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss

**2.11 Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs . Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.
First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated

**<u>Capital work-in-progress:</u>**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. All related expense are capitalised in the books of accounts .

**Borrowing costs**

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

**2.12 Depreciation and amortisation**

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Accordingly the useful life of assets considered is as follows :

| Particulars | Estimated Useful Life |
|---|---|
| Buildings | 30 to 60 Years |
| Plant and equipment | 5 to 20 Years |
| Furniture and Fixtures | 10 Years |
| Computers | 3 Years |
| Office Equipment | 5 Years |
| Mobile Phones | 2 Years |
| Vehicles | 8 Years |
| Servers and Networks | 6 Years |
| Operating Supplies (issued on opening of new hotel property) | 3 Years |

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

**2.13 Foreign currency transactions and translations**

**Initial recognition**

Transactions in foreign currencies entered into by the Reporting entity are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate to the rate at the date of the transaction.

**Measurement of foreign currency items at the Balance Sheet date**

Foreign currency monetary items (other than derivative contracts) of the reporting entity , outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Reporting entity are carried at historical cost.

**Treatment of exchange differences**

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Reporting entity are recognised as income or expense in the Consolidated Statement of Profit and Loss and exchange difference related to Capital WIP are transferred to Capital WIP.

**2.14 Taxes on income**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as per Income Tax Act,1961.
'Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the tie of the transaction.
Deferred income 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.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.15 Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

**2.16 Provisions and contingencies**

Provisions are recognised when the Reporting Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Reporting Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.
Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**2.17 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**2.18 Management, Operating & Technical Fees with Operator:**

Management and operating fees is paid by the company to the operator which are managed by the operator usually under long term contracts. Under this contract, the operator runs the hotel using the trademark or other intellectual property of the operator including technical services and fees. The obligation to run the hotel as per the standards rests with the operator while the infrastructure requirements are to be fulfilled by the company.Management and incentive fees is calculated is calculated and expensed off as a percentage of revenue and adjusted profit based on the method as mutually agreed between the parties. The invoicing is done by the operator in a designated currency as mutually decided between the company and the operator. Technical fees is calculated based on the usage of facilities like softwares, marketing efforts and the central administration expenses allocated to the company via a formal invoice. The basis of expense depends on the underlying nature of the facilities

**2.19 Financial instruments**

Financial assets and financial liabilities are recognised when a Reporting Entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**i. Initial recognition and subsequent measurement**

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

**ii. Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

a. **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:
• Financial assets at amortised cost (debt instruments)
• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

• Financial assets at fair value through profit or loss

b. **Financial assets at amortised cost (debt instruments)**

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

c. **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.
This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

d. **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired; Or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a. the Company has transferred substantially all the risks and rewards of the asset, or
  b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

e. **Impairment**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the risk of the debt instruments. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.
The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**iii. Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the entity, and commitments issued by the entity to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

a. **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

b. **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

c. **Financial liabilities at fair value through profit or loss**

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

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in accounting standards are satisfied.

d. **Financial liabilities at amortised cost**

After initial recognition, interest-bearing borrowings and instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

**Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item (note 8) in the consolidated [statement of comprehensive income / income statement].
The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**Derecognition of financial liabilities**

The entity derecognises financial liabilities when, and only when, the entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**iv. Off setting of financial instruments**

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

**v. Derivative financial instruments and hedge accounting**

a. **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:
• Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
• Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
• Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

b. **Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.
For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.
When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

**vi Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.20 Earnings per share**

i **Basic earning per share**

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

ii **Diluted earnings per share**

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

**2.21 Significant Judgements and Key sources of Estimation in applying Accounting Policies**

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

i. **Recognition of Deferred Tax Assets:**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.

ii. **Useful lives of depreciable/amortizable assets (tangible and intangible):**

Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

iii. **Classification of Leases:**

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

iv. **Employee benefit:**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases, and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

v. **Provisions and Contingencies:**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities, and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.

vi. **Impairment of financial assets:**

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

**MAHANANDA SPA AND RESORTS PRIVATE LIMITED**
**CIN-U55101UR2009PTC032889**
**Note p**
**All amounts are in INR lacs unless otherwise stated**

**3 Property, plant and equipment**

| | Freehold land | Building | Plant and machinery | Furniture and fixtures | Vehicles | Office equipment | Electrical Equipments and Fittings | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value:** | | | | | | | | | |
| **Balance as at April 1, 2022** | 440.40 | - | 2.30 | 1.51 | - | 2.07 | - | 0.92 | 447.20 |
| Additions | - | 31,102.52 | 3,913.06 | 2,058.17 | 43.31 | 489.70 | 686.53 | 481.29 | 38,774.58 |
| **Balance as at March 31, 2023** | **440.40** | **31,102.52** | **3,915.36** | **2,059.68** | **43.31** | **491.77** | **686.53** | **482.21** | **39,221.78** |
| Additions | - | 1,181.13 | 309.58 | 8.12 | 89.19 | 1.46 | 139.80 | 1.91 | 1,731.19 |
| Disposals/ adjustments | - | - | (2.63) | (1.15) | - | - | - | - | (3.78) |
| Other Adjustments (see note iv) | - | (13.08) | (16.53) | (61.82) | - | (0.59) | (0.99) | (3.48) | (96.50) |
| **Balance as at March 31, 2024** | **440.40** | **32,270.57** | **4,205.78** | **2,004.82** | **132.50** | **492.64** | **825.35** | **480.64** | **40,852.69** |
| **Accumulated depreciation:** | | | | | | | | | |
| **Balance as at April 1, 2022** | - | - | 0.45 | 0.14 | - | 0.97 | - | 0.23 | 1.79 |
| Depreciation expense | - | 185.09 | 66.51 | 36.75 | 0.55 | 18.63 | 18.12 | 21.03 | 346.68 |
| **Balance as at March 31, 2023** | **-** | **185.09** | **66.96** | **36.89** | **0.55** | **19.60** | **18.12** | **21.26** | **348.47** |
| Depreciation expense | - | 1,008.94 | 405.25 | 190.41 | 10.29 | 97.70 | 118.77 | 152.10 | 1,983.46 |
| **Balance as at March 31, 2024** | **-** | **1,194.03** | **472.21** | **227.30** | **10.84** | **117.30** | **136.89** | **173.36** | **2,331.93** |
| **Net carrying value** | | | | | | | | | |
| **Balance as at March 31, 2024** | **440.40** | **31,076.54** | **3,733.57** | **1,777.52** | **121.66** | **375.34** | **688.45** | **307.28** | **38,520.76** |
| **Balance as at March 31, 2023** | **440.40** | **30,917.43** | **3,848.40** | **2,022.79** | **42.76** | **472.17** | **668.41** | **460.95** | **38,873.31** |

**Notes:**

i. Plant and machinery includes cost of Initial operating Supplies of Rs. 342.47 Lacs having useful life of 3 years.
ii. During the perious year pre-operating expenses capitalised in different heads being Rs.26.46 Lacs in Plant and Machinery, Rs.13.8 Lacs in Furniture and Fixtures, Rs 3.55 Lacs in Office Equipment, Rs. 4.23 Lacs Electrical Equipment and Rs. 32.57 Lacs in Computers.
iii. The title deeds of all the immovable property held by the Company is in the name of the Company
iv. Represents adjustment on account of Input tax credit of Goods and services availed on the assets capitalised during the previous financial year.
v. For information of the assets pledged as security against borrowings, see note 14

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **4 Other financial assets** | | |
| **Non-current** | | |
| **(Unsecured and considered good)** | | |
| **Financial assets carried at amortised cost** | | |
| Security deposits and earnest money deposits | 54.19 | 45.49 |
| Bank deposits with maturity of more than 12 months | 423.58 | 811.66 |
| | | - |
| | **477.77** | **857.15** |

**Note :**
Fixed Deposit amounting to Rs. 423.58 lacs, (previous year 811.66 lacs) have been pledged against bank guarantee issued by bank against import of capital goods under EPCG (Export promotion capital goods). and for taxation authorities Refer note 35.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **5 Income tax assets and liabilities** | | |
| **Income tax assets** | | |
| Income tax receivable (net of provisions) | 90.06 | 28.42 |
| | **90.06** | **28.42** |
| **Income tax assets / (liabilities)** | **90.06** | **28.42** |

**All amounts are in INR lacs unless otherwise stated**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **6 Deferred tax balances** | | |
| Deferred tax assets | 292.58 | 330.48 |
| **Deferred tax assets / (liabilities) (net)** | **292.58** | **330.48** |

| Year ended March 31, 2024 | Opening Balance | Recognised/ (reversed) in Profit or loss | Recognised/ (reversed) in other comprehensive Income | Closing balance |
|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to** | | | | |
| Accelerated depreciation and ammortisation for tax purposes | (465.72) | (575.11) | - | (1,040.83) |
| Provision for employee benefits | 7.92 | 4.61 | (2.31) | 10.22 |
| Bonus payable | 1.84 | (1.84) | | - |
| Carried forward unused tax losses | 148.46 | - | - | 148.46 |
| Others | 556.35 | 536.75 | - | 1,093.10 |
| | **248.85** | **(35.59)** | **(2.31)** | **210.95** |
| Minumum Alternate Tax credit entitlement | 81.63 | - | - | 81.63 |
| **Deferred tax assets (net)** | **330.48** | | | **292.58** |
| **Deferred tax charge/(credit) during the year** | | **(35.59)** | **(2.31)** | |

| Year ended March 31, 2023 | Opening Balance | Recognised/ (reversed) in Profit or loss | Recognised/ (reversed) in other comprehensive Income | Closing balance |
|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to** | | | | |
| Accelerated depreciation and ammortisation for tax purposes | - | (465.72) | - | (465.72) |
| Carried forward unused tax losses | 20.56 | 693.02 | 0.99 | 714.57 |
| | **20.56** | **227.30** | **0.99** | **248.85** |
| Minumum Alternate Tax credit entitlement | 81.63 | - | - | 81.63 |
| **Deferred tax assets (net)** | **102.19** | | | **330.48** |
| **Deferred tax charge/(credit) during the year** | | **227.30** | **0.99** | |

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

**All amounts are in INR lacs unless otherwise stated**

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **7** | **Other assets** | | |
| | **Non-Current** | | |
| | Prepaid Expenses | 7.99 | - |
| | | **7.99** | **-** |
| | **Current** | | |
| | **(unsecured and considered good)** | | |
| | Prepaid expenses | 83.74 | 44.84 |
| | Advances to vendors | 32.98 | 130.19 |
| | Advances to employees | 5.00 | 2.14 |
| | Balances with government authorities | - | 462.31 |
| | Other receivables | - | 12.70 |
| | | **121.72** | **652.18** |

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **8** | **Inventories** | | |
| | Raw materials | | |
| | -Food and beverages | 81.28 | 29.47 |
| | Stores and operating supplies | - | 10.72 |
| | | **81.28** | **40.19** |

**Note:**

i. Mode of valuation of inventory has been stated in note 2.06.

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **9** | **Trade receivables** | | |
| | Trade receivables from related parties (see note 41) | 12.67 | - |
| | Trade receivables-others | 1,044.94 | 243.48 |
| | **Total trade receivables** | **1,057.61** | **243.48** |
| | **Unsecured** | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | 1,057.61 | 243.48 |
| | Trade receivables which have significant increase in credit risk | - | - |
| | Trade receivables - credit impaired | 133.94 | - |
| | | **1,191.55** | **243.48** |
| | Less: Impairment loss allowance | (133.94) | - |
| | | **1,057.61** | **243.48** |

**Notes:**

**9.1 Trade receivables ageing schedule**

**As at March 31, 2024**

| Particulars | Curent but not due | Outstanding for following periods from due date of payment: Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| **Undisputed trade receivables** | | | | | | | |
| – considered good | - | 398.48 | 659.13 | - | - | - | **1,057.61** |
| – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| – credit impaired | - | - | 133.94 | - | - | - | **133.94** |
| **Disputed Trade receivables** | - | - | - | - | - | - | **-** |
| – considered good | - | - | - | - | - | - | **-** |
| – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| – credit impaired | | | | | | | |
| **Total** | **-** | **398.48** | **793.07** | **-** | **-** | **-** | **1,191.55** |

**As at March 31, 2023**

| Particulars | Curent but not due | Outstanding for following periods from due date of payment: Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| **Undisputed trade receivables** | | | | | | | |
| – considered good | 25.19 | 218.29 | - | - | - | - | **243.48** |
| – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| – credit impaired | - | - | - | - | - | - | **-** |
| **Disputed Trade receivables** | - | - | - | - | - | - | **-** |
| – considered good | - | - | - | - | - | - | **-** |
| – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| – credit impaired | - | - | - | - | - | - | **-** |
| **Total** | **25.19** | **218.29** | **-** | **-** | **-** | **-** | **243.48** |

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **10** | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | - In current account | 903.04 | 927.60 |
| | - in deposit account (with original maturity of 3 months or less) | - | - |
| | Cash on hand | 45.53 | 12.52 |
| | | **948.57** | **940.12** |

**Note:**
The Company has no undrawn borrowing facilties as at March 31, 2024 and also as at March 31, 2023.

| | | | |
|---|---|---|---|
| **11** | **Bank balances other than cash and cash equivalents** | | |
| | Earmarked balances with bank | | |
| | - In current account (see note 'i') | 63.12 | - |
| | - Bank deposits (see note 'i') | 75.00 | - |
| | Other Bank deposits with original maturity of more than three months but remaining maturity of less than twelve months (see note 'ii') | 423.81 | - |
| | | **561.93** | **-** |

**Note :**

i. Amount held as contribution to capital improvement reserve, the company is required to maintain Rs. 182.50 lacs in earmarked account however the company has maintained Rs. 138.12 Lacs.

ii. Deposits amounting to Rs. 340.34 lacs have been pledged against bank guarantee issued by bank against import of capital goods under EPCG (Export promotion capital goods) and for taxation authorities Refer note 35.

**All amounts are in INR lacs unless otherwise stated**

| | Preference shares | | Equity shares | |
|---|---|---|---|---|
| | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2024** | **As at March 31, 2023** |
| **12 Share capital** | | | | |
| **Authorised** | | | | |
| 2,16,56,000 equity shares of INR 10 each (Previous year 2,16,56,000 equity shares of INR 10 each) | - | - | 2,165.60 | 2,165.60 |
| 42,83,44,000 preference shares of INR 10 each (Previous year 28,73,44,000 preference shares of INR 10 each) | 42,834.40 | 42,834.40 | - | - |
| **Issued, subscribed and fully paid up** | | | | |
| 2,16,56,000 equity shares of INR 10 each (Previous year 2,16,56,000 equity shares of INR 10 each) | - | - | 2,165.60 | 2,165.60 |
| 38,48,36,135 preference shares of INR 10 each (Previous year 28,48,36,135 preference shares of INR 10 each) | 38,483.61 | 38,483.61 | - | - |
| | **38,483.61** | **38,483.61** | **2,165.60** | **2,165.60** |

**Notes:**

**(i) Rights, preferences and restrictions attached to Equity shares**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(ii) Rights, preferences and restrictions attached to Preference shares**

Each convertible preference share has a par value of INR 10 and is convertible at the option of the shareholders into Equity shares of the Company starting from 2038 on the basis of one equity share for every preference shares held. Any preference shares not converted will be redeemed on 30th September 2038 at Fair value of Shares of Mahananda Spa and Resorts Private Limited as on redemption or issue price of OCPS (i.e., Rs.10) whichever is higher. The preference shares carry a dividend of 0.01% per annum. The dividend rights are non-cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policy.

**(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

**a) Issued equity capital**

| | As at March 31, 2024 | | As at March 31, 2022 | |
|---|---|---|---|---|
| **Particulars** | **Number** | **Amount** | **Number** | **Amount** |
| Equity shares outstanding at the beginning of the year | 21,656,000 | 2,165.60 | 21,656,000 | 2,165.60 |
| **Equity shares outstanding at the end of the year** | **21,656,000.00** | **2,165.60** | **21,656,000.00** | **2,165.60** |

**b) Equity component of optionally convertible preference shares**

| | As at March 31, 2024 | | As at March 31, 2022 | |
|---|---|---|---|---|
| **Particulars** | **Number** | **Amount** | **Number** | **Amount** |
| Preference shares outstanding at the beginning of the year | 384,836,135 | 38,483.61 | 284,836,135 | 28,483.61 |
| Add : Issued during the year | - | - | 100,000,000 | 10,000.00 |
| **Preference shares outstanding at the end of the year** | **384,836,135.00** | **38,483.61** | **384,836,135.00** | **38,483.61** |

**(iii) Details of shares held by the holding company**

| | As at March 31, 2024 | | As at March 31, 2022 | |
|---|---|---|---|---|
| **Particulars** | **Number** | **Amount** | **Number** | **Amount** |
| Mankind Pharma Limited (along with nominee shareholder) | | | | |
| - Equity shares | 21,656,000 | 2,165.60 | 21,656,000 | 2,165.60 |
| - Preference shares | 384,836,135 | 38,483.61 | 384,836,135 | 38,483.61 |

**(iv) Shares held by each shareholder holding more than 5 percent shares:**

| | As at March 31, 2024 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | **Numbers** | **% holding** | **Numbers** | **% holding** |
| **Equity shares** | | | | |
| Mankind Pharma Limited (along with nominee shareholder) | 21,656,000 | 100.00% | 21,656,000 | 100.00% |
| | **21,656,000.00** | **100.00%** | **21,656,000.00** | **100.00%** |
| **Preference shares** | | | | |
| Mankind Pharma Limited | 384,836,135 | 100.00% | 384,836,135 | 100.00% |
| | **384,836,135.00** | **100.0%** | **384,836,135.00** | **100.0%** |

**(v) Shares held by each promoter*:**

**As at March 31, 2024**

| **S.No** | **Promoter name** | **Equity/ Preference Shares** | **Number of shares held** | **% of total shares** | **% change during the year** |
|---|---|---|---|---|---|
| 1 | Mankind Pharma Limited | Equity shares | 21,656,000 | 100% | 0.00% |
| 2 | Mankind Pharma Limited | Preference shares | 384,836,135 | 100% | 0.00% |

**As at March 31, 2023**

| **S.No** | **Promoter name** | **Equity/ Preference Shares** | **Number of shares held** | **% of total shares** | **% change during the year** |
|---|---|---|---|---|---|
| 1 | Mankind Pharma Limited | Equity shares | 21,656,000 | 100% | 0.00% |
| 2 | Mankind Pharma Limited | Preference shares | 384,836,135 | 100% | 0.00% |

* Promoter here means as defined in Companies Act 2013.

**All amounts are in INR lacs unless otherwise stated**

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **13** | **Other equity (See note below)** | | |
| | General reserve | - | - |
| | Securities premium reserve | 167.14 | 167.14 |
| | Retained earnings | (680.43) | (781.44) |
| | Share applicaton money pending allotment | - | - |
| | Other reserves | - | |
| | Foreign currency translation reserve | - | - |
| | Equity component of optionally convertible preference shares | - | - |
| | | **(513.29)** | **(614.30)** |

| | **Note :** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| **1)** | **Securities premium reserve** | | |
| | Balance at the beginning of the year | 167.14 | 167.14 |
| | Less : Utilised during the year | - | - |
| | **Balance at the end of the year** | **167.14** | **167.14** |
| **2)** | **Retained earnings** | | |
| | Balance at the beginning of the year | (781.44) | (98.44) |
| | Profit for the year | 94.44 | (680.19) |
| | Other comprehensive income | 6.57 | (2.81) |
| | **Balance at the end of the year** | **(680.43)** | **(781.44)** |

**Notes:**

i. **Securities premium reserve**

The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium reserve.

ii. **Retained earnings**

Retained earnings are profit of the company earned till date less transferred to other reserves and dividend paid during the year.

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **14** | **Borrowings** | | |
| | **Current** | | |
| | **(Secured, at amortised cost)** | | |
| | Cash credit facility from bank | 908.41 | - |
| | | **908.41** | **-** |

**Notes:**

i. The Overdraft Facility was originally sanctioned for 2,000 Lacs on 18 Feburary 2023 and carried fixed interest rate @ 8.6% p.a. that is payable monthly. The overdraft facility is sactioned for a term of 5 years that automatically reduces by 33.4 Lacs every month untill the limit is completely exausted.

| Period | Opening limit | Monthly Drop | Total yearly drop | Amount(*) |
|---|---|---|---|---|
| From 01 to 12 months | 2,000.00 | 33.40 | 400.80 | 1,599.20 |
| From 12 to 24 months | 1,599.20 | 33.40 | 400.80 | 1,198.40 |
| From 24 to 36 months | 1,198.40 | 33.40 | 400.80 | 797.60 |
| From 36 to 48 months | 797.60 | 33.40 | 400.80 | 396.80 |
| From 48 to 60 months | 396.80 | 33.40 | 396.80 | - |

ii. The ovedraft has been primarily secured by way of exclusive charge on all the current assets (both present and future) and movable fixed assets of the company by way of hypothication to HDFC bank, futher the overaft also bears a corpate garunatee from the Holding comany (Mankind Pharma limited).

iii. The ovedraft is repayble on the demand, the Company has not defaulted on repayment of loans and interest during the year.

iv. No charge or satisfaction of charge is pending for registration with Registrar of Companies (ROC)

**Other notes:**

i. No Working capital loan from banks and financial institutions has been taken other than that mentioned above.
ii. No interest is payable or paid for the unsecured loan.
iii. The loan is not from any related party, however the it bears a corpate garunatee from the Holding comany (Mankind Pharma limited) as mentioned above.
iv. There were no material differences between the books of accounts and Quarterly returns / statements filed with such Banks/ for the during the financial year.

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **15** | **Provisions** | | |
| | **Non-current** | | |
| | Provision for employee benefits | | |
| | Provision for gratuity | 21.74 | 12.63 |
| | | **21.74** | **12.63** |
| | **Current** | | |
| | Provision for employee benefits | | |
| | Provision for compensated absences | 17.58 | 17.85 |
| | Provision for gratuity (refer note 37) | 0.03 | - |
| | | **17.61** | **17.85** |

**All amounts are in INR lacs unless otherwise stated**

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **16** | **Other liabilities** | | |
| | **Current** | | |
| | Advances from customers | 324.29 | 104.75 |
| | Statutory liabilities | 89.53 | 109.77 |
| | Others* | - | 3.88 |
| | | **413.82** | **218.40** |

*This includes service charge payable to spa employees collected by the company on behalf of employees.

| | | | |
|---|---|---|---|
| **17** | **Trade payables** | | |
| | **Current** | | |
| | total outstanding dues of micro and small enterprises (refer note 36) | 22.04 | - |
| | total outstanding dues of creditors other than micro and small enterprises | 441.91 | 232.73 |
| | | **463.95** | **232.73** |

**Trade Payable ageing schedule**

**As at March 31, 2024**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro and small enterprises | - | 22.04 | - | - | - | **22.04** |
| Total outstanding dues of creditors other than micro and small enterprises | - | 424.79 | 15.65 | 1.47 | - | **441.91** |
| Disputed dues of micro and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - | - |
| **Total** | - | **446.83** | **15.65** | **1.47** | - | **463.95** |

**As at March 31, 2023**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro and small enterprises | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro and small enterprises | - | 232.73 | - | - | - | 232.73 |
| Disputed dues of micro and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - | - |
| **Total** | - | **232.73** | - | - | - | **232.73** |

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **18** | **Other financial liabilities** | | |
| | **Current** | | |
| | Payable for property, plant and equipment | 137.02 | 797.61 |
| | Deposits and retention money | 54.65 | 649.74 |
| | Others payables | 7.15 | 1.46 |
| | | **198.82** | **1,448.81** |

**All amounts are in INR lacs unless otherwise stated**

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **19** | **Revenue from operations** | | |
| **19.1** | **Revenue from contracts with customers** | | |
| | Sale of products | 2,060.84 | 313.81 |
| | Sale of services | 5,372.40 | 630.26 |
| | | **7,433.24** | **944.07** |

**(a) Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Type of goods/services | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Sale of products (Food and beverages) | 2,060.84 | 313.81 |
| Sale of services | | |
| -Room revenue | 4,991.10 | 589.22 |
| -Recreational and wellness | 196.63 | 21.54 |
| Other services | 184.67 | 19.50 |
| **Total revenue from contracts with customers** | **7,433.24** | **944.07** |
| Within India | 7,433.24 | 944.07 |
| Outside India | - | - |
| **Total revenue from contracts with customers** | **7,433.24** | **944.07** |

**(b) Contract balances**

| | | |
|---|---|---|
| Trade receivables | 1,057.61 | 243.58 |

Trade receivables are non interest bearing.

**(c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

| | | |
|---|---|---|
| Revenue as per contracted price | 7,433.24 | 944.07 |
| **Revenue from contracts with customers** | **7,433.24** | **944.07** |

**(d) Performance obligations**

Obligation of the Company is to provide products as per specification agreed with the customer, if in case there is any deviation then product supplied will be replaced with new product.

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Categorization of revenue** | | |
| **Sale of products** | | |
| Food and Beverages | 2,060.84 | 313.81 |
| | **2,060.84** | **313.81** |
| **Sale of services** | | |
| Room | 4,991.10 | 589.22 |
| Recreational and Wellness | 196.63 | 21.54 |
| Other Services | 184.67 | 19.50 |
| | **5,372.40** | **630.26** |
| | **7,433.24** | **944.07** |

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **20** | **Other income** | | |
| | **Interest income** | | |
| | Interest income earned on: | | |
| | - On bank deposits (at amortised cost) | 42.58 | 46.53 |
| | -On income tax refund | 1.54 | 0.51 |
| | -Others | - | 0.22 |
| | | **44.12** | **47.26** |
| | **Other non-operating income** | | |
| | Foreign exchange fluctuation gain (net) | 19.91 | 0.11 |
| | | **19.91** | **0.11** |
| | | **64.03** | **47.37** |

**All amounts are in INR lacs unless otherwise stated**

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **21 Cost of material consumed** | | |
| **a Raw material** | | |
| Inventory at the beginning of the year | 40.19 | - |
| Add: Purchases | 1,164.01 | 143.18 |
| | **1,204.20** | **143.18** |
| Less: Inventory at the end of the year | (81.28) | (40.19) |
| | **1,122.92** | **102.99** |
| **22 Employee benefits expense** | | |
| Salaries and wages | 1,141.61 | 479.79 |
| Contribution to provident and other fund | 76.63 | 56.34 |
| Gratuity expense | 18.01 | 8.83 |
| Staff welfare expenses | 176.26 | 254.41 |
| | **1,412.51** | **799.37** |
| **23 Finance costs** | | |
| Interest expense on borrowings | 78.43 | - |
| Interest on delay deposit of income tax | - | 0.01 |
| | **78.43** | **0.01** |
| **24 Depreciation and amortisation expense** | | |
| Depreciation on property, plant and equipment | 1,983.46 | 345.37 |
| | **1,983.46** | **345.37** |

**All amounts are in INR lacs unless otherwise stated**

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **25** | **Other expenses** | | |
| | Power and fuel | 414.43 | 89.91 |
| | Rent | 153.14 | 46.06 |
| | Repair and maintenance | | |
| | - Plant and machinery | 41.09 | - |
| | - Building | 89.51 | 1.09 |
| | - others | 262.76 | 87.34 |
| | Insurance | 49.87 | 10.60 |
| | Rates and taxes | 42.34 | 18.55 |
| | Communication expenses | 18.17 | 1.68 |
| | Travelling and conveyance | 72.47 | 77.08 |
| | Printing and stationery | 24.02 | 33.00 |
| | Commission and brokerage | 134.31 | 11.21 |
| | Legal and professional charges | 98.38 | 10.46 |
| | Payments to auditors (refer note below) | 5.23 | 2.25 |
| | Training and recruitment expenses | 23.43 | 17.81 |
| | Advertising and sales promotion expenses | 313.50 | 58.82 |
| | Security expenses | 57.02 | 20.36 |
| | Trade and other receivables written off | 133.30 | 0.64 |
| | Outsourced Laundry | 72.26 | - |
| | Contract Services | 104.29 | - |
| | Water expenses | 130.32 | - |
| | Entertainment expneses | 61.67 | - |
| | Base Management Fee Expense | 111.38 | - |
| | Incentive Fee Expense | 183.60 | - |
| | Miscellaneous expenses | 166.64 | 164.33 |
| | **Total** | **2,763.13** | **651.19** |

**Note:**
Payments to the auditors comprises(excluding goods and service tax)

| | | |
|---|---|---|
| Statutory audit | 3.25 | 2.25* |
| Out of pocket expenses | 1.98 | - |
| | **5.23** | **2.25** |

*paid to erstwhile auditor

**All amounts are in INR lacs unless otherwise stated**

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **26** | **Income taxes** | | |
| **26.1** | **Income tax recognised in the Statement of profit and loss** | | |
| | **Current tax** | | |
| | In respect of the current year | - | |
| | In respect of the previous year (see note 35 f) | 6.79 | - |
| | | **6.79** | **-** |
| | **Deferred tax** | | |
| | In respect of the current year | 35.59 | (227.30) |
| | In respect of the Past year | - | - |
| | | **35.59** | **(227.30)** |
| | **Total income tax expense recognised in the current year** | **42.38** | **(227.30)** |
| | Tax expense on continuing operations | 42.38 | (227.30) |
| | **Total income tax expense recognised in the current year** | **42.38** | **(227.30)** |

The Income tax expense for the year can be reconciled to the accounting profit as follows:

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Profit before tax** | **136.82** | **(907.49)** |
| Statutory income tax rate | 26.00% | 26.00% |
| Income tax expense at statutory income tax rate | 35.58 | (235.95) |
| Effect of Income that is exempt from taxation | - | |
| Effect of expenses that are not deductible in determining taxable profit | - | 9.48 |
| Deferred tax credit in respect of the prior years | - | - |
| Income Tax in respect of the previous year | 6.79 | - |
| Other adjustments | | (0.83) |
| Income tax expense in the Statement of Profit and Loss | **42.37** | **(227.30)** |

## 27 Earnings per equity share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|---|
| **a.** | **Basic earnings per share** | | | |
| | Profit for the year | INR lacs | 94.44 | (680.19) |
| | Weighted average number of equity shares (see note i) | Number | 406,492,135 | 406,492,135 |
| | Face value of per share | INR | 10.00 | 10.00 |
| | Earnings per share - Basic | INR | 0.02 | (0.17) |
| **b.** | **Diluted earnings per share** | | | |
| | Profit for the year | INR lacs | 94.44 | (680.19) |
| | Diluted number of equity shares (See note i) | Number | 406,492,135 | 406,492,135 |
| | Face value of per share | INR | 10.00 | 10.00 |
| | Earnings per share - Diluted (See note ii) | INR | 0.02 | (0.17) |

**Notes:**

The weighted average number of equity shares for the purpose of earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

| | | | | |
|---|---|---|---|---|
| i. | Weighted average number of equity shares used in the calculation of basic earnings per share | No's | 21,656,000 | 21,656,000 |
| | Effect of conversion of Preference shares | No's | 384,836,135 | 384,836,135 |
| | **Weighted average number of equity shares used in the calculation of earnings per share** | | **406,492,135** | **406,492,135** |

**All amounts are in INR lacs unless otherwise stated**

28 **Disclosure of financial ratios**

| Ratio | Numerator | Denominator | March 31, 2024 | March 31, 2023 | % Change | Remarks |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 1.38 | 0.98 | 41.46% | Note 1 |
| Return on equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.24% | -2% | -113.85% | |
| Inventory turnover ratio | Cost of goods sold | Average Inventory | 18.49 | 5.13 | 260.75% | Note 2 |
| Trade receivable turnover ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 11.43 | 5.13 | 122.94% | Note 2 |
| Trade payable turnover ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 3.34 | 0.46 | 620.93% | Note 2 |
| Net capital turnover ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 9.67 | (22.57) | -142.85% | Note 3 |
| Net profit ratio | Net Profit | Net sales = Total sales - sales return | 1.27% | -72% | -101.76% | Note 4 |
| Return on capital employed | Earnings before interest and taxes | Capital employed = Total assets - Current liabilities- Lease liabilities | 0.54% | -2.27% | -123.65% | Note 4 |
| Return on investment | Interest (Finance Income) | Investment | NA | NA | NA | |

ii. **Working of the ratios**

| | Basis of ratios | Year ended 31 March 2024 | Ratio | Year ended 31 March 2023 | Ratio |
|---|---|---|---|---|---|
| **a.** | **Current ratio** | | | | |
| | Current assets | 2,771.11 | 1.38 | 1,875.97 | 0.98 |
| | Current liability | 2,002.61 | | 1,917.79 | |
| **b.** | **Return on Equity ratio** | | | | |
| | Net Profits after taxes – Preference Dividend | 94.44 | 0.24% | (680.19) | -1.70% |
| | Average Shareholder's Equity | 40,148.55 | | 40,047.54 | |
| **c.** | **Inventory turnover ratio** | | | | |
| | Cost of goods sold | 1,122.92 | 18.49 | 102.99 | 5.13 |
| | Average Inventory | 60.74 | | 20.10 | |
| **d.** | **Trade receivable turnover ratio** | | | | |
| | Net credit sales = Gross credit sales - sales return | 7,433.24 | 11.43 | 944.07 | 7.75 |
| | Average Trade Receivable | 650.55 | | 121.74 | |
| **e.** | **Trade payable turnover ratio** | | | | |
| | Net credit purchases = Gross credit purchases - purchase return | 1,164.01 | 3.34 | 143.18 | 0.46 |
| | Average Trade Payables | 348.34 | | 308.91 | |
| **f.** | **Net capital turnover ratio** | | | | |
| | Net sales = Total sales - sales return | 7,433.24 | 9.67 | 944.07 | (22.57) |
| | Working capital = Current assets – Current liabilities | 768.50 | | (41.82) | |
| **g.** | **Net profit ratio** | | | | |
| | Net Profit | 94.44 | 1.27% | (680.19) | -72.05% |
| | Net sales = Total sales - sales return | 7,433.24 | | 944.07 | |
| **h.** | **Return on capital employed** | | | | |
| | Earnings before interest and taxes | 215.25 | 0.54% | (907.48) | -2.27% |
| | Capital employed = Total assets - Current liabilities- Lease liabilities | 40,157.66 | | 40,047.54 | |
| **i.** | **Return on investment** | | | | |
| | Interest (Finance Income) | NA | NA | NA | NA |
| | Investment | | | | |

**Notes:**

1 The ratio has increased in March 31, 2024 as compare to March 31, 2023 mainly due to FDR are reclassified as current asset in March 31, 2024 basis the remaining maturity, in the previous year March 31, 2023 they were the part of non-current assets.

2 During the current year, there is a significant increase in revenue (turnover) as compared to previous year, therefor resulting into increase in turnover ratios

3 During the previous year, working capital was negative hence the net capital turnover ratio was negative in the previous year.

4 During the previous year, the company had a loss however in the current year there is profit resulting in negative movement in net profit ratio and return on capital employed.

**29 Other Information**

i. During the current financial year, company has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

ii. No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2024.

iii. There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961

iv. During the current year company has not advanced or loaned or invested funds (either borrowed funds or share premium) to any other person(s) or entities, including foreign entities (intermediaries)

v. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

vi. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
The Company have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vii. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

viii. The Company is not classified by the lender during the period as wilful defaulter.

ix. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

x. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

30 In the opinion of the board of directors, the assets other than Property , Plant and Equipment and Intangible assets have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated.

31 Figures for the previous year have been regrouped / rearranged wherever necessary.

32 **Events after the reporting period**

There are no event observed after the reported period which have an impact on the Company's operation.

33 The financial statements for the previous year ended 31 March, 2023 have been audited by predecessor auditor.

34 **Approval of the financial statements**

The financial statements were approved for issue by Board of Directors on May 14, 2024.

**All amounts are in INR lacs unless otherwise stated**

**35 Commitments and contingencies**

a. **Contingent liabilities**

**Commitments**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Export obligations against the import licenses taken for import of capital goods under the Export promotion Capital Goods Scheme. In the event of the Company's inability to meet export obligations, the Company's liability, reduced in proportion to actual exports, excluding applicable interest | 592.75 | 363.39 |

b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

c. The Company has no other commitments, for purchase of goods and services and employee benefits, in normal course of business.

d. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

e. Commitments and contingencies (to the extent not provided for)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|---|---|
| Claims against the Company not acknowledged as debt | | |
| a. Disputed tax and other liabilities for: | | |
| - Excise, custom duty and service tax | - | - |

The Income Tax Department ('the department'), in the first quarter of FY 2023-24 had conducted a search under section 132 of the Income Tax Act, 1961 ('the Act') on Mankind Pharma Limited holding Company) registered office, corporate office, few of its manufacturing locations, residence of few of its employees/key managerial personnel, other premises and few of its group entities.
The Income Tax Department consequent to search on holding company, has also issued notices under Section 148 of the Income Tax Act 1961 in December 2023 which requires the Company to furnish income tax returns in response to notice under Section 148 of the Act for the assessment years 2020-21, 2021-22 and 2022-23. The Company is in the process of complying with the notices for said Assessment Years. Based on the assessment made by the management and its tax advisor, the Company is of the view that no material adjustments are required to be made in these financial statements.

f. The Company did not have any pending litigation which would impact its financial position in its financial statements.

**All amounts are in INR lacs unless otherwise stated**

**36 The details relating to Micro and Small Enterprises are as follows:-**

| | | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| (i) | the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; | 22.04 | - |
| | - Principal | 22.04 | - |
| | - Interest | - | - |
| (ii) | the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (iii) | The amount of interest due and payable for the period of detay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (iv) | The amount of interest accrued and remaining unpaid at the end of each accountang year; and | - | - |
| (v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**37 Employee Benefits**

**A Defined contribution plan**

The Company's contribution to the Employees Provident Fund is deposited with the Regional Provident Fund Commissioner for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised during the year ended March 31, 2024 : Rs. 18.01 Lacs, (previous year Rs. 56.34 lacs) towards provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

There are numerous interpretative issues relating to Hon'ble Supreme Court of India vide its judgement dated February 28, 2019 on Provident Fund on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. Based on legal inputs received regarding various interpretative issues, the Company does not expect any liability on account of the same.

**B Defined benefit plan – Gratuity plan**

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of four years two forty days in service.

**i) Risks associated with Plan Provisions**

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest rate risk (discount rate risk), (iii) mortality risk and (iv) salary growth risk (v) Mortality & Disbility risk.

| | |
|---|---|
| Investment risk | If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability. |
| Interest rate risk (discount rate risk) | Reduction in discount rate in subsequent valuations can increase the plan's liability. |
| Mortality risk | Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities |
| Salary growth risk | Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability. |
| Mortality & disability | Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities |

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2024. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**ii) Principal actuarial assumptions:**

Principle actuarial assumption used to determine the present value of the benefit obligation are as follows:

| S. No. | Particulars | See note below | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| i. | Discount rate (p.a.) | 1 | 7.25% | 7.39% |
| ii. | Future Salary Increase | 2 | 8.00% | 8.00% |

**All amounts are in INR lacs unless otherwise stated**

**Notes**

1 The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities.

2 Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

| **iii) Demographic assumptions:** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|
| Retirement age | 58 Years | 58 Years |
| Mortality rate | (100% of IALM 12-14) | (100% of IALM 12-14) |
| No of Employees | 240 | 219 |

| **Attrition at Ages** | **Withdrawal Rate (%)** | **Withdrawal Rate (%)** |
|---|---|---|
| **Up to 30 Years** | 5.00 | 5.00 |
| **From 31 to 44 years** | 3.00 | 3.00 |
| **Above 44 years** | 2.00 | 2.00 |

The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements:

**a. Amounts recognised in the Statement of Profit and Loss in respect of these defined benefits plans are as follows:**

| **S. No.** | **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| | Current service cost | 17.08 | 7.33 |
| | Past service cost | | 1.40 |
| | Net interest expenses | 0.93 | 0.10 |
| | **Components of defined benefit costs recognised in the Statement of Profit and Loss** | **18.01** | **8.83** |

**b. Remeasurement on the net defined benefit liability:**

| **S. No.** | **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| | Acturial (gains)/losses due to change in financial assumptions | 0.32 | 0.13 |
| | Acturial (gains)/losses due to change in experience variance | (9.20) | 3.67 |
| | **Component of defined benefit costs recognised in Other Comprehensive Income** | **(8.88)** | **3.80** |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in the Other Comprehensive Income.

**c. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefits plans as follows:**

| **S. No.** | **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| | Present value of defined benefit obligation | 21.77 | 21.63 |
| | Less: Fair value of plan assets | - | |
| | **Funded status deficit** | **(21.77)** | **(21.63)** |

**d. Movement in the fair value of the defined benefit obligation:**

| **S. No.** | **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|---|
| | Opening defined benefit obligation | 12.63 | - |
| | Current service cost | 17.08 | 7.33 |
| | Past service cost | | 1.40 |
| | Interest cost | 0.93 | 0.10 |
| | Acquisition/ Divestiture | - | - |
| | Actuarial (gain)/loss on obligation | (8.88) | 3.80 |
| | Benefits paid | - | - |
| | **Closing defined benefit obligations** | **21.77** | **12.63** |

**All amounts are in INR lacs unless otherwise stated**

**e. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (-/+0.5%)<br>(% change compared to base due to sensitivity) | 2.10 | (1.88) | 1.19 | 1.07 |
| Salary Growth Rate (-/+0.5%)<br>(% change compared to base due to sensitivity) | (1.87) | 2.08 | (1.06) | 1.18 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**f. The expected maturity analysis of undiscounted defined benefit obligation is as follows:**

| Expected cash flows over the next | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| First year | 0.54 | 0.54 |
| Second to fifth year | 1.10 | 1.10 |
| Beyond fifth year | 12.42 | 12.42 |

| | | | |
|---|---|---|---|
| g, | Expected Company contributions for the next period | 4.85 | 4.85 |

**All amounts are in INR lacs unless otherwise stated**

**38 Capital Management**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company.

The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term.

**Debt to Equity ratio is as follows:-**

| | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Debt | 908.41 | - |
| Total Equity | 40,135.92 | 40,034.91 |
| **Debt Equity ratio** | 0.02 | - |

**39 Financial Instruments**

| | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A. Financial assets** | | |
| **Measured at amortised cost** | | |
| Trade receivables | 1,057.61 | 243.48 |
| Cash and cash equivalents | 948.57 | 940.12 |
| Other bank balances | 561.93 | |
| Other financials assets | 477.77 | 857.15 |
| **B. Financial liabilities** | | |
| **Measured at amortised cost** | | |
| Trade payables | 463.95 | 232.73 |
| Other financials liabilities | 198.82 | 1,448.81 |

**Note:**

a. There are no significant difference among the fair value of financial assets and liabilities classified as measured at cost or measured at fair value through profit and loss accordingly no separate disclosure of the same have been disclosed.

b. The company has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable.

**Risk management objectives**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:
- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**Financial risk**

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and credit risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest through proven financial instruments.

The risk management policies aims to mitigate the following risks arising from the financial instruments:
- Market risk
- Credit risk
- Liquidity risk

**a. 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 the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes

**i. Financial risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk 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 profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the company are as under:

| Nature | Currency | 31, March 2024 | | Impact on profit before tax and equity | |
|---|---|---|---|---|---|
| | | Foreign Currency (in Lacs) | Indian Rupees (in Lacs) | 1% Increase | 1% Decrease |
| Receivables | USD | 8.16 | 670.51 | 6.71 | (6.71) |

**b. Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company regularly monitors its counterparty limits by reviewing the outstanding balance and ageing of the same.

| Possible credit risk | Credit risk management |
|---|---|
| Credit risk related to trade receivables | Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.<br>Moreover, given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of trade receivable on a % basis in any of the years indicated.<br><br>Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the table presented in note 12 are those that have not been settled within the terms and conditions that have been agreed with that customer. |
| Credit risk related to bank balances | The Company holds bank balances with reputed and creditworthy banking institution within the approved exposures limit of each bank. None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. |

**All amounts are in INR lacs unless otherwise stated**

| | |
|---|---|
| Credit risk related to investments | The Company has made investments in highly liquid SEBI regulated public sector mutual funds to meet their short term liquidity objectives. The Company analyses the credit worthiness of the party before investing their funds.<br><br>The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks. |
| Other credit risk | The Company is exposed to credit risk in relation to loans and financial guarantees given to/ on behalf of subsidiaries/ associate companies. |

**c. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company invests its surplus funds in bank fixed deposits and highly liquid mutual funds, which carry no/low market risks. The Company monitorsfunding options available in the debt and capital markets with a view to maintain financial flexibility. The Company requires funds both for short-termoperational needs as well as for long-term investment programme mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as inthe long-term.

**Changes in liability arising from financing activities**

| **Particulars** | **Cash Flows** | | | |
|---|---|---|---|---|
| | **Balance as on 1 April, 2023** | **Receipts** | **Payments** | **Balance as on 31 March, 2024** |
| Current Borrowings | - | 1,805.36 | 896.94 | 908.41 |

The table below provide details regarding the contractual maturities of significant financial liabilities as at:

| **Contractual maturities of financial liabilities** | **less than 1 year** | **1 to 5 year** | **More than 5 years** | **Total** |
|---|---|---|---|---|
| **As at 31 March 2024** | | | | |
| Trade payables | 17.17 | 446.77 | - | 463.94 |
| Borrowings | 908.41 | - | - | 908.41 |
| Current financial liabilities | 121.42 | 77.39 | - | 198.82 |
| | 1,047.00 | 524.16 | - | 1,571.17 |
| **As at 31 March 2023** | | | | |
| Trade payables | 232.70 | - | - | 232.70 |
| Borrowings | - | - | - | - |
| Other current financial liabilities | 1,004.66 | 444.16 | - | 1,448.82 |
| | 1,237.36 | 444.16 | - | 1,681.52 |

**40 Segment Information**

**A** Description of Segment and principal activities

The Company has, on the basis on an assessment of the level of operating results as regularly reviewed by its chief operating decision maker ('CODM') in order to make decisions about resources to be allocated to the segment and assess its performance.Operating Segements have been defined and presented based on the regular review by CODM as per the following :

Hospitality Services- The Company's main business is to provided services of Hospitality in India. The Company has its Resort at Tehri Garhwal in the state of Uttarakhand.

**41 Related party disclosures**

List of related parties and relationships

**i. List of related parties**

| | |
|---|---|
| 100% Holding company | Mankind Pharma Limited |
| Key Management Personnel (KMP) | **Directors**<br>Rajeev Juneja<br>Ramesh Chand Juneja<br>Prem Kumar Arora<br>Anju Kumari Jha<br>Vaibhav Sharma (w.e.f July 21, 2023)<br>**Chief financial officer**<br>Manjit Kumar<br>**Chief executive officer**<br>Mohammad Faisal Siddiqui |
| Relatives of KMP (with whom transactions have taken place) | Eklavya Juneja<br>Chanakya Juneja<br>Arjun Juneja |

**All amounts are in INR lacs unless otherwise stated**

**ii. Transactions occurred during the year**

| | **Particulars** | **Holding Company** | | **KMP/ Relative of KMP** | | **Total** | |
|---|---|---|---|---|---|---|---|
| | | **Year ended March 31,2024** | **Year ended March 31, 2023** | **Year ended March 31,2024** | **Year ended March 31, 2023** | **Year ended March 31,2024** | **Year ended March 31, 2023** |
| **A.** | **Sale of product & Services** | | | | | | |
| | Mankind Pharma Limited | 357.15 | - | - | - | 357.15 | - |
| | Eklavya Juneja | - | - | - | 36.83 | - | 36.83 |
| | | | | | - | | |
| | Ramesh Chand Juneja | - | - | 37.22 | 21.36 | 37.22 | 21.36 |
| | Rajeev Juneja | - | - | 27.34 | 9.62 | 27.34 | 9.62 |
| | Arjun Juneja | - | - | 16.00 | - | 16.00 | - |
| | | **357.15** | **-** | **80.56** | **67.81** | **437.71** | **67.81** |
| **B.** | **Reimbursment of expenses** | | | | | | |
| | Mankind Pharma Limited | - | 1.32 | - | - | - | 1.32 |
| | | **-** | **1.32** | **-** | **-** | **-** | **1.32** |
| **C.** | **Commission on Corporate Gurantee** | | | | | | |
| | Mankind Pharma Limited | 16.00 | - | - | - | 16.00 | - |
| | | **16.00** | **-** | **-** | **-** | **16.00** | **-** |
| **D.** | **Preference Share Capital issued** | | | | | | |
| | Mankind Pharma Limited | - | 10,000.00 | - | - | - | 10,000.00 |
| | | **-** | **10,000.00** | **-** | **-** | **-** | **10,000.00** |

**Note:**
The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

**All amounts are in INR lacs unless otherwise stated**

**iii. Balances outstanding as at the year end**

| | Particulars | Holding Company | | KMP/ Relative of KMP | | Total | |
|---|---|---|---|---|---|---|---|
| | | As at March 31 ,2024 | As at March 31, 2023 | As at March 31 ,2024 | As at March 31, 2023 | As at March 31 ,2024 | As at March 31, 2023 |
| **A.** | **Trade receivables** | | | | | | |
| | Ramesh Chand Juneja | - | - | 1.73 | 21.36 | 1.73 | 21.36 |
| | Eklavya Juneja | - | - | 1.07 | 3.83 | 1.07 | 3.83 |
| | Mankind Pharma Limited | 12.67 | - | - | - | 12.67 | - |
| | Arjun Juneja | - | - | 1.33 | - | 1.33 | - |
| | Rajeev Juneja | - | - | 10.76 | - | 10.76 | - |
| | | **12.67** | **-** | **14.88** | **25.19** | **27.55** | **25.19** |
| **B.** | **Advances Given** | | | | | | |
| | Vaibhav Sharma | - | - | 5.00 | - | 5.00 | - |
| | | **-** | **-** | **5.00** | **-** | **5.00** | **-** |
| **C.** | **Other Payables** | | | | | | |
| | Mankind Pharma Limited | - | 5.40 | - | - | - | 5.40 |
| | | **-** | **5.40** | **-** | **-** | **-** | **5.40** |
| **D.** | **Share Capital** | | | | | | |
| | Mankind Pharma Limited | 2,165.60 | 2,165.60 | - - | - | 2,165.60 | 2,165.60 |
| | | **2,165.60** | **2,165.60** | **-** | **-** | **2,165.60** | **2,165.60** |
| **E.** | **Other Equity (OCPS)** | | | | | | |
| | Mankind Pharma Limited | 38,483.61 | 38,483.61 | - | - | 38,483.61 | 38,483.61 |
| | | **38,483.61** | **38,483.61** | **-** | **-** | **38,483.61** | **38,483.61** |
| **F.** | **Other Equity (Share Premium)** | | | | | | |
| | Mankind Pharma Limited | 167.14 | 167.14 | - | - | 167.14 | 167.14 |
| | | **167.14** | **167.14** | **-** | **-** | **167.14** | **167.14** |

**42 Operating lease**
Company does not have any Operating Lease

**43 Expenditure on Corporate Social Responsibility**
Company is not in operation and thus CSR provisions are not applicable

**44** The Figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than INR 500/-.

**For S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

VINESH JAIN Digitally signed by VINESH JAIN Date: 2024.05.14 19:54:06 +05'30'

**Vinesh Jain**
Partner
Membership No. 087701

Place: New Delhi
Date: May 14, 2024

**For and on behalf of the Board of Directors**
Mahananda Spa and Resorts Private Limited

Ramesh Juneja Digitally signed by Ramesh Juneja Date: 2024.05.14 15:51:57 +05'30'

**Ramesh Juneja**
Director
DIN - 00283399

PREM KUMAR ARORA Digitally signed by PREM KUMAR ARORA Date: 2024.05.14 16:02:36 +05'30'

**Prem Kumar Arora**
DIN - 00704226

DEEKSHA THAKRAL Digitally signed by DEEKSHA THAKRAL Date: 2024.05.14 16:19:42 +05'30'

**Deeksha Thakral**
Company Secretary
M.No. - A53108

Faisal Siddqui Digitally signed by Faisal Siddqui Date: 2024.05.14 16:47:15 +05'30'

**Mohammad Faisal Siddiqui**
Chief Executive Officer

MANJIT KUMAR Digitally signed by MANJIT KUMAR Date: 2024.05.14 16:47:46 +05'30'

**Manjit Kumar**
Chief Financial Officer

Place: New Delhi
Date : May 14, 2024