

Independent Auditor's Report

To,  
**The Members of**  
**Mahodadhi Palace Private Limited**

**Report on the financial statements**

**Opinion**

We have audited the accompanying financial statements of **Mahodadhi Palace Private Limited** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, and the Statement of Profit and Loss, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, of the financial position of the Company as at 31<sup>st</sup> March 2023, and its loss including other 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 Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

Reference is invited to note 37 of Ind AS financial statements regarding preparation of financial statements on going concern basis. The Company has incurred losses in the current year as well as previous year. Its net worth is fully eroded. In the opinion of the management, the financial statement are prepared on going concern basis, considering (a) future prospectus of business from hotel property post expiry of operation and management agreement with holding company; (b) opportunity to expand the hotel capacity; (c) commitment from the holding company for financial support from time to time and (d) management's action to mitigate the impact of COVID-19.

Our opinion is not modified in respect of this matter. Further, the 'Material uncertainty related to going concern' para given above was also reported in our independent auditor's reports for earlier financial year and our opinion was not modified in the earlier year also.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.



Independent Auditor's Report (Contd.)

We have determined that there are no key audit matters to communicate in our report except for matter described in "Material Uncertainty Related to Going Concern".

**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 Board's Report including Annexures to Board'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 do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

**Responsibilities of management and those charged with governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's responsibilities for the audit of the Ind AS financial statements**

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



Independent Auditor's Report (Contd.)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

Independent Auditor's Report (Contd.)

2. As required by Section 143(3) of the Act, we report that,
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
  - e) The matters described in 'Material Uncertainty related to Going Concern' paragraph above, in our opinion, may have an adverse impact on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) During the year, there is no managerial remuneration. Hence, reporting under section 197(16) of the Act is not applicable.
  - i) 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.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The management has represented that,
      - a) no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.



**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

Independent Auditor's Report (Contd.)

- b) no funds have been received by the Company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations given by the management contain any material mis-statement.

- v. The Company has not declared or paid dividend during the year. Hence our comments on compliance with section 123 of the Companies Act 2013 does not arise.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company only with effect from April 1, 2023, reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable in the current year.

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm Registration Number: 116560W/W100149



**Milan Mody**  
Partner  
Membership No. 103286  
UDIN: 23103286BGPZMS2974

Place: Mumbai  
Date: 27<sup>th</sup> May, 2023

**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

**Mahodadhi Palace Private Limited**

Annexure A to Independent Auditor's Report for the year ended 31<sup>st</sup> March 2023

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- i. In respect of Property, Plant and Equipment and 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 has also maintained proper records showing full particulars of Intangible Assets.
- b) The Property, Plant and Equipment were physically verified by the management at regular intervals, which, in our opinion, is reasonable. According to the information and explanation given to us, discrepancies noticed on such physical verification were not material and have been appropriately dealt with in the books of accounts.
- c) The Company does not hold any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Hence, the question of our comment on title deeds of all the immovable properties being held in the name of the Company does not arise.
- d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Therefore, clause (i) (d) of paragraph 3 of the Order is not applicable to the Company.
- e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, clause (i) (e) of paragraph 3 of the Order is not applicable to the Company.
- ii. According to the information and explanations given to us, and based on the audit procedures performed by us, the Company does not hold any inventory and the Company has not been sanctioned any working capital loan. Therefore Clause (ii) (a) and (ii) (b) of paragraph 3 of the Order is not applicable to the Company.
- iii. In respect of investments made in, guarantee or security provided or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties by the Company:
- a) According to the information and explanation given to us, during the year the Company has not provided loans or provided any advances in nature of loans, or stood guarantee, or provided security to any other entity except-

	<b>Guarantees</b>
Aggregate amount granted / provided during the year	
(A) - Subsidiaries - Joint Ventures - Associates	-
(B) - Others	Rs. 29,750.00 lakhs
Balance outstanding as at balance sheet date in respect of above cases	
(A) - Subsidiaries - Joint Ventures - Associates	-
(B) - Others	Rs. 29,750.00 lakhs

- b) According to the information and explanations given to us, and based on the audit procedures performed by us, we are of the opinion that guarantee provided by the Company during the current year on behalf of holding company is not prejudicial to the Company's interest. As informed to us the Company has not made any investment, given security or given any loan or advance in the nature of loans.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

## Mahodadhi Palace Private Limited

Annexure A to Independent Auditor's Report for the year ended 31<sup>st</sup> March 2023

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- c) According to the information and explanations given to us, the company have not given any loans & advances in nature of loans. Therefore, clause (iii) (c), (iii) (d), (iii) (e) & (iii) (f) of paragraph 3 of the Order is not applicable.
- iv. As per the information and explanation given to us, in respect of guarantee given during the year, the Company has complied with provisions of section 185 and section 186 of the Act. Further, as informed to us the Company has not made any investments, given loan or provided security to which the provisions of section 185 and 186 of the Act is applicable.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the rules framed there under. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act for the goods and services rendered by the Company. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues. There are no undisputed amounts payable in respect of statutory dues outstanding as at 31<sup>st</sup> March 2023 for a period of more than six months from the date they become payable.
- b) According to the records of the Company and information and explanations given to us, there are no statutory dues referred in clause (vii) (a) above which have not been deposited with appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. In respect to repayment of loan:
- a) According to the information and explanations given to us, the Company has taken intercorporate loan from Kamat Hotel India Limited (Holding Company) having outstanding balance of Rs.422.36 Lakhs as on 31<sup>st</sup> March, 2023 which is repayable based on improvements in cash flows and there has been wavier of interest for the same.
- Further, The Company has also taken loan from Placowell Jobs Private Limited having outstanding balance of Rs.2,076.72 lakhs as on 31<sup>st</sup> March,2023 which is repayable after the hotel starts with full operations and availability of funds and there has been wavier of interest for the same.
- Considering above, the Company has not defaulted in repayment of loans or interest thereon.
- 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 other lender.
- c) According to the information and explanations given to us, the term loan obtained during the year is applied for the purposes for which loan was obtained.



**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

**Mahodadhi Palace Private Limited**

Annexure A to Independent Auditor's Report for the year ended 31<sup>st</sup> March 2023

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- d) According to the information and explanations given to us, and the procedures performed by us, no funds have been raised on short-term basis. Therefore, the paragraph 3(ix)(d) of the Order is not applicable.
- e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, the paragraph 3(ix)(e) and (f) of the Order is not applicable.
- x. In respect of issue of shares:
- a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year ended 31<sup>st</sup> March, 2023. Therefore, the paragraph 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi. In respect of Fraud:
- a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company has been noticed or reported during the year.
- b) No report under section 143(12) of the Companies Act, 2013 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 has been no whistle blower complaints received by the company during the year.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, clause (xii) (a), (xii) (b) and (xii) (c) of paragraph 3 of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 188 of Act and have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosure specified under section 133 of the Act [Also refer note 26 of Ind AS financial statements], read with Rule 7 of the Companies (Accounts) Rules 2014. Section 177 of the Act is not applicable to the Company.
- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013, hence question of our consideration of internal audit report does not arise.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore, question of our comment on compliance with provisions of Section 192 of the Act does not arise.
- xvi. In respect of registration under section 45-IA of the Reserve Bank of India Act, 1934:
- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) of paragraph 3 of the Order is not applicable.
- b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, the clause (xvi)(b) of paragraph 3 of the Order is not applicable to the Company.





**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

**Mahodadhi Palace Private Limited**

Annexure A to Independent Auditor's Report for the year ended 31<sup>st</sup> March 2023

[Referred to in paragraph 1 of 'Report on other legal and regulatory requirements' of our report of even date]

- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company.
- d) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable.
- xvii. According to the information and explanations given to us, the Company has not any incurred cash losses in the current financial year and cash losses in the immediately preceding financial year amount to Rs. 2.72 Lakhs.
- xviii. There has not been any resignation of the statutory auditors during the year. Therefore, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, material uncertainty exists as on the date of the audit report that the Company is 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. However, the financial statements are continued to be prepared on going concern basis.
- xx. In our opinion and according to the information and explanations given to us, the Company is not required to comply with the provisions of section 135 of Companies Act, 2013. Therefore, reporting under clause (xx)(a) and (xx)(b) of paragraph 3 of the Order is not applicable.
- xxi. The Company is not required to prepare consolidated financial statement. Therefore, clause (xxi) of paragraph 3 of the Order is not applicable.

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No.: 116560W / W100149



**Milan Mody**

Partner

Membership No.: 103286

UDIN: 23103286BGPZMS2974

Place: Mumbai

Date: 27<sup>th</sup> May, 2023

**Mahodadhi Palace Private Limited**

Annexure B to Independent Auditors' Report for the year ended 31<sup>st</sup> March 2023

[Referred to in paragraph 2(g) of 'Report on other legal and regulatory requirements' of our report of even date]

**Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ('the Act')**

**Opinion**

We have audited the internal financial controls over financial reporting of **Mahodadhi Palace Private Limited** ("the Company") as of 31<sup>st</sup> March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, 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 ('ICAI').

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting**

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 ICAI. 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 its 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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 over financial reporting.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

## Mahodadhi Palace Private Limited

Annexure B to Independent Auditors' Report for the year ended 31<sup>st</sup> March 2023

[Referred to in paragraph 2(g) of 'Report on other legal and regulatory requirements' of our report of even date]

### Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting 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. The Company's internal financial control over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W / W100149



**Milan Mody**

Partner

Membership No. 103286

UDIN: 23103286BGPZMS2974

Place: Mumbai

Date: 27<sup>th</sup> May, 2023

**Mahodadhi Palace Private Limited**

Registered Office: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099

CIN: U55101MH2010PTC201685

**Balance Sheet as at 31st March 2023**

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars		Note no.	As at 31st March 2023 (Audited)	As at 31st March 2022 (Audited)
<b>ASSETS</b>				
<b>A</b>	<b>Non current assets</b>			
	a) Property, Plant and Equipment	5	796.76	833.40
	b) Capital work-in-progress	6	94.80	119.29
	c) Right of use asset	7	158.21	162.61
	d) Intangible asset	8	0.01	0.03
	e) Financial assets			
	- Other financial assets	9	20.63	19.66
	f) Income tax assets (net)	10	8.72	16.32
	(A)		<b>1,079.13</b>	<b>1,151.31</b>
<b>B</b>	<b>Current assets</b>			
	a) Financial assets			
	i) Trade receivable	11	35.55	8.38
	ii) Cash and cash equivalent	12	4.56	0.27
	b) Other current asset	13	57.88	15.92
	(B)		<b>97.99</b>	<b>24.57</b>
	<b>TOTAL (A+B)</b>		<b>1,177.12</b>	<b>1,175.88</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A</b>	<b>Equity</b>			
	a) Equity share capital	14	1.00	1.00
	b) Other equity	14A	(1,513.13)	(1,501.83)
	(A)		<b>(1,512.13)</b>	<b>(1,500.83)</b>
	<b>Liabilities</b>			
<b>B</b>	<b>Non current liabilities</b>			
	a) Financial liabilities			
	i) Borrowings	15	2,449.90	2,440.10
	ii) Lease liabilities	16	171.05	167.74
	b) Deferred tax liabilities (Net)	17	-	-
	(B)		<b>2,620.95</b>	<b>2,607.84</b>
<b>C</b>	<b>Current liabilities</b>			
	a) Financial liabilities			
	i) Lease liabilities	18	19.09	19.00
	ii) Other financial liabilities	19	49.21	49.67
	b) Other current liabilities	20	-	0.20
	(C)		<b>68.30</b>	<b>68.87</b>
	<b>TOTAL (A+B+C)</b>		<b>1,177.12</b>	<b>1,175.88</b>

Significant accounting policies and notes to financial statement 1 to 40

The notes referred to above form an integral part of the financial statements

As per our audit report of even date

For N. A. Shah Associates LLP  
Chartered Accountants  
Firm Registration No. 116560W/ W100149

Milan Mody  
Partner  
Membership No.: 103286



For and on behalf of the Board of Directors of  
Mahodadhi Palace Private Limited

Dr. Vithal V. Kamat  
Director  
DIN : 00195341

Prabhakar V. Shetty  
Director  
DIN : 02448426

Place: Mumbai  
Date: 27th May, 2023

Place: Mumbai  
Date: 27th May, 2023



**Mahodadhi Palace Private Limited**

CIN: U55101MH2010PTC201685

**Statement of profit and loss for year ended 31st March 2023***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

Particulars		Note no.	Year ended 31st March 2023 (Audited)	Year ended 31st March 2022 (Audited)
<b>A</b>	<b>Income</b>			
	Revenue from operations	21	55.73	23.17
	Other income	22	1.45	1.46
	<b>Total income (A)</b>		<b>57.18</b>	<b>24.63</b>
<b>B</b>	<b>Expenses</b>			
	Finance costs	23	22.47	21.98
	Depreciation and amortization	5 to 8	41.09	41.22
	Other expenses	24	2.95	5.37
	<b>Total expenses (B)</b>		<b>66.51</b>	<b>68.57</b>
<b>D</b>	<b>Loss before tax</b>		<b>(9.33)</b>	<b>(43.94)</b>
<b>E</b>	<b>Tax expense:</b>			
	- Current tax	17	-	-
	- Deferred tax credit		-	4.37
	- Short provision for income tax-earlier year		(1.97)	-
			<b>(1.97)</b>	<b>4.37</b>
<b>F</b>	<b>Profit / (loss) after tax</b>		<b>(11.30)</b>	<b>(39.57)</b>
<b>G</b>	<b>Other comprehensive income</b>			
	Items that will not be reclassified to Statement of Profit and Loss		-	-
	Income tax effect on above		-	-
	<b>Total other comprehensive income / (expenses)</b>		<b>-</b>	<b>-</b>
<b>H</b>	<b>Total comprehensive income/ (loss) for the year (F+G)</b>		<b>(11.30)</b>	<b>(39.57)</b>
	<b>Basic and diluted loss per share</b> (Face value of Rs. 10 each)	28	<b>(113.00)</b>	<b>(395.70)</b>

**Significant accounting policies and notes to financial statements**

1 to 40

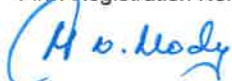
The notes referred to above form an integral part of the financial statements

As per our audit report of even date

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No. 116560W/ W100149

**Milan Mody**

Partner

Membership No.: 103286

**For and on behalf of the Board of Directors of Mahodadhi Palace Private Limited**  
**Dr. Vithal V. Kamat**  
Director  
DIN : 00195341  
**Prabhakar V. Shetty**  
Director  
DIN : 02448426

Place: Mumbai

Date: 27th May, 2023

Place: Mumbai

Date: 27th May, 2023



**Mahodadhi Palace Private Limited**  
CIN: U55101MH2010PTC201685

**Statement of changes in equity for the year ended 31st March, 2023**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**(a) Equity share capital**

**Current reporting period i.e 31st March, 2023**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.00	-	-	-	1.00

**Previous reporting period i.e 31st March, 2022**

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
1.00	-	-	-	1.00

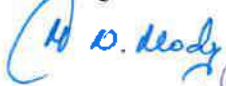
**(b) Other equity**

Particulars	Retained earnings	Total other equity
Balance as at 31st March 2021	(1,462.26)	(1,462.26)
Loss for the year 2021-22	(39.57)	(39.57)
Balance as at 31st March 2022	(1,501.83)	(1,501.83)
Loss for the year 2022-23	(11.30)	(11.30)
Balance as at 31st March 2023	(1,513.13)	(1,513.13)

Notes referred to herein above form an integral part of financial statements.

As per our audit report of even date

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm Registration No. 116560WW/100149



**Milan Mody**  
Partner  
Membership No.: 103286



Place: Mumbai  
Date: 27th May, 2023

**For and on behalf of the Board of Directors of Mahodadhi Palace Private Limited**



**Dr. Vithal V. Kamat**  
Director  
DIN : 00195341



**Prabhakar V. Shetty**  
Director  
DIN : 02448426

Place: Mumbai  
Date: 27th May, 2023



Mahodadhi Palace Private Limited

CIN: U55101MH2010PTC201685

Statement of Cash Flow for the year ended 31st March 2023

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxes and other comprehensive income		(9.33)	(43.94)
<b>Adjustments for:</b>			
Depreciation and amortization		41.09	41.22
Finance cost		22.47	21.98
Interest Income		(1.27)	(1.46)
Excess provision written back		(0.18)	-
		<b>52.78</b>	<b>17.80</b>
Movements in working capital:			
(Increase) / decrease in trade receivable and other assets		(38.19)	27.92
Increase / (decrease) in other liabilities		(0.01)	(11.30)
<b>Cash generated from operations before taxes</b>		<b>14.58</b>	<b>34.42</b>
Adjustment for:			
Income tax refund		5.76	4.38
<b>Net cash generated from operating activities...(A)</b>		<b>20.34</b>	<b>38.80</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment towards purchase of property, plant and equipment (including capital advances)		(6.01)	(108.43)
Increase in fixed deposit (not considered as cash and cash equivalent)		(0.97)	(0.88)
Interest received		1.27	1.46
Adjustment for:			
Less: Direct taxes paid (including tax deducted at source)		(0.13)	(0.15)
<b>Net cash generated used in investing activities... (B)</b>		<b>(5.84)</b>	<b>(108.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing		9.80	85.44
Payment of lease liabilities		(19.95)	(18.59)
Interest liability paid		(0.06)	(0.04)
<b>Net cash generated from / (used in) financing activities... (C)</b>		<b>(10.21)</b>	<b>66.81</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+ B+C)</b>		<b>4.29</b>	<b>(2.39)</b>
Cash and cash equivalents at beginning of the year	12	0.27	2.66
Cash and cash equivalents at end of the year		4.56	0.27
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>4.29</b>	<b>(2.39)</b>
Significant accounting policies and notes to financial statement	1 to 40		

**Notes:**

Statement of cash flows has been prepared under "indirect method" as set out in Ind AS 7 - "Statement of Cash Flows".

Notes referred to herein above form an integral part of financial statements.

As per our audit report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 118560W/W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 27th May, 2023



For and on behalf of the Board of Directors of  
Mahodadhi Palace Private Limited

Dr. Vitthal V. Kamat

Director

DIN : 00195341

Place: Mumbai

Date: 27th May, 2023

Prabhakar V. Shetty

Director

DIN : 02448426



**Mahodadhi Palace Private Limited**

**CIN No: U55101MH2010PTC201685**

**Notes on financial statements for the year ended 31<sup>st</sup> March, 2023**

**Background**

The Company was incorporated on 5<sup>th</sup> April, 2010 under Companies Act, 1956 and is domiciled in India. The registered office of the Company is located at KHIL House, 70 - C, Nehru Road, Vile Parle (East), Mumbai, Maharashtra 400 099, India. The Company has given its hotel property to Kamat Hotels (India) Limited under business contract agreement to run, manage, conduct, and operate the operation and management of the Hotel. The Company is a wholly owned subsidiary of Kamat Hotels (India) Limited.

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2023 were approved and adopted by board of directors of the Company in their meeting held on 27<sup>th</sup> May, 2023.

**1. Basis of preparation**

**1.1. Statement of compliance with Ind AS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

**1.2. Functional and presentation of currency**

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

**1.3. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

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

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

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

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

Level 1 – Unadjusted quoted price in active markets for identical asset and liability.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.





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

Fair value has been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 - Fair Value Measurement".

#### **1.4. Use of significant accounting estimates, judgements and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the period presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described as below:

i) **Property, plant & equipment and Intangible assets:**

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Company's financial position and performance.

ii) **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iii) **Income taxes:**

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

iv) **Going concern: Refer note 37.**

v) **Corporate guarantee: - Refer note 26.5.**



**Mahodadhi Palace Private Limited**

**CIN No: U55101MH2010PTC201685**

**Notes on financial statements for the year ended 31<sup>st</sup> March, 2023**

## **2. Significant Accounting Policies**

### **2.1. Presentation and disclosure of financial statements**

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of activity carried on by the Company, the operating cycle is 12 months.

### **2.2. Property, Plant and Equipment and Depreciation**

#### **Recognition and measurement**

Property, plant and equipment are stated at their cost of acquisition. Gross carrying amount of all property, plant and equipment are measured using cost model. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset. High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of property, plant and equipment.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet date.

#### **Depreciation and useful lives**

Depreciation on the property, plant and equipment (other than freehold land and capital work-in-progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 except building which is depreciated over the period of lease.

Leasehold improvements are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

#### **De-recognition**

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



### **2.3. Intangible assets and amortisation**

#### **Recognition and measurement**

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition / development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

#### **Amortization and useful lives**

Computer software are amortized in 10 years on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

### **2.4. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. The Company derives revenue primarily from royalty fees from hotel property given under business contract agreement. The royalty fee income is recognized in the period to which it relates.

### **2.5. Borrowing costs**

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till the time such asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

### **2.6. Leases**

#### **Where Company is lessee:**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.



The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

Lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

#### **Where Company is lessor**

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis.

#### **Where Company is lessee**

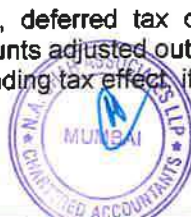
Operating lease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

#### **Where Company is lessor**

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

## **2.7. Taxes on income**

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.



**Mahodadhi Palace Private Limited**

**CIN No: U55101MH2010PTC201685**

**Notes on financial statements for the year ended 31<sup>st</sup> March, 2023**

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allows deferred tax assets to be recovered.

**2.8. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.9. Cash flow statement**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**2.10. Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.



**Mahodadhi Palace Private Limited**

**CIN No: U55101MH2010PTC201685**

**Notes on financial statements for the year ended 31<sup>st</sup> March, 2023**

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

**2.11. Operating segment**

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. Operating Segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM).

**2.12. Impairment of non-financial assets**

The carrying amount of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

**2.13. Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average number of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**2.14. Financial instruments**

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



#### **2.14.1 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.

##### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

##### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

##### **Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.



### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

### **De-recognition of financial asset**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.





**Mahodadhi Palace Private Limited**

**CIN No: U55101MH2010PTC201685**

**Notes on financial statements for the year ended 31<sup>st</sup> March, 2023**

**2.14.1 Financial liability and equity instrument**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**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 de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.



However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

#### **Financial guarantee contracts**

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

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Offsetting of financial instruments**

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

#### **Reclassification**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the



change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

### **3. New Ind AS & amendments to existing Ind AS issued but not effective as at 31<sup>st</sup> March, 2023**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

#### **Ind AS 1 – Preparation of Financial Statements:**

Companies should now disclose "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.

#### **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:**

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

- a) Selection of a measurement technique (estimation or valuation technique)
- b) Selecting the inputs to be used when applying the chosen measurement technique.

#### **Ind AS 12 – Income Tax:**

Narrowed the scope of the Initial Recognition Exemption (with regard to leases and decommissioning obligations). Now such an exemption does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Company does not expect the above amendments to have any significant impact in its financial statements.



**Notes to financial statements for the year ended 31st March 2023**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

5

Property, Plant and Equipment	Leasehold improvement (Refer note 5.1)	Furniture & fixture	Office equipment	Plant & machinery	Total
<b>Gross carrying value</b>					
Balance as at 31st March, 2021	1,480.84	3.99	2.61	35.27	1,522.71
Additions in 2021-22	-	-	-	-	-
Deletions in 2021-22	-	-	-	-	-
<b>Balance as at 31st March 2022</b>	1,480.84	3.99	2.61	35.27	1,522.71
Additions in 2022-23	-	-	-	-	-
Deletions in 2022-23	-	-	-	-	-
<b>Balance as at 31st March 2023</b>	1,480.84	3.99	2.61	35.27	1,522.71
<b>Accumulated Depreciation</b>					
Balance as at 31st March, 2021	639.84	3.64	1.21	7.81	652.50
For the year	33.15	0.01	0.74	2.89	36.79
Disposal	-	-	-	-	-
<b>Balance as at 31st March 2022</b>	672.99	3.65	1.95	10.70	689.29
For the year	33.16	-	0.61	2.89	36.66
Disposal	-	-	-	-	-
<b>Balance as at 31st March 2023</b>	706.15	3.65	2.56	13.59	725.95
<b>Net carrying amount</b>					
Balance as at 31st March 2022	807.85	0.34	0.66	24.57	833.40
Balance as at 31st March 2023	774.69	0.34	0.05	21.68	796.76

5.1 The leasehold improvements are constructed on land and building taken under operating lease for a period of 50 years.  
5.2 The company has not revalued its Property, Plant and Equipment during the year.



Notes to financial statements for the year ended 31st March 2023  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Capital work-in-progress (CWIP)	As at	As at
	31st March 2023	31st March 2022
Opening Balance	119.29	-
Add: Capital Advance	6.48	119.29
Less: Adjustments during the year	30.97	-
Closing balance	94.80	119.29

(A) CWIP / Intangible assets under development ageing schedule:

Project Type	As on 31st March, 2023, amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Room Renovation Work at Mahodahdhi Puri	6.48	88.32	-	-	94.80

Project Type	As on 31st March, 2022, amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Room Renovation Work at Mahodahdhi Puri	119.29	-	-	-	119.29
Projects temporarily suspended	-	-	-	-	-

(B) Details of Capital work-in-progress whose completion is overdue compared to its original plan:  
Current Reporting Period - 31st March, 2023

Ageing of Capital work-in-progress	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Room Renovation Work at Mahodahdhi Puri*	-	-	-	-	-

\* The Company has treated the project as temporarily suspended and has plans to revive the same next year.

Previous Reporting Period - 31st March, 2022

Ageing of Capital work-in-progress	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Room Renovation Work at Mahodahdhi Puri*	119.29	-	-	-	119.29

Right of use asset (Refer note 27)	Land & building	Total
Gross carrying value		
Balance as at 31st March 2021	175.82	175.82
Additions in 2021-2022	-	-
Deletions in 2021-2022	-	-
Balance as at 31st March 2022	175.82	175.82
Additions in 2022-2023	-	-
Deletions in 2022-2023	-	-
Balance as at 31st March 2023	175.82	175.82
Accumulated depreciation		
Balance as at 31st March 2021	8.61	8.61
For the year	4.40	4.40
Disposal	-	-
Balance as at 31st March 2022	13.21	13.21
For the year	4.40	4.40
Disposal	-	-
Balance as at 31st March 2023	17.61	17.61
Net carrying amount		
Balance as at 31st March, 2022	162.61	162.61
Balance as at 31st March, 2023	158.21	158.21



Notes to financial statements for the year ended 31st March 2023

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

8 Intangible assets	Computer Software	Total
Gross carrying value		
Balance as at 31st March, 2021	0.16	0.16
Additions in 2021-2022	-	-
Deletions in 2021-2022	-	-
Balance as at 31st March 2022	0.16	0.16
Additions in 2022-2023	-	-
Deletions in 2022-2023	-	-
Balance as at 31st March 2023	0.16	0.16
Accumulated amortization		
Balance as at 31st March, 2021	0.10	0.10
For the year	0.03	0.03
Disposal	-	-
Balance as at 31st March 2022	0.13	0.13
For the year	0.02	0.02
Disposal	-	-
Balance as at 31st March, 2023	0.15	0.15
Net carrying amount		
Balance as at 31st March, 2022	0.03	0.03
Balance as at 31st March, 2023	0.01	0.01

Notes:

- 8.1 Software is other than internally generated software.  
8.2 Balance useful life of intangible assets as at 31st March 2023 is 1 year (31st March 2022 : 2 years).

9 Other financial assets - non-current	As at 31st March 2023	As at 31st March 2022
Bank Fixed deposits with more than 12 months maturity (Refer note 9.1)	20.63	19.66
Total	20.63	19.66

- 9.1 Fixed deposit is given against Bank Guarantee issued by Bank on behalf of Company to Orissa Tourism Development Corporation (OTDC).

10 Income tax assets (net)	As at 31st March 2023	As at 31st March 2022
Advance tax (Tax deducted at source) - (net)	8.72	16.32
Total	8.72	16.32

11 Trade receivable	As at 31st March 2023	As at 31st March 2022
Unsecured		
(i) Considered good (Refer note 11.1)	35.55	8.38
Total	35.55	8.38

- 11.1 Outstanding from the Holding Company.

- 11.2 Trade receivables ageing schedule as at 31st March, 2023:

Particulars	Outstanding for following periods						Total
	Unbilled (if grouped under trade receivables)	Not Due	Less than 6 months	6 months - 1 year	1 year - 2 years	More than 3 years	
Undisputed - considered good	-	-	33.81	1.74	-	-	35.55

- Trade receivables ageing schedule as at 31st March, 2022:

Particulars	Outstanding for following periods						Total
	Unbilled (if grouped under trade receivables)	Not Due	Less than 6 months	6 months - 1 year	1 year - 2 years	More than 3 years	
Undisputed - considered good	-	-	8.38	-	-	-	8.38

- 11.3 Since no due date is specified, the above disclosure is based on the date of transaction. Unbilled revenue and amounts not due at the year end were Rs. NIL.



Notes to financial statements for the year ended 31st March 2023  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

12 Cash and cash equivalent	As at	
	31st March 2023	31st March 2022
Cash in hand	0.05	0.10
Balances with bank - In current accounts	4.51	0.17
<b>Total</b>	<b>4.56</b>	<b>0.27</b>

13 Other current asset	As at	
	31st March 2023	31st March 2022
Prepaid expenses	12.05	12.31
Amount recoverable from Holding Company (Refer note 13.1)	27.46	-
Balances with Govt. Authorities	7.26	-
GST input credit	11.11	3.61
<b>Total</b>	<b>57.88</b>	<b>15.92</b>

13.1 Amount recoverable from Holding Company represents amount paid to project contractor on behalf of Holding Company.

14 Equity share capital	As at	
	31st March 2023	31st March 2022
<b>Authorised capital</b>		
50,000 equity shares (Previous year: 50,000) of Rs. 10 each	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>
<b>Issued, subscribed and paid-up</b>		
10,000 equity shares (Previous year: 10,000) of Rs. 10 each	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>

14.1 Terms/ rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up).

14.2 Movements in equity share capital

Particulars	FY 2022-2023		FY 2021-2022	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	10,000	1.00	10,000	1.00
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the end	10,000	1.00	10,000	1.00

14.3 Details of shareholders holding more than 5 % shares in the Company:

Particulars	As at 31st March 2023		As at 31st March 2022	
	% of holding	Number of Shares*	% of holding	Number of Shares*
Kamat Hotels (India) Limited	100	10,000	100	10,000

\*Out of above one share is held by Dr. Vilhal V. Kamat as nominee of Kamat Hotels (India) Limited.

14.4 Equity shares held by the Holding Company (also ultimate Holding Company)

Particulars	As at 31st March 2023		As at 31st March 2022	
	% of holding	Number of Shares*	% of holding	Number of Shares*
Kamat Hotels (India) Limited	100	10,000	100	10,000

\*Out of above one share is held by Dr. Vilhal V. Kamat as nominee of Kamat Hotels (India) Limited.



Notes to financial statements for the year ended 31st March 2023  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

14.5 Shareholdings of Promoters

Sr. No.	Promoters Name	As at 31st March 2023		As at 31st March 2022		% changes during the year
		Number of Shares	% of total shares	Number of Shares	% of total shares	
1	Kamat Hotels (India) Limited	9,999	99.99%	9,999	99.99%	0.00%
2	Dr. Vithal V. Kamat (Nominee of Kamat Hotels (India) Limited)	1	0.01%	1	0.01%	0.00%
		10,000	100%	10,000	100%	

14A Other equity	As at 31st March 2023	As at 31st March 2022
Retained earnings (Refer Note 14A.1)		
As per last balance sheet	(1,501.83)	(1,462.26)
Add: Profit / (Loss) for the year	(11.30)	(39.57)
<b>Total</b>	<b>(1,513.13)</b>	<b>(1,501.83)</b>

14A.1 Retained earnings are profits that the Company has earned till date, less transferred to general reserve, dividends or other distribution paid to shareholders.

15 Borrowings	As at 31st March 2023	As at 31st March 2022
<b>Unsecured</b>		
Intercorporate loan		
- From Holding Company (Refer note 15.1 and 15.2)	422.36	422.36
- From other company (Refer note 15.3 and 15.4)	2,076.72	2,066.92
	2,499.08	2,489.28
Less: Interest accrued and due	49.18	49.18
<b>Total</b>	<b>2,449.90</b>	<b>2,440.10</b>

15.1 In earlier years, in view of various adverse factors and the request made to Holding Company by the Company for waiver of interest, Holding Company has waived off interest on the unsecured loans granted until there is improvement in the financial position of the Company. This waiver was effective from 28th February 2017. Accordingly, no interest is charged by Holding Company on the outstanding loan in current year.

15.2 This intercorporate loan is repayable based on start of full commercial operations of the hotel and availability of funds with the Company or such other dates as mutually agreed. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under non-current borrowings.

15.3 In view of various adverse factors and the request made to Placewell Jobs Private Limited (PJPL) by the Company for waiver of interest, PJPL has waived off interest on the unsecured loans granted until there is improvement in the financial position of the Company. This waiver was effective from 1st April 2018. Accordingly, no interest is charged by PJPL on the above outstanding loan.

15.4 Intercorporate loan from other company is repayable based on start of full commercial operations of the hotel and availability of funds with the Company. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under non-current borrowings.

16 Lease liabilities - non current	As at 31st March 2023	As at 31st March 2022
Lease rent	171.05	167.74
<b>Total</b>	<b>171.05</b>	<b>167.74</b>

17 Deferred tax liability	As at 31st March 2023	As at 31st March 2022
Major components of deferred tax liabilities and deferred tax assets:		
<b>Deferred tax liabilities</b>		
Difference in net carrying value of fixed asset as per income tax and books	144.90	147.61
<b>Sub-total (A)</b>	<b>144.90</b>	<b>147.61</b>
<b>Deferred tax assets</b>		
Carried forward losses as per income tax	144.90	147.61
<b>Sub-total (B)</b>	<b>144.90</b>	<b>147.61</b>
<b>Net deferred tax liability / (asset) - Net</b>	<b>-</b>	<b>-</b>





Notes to financial statements for the year ended 31st March 2023

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

17.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2023 and 31st March 2022:

Particulars	As at	As at
	31st March 2023	31st March 2022
Accounting profit / (loss) before tax from operations	(9.33)	(43.94)
Income tax liability as per applicable tax rate i.e. 25.168% (Previous year: 25.168%) (Refer note 16.3 below)	(2.35)	(11.06)
(a) Permanent disallowance	-	-
(b) Effect of change in tax rate for deferred tax liability calculation (Refer note 16.3 below)	-	-
(c) Unrecognised deferred tax asset of earlier year utilized in current year	-	0
(d) Deferred tax assets not recognized, considering prudence (Refer note 16.3 below)	-	-
(e) Short provision of earlier year	2.35	6.69
	(1.97)	-
<b>Tax expense / (credit) reported in the Statement of Profit and Loss</b>	<b>(1.97)</b>	<b>(4.37)</b>

17.2 No provision for income tax has been made during the year as well as in the previous year as there is no taxable income as per the Income Tax Act, 1961. As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised on the carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax asset has been recognized on unabsorbed brought forward losses considering probability of reversal of deferred tax liability in near future against which it can be utilised.

18 Lease liabilities - current	As at	As at
	31st March 2023	31st March 2022
Lease rent (Refer note 27)	19.09	19.00
<b>Total</b>	<b>19.09</b>	<b>19.00</b>

19 Other financial liabilities - current	As at	As at
	31st March 2023	31st March 2022
Interest accrued and due (Refer note 19.1)	49.18	49.18
Capex payable	-	0.47
Other payables (Audit fees & Prov. for O/s Expenses)	0.03	0.02
<b>Total</b>	<b>49.21</b>	<b>49.67</b>

19.1 Interest is overdue for a period of 335 to 2546 days (As at 31st March 2022: 335 to 2181 days).

20 Other current liabilities	As at	As at
	31st March 2023	31st March 2022
Statutory dues	-	0.20
<b>Total</b>	<b>-</b>	<b>0.20</b>



**Mahodadhi Palace Private Limited**

CIN: U55101MH2010PTC201685

**Notes to financial statements for the year ended 31st March 2023***(Amount in rupees lakhs, except share and per share data, unless otherwise stated)*

21 Revenue from operations	Year ended 31st March 2023	Year ended 31st March 2022
Royalty fees	55.73	23.17
<b>Total</b>	<b>55.73</b>	<b>23.17</b>
22 Other income	Year ended 31st March 2023	Year ended 31st March 2022
Interest earned on		
- Fixed deposit with bank	1.07	0.98
- Income tax refund	0.20	0.48
Excess Provision written back	0.18	-
<b>Total</b>	<b>1.45</b>	<b>1.46</b>
23 Finance costs	Year ended 31st March 2023	Year ended 31st March 2022
Interest on delayed statutory dues	0.06	0.04
Interest expense on lease liabilities	22.41	21.94
<b>Total</b>	<b>22.47</b>	<b>21.98</b>
24 Other expenses	Year ended 31st March 2023	Year ended 31st March 2022
Bank charges	0.10	0.21
Insurance charges	2.32	3.29
Lease rent (Refer note 27)	-	1.31
Legal and professional fees	0.14	0.09
Rates and taxes	0.15	0.04
Audit fees (Refer note 24.1 below)	0.10	0.10
Miscellaneous expenses	0.14	0.33
<b>Total</b>	<b>2.95</b>	<b>5.37</b>

**24.1 Auditor's remuneration**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
For statutory audit*	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>

\*excluding goods &amp; services tax (GST)



Notes to financial statements for the year ended 31st March 2023  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

25 Capital commitments, other commitments and contingent liabilities

25.1 Capital and other commitments

Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs. Nil lakhs (31st March 2022: Rs. 108.08 lakhs) (Net of advances).

25.2 Contingent liabilities

In the earlier financial year, Company has given corporate guarantee (Jointly with other fellow subsidiaries and group entities) on behalf of holding company aggregating to Rs. Nil (31st March 2022: Rs. 38,583.00 lakhs) towards loan facilities taken from banks/others. Share of Company in this corporate guarantee was not quantifiable. Company did not expect any outflow on account of this guarantee. During the year, the Holding Company repaid secured borrowings from Bank and ARCs under settlements and obtained No Dues Certificate and accordingly, corporate guarantee is released during the year ended 31st March, 2023.

In the current financial year, Company has given corporate guarantee (Jointly with other fellow subsidiaries and group entities) on behalf of holding company aggregating to Rs. 29,750.00 lakhs (31st March 2022: Rs. Nil) towards secured borrowings from Non-Convertible Debenture holders. Share of Company in this corporate guarantee is not quantifiable. Company does not expect any outflow on account of this guarantee.

26 Related party transactions

26.1 Name and relationships of related parties

a Holding & Ultimate Holding Company:	Kamat Hotels (India) Limited
b Directors / Key management personnel:	Dr. Vithal V. Kamat Mr. Prabhekar V. Shelty

26.2 Transactions with related parties

Nature of transaction	Name of the Party	Year ended 31st March 2023	Year ended 31st March 2022
Royalty fees	Kamat Hotels (India) Limited	55.73	23.17
Release of Joint Corporate guarantee given on behalf of Holding Company.		38,583.00	-

26.3 Closing balances of related parties

Nature of transaction	Name of the Party	As at 31st March 2023	As at 31st March 2022
Amount receivable	Kamat Hotels (India) Limited	63.02	8.38
Borrowings		418.74	418.74
Interest payable		3.62	3.62
Corporate Guarantee given (Jointly with other fellow subsidiaries and group entities) to bank/others for credit facility availed by Holding Company [Company's share is not quantifiable].		-	38,583.00

26.4 Terms and conditions of related party transaction

Outstanding balances at the year end are unsecured and settlement occurs in cash. All transactions were made on normal commercial terms and conditions and at market rates.

26.5 In the current financial year, Company has given corporate guarantee (jointly with Orchid Hotels Pune Private Limited, Kamats Restaurant (India) Private Limited, Fort Jadhav Gadh Hotels Private Limited, Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Development Private Limited, Orchid Hotels Eastern (India) Private Limited, Savarwadi Rubber Agro Private Limited, Greenboom Developers & Resorts Limited, Vishal Amusements Limited, Dr. Vithal V. Kamat, Mr. Vishal V. Kamat) on behalf of Holding Company aggregating to secure issue of 14% secure rated listed Redeemable Non Convertible Debenture of Rs. 29,750 lakhs having face value of Rs. 1 lakhs each. Share of Company in this corporate guarantee is not quantifiable. Company does not expect any outflow on account of this guarantee.

27 Leases

27.1 Where Company is lessee:

The Company has taken heritage palace under non-cancellable lease for a period of 50 years. Lease rents are payable on yearly basis and are subject to escalation. Disclosures as required under Ind AS 116 - 'Leases' are as given below:

Particulars				
A) Carrying value and depreciation on ROU asset				
ROU asset	Carrying value as at year ended 31st March 2023	Depreciation for the year 2022-23	Carrying value as at year ended 31st March 2022	Depreciation for the year 2021-22
Land & building	159.21	4.40	162.61	4.40
B) Interest expense on lease liabilities of Rs. 22.41 lakhs (31st March 2022 : Rs. 21.94 lakhs) and total cash outflow for payment of lease liabilities is Rs. 19.95 lakhs (31st March 2022 : Rs. 18.59 lakhs).				



Notes to financial statements for the year ended 31st March 2023  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

27.2 Where Company is lessor:

The Company has given its property under operation and management agreement to run, manage, conduct and operate the operation and management of the Hotel for a period of 20 years which shall be extendable for a further period of 10 years at the sole discretion of the lessee. In lieu of the same, Company gets royalty fees calculated based on percentage of revenue earned by the lessee from this property. The Company has recognised Royalty fees of Rs. 55.73 lakhs during the year (Previous year: Rs. 23.17 lakhs). Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 116 - 'Leases' are not quantifiable as at the balance sheet date.

28 Earnings / (loss) per share

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Basic and diluted earning per share		
Net loss after tax as per Statement of Profit and Loss (Rs. in lakhs)	(11.30)	(39.57)
Weighted average number of equity shares outstanding	10,000	10,000
Face value per equity share (Rs.)	10	10
Basic and diluted earnings / (loss) per share (Rs.)	(113.00)	(395.70)

29 Ratio Analysis

Ratio	Numerator	Denominator	31.03.2023	31.03.2022	% Variance	Reason
Current Ratio	Current Assets	Current Liabilities	1.43	0.36	298.53%	Increase in trade receivables and other current assets
Debt Service Coverage	Earning available for Debts Service	Debt Service	1.23	1.04	18.46%	-
Trade receivables turnover	Net Credit Sales	Avg. Account Receivable	2.54	0.83	170.72%	Increase in trade receivables
Net Capital Turnover Ratio	Net Sales	Working Capital	1.89	(0.52)	239.71%	Increase in working capital due to increase of receivables from related party during the year.
Net Profit Ratio	Net Profit	Net Sales	(0.20)	(1.71)	150.72%	Reduction in losses due to increase in revenues
Return on capital employed	Earning before Int. & Taxes	Capital Employed	0.01	(0.02)	2.98%	-
Return on investment	Earning from investment	Average of Investment	0.05	0.05	-	-

29.1 Disclosures in respect of following ratios has not been given as there is no cost of goods sold, inventory & trade payables in respect of current and previous year.

- Inventory turnover ratio
- Trade payable turnover ratio

29.2 Debt equity ratio and Return on equity ratio are not applicable as equity is negative



Notes to financial statements for the year ended 31st March 2023  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**30 Financial Instruments - Accounting classifications & Fair value measurement**

**(a) Financial Instruments by category**

Sr. No.	Particulars	31st March 2023		31st March 2022		
		Amortised Cost	FVTOCI	Amortised Cost	FVTOCI	FVTPL
<b>A</b>	<b>Financial assets</b>					
(i)	Cash and cash equivalents	4.56	-	0.27	-	-
(ii)	Other financial assets (non-current)	20.63	-	19.66	-	-
(iii)	Trade receivable	35.55	-	8.38	-	-
	<b>Total financial assets</b>	<b>60.74</b>	<b>-</b>	<b>28.31</b>	<b>-</b>	<b>-</b>
<b>B</b>	<b>Financial liabilities</b>					
(i)	Borrowings	2,449.90	-	2,440.10	-	-
(ii)	Lease liabilities - non current	171.05	-	167.74	-	-
(iii)	Lease liabilities - current	19.09	-	19.00	-	-
(iv)	Other financial liabilities	49.21	-	49.67	-	-
	<b>Total financial liabilities</b>	<b>2,689.25</b>	<b>-</b>	<b>2,676.51</b>	<b>-</b>	<b>-</b>

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

**(b) Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following method and assumptions are used to estimate the fair values:

- (i) The management assessed that fair value of cash and cash equivalents, other financial assets (non-current), trade receivable, borrowings, lease liabilities and other financial liabilities approximate their carrying amounts.



**Notes to financial statements for the year ended 31st March 2023**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**(c) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**(d) Financial Bank guarantee / contract**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Corporate Guarantee given (Jointly with other fellow subsidiaries and group entities) to bank/others for credit facility availed by Holding Company [Company's share is not quantifiable]	-	38,563.00
Corporate Guarantee given (Jointly with other fellow subsidiaries and group entities) to Non-Convertible Debenture Holders for credit facility availed by Holding Company [Company's share is not quantifiable]	29,750.00	-

**31 Financial risk management**

The Company has exposure to two risks mainly funding / liquidity risk and credit risk. The Company has no exposure to transactions having market risk. The Company does not have any derivative financial instruments. The Board of directors has overall responsibility for the establishment of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in Company's activities.

**(a) Credit Risk :**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instruments fail to meet its contractual obligations. The Company is exposed mainly to credit risk which arises from cash and cash equivalents and trade receivable. Company's maximum exposure is restricted to the carrying value of the following types of financial assets:

**(i) Cash and cash equivalent and other bank balances**

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances are maintained. The balance are generally maintained with the banks with whom the Company has regular transactions. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent.

**(ii) Trade receivable**

Trade receivable are receivable from Holding Company and there is no credit risk involved and management considers carrying amount of these assets to be good and recoverable.



**Notes to financial statements for the year ended 31st March 2023**  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

**(b) Liquidity Risk :**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time. The Company relies on mix of borrowings, capital and operating cash flows to meet its needs for funds. The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the undiscounted payments.

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
<b>As at 31st March 2023</b>				
Borrowings	-	2,449.90	-	2,449.90
Lease liabilities	19.09	79.56	91.49	190.14
Other financial liabilities	49.21	-	-	49.21
<b>As at 31st March 2022</b>				
Borrowings	-	2,440.10	-	2,440.10
Lease liabilities	19.00	79.56	88.18	186.74
Other financial liabilities	49.67	-	-	49.67

**(c) Interest rate risk**

Company has taken demand loan from Holding Company and other unsecured intercorporate loan from outside party. Loan from outside party attracts fixed interest rate of 9% and Holding Company charges 12%. Interest is waived off by Holding Company w.e.f. 28th February 2017 [Also refer note 15.1] and by other company w.e.f. 1st April 2018. Considering no interest is charged on the borrowings, the Company is not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**32 Capital management**

The Company's objective when managing capital are to (i) Safeguarding their ability to continue as going concern, so that they can continue to provide returns for shareholders benefit and (ii) maintain capital structure to reduce the cost of capital. Capital is fully contributed by the Holding Company 'Kamat Hotels (India) Limited' and Holding Company provides financial support to the Company from time to time. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. The Company monitors capital using 'net debt' to 'equity'. The Company's net debt to equity are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Total debt	2,449.90	2,440.10
Total capital (total equity shareholder's fund)	(1,512.13)	(1,500.83)
<b>Net Debt to Equity ratio</b>	NA	NA



Notes to financial statements for the year ended 31st March 2023  
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

- 33 **Disclosures as required by Indian Accounting Standard (Ind AS) 19 - Employee Benefits:**  
As the Company had no employees during the year as well as in the previous year, hence no provision for defined benefit obligations like leave encashment and gratuity & defined contribution plan has been made. Consequently, there are no disclosures as required by Indian Accounting Standard 19 (Ind AS) – 'Employee Benefits'.
- 34 Foreign currency exposure outstanding as on 31st March 2023: Nil (31st March 2022: Nil). There are no outstanding derivative contracts as on 31st March 2023 (31st March 2022: Nil).
- 35 **Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments**  
There are no reportable segments under Ind AS-108 'Operating Segments' as all the activities relate to only one segment i.e. royalty fees collected from hotel property given under business contract agreement. Further, top management of the Company is also reviewing the results / operations of the Company as single segment i.e. leasing of hotel property. Company gets its entire revenue from only one customer i.e. Holding Company to whom Company has given its hotel property under business contract agreement.
- 36 There were no amounts due and remaining unpaid to suppliers covered under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) on account of principal and/or interest as at the close of the financial year and during the year. Therefore, no additional disclosures are required to be made as per MSMED Act. This disclosure is based on the information available with the Company regarding the status of the suppliers as defined under the MSMED Act, 2006.
- 37 The Company has incurred losses in the current year as well as previous year. Its net worth is fully eroded. In the opinion of the management, the financial statement are prepared on going concern basis, considering (a) future prospectus of business from hotel property post expiry of operation and management agreement with holding company; (b) opportunity to expand the hotel capacity; (c) commitment from the holding company for financial support from time to time and (d) management's action to mitigate the impact of COVID-19.
- 38 The Company's revenues from royalty fees were adversely impacted due to lock downs imposed in several states across the country to control second wave of COVID-19 during the period from March 2020 to March 2022.  
  
After withdrawal of restrictions followed by massive vaccinations, as the normalcy restored, the Company has seen increase in the earnings from the management fees. However, the Company will continue to closely monitor the future economic conditions and assess its impact on financial performance. Therefore, financial statement for the year ended 31st March, 2023 are not comparable with the financial statement for the corresponding period of the previous year.
- 39 **Other Statutory Information**  
(i) The Company does not have any Benami property. No proceeding has been initiated or pending against the Company for holding any Benami property.  
(ii) The Company has not advanced to or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that such Intermediary shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries  
(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (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  
(iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)  
(v) The Company has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.  
(vi) During the year, the Company did not have transactions with any company which was struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956
- 40 The Company has made disclosures in the financial statements in respect of changes/new requirements under Schedule III to the Companies Act, 2013 to the extent applicable

As per our report of even date

For N. A. Shah Associates LLP  
Chartered Accountants  
Firm Registration No.: 116560WW100149

Milani Mody  
Partner  
Membership No. 103286

Place: Mumbai  
Date: 27th May, 2023

For and on behalf of the Board of Directors of  
Mahodadhi Palace Private Limited

Dr. Vitthal V. Kamat  
Director  
DIN : 00195341

Place: Mumbai  
Date: 27th May, 2023

Prabhakar V. Shetty  
Director  
DIN : 02448426

