

**KARNATAKA WILDLIFE  
RESORTS PRIVATE LIMITED  
FY – 2019-20**



**LAVITHA & ASSOCIATES**  
Chartered Accountants

Email id: calavithas@gmail.com

Ranganna Choultry Complex  
Basavanahalli Main Road  
Chikmagalur – 577 101

CA Lavitha S

To,  
The members of Karnataka Wildlife Resorts Private Limited

**Report on the Financial Statements.**

**OPINION**

We have audited the accompanying Ind AS financial statements of **Karnataka Wildlife Resorts Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and the other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Losses and cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **KEY AUDIT MATTERS**

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

*Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.*

## **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's board of directors are 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the 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 FINANCIAL STATEMENTS**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

#### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to Note No.28 of the financial statements which describe the circumstances under which the financial statements have been prepared adopting the going concern concept despite defaults in repayment of installments payable to lenders and the short term borrowings and short term liabilities being substantially higher compared to the company's short term receivables. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the note.



Our opinion is not qualified in respect of this matter.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS CARO  
2016 APPLICABILITY**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**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, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

**APPLICABILITY OF INTERNAL FINANCIAL CONTROLS**

(f) 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;

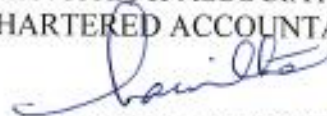
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;



- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place: Chikmagalur  
Date: 20.11.2020

For, LAVITHA & ASSOCIATES,  
CHARTERED ACCOUNTANTS,



(LAVITHA SHETTY)

Proprietor

M.NO.220473

Firm Reg.No.011882S

UDIN:-20220473AAAACS6219





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**Annexure referred to under paragraph 1 of the “Report on other Legal Regulatory Requirements” of Auditors’ report**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the same is not updated for the Financial year ending 31.03.2020.
- b) The company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Management has physically verified certain fixed assets during the year. Discrepancies noticed on such verification as compared to book records, which were not material, have been properly adjusted in the books of account.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii) We are informed that the inventory items have been physically verified by the management during the year on a continuous basis. In our opinion, the frequency of such verification is reasonable, having regard to the size of the company and the nature of its business.
- iii) In our opinion and according to information and explanation given to us, the company has not granted any loan, secured or unsecured to the parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanation provided to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments.
- v) In our opinion and according to the information and explanation provided to us, the Company has not accepted any deposit from the public.
- vi) The Central Government has not specified the maintenance of cost records for the company under section 148(1) of the Companies Act, 2013.
- vii) a) According to the information and explanations given to us and as per the records of the Company, the company has been regular in depositing the undisputed statutory dues including provident fund, Sales tax, Service tax, value added tax, cess and other statutory dues with appropriate authorities during the year *except undisputed income tax which has not been regularly deposited with the appropriate authorities during the year*. There are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they became payable.



The company, however, disputes the following –

Name of the Statute	Nature of the dues	Total Demand (in Rs.)	Total Amount paid	Period to which the amount relates (Financial Year)	Form where the dispute is pending
Income Tax Act, 1961	Penalty	3,01,332-00	Nil	2011-12	Commissioner of Income Tax (Appeals), Bangalore

viii) According to the information and explanations given to us and as per our verification of the records of the company, the company has defaulted in repayment of loans to bank as follows –

Name of the Lenders	Amount of Defaults as at 31 <sup>st</sup> of March 2020	Period of Defaults at 31 <sup>st</sup> of March 2020
Yes Bank	Principal – Rs.18.50 Lacs	Rs.9.25 Lacs for 6 months Rs.9.25 Lacs for 3 months

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

x) According to the information & explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations given to us and based on our examination of the records of the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, , except for the matter referred to in Basis for Disclaimer of Opinion section of the audit report in respect of which we are unable to comment for the reasons described therein, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.



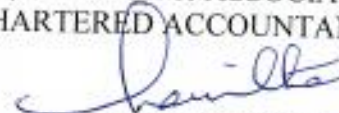
xiv) According to information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentured during the year.

xv) According to information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Place: Chikmagalur  
Date: 20.11.2020

For, LAVITHA & ASSOCIATES,  
CHARTERED ACCOUNTANTS,



(LAVITHA SHETTY)

Proprietor

M.NO.220473

Firm Reg.No.011882S

UDIN:-20220473AAAACS6219





**LAVITHA & ASSOCIATES**  
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CA Lavitha S

**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Karnataka Wildlife Resorts Private Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

**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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 Ind AS 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.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A 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. A 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls 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.

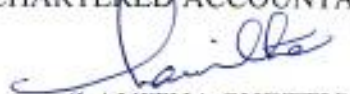
#### **Opinion**

In our opinion, the Company has, 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 March 2020, 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.

Place: Chikamagaluru

Date: 20.11.2020

For, LAVITHA & ASSOCIATES,  
CHARTERED ACCOUNTANTS,

  
(LAVITHA SHETTY)

Proprietor

M.NO.220473

Firm Reg.No.011882S

UDIN:-20220473AAAACS6219



**Karnataka Wildlife Resorts Private Limited**  
**Balance sheet as at 31st March 2020**

	Note	Amount in Rs	
		As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	20,99,06,985	20,98,65,456
Financial assets			
(I) Loans	5	2,29,730	2,52,230
Other assets	6-A	36,21,45,765	36,06,45,765
<b>Total non-current assets</b>		<b>57,22,82,480</b>	<b>57,07,63,451</b>
<b>Current assets</b>			
Financial assets			
(I) Trade receivables	7	8,61,872	19,78,687
(II) Cash and cash equivalents	8	48,20,642	53,84,550
Other assets	6-B	1,80,99,624	1,98,67,360
<b>Total current assets</b>		<b>2,37,82,138</b>	<b>2,72,30,597</b>
<b>TOTAL ASSETS</b>		<b>59,60,64,618</b>	<b>59,79,94,048</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	1,30,00,000	1,30,00,000
Other equity	10	(23,16,14,439)	(22,22,84,048)
<b>Total equity</b>		<b>(21,86,14,439)</b>	<b>(20,92,84,048)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(I) Borrowings	11-A	15,54,00,000	17,76,00,000
<b>Total non-current liabilities</b>		<b>15,54,00,000</b>	<b>17,76,00,000</b>
<b>Current liabilities</b>			
Financial liabilities			
(I) Borrowings	11-B	62,37,86,552	61,63,73,352
(II) Trade payables			
Total outstanding dues to micro enterprises and small enterprises	12		
Total outstanding dues other than to micro enterprises and small enterprises		59,38,796	56,76,426
(III) Other financial liabilities (other than those specified above)	13	2,90,21,333	37,00,000
Other current liabilities	14	5,32,376	39,28,318
<b>Total current liabilities</b>		<b>65,92,79,057</b>	<b>62,96,78,096</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,60,64,618</b>	<b>59,79,94,048</b>

**Significant accounting policies**

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

As per our report of even date attached

for **Lavitha & Associates**  
Chartered Accountants  
Firm registration number: 011882S



**Lavitha Shetty**  
Proprietor  
Membership no.:220473  
UDIN:-20220473AAAACS6219



for and on behalf of the Board of Directors of  
Karnataka Wildlife Resorts Private Limited

  
Director

  
Director

Place: Chikkamagaluru  
Date: 20.11.2020

**Karnataka Wildlife Resorts Private Limited**  
**Statement of profit and loss for the year ended 31st March 2020**

	Note	Amount in Rs	
		For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	15	9,08,31,166.00	8,16,12,044.00
Other income	16	11,648.00	-
<b>Total income</b>		<b>9,08,42,814.00</b>	<b>8,16,12,044.00</b>
<b>Expenses</b>			
Purchase of stock in trade		-	-
Employee benefits expense	17	-	-
Finance costs	18	2,85,65,326.00	2,81,81,745.00
Depreciation and amortization expense	19	46,02,257.00	45,24,184.00
Other expenses	20	6,70,05,622.00	6,20,91,818.00
<b>Total expenses</b>		<b>10,01,73,205.00</b>	<b>9,47,97,747.00</b>
<b>Loss before tax</b>		<b>(93,30,391.00)</b>	<b>(1,31,85,703.00)</b>
Tax expense	21	-	-
<b>Profit for the period</b>		<b>(93,30,391.00)</b>	<b>(1,31,85,703.00)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit plan		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>		<b>(93,30,391.00)</b>	<b>(1,31,85,703.00)</b>
<b>Earnings per equity share:</b>			
- Basic	24		
- Diluted			
<b>Significant accounting policies</b>	3		

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

As per our report of even date attached  
for **Lavitha & Associates**  
Chartered Accountants  
Firm registration number: 011882S

  
**Lavitha Shetty**

Proprietor  
Membership no.:220473  
UDIN:-20220473AAAACS6219



for and on behalf of the Board of Directors of  
**Karnataka Wildlife Resorts Private Limited**

  
Director

  
Director

Place: Chikmagaluru  
Date: 20.11.2020

Karnataka Wildlife Resorts Private Limited  
Statement of cash flows for the year ended 31st March 2020

	<i>Amount in Rs</i>	
	As at 31 March 2020	As at 31 March 2019
<b>Cash flows from operating activities</b>		
Profit for the year	(93,30,391.00)	(1,31,85,703.00)
Adjustments for:		
- Interest income (including present value change in financial instruments)		
- Interest expense	2,55,06,129.00	2,52,57,849.00
- Depreciation and amortization	46,02,257.00	22,20,810.00
Operating cash flow before working capital changes	2,07,77,995.00	1,42,92,956.00
Changes in		
- Trade receivables and loans	11,39,314.02	18,96,659.02
- Other current and non-current assets	2,67,733.00	14,16,403.00
- Provisions		
- Trade payables and other current and non current financial liabilities	2,55,83,703.00	(3,20,28,689.00)
- Other current and non-current liabilities	(33,95,942.00)	(5,02,946.00)
Cash generated from operations	4,43,72,803.02	(1,49,25,616.98)
Income taxes paid		
<b>Cash generated from operations [A]</b>	<b>4,43,72,803.02</b>	<b>(1,49,25,616.98)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(46,43,786.00)	(46,43,786.00)
(Investment in)/ withdrawal of fixed deposits		-
<b>Net cash generated used in investing activities [B]</b>	<b>-46,43,786.00</b>	<b>(46,43,786.00)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term and short term borrowings		
Proceeds from long term borrowings	(1,47,86,793.00)	(15,18,38,490.00)
Interest received		-
Interest paid	(2,55,06,129.00)	(2,52,57,849.00)
Loans given		-
Loans recovered		
<b>Net cash (used in)/ generated from financing activities [C]</b>	<b>(4,02,92,922.00)</b>	<b>(17,70,96,339.00)</b>
<b>Net (decrease)/ increase in cash and cash equivalents [A+B+C]</b>	<b>(5,63,904.98)</b>	<b>(19,66,65,741.98)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>53,84,550.00</b>	<b>20,31,66,591.00</b>
<b>Cash and cash equivalents at the end of the year (refer note 12)</b>	<b>48,20,645.02</b>	<b>65,00,849.02</b>
<b>Components of cash and cash equivalents (refer note 6(f) and (g) and 13(b))</b>		
Balances with banks:		
- in current accounts	45,39,525.00	50,39,380.00
- in fixed deposits		
- in escrow account		
Cheques/ drafts in hand		
Cash on hand	2,81,117.00	3,45,170.00
Less: Book overdraft		
<b>Cash and cash equivalents at the end of the year</b>	<b>48,20,642.00</b>	<b>53,84,550.00</b>

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

As per our report of even date attached  
for **Lavitha & Associates**  
Chartered Accountants  
Firm registration number: 011882S



**Lavitha Shetty**  
Proprietor  
Membership no.: 220473  
UDIN:-20220473AAAACS6219



for and on behalf of the Board of Directors of  
**Karnataka Wildlife Resorts Private Limited**

  
Director

  
Director

Place: Chikmagalur  
Date: 20.11.2020

a Equity share capital

Particulars	Note	Amount in Rs	
			Total
Balance as at 31 March 2018			1,30,00,000.00
Changes in equity share capital during 2018-19	14		-
Balance as at 31 March 2019			1,30,00,000.00
Changes in equity share capital during	14		-
Balance as at 31st March 2020			1,30,00,000.00

b Other Equity

For the Period ended 31st March 2020

Particulars	Reserves and Surplus		OCI - Remeasurements of Actuarial gain and losses	Total
	Securities Premium	Retained Earnings		
Balance as at 1 April 2019	-	(22,22,84,048.00)	-	(22,22,84,048.00)
Total comprehensive income for the period ended 31st December 2019				
Profit/(Loss) during the year	-	(93,30,391.00)	-	(93,30,391.00)
Other comprehensive income (Refer note 38)	-	-	-	-
Total comprehensive income	-	(23,16,14,439.00)	-	(23,16,14,439.00)
Balance as at 31st March 2020	-	(23,16,14,439.00)	-	(23,16,14,439.00)

For the year period ended 31st March 2019

Particulars	Reserves and Surplus		OCI - Remeasurements of Actuarial gain and losses	Total
	Securities Premium	Retained Earnings		
Balance as at 1 April 2018	-	(20,90,98,345.00)	-	(20,90,98,345.00)
Total comprehensive income for the year ended				
Profit/(Loss) during the year	-	(1,31,85,703.00)	-	(1,31,85,703.00)
Other comprehensive income (Refer note 38)	-	-	-	-
Total comprehensive income	-	(22,22,84,048.00)	-	(22,22,84,048.00)
Balance as at 31st March 2019	-	(22,22,84,048.00)	-	(22,22,84,048.00)

Significant accounting policies

3

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

As per our report of even date attached  
for Lavitha & Associates  
Chartered Accountants  
Firm registration number: 0118825

for and on behalf of the Board of Directors of  
Karnataka Wildlife Resorts Private Limited

  
Lavitha Shetty  
Proprietor  
Membership no. 220473  
UDIN: 20220473AAAACS6219



  
Director

  
Director

Place: Chikmagalur  
Date: 20.11.2020

**1 Company background**

The company was incorporated on May 3rd, 2001 as a Private Limited Company under the provisions of Companies Act, 1956, in the state of Karnataka, with the object of carrying on the business of Hotels, Wildlife Resorts, Holiday Resorts etc

Name of the Entity	Country of incorporation and other particulars
Wilderness Resorts Private Limited	Holding company incorporated under the laws of India
Coffee Day Hotels and Resorts Private Limited	Holding Company of the Holding company incorporated under the laws of India
Coffee Day Enterprises Limited	Ultimate Holding Company incorporated under the laws of India

**2 Significant accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act. The financial statements have been prepared on a historical cost basis, except for the following which have been measured at fair value or revalued amount:

- Certain items of property, plant and equipment
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- available-for-sale financial assets,
- liabilities for cash-settled share-based payment arrangements,
- the defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less

**2.2 Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All financial information presented in Indian rupee has been rounded to the nearest million.

**2.3 Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
  - Held primarily for the purpose of trading,
  - Expected to be realised within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

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## 2.4 Property, plant and equipment and other intangible assets (other than goodwill)

### Property, plant and equipment:

The cost of property, plant and equipment includes freight, duties, taxes and other incidental expenses relating to the acquisition and installation of the respective assets. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Advance paid towards the acquisition of fixed assets outstanding at each balance sheet are shown under capital advances. The cost of property, plant and equipment not ready for their intended use before such date, are disclosed as capital work in progress.

### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during the period is charged proportionately.

## 2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. 'Cost' comprises purchase cost and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Nature of inventory	Method
Stock-in-trade	At cost on a FIFO basis
Perishables and consumables	At cost on a FIFO basis
Packing materials	At cost on a FIFO basis
Loose tools, stores and spares	Stores and Spares are valued at cost, computed on first in first out basis. Loose Tools are valued after writing down a predetermined certain percentage on cost.

The comparison of cost and net realizable value is made on an item by item basis. The company periodically assesses the inventory for obsolescence and slow moving stocks. The net realizable value of work in progress is determined with reference to the net realizable value of the related finished goods.

## 2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company derives its revenue primarily from running and/or managing hotels and resorts and providing consultancy services. Service income is recognized when the related services are rendered unless significant future contingencies exist. Sales are disclosed both gross and net of sales tax, services tax, trade discount and quality claims.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

Advances received from the customers are reported as liabilities until all conditions for revenue recognition are met and is recognized as revenue once the related services are rendered.

## 2.07 Leases

### a) As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



## 2.08 Investments and other financial assets

### a) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

### b) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

### Equity instruments

Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



## 2.09 Financial liabilities

### a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortised cost.

At initial recognition, the company measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

### b) Subsequent measurement

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

#### Financial liabilities at fair value through profit or loss

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

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

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

#### Amortised cost

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### Derecognition

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



## 2.10 Foreign currency transactions

### a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

## 2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## 2.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## 2.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.



## 2.14 Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

#### **Sales/ value added taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **2.15 Provisions and contingent liabilities**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

### **2.16 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.



### 2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

### 2.18 Earnings per share

The basic loss per share is computed by dividing the net profit/ (loss) attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

### 2.19 Share-based payments

The company accounts for share-based payments based on fair value method. The cost is recognised as an employee benefits expense with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### 2.20 Segment reporting

The company is operating in retail hospitality service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than tax assets, are located in India.

### 2.21 Government grant

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant/subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant/subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

### 2.22 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.23 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 in any future periods affected.

#### a) Judgements

Information about judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- note 26: lease classification;

#### b) Assumptions and estimations uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year are included in the following notes:

- note 22: unrecognized deferred tax asset
- note 23: provisions and contingencies.



**KARNATAK WILDLIFE RESORTS PRIVATE LIMITED**  
Notes to the financial statements (continued) for the year ended 31st March 2020

**4 Property, plant and equipment**

	Owned							Total
	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	
Balance as at 1 April 2019	5997663.00	234600910.00	14792313.00	6664752.00	24825997.00	406964.00	2547284.00	289835883.00
Additions	0.00	4157824.00	13559.00	0.00	14114.00	458289.00		4643786.00
Disposals								
<b>Balance as at 31st March 2019</b>	<b>5997663.00</b>	<b>238758734.00</b>	<b>14805872.00</b>	<b>6664752.00</b>	<b>24840111.00</b>	<b>865253.00</b>	<b>2547284.00</b>	<b>294479669.00</b>
<b>Accumulated depreciation:</b>								
Balance as at 1 April 2019	0.00	38420637.00	11004535.00	6625940.00	21232186.00	178778.00	2508351.00	79970427.00
Depreciation for the year (Refer note 25)	0.00	3431919.00	271460.00	38812.00	514724.00	341016.00	4326.00	4602257.00
Disposals								
<b>Balance as at 31st March 2020</b>	<b>0.00</b>	<b>41852556.00</b>	<b>11275995.00</b>	<b>6664752.00</b>	<b>21746910.00</b>	<b>519794.00</b>	<b>2512677.00</b>	<b>84572684.00</b>
<b>Carrying amounts (net):</b>								
As at 31 March 2019	5997663.00	191869504.00	4079146.00	142636.00	4108400.00	85026.00	43801.00	20,63,26,176.00
As at 31 March 2020	5997663.00	196906178.00	3529877.00	0.00	3093201.00	345459.00	34607.00	20,99,06,985.00

**Notes:**

i) Security

- Property, plant and equipment amounting to Rs.20,99,06,985 as at 31st March 2020 (31 March 2019: Rs. 20,63,26,176) has been pledged as security by the company against loans taken from banks.

ii) Significant estimates

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of assets as prescribed under the provision of Companies Act, 2013 are considered for charging depreciation on the Company's assets.



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## 5 Loans

## Non-current loans

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Loans and advance to employees		
Security deposit	2,29,730.00	2,52,230.00
	2,29,730.00	2,52,230.00

## 6 Other assets

## A Other non-current assets

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Capital advances	36,21,45,765.00	36,06,45,765.00
Advances other than capital advances:		
Prepaid expenses		-
	36,21,45,765.00	36,06,45,765.00

## B Other current assets

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Advances for supply of goods and rendering of services		
Prepaid expenses others (specify nature)	1,34,39,626.00	1,49,77,985.00
Balances with government authorities	37,96,489.00	40,91,618.00
Deferred rental expense		
Service tax credit receivable		
Other advances		
Other receivables	8,63,509.00	7,97,757.00
	1,80,99,624.00	1,98,67,360.00

## 7 Trade receivables

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Trade receivables	8,61,872.00	19,78,687.00
	8,61,872.00	19,78,687.00
Non-current		-
Current		-

The Company's exposure to credit and currency risks, and loss allowances related to

## 8 Cash and cash equivalents

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in current accounts	45,39,525.00	50,39,380.00
- in escrow accounts		
- in fixed deposit accounts with banks (original maturity less than 3 months)		
Cash on hand	2,81,117.00	3,45,170.00
	48,20,642.00	53,84,550.00



## 9 Equity share capital

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
13,00,000 (31 March 2017: 13,00,000) equity shares of Rs 10 each	1,30,00,000.00	1,30,00,000.00
	<u>1,30,00,000.00</u>	<u>1,30,00,000.00</u>
<b>Issued, subscribed and fully paid up</b>		
13,00,000 (31 March 2017: 13,00,000) equity shares of Rs 10 each	1,30,00,000.00	1,30,00,000.00
	<u>1,30,00,000.00</u>	<u>1,30,00,000.00</u>

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	13,00,000	13.00	13,00,000	13.00
<b>Number of shares outstanding at the end of the year</b>	<b>13,00,000</b>	<b>13.00</b>	<b>13,00,000</b>	<b>13.00</b>

(b) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the r

**Equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company' are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. TI (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in presently payable has not been paid.

Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares wi Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(c) Equity shareholders holding more than 5% of equity shares along with the number of equity shares held at the beginning and at the end

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	% of holding	No of shares	% of holding	No of shares
<b>Equity shares</b>				
Wilderness Resorts Private Limited	99.00%	12,99,990	99.00%	12,99,990

(d) During the five year period ended 31 March 2018 (31 March 2017):

The Company has not bought back any class of equity shares neither issued any bonus shares during the period of five years immediately preceding consideration other than cash.



## 10 Other equity

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Securities premium</b>		
At the commencement of the year	-	-
Add: Premium received on issue of equity shares*		
<b>At the close of the year</b>	<u>-</u>	<u>-</u>
<b>Retained earnings/ (losses)</b>		
At the commencement of the year	(22,22,84,048.00)	(20,90,98,345.00)
Add: Net Profit for the year	(93,30,391.00)	(1,31,85,703.00)
At the end of the year	<u>(23,16,14,439.00)</u>	<u>(22,22,84,048.00)</u>
<b>Remeasurement of defined benefit (liability)/ asset:</b>		
At the commencement of the year		-
Add: actuarial gain for the year		
		<u>-</u>
	<u>(23,16,14,439.00)</u>	<u>(22,22,84,048.00)</u>

**Nature and purpose of other reserves:****Securities premium:**

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the Companies Act, 2013.

**Remeasurement of defined benefit (liability)/ asset:**

Remeasurements of defined benefit (liability)/ asset comprises actuarial gains and losses and return on plan assets (excluding interest income)

**Retained earnings:**

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. The cumulative gain or loss after tax is transferred from the statement of profit and loss to the retained earnings account.



II Borrowings

A Non-current borrowings

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Secured:</b>		
Term loans		
From banks		
- Yes Bank Limited	15,54,00,000.00	17,76,00,000.00
	<b>15,54,00,000.00</b>	<b>17,76,00,000.00</b>

Information about the Company's exposure to interest rate and liquidity risks is included in note 28

Notes:

- (i) The company has borrowed loan of Rs.18.5 Crores from Yes Bank Limited, which is repayable in quarterly repayment on May 1st, Aug 1st, Nov 1st and Feb 1st every year commencing from FY 19 and ending in FY 28
- (ii) The loan is secured by charge on the property of the company, hypothecation of all current assets and movable Fixed assets of the company and personal guarantee of Mr V G Siddhartha
- The Loan carries interest rate of 4.45% over and above the Bank's 6 months MCLR
- (iii) There is a continuing default in repayment of installment of Rs.18.50 Lacs.
- (iv) The aggregate amount of borrowing secured by personal guarantee of Director amounts to Rs. Nil (30 June 2018: Rs.Nil).

B Current borrowings

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Secured:</b>		
Loan repayable on demand		
<b>Unsecured:</b>		
Loans from related parties (refer note 27-D)	62,37,86,552.00	61,63,73,352.00
	<b>62,37,86,552.00</b>	<b>61,63,73,352.00</b>

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Trade payables	41,26,811.00	42,83,966.00
Trade payables to related parties (Refer note 33)	18,11,985.00	13,92,460.00
	<b>59,38,796.00</b>	<b>56,76,426.00</b>

All trade payables are current

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 28.



**Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 (31 March 2017: Nil) has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
(a) (i) Principal	-	-
(ii) Interest	-	-
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;		
(i) Interest	-	-
(ii) Payment	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

\* No interest has been paid by the Company during the year.

**13 Other financial liabilities**

**A Other non-current financial liabilities**

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Deposits from customers	-	-
Rental deposits	-	-
Interest accrued but not due on borrowings	-	-
Payables for purchase of fixed assets	-	-
Other payables	-	-

**Other current financial liabilities**

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Current maturities of long-term debt</b>		
Yes Bank Ltd	2,40,50,000.00	37,00,000.00
Interest accrued but not due on borrowings	-	-
Interest Accrued and due on borrowings	49,71,333.00	-
	<b>2,90,21,333.00</b>	<b>37,00,000.00</b>

**14 Other current liabilities**

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Government subsidy received in advance		
Rent equalisation reserve		
Others	1,81,720.00	1,65,200.00
	<b>5,32,376.00</b>	<b>39,28,318.00</b>



## 15 Revenue from operations

Particulars	Amount in Rs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Sale of products</b>		
- Sale of food, beverages and other items	3,48,47,465.00	2,54,54,413.00
<b>Sale of services</b>		
- Income from hospitality services	7,54,85,021.00	7,64,22,812.00
<b>Other operating revenue</b>	23,92,615.00	28,52,573.00
Less: GST	(2,18,93,935.00)	(2,31,17,754.00)
	<b>9,08,31,166.00</b>	<b>8,16,12,044.00</b>

## 16 Other income

Particulars	Amount in Rs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Interest income</b>		
- Bank deposits	11,648.00	-
- Income tax refund	-	-
- Miscellaneous income	-	-
	<b>11,648.00</b>	<b>-</b>

## 17 Employee benefits expense

Particulars	Amount in Rs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages		
Contribution to provident and other funds		
Staff welfare expenses		
	-	-

## 18 Finance costs

Particulars	Amount in Rs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	2,55,06,129.00	2,52,57,849.00
Other Finance Costs	30,59,197.00	29,23,896.00
	<b>2,85,65,326.00</b>	<b>2,81,81,745.00</b>

## 19 Depreciation and amortization expense

Particulars	Amount in Rs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (Refer note 4)	46,02,257.00	45,24,184.00
	<b>46,02,257.00</b>	<b>45,24,184.00</b>



## 20 Other expenses

Particulars	Amount in Rs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Advertisement expenses	35,07,264.00	18,13,703.00
Linen, room and other operating expenses	33,84,044.00	48,79,028.00
Legal and professional fees (Refer note 29)	2,72,40,074.00	2,67,85,918.00
Security Charges	9,80,472.00	9,40,177.00
Rates and taxes	11,64,297.00	2,17,984.00
Food, beverages and other consumables	1,34,35,404.00	1,12,40,744.00
Power and fuel	35,71,461.00	9,53,321.00
Rent (Refer note 31)	2,15,000.00	2,14,200.00
Safari Expenses	39,27,000.00	37,77,031.00
Repairs and maintenance		
- Others	24,75,510.00	11,03,832.00
- Machinery	41,30,274.00	47,22,471.00
- Buildings	16,19,755.00	21,33,529.00
Travelling and conveyance	3,10,345.00	8,70,151.00
Insurance	-	1,41,312.00
Communication expenses	-	3,25,473.00
Printing and stationery	2,98,646.00	2,38,574.00
Freight and handling charges	2,82,121.00	4,18,560.00
Miscellaneous expenses	4,63,955.00	13,15,810.00
	<b>6,70,05,622.00</b>	<b>6,20,91,818.00</b>

## 21 Tax expenses

## Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Particulars	Amount in Rs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Carry forward of business losses	20,29,76,498.00	18,90,43,850.00
Potential tax benefit @ 33%*	6,69,82,244.34	6,23,84,470.50

\*The deductible temporary differences do not expire under current tax legislation.



22 Contingent liabilities, commitments and contingent assets

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Contingent liabilities:</b>		
Claims against the Group not acknowledged as debt (includes tax demands) #	3,00,000.00	3,00,000.00
Corporate guarantee given for loan taken by group companies		
Investments pledged for loan taken by a subsidiary		
<b>Commitments:</b>		
Other commitments towards advertisement contract entered by the Company		-
# The amount represents penalty levied under the provisions of the Income Tax Act, 1961, against which the company has preferred an appeal before the CIT(Appels), Bangalore		

23 Auditor's remuneration (included in legal and professional fees and excludes service tax)

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
As auditor		
- for statutory audit	1,35,700.00	1,35,700.00
- for tax audit	29,500.00	29,500.00
Reimbursement of expenses		
	<b>1,65,200.00</b>	<b>1,65,200.00</b>

24 Earnings per share

(i) Earnings attributable to equity shareholders (basic and diluted):

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Profit for the year, attributable to the equity holders</b>	<b>(93,30,391.00)</b>	<b>(1,31,85,703.00)</b>

(ii) Weighted average number of equity shares (basic and diluted):

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Number of equity shares at the beginning of the year (Refer note 14)	13,00,000	13,00,000
Add: Weighted average number of equity shares issued during the year		-
<b>Number of weighted average equity shares considered for calculation of basic earnings per share</b>	<b>13,00,000</b>	<b>13,00,000</b>
Add: Bonus shares issued after the balance sheet date		-
<b>Number of weighted average equity shares considered for calculation of diluted earnings per share</b>	<b>13,00,000</b>	<b>13,00,000</b>

(iii) Earnings per share:

- Basic	(7.18)	(10.14)
- Diluted	(7.18)	(10.14)

25 Leases

The Company leases staff quarters under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases was Rs. 0.22 million (Previous year: Rs. 0.05 million).

26 Segment information

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Sale of food, beverages and other items	3,48,47,465.00	2,54,54,413.00
Income from hospitality services	7,54,85,021.00	7,64,22,812.00

C Geographical information

The Company's operations are based only in India. Hence all of the revenues and the non current assets of the Company are located in India.

D Major Customer

There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the customer is more than or equal to 10% of the company's revenues.



27 Related party transactions

A. Enterprises where control exists:

- The related parties where control exists include subsidiaries, associates and joint ventures as referred in Note 1

B. Key management personnel

Executive key management personnel represented on the Board of the Company are -

- Mr. M Venkatesh

- Mr Ram Mohan R

C. The aggregate value of the Company's transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence is as follows:

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Significant transactions with entities where control exists -</b>		
<b>Professional Charges Paid</b>		
- Coffee Day Enterprises Limited	2,81,19,392.00	2,90,26,956.00
<b>Loans/advances received</b>		
- Coffee Day Hotels and Resorts Private Limited	2,94,06,679.00	5,31,01,814.00
- Wilderness Resorts Private Limited	20,00,000.00	-
- Tanglin Development Ltd	62,00,000.00	-
- Coffee Day Enterprises Ltd	5,36,90,497.00	-
- Mysore Amalgamated Coffee Estates Ltd	44,00,000.00	-
<b>Repayment of Loans/advances</b>		
- Coffee Day Hotels and Resorts Private Limited	3,08,49,392.00	3,44,30,287.00
- Wilderness Resorts Private Limited	3,97,21,600.00	2,00,10,018.00
- Coffee Day Enterprises Ltd	1,45,12,984.00	-
- Tanglin Development Ltd	10,00,000.00	-
- Mysore Amalgamated Coffee Estates Ltd	22,00,000.00	-

D. The following is a summary of balances receivable from and payable to related parties:

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Loans and Advances payable</b>		
- Coffee Day Hotels and Resorts Private Limited	6,52,63,772.00	6,67,06,485.00
- Wilderness Resorts Private Limited	51,19,45,266.00	54,96,66,866.00
- Tanglin Development Limited	52,00,000.00	-
- Coffee Day Enterprises Limited	3,91,77,513.00	-
- Mysore Amalgamated Coffee Estates Ltd	22,00,000.00	-
<b>Trade payables:</b>		
- Coffee Day Enterprises Limited	18,11,985.00	13,92,460.00
<b>Advances for purchase of property</b>		
- Coffee Day Hotels and Resorts Private Limited	30,00,00,000.00	30,00,00,000.00

E. Compensation of key management personnel of the Company:

Particulars	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
Short-term employee benefits	-	-

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

F. Terms and conditions

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled within the credit period allowed as per the policy. None of the balances are secured.

28 The Company has outstanding amounts payable to its lenders and has also defaulted in payments of certain installments. The company is confident of meeting its obligations in future and hence despite these facts, the company continues to prepare the financial statements on going concern basis.



KARNATAK WILDLIFE RESORTS PRIVATE LIMITED  
Notes to the financial statements (continued) for the year ended 31st March 2020

29 Financial instruments - fair values and risk management

A Accounting classification and fair value

Particulars	Amount in Rs				
	Carrying value	Fair value			Total
		As at 31 March 2020	Level 1	Level 2	
<b>Financial assets measured at amortised cost:</b>					
Loans (current and non current)	2,29,730.00	-	-	-	-
Other financial assets (current and non current)	8,61,872.00	-	-	-	-
Trade receivables	48,20,642.00	-	-	-	-
Cash and cash equivalents					
Bank balances other than cash and cash equivalents					
<b>Total</b>	<b>59,12,244.00</b>	-	-	-	-
<b>Financial liabilities measured at amortised cost:</b>					
Borrowings (current and non current)	77,91,86,552.00	-	-	62,37,86,552.00	62,37,86,552.00
Trade payables	59,38,796.00	-	-	-	-
Other financial liabilities (current and non current)	2,90,21,333.00	-	-	-	-
<b>Total</b>	<b>81,41,46,681</b>	-	-	<b>62,37,86,552.00</b>	<b>62,37,86,552.00</b>

The Company has not disclosed the fair values for financial instruments for loans (current and non current), other financial assets (current and non current), trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Trade payables, other financial liabilities (current and non current) because their carrying amounts are reasonably approximation of fair value. Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements is scoped out under Ind AS 109.

Particulars	Amount in Rs				
	Carrying value	Fair value			Total
		As at 31 March 2019	Level 1	Level 2	
<b>Financial assets measured at amortised cost:</b>					
Loans (current and non current)	2,52,230.00	-	-	-	-
Other financial assets (current and non current)					
Trade receivables	19,78,687.00	-	-	-	-
Cash and cash equivalents	93,84,550.00	-	-	-	-
Bank balances other than cash and cash equivalents					
<b>Total</b>	<b>76,15,467.00</b>	-	-	-	-
<b>Financial liabilities measured at amortised cost:</b>					
Borrowings (current and non current)	79,39,71,352.00	-	-	63,86,22,000.00	63,86,22,000.00
Trade payables	56,76,426.00	-	-	-	-
Other financial liabilities (current and non current)	37,00,000.00	-	-	-	-
<b>Total</b>	<b>86,33,49,778.00</b>	-	-	<b>63,86,22,000.00</b>	<b>63,86,22,000.00</b>

The Company has not disclosed the fair values for financial instruments for loans (current and non current), other financial assets (current and non current), trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Trade payables, other financial liabilities (current and non current) because their carrying amounts are reasonably approximation of fair value. Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements is scoped out under Ind AS 109.



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**KARNATAK WILDLIFE RESORTS PRIVATE LIMITED**  
**Notes to the financial statements (continued) for the year ended 31st March 2020**

**Fair value hierarchy**

Fair value hierarchy explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**B Measurement of fair values**

**(i) Valuation techniques and significant unobservable inputs**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the Company's interest-bearing loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.

The following tables show the valuation techniques used in measuring Level 3 fair values. The significant unobservable inputs used have not been disclosed as no financial assets and liabilities have been measured at fair value:

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows. The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

**C Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (b)),
- liquidity risk (see (c)), and
- market risk (see (d)).



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**KARNATAK WILDLIFE RESORTS PRIVATE LIMITED**  
Notes to the financial statements (continued) for the year ended 31st March 2020

(a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

i) Trade receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower

Based on the above analysis, the Company does not expect any credit risk from its trade receivables for any of the years reported in this financial statements.

ii) Loans, security deposits and investments:

Expected credit loss for loans, security deposits and investments

Particulars	Period ended	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Amount in Rs Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	31-Mar-20	Loans	-	-	-	-
Loss allowance measured at 12 month expected credit loss	31-Mar-19	Security deposits Loans	2,29,730.00	0%	-	2,29,730.00
		Security deposits	2,52,230.00	0%	-	2,52,230.00



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KARNATAK WILDLIFE RESORTS PRIVATE LIMITED  
Notes to the financial statements (continued) for the year ended 31st March 2020

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

**Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2020	Carrying amount	Total	Amount in Rs				
			6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	17,04,50,000.00	32,70,18,000.00	2,27,61,000.00	2,27,61,000.00	4,52,88,000.00	11,85,48,000.00	11,76,60,000.00
Current Borrowings	62,37,86,352.00	62,37,86,352.00	-	62,37,86,352.00	-	-	-
Trade payables	59,38,796.00	59,38,793.00	59,38,793.00	-	-	-	-
	89,91,75,148.00	95,67,43,145.00	3,86,99,793.00	64,65,47,552.00	4,52,88,000.00	11,85,48,000.00	11,76,60,000.00
<b>As at 31 March 2019</b>	<b>Carrying amount</b>	<b>Total</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>							
Secured bank loans	17,76,00,000.00	30,87,65,000.00	1,36,34,500.00	1,36,34,500.00	4,52,88,000.00	11,85,48,000.00	11,76,60,000.00
Current Borrowings	61,63,73,352.00	61,63,73,352.00	-	61,63,73,352.00	-	-	-
Trade payables	56,76,426.00	44,05,115.00	44,05,115.00	-	-	-	-
	79,96,49,778.00	92,95,43,467.00	1,80,39,615.00	63,00,07,852.00	4,52,88,000.00	11,85,48,000.00	11,76,60,000.00



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**KARNATAK WILDLIFE RESORTS PRIVATE LIMITED**  
**Notes to the financial statements (continued) for the year ended 31st March 2020**

(d) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) **Currency risk**

The Company is not exposed to any currency risk. The currencies in which these transactions are denominated is INR.

(ii) **Interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

	Amount in Rs	
	As at 31 March 2020	As at 31 March 2019
<b>Fixed rate instruments</b>		
Financial liabilities	-	-
<b>Variable rate instruments</b>		
Financial Liabilities	17,94,50,000.00	18,13,00,000.00

**Sensitivity analysis**

**Fair value sensitivity analysis for fixed-rate instruments**

Fair value sensitivity analysis for fixed-rate instruments: A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased or decreased profit or loss by INR NIL. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

**Particulars**

	Amount in Rs
	31-Mar-20
Interest rates - increases by 100 bps	-
Interest rates - decreases by 100 bps	-

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**KARNATAKA WILDLIFE RESORTS PRIVATE LIMITED**  
Notes to the financial statements (continued) for the year ended 31st March 2020

**30 Capital management**

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

The Company monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising borrowings, trade payables and other liabilities less cash and cash equivalents. Equity comprises all components of equity. The Company's net debt to equity ratio at 31 March 2020 was as follows:

Particulars	Amount in Rs	
	As at 31 March 2020	31 March 2019
Borrowings	18,44,21,333.00	21,46,00,000.00
Trade payables	59,38,796.00	56,76,426.00
Other payables	-	-
Less: cash and cash equivalents	48,20,642.00	53,34,550.00
<b>Net debt</b>	<b>18,55,39,487.00</b>	<b>21,48,91,876.00</b>
Equity and reserves	(21,36,14,439.00)	(20,92,86,048.00)
<b>Total equity</b>	<b>(21,36,14,439.00)</b>	<b>(20,92,86,048.00)</b>
<b>Net debt to equity ratio</b>	<b>(0.85)</b>	<b>(1.03)</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

As per our report of even date attached  
for Lavitha & Associates  
Chartered Accountants  
Firm registration number: 0118825

  
Lavitha Shetty  
Proprietor

Membership no. 220473  
UDIN: 20220473AAAAC56219

Place: Chikmagalur  
Date: 20.11.2020



for and on behalf of the Board of Directors of  
Karnataka Wildlife Resorts Private Limited

  
Director

  
Director