ADMS & CO.
CHARTERED ACCOUNTANTS

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Independent Auditor's Report on the Special Purpose Consolidated Carved-Out Financial Statements of IBL Limited Newco LLC for the period from January 01, 2023 to December 31, 2023 and for the period from January 01, 2022 to December 31, 2022.

To the Board of directors of IBL Limited Newco, LLC and Oravel Stays Limited

Opinion

In our opinion the accompanying Special Purpose Consolidated Carved-Out Financial Statements (as defined below) of IBL Limited Newco, LLC present fairly, in all material respects, the consolidated carved-out financial position of the IBL Limited Newco, LLC and its subsidiaries ("**Acquired entities**" or "**OPCO division**") (herein after referred to as "**Group**") as at and for the period from January 01, 2023 to December 31, 2023 and January 01, 2022 to December 31, 2022 and its consolidated carved-out financial performance and cash flows for the periods then ended, in accordance with the basis of preparation described in Note 2 to the Special Purpose Consolidated Carved-Out Financial Statements.

The Special Purpose Consolidated Carved-Out Financial Statements of the Group, comprising the special purpose consolidated carved-out balance sheet as at December 31, 2023 and December 31, 2022, the special purpose consolidated carved-out statement of profit and loss, special purpose consolidated carved-out statement of changes in equity and special purpose consolidated carved-out statement of cash flows for the period from January 01, 2023 to December 31, 2023 and January 01, 2022 to December 31, 2022, and a summary of material accounting policies and other explanatory information (collectively, the "**Special Purpose Consolidated Carved-Out Financial Statements**").

These Special Purpose Consolidated Carved-Out Financial Statements have been prepared solely in connection with the proposed initial public offering ("**IPO**") of Oravel Stays Limited (the "**OSL**") in India to meet the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, for the IPO of OSL and will be included in the pre-filed draft red herring prospectus intended to be filed by OSL with the Securities and Exchange Board of India (the "**SEBI**"), BSE Limited (the "**BSE**") and National Stock Exchange of India Limited (the "**NSE**", and together with the BSE, the "**Stock Exchanges**") and the updated draft red herring prospectus-I, the updated draft red herring prospectus-II, which OSL intends to file with SEBI and the red herring prospectus and the prospectus, which OSL intends to file with the Registrar of Companies, Gujarat at Ahmedabad and thereafter file with the SEBI and the Stock Exchanges.

Basis for Opinion

We conducted our procedures of these Special Purpose Consolidated Carved-Out Financial Statements in accordance with the Standards on Auditing ("**SAs**") issued by Institute of Chartered Accountant of India ("**ICAI**"). We are independent of the Group 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. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

We conducted our procedures of the accompanying Special Purpose Consolidated Carved-Out Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and other applicable Standards on Auditing, including Standard on Auditing (SA) 800, Special Considerations — Audit of Financial Statements Prepared in Accordance with a Special Purpose Framework. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Carved-Out Financial Statements section of our report.

We are independent in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the accompanying Special Purpose Consolidated Carved-Out Financial Statements.

Emphasis of Matter

We draw attention to Note 2 to the Special Purpose Consolidated Carved-Out Financial Statements, which describes the basis of preparation of these Special Purpose Consolidated Carved-Out Financial Statements including that our audit was limited to the audit of the extraction of Carved-Out Financial Statements of IBL Limited Newco, LLC (OPCO division) from the audited consolidated financial statements of BRE/EVERBRIGHT M6 LLC and its subsidiaries. We have further audited the GAAP conversion from local GAAP to Indian Accounting Standard ("**Ind AS**") and the conversion of Carved-Out Financial Statements from its functional currency i.e. US Dollars (USD) to presentation currency i.e. Indian Rupees (INR) in accordance with Ind AS 21 "The Effect of Changes in Foreign Currency Rates" as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

The consolidated financial statements of BRE/EVERBRIGHT M6 LLC and its subsidiaries as at and for the period ended December 31, 2023 and December 31, 2022 have been audited by Deloitte & Touche LLP (the "**Local Auditor**") who have conducted audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and have issued unmodified opinion dated March 25, 2024 and April 24, 2023 respectively on such consolidated financial statements.

The audit report of the Local Auditor for the financial statements for the period ended December 31, 2022 included an Emphasis of Matter paragraph as follows:

As discussed in Note 2 to the consolidated financial statements, IBL Limited Newco, LLC has changed its method of accounting for leases in the year 2022 pursuant to the adoption of FASB ASC 842, Leases. Opinion of the Local Auditor is not modified in respect of this matter.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Carved-Out Financial Statements

Management of IBL Limited Newco, LLC is responsible for the preparation of these Special Purpose Consolidated Carved-Out Financial Statements in accordance with the basis of preparation described in Note 2 to the Special Purpose Consolidated Carved-Out Financial Statements.

The Management of IBL Limited Newco, LLC included in the Group are responsible for design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the financial statements that are, in all material respects, in accordance with the basis of preparation described in aforesaid Note 2 and, are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Special Purpose Consolidated Carved-Out Financial Statements by the Management of the OSL, as aforesaid.

Those respective Management are also responsible for overseeing the financial reporting process of the component entities included in the Group.

Auditor's Responsibilities for the Audit of the Carved-Out Financial Statements

Our responsibility is to express an opinion on these Special Purpose Consolidated Carved-Out Financial Statements based on our audit of carve-out procedure performed as mentioned in Basis of Opinion section above.

We conducted the audit in accordance with SAs, which require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Consolidated Carved-

Out Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Purpose Consolidated Carved-Out Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement. In making those risk assessments, the auditor considers internal control relevant to the preparation of the Special Purpose Consolidated Carved-Out Financial Statements in order to design audit procedures that are appropriate in the circumstances.

Other Matter:

We have not audited or reviewed the underlying accounting records or the amounts so extracted, for the purpose of expressing an audit opinion on such financial Statements. Our procedures were restricted solely to verifying whether the carve-out has been carried out in accordance with the basis and methodology described by Management, the GAAP conversion from local GAAP to Ind AS and conversion is in accordance with Ind AS 21 "The Effect of Changes in Foreign Currency Rates" as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued nor should this report be construed as a new opinion on any of the audited financial statements referred to herein.

Restriction on Use

These Special Purpose Consolidated Carved-Out Financial Statements have been prepared solely in connection with the **IPO** of OSL; and accordingly, should not be used, referred to or distributed for any other purpose or to any other party.

For **A D M S & Co.**
Chartered Accountants
Firm Regn. No.: **014626C**

DELHI

per Varun Gaur
Partner
Membership No.: **514879**
UDIN: 25514879EMVEEP7110

Place: New Delhi
Date: December 27, 2025

IBL Limited Newco, LLC
Special purpose Consolidated Balance Sheet as at December 31, 2023 and December 31, 2022
(Amount in INR Millions, unless stated otherwise)

	Notes	As at 31 December 2023	As at 31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	3	370.93	325.41
Right of use assets	4	195.54	277.32
Goodwill	4(a)	6,055.00	6,031.97
Other intangible assets	4(a)	13,815.52	14,581.30
Intangible under development	4(a)	24.84	36.19
Investment in subsidiaries	5	61,729.67	61,686.58
Non-current tax assets	6a	23.72	9.60
Other non-current assets	6	1,640.89	1,070.66
Total non-current assets		**83,856.11**	**84,019.03**
Current assets			
Financial assets			
(i) Trade receivables	7	2,399.22	1,974.12
(ii) Cash and cash equivalents	8	2,574.28	3,198.45
(iii) Other financial assets	8a	27.40	27.41
Other current assets	9	772.51	843.10
Total current assets		**5,773.41**	**6,043.08**
Total assets		**89,629.52**	**90,062.11**
Equity and liabilities			
Equity			
Capital contribution	10	62,346.83	62,346.83
Other equity	11	(42,453.97)	(41,370.71)
		19,892.86	**20,976.12**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12	19,531.57	22,501.64
(ii) Lease liabilities	13	223.09	216.59
Other non-current liabilities	14	1,229.26	1,247.72
Total non-current liabilities		**20,983.92**	**23,965.95**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	13	324.69	302.94
(ii) Trade payables	15		
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of creditor other than micro and small enterprises		44,431.52	40,333.77
(iii) Other current financial liabilities	12	3,996.53	4,483.33
Total current liabilities		**48,752.74**	**45,120.04**
Total liabilities		**69,736.66**	**69,085.99**
Total equity and liabilities		**89,629.52**	**90,062.11**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these special purpose consolidated financial statements

As per our report of even date

For A D M S & Co.
Chartered Accountants
Firm Registration No.: 014626C

ADMS & CO. CHARTERED ACCOUNTANTS DELHI

per Varun Gaur
Partner
Membership No. 514879

Place: New Delhi
Date: December 27, 2025

For and on behalf of the Board of Directors of
IBL Limited Newco, LLC

Rakesh Kumar
Authorised Signatory

Place: Gurugram
Date: December 27, 2025

IBL Limited Newco, LLC
Special purpose Consolidated Statement of Profit and Loss for the period ended 31 December 2023 and 31 December 2022
(Amount in INR Millions, unless stated otherwise)

	Notes	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Income			
Revenue from operations	16	12,390.23	12,394.22
Other income	18	114.36	0.07
Total income (I)		**12,504.59**	**12,394.29**
Expenses			
Employee benefits expense	19	3,273.87	3,366.73
Finance cost	20	2,236.51	1,799.20
Depreciation and amortization expense	21	1,038.34	1,234.26
Other expenses	22	5,682.70	6,252.92
Total expenses (II)		**12,231.42**	**12,653.11**
Profit/ (loss) before tax		**273.17**	**(258.82)**
Tax expense:	23		
Current tax		12.25	71.19
Income tax expense		**12.25**	**71.19**
Profit for the year		**260.92**	**(330.01)**
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods	24		
Exchange differences on translation of financial statements of foreign operations (net)		(1,344.18)	2,081.11
Income tax		-	-
Net other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods		**(1,344.18)**	**2,081.11**
Total comprehensive income/(loss) for the year, net of tax		**(1,083.26)**	**1,751.10**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these special purpose consolidated financial statements

As per our report of even date

For A D M S & Co.
Chartered Accountants
Firm Registration No.: 014626C

ADMS & CO. CHARTERED ACCOUNTANTS DELHI

per Varun Gaur
Partner
Membership No. 514879

Place: New Delhi
Date: December 27, 2025

For and on behalf of the Board of Directors of IBL Limited Newco, LLC

Rakesh Kumar
Authorised Signatory

Place: Gurugram
Date: December 27, 2025

IBL Limited Newco, LLC
Special purpose consolidated statement of cash flow for the period ended 31 December 2023 and 31 December 2022
(Amount in INR Millions, unless stated otherwise)

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Cash flow from operating activities:		
Profit/(loss) for the year	273.17	(258.82)
Depreciation and amortisation expenses	1,038.34	1,234.26
Allowance/(reversal) for expected credit loss	108.93	84.72
Interest income from bank deposit	(114.36)	(0.07)
Interest on lease liabilities	40.77	25.23
Interest expense	2,236.51	1,799.21
	3,583.36	**2,884.53**
Movements in working capital :		
Increase in trade payables	4,097.74	(22,544.20)
Increase/(Decrease) in other non financial liabilities	(18.46)	(9.05)
(Decrease) in other financial liabilities	(486.80)	609.44
(Increase)/Decrease in other financial assets	0.01	756.25
(Increase)/decrease in other non financial assets	(499.64)	65.58
(Increase) in trade receivables	(534.03)	(757.78)
Cash flows from/ (used in) operations	**6,142.18**	**(18,995.23)**
Taxes paid (net of refund)	1.87	(41.37)
Net cash flows from operating activities (A)	**6,144.05**	**(19,036.60)**
Investing activities		
Proceeds from sale of property, plant and equipment	(181.97)	(251.05)
Purchase of investments	(43.09)	-
Proceed from sale of investment	-	17,235.23
Interest received	114.36	0.07
Foreign exchange movement in investing activities (net)	(1,462.87)	(1,247.22)
Net cash flows from/(used in) investing activities (B)	**(1,573.57)**	**15,737.03**
Financing activities		
Proceeds from issuance of equity share capital	-	5,234.57
Interest on borrowings	(2,236.51)	(1,799.21)
Proceeds from long term borrowings	(2,970.06)	489.31
Proceeds from short term borrowings	(216.59)	(202.36)
Net cash flows from/(used in) financing activities (C)	**(5,423.16)**	**3,722.31**
Net (decrease) in cash and cash equivalents (A+B+C)	(852.68)	422.74
Cash and cash equivalents at the beginning of the year	3,198.45	2,440.39
Exchange difference on cash and cash equivalent	228.51	335.32
Cash and cash equivalents at the end of the year	**2,574.28**	**3,198.45**
Components of cash and cash equivalents		
Balances with banks		
- in current accounts	2,574.28	3,198.45
Total cash and cash equivalents	**2,574.28**	**3,198.45**

Summary of material accounting policies 2

The accompanying notes are an integral part of these special purpose consolidated financial statements

As per our report of even date

For A D M S & Co.
Chartered Accountants
Firm Registration No.: 014626C

ADMS & CO. CHARTERED ACCOUNTANTS DELHI

per Varun Gaur
Partner
Membership No. 514879

Place: New Delhi
Date: December 27, 2025

For and on behalf of the Board of Directors of
IBL Limited Newco, LLC

Rakesh Kumar
Authorised Signatory

Place: Gurugram
Date: December 27, 2025

IBL Limited Newco, LLC
Special purpose Consolidated Statement of change in equity for the period ended 31 December 2023 and 31 December 2022
(Amount in INR Millions, unless stated otherwise)

Other equity

		Reserves & Surplus		
	Capital contribution	**Retained earnings**	**Other comprehensive income**	**Total**
As at 1 January 2021	62,346.83	(43,207.43)	85.62	19,225.02
Profit/(Loss) for the year	-	(330.01)	-	(330.01)
Other comprehensive income	-	-	2,081.11	2,081.11
As at 31 December 2022	**62,346.83**	**(43,537.44)**	**2,166.73**	**20,976.12**
Profit/(Loss) for the year	-	260.92	-	260.92
Other comprehensive income	-	-	(1,344.18)	(1,344.18)
As at 31 December 2023	**62,346.83**	**(43,276.52)**	**822.55**	**19,892.86**

The accompanying notes are an integral part of these special purpose consolidated financial statements
As per our report of even date

For A D M S & Co.
Chartered Accountants
Firm Registration No.: 014626C

ADMS & Co. DELHI

per Varun Gaur
Partner
Membership No. 514879

Place: New Delhi
Date: December 27, 2025

For and on behalf of the Board of Directors of
IBL Limited Newco, LLC

Rakesh Kumar
Authorised Signatory

Place: Gurugram
Date: December 27, 2025

1. Corporate information

IBL Limited Newco, LLC was incorporated on December 13, 2024 as a limited liability company under the laws of Delaware. Its registered office is located in the State of Delaware c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware, 19808.

IBL Limited Newco, LLC was incorporated solely to acquire the business of IBL Limited LLC, in accordance with the terms and conditions set out in the Sale and Purchase Agreement dated September 6, 2024.

2. Basis of preparation

A. Statement of compliance

The Company's management has prepared these special purpose consolidated financial Statements comprise the special purpose consolidated balance sheet as at December 31, 2023 and December 31, 2022, the special purpose consolidated statement of profit and loss, including the special purpose consolidated cash flow statement and the special purpose consolidated statement of changes in equity for the year ended, and other explanatory information (together herein referred to as "Special purpose consolidated financial statements" or "consolidated financial statements").

This Special purpose financial information has been prepared solely in connection with the proposed Initial Public Offer ("IPO") of Oravel Stays Limited (the "Group Company") in India. The Company has followed the accompanied accounting policies for the purpose of preparing these financial statements.

The Special Purpose Financial Statements do not include all the information and disclosures normally included in annual financial statements. Only those disclosures as considered appropriate by the Management have been considered in these Standalone Financial Statements.

All the amounts included in the financial statements are converted and reported in millions of Indian Rupee (INR) and are rounded to the nearest million, unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

The material accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said consolidated financial statements.

Details of the Company's accounting policies are included in Note 3.

B. Basis of measurement

These consolidated financial statements have been prepared on the on the historical cost basis except for the following items:

Items	Measurement basis
Financial assets and liabilities (including derivative instruments) – Refer accounting policy regarding financial instrument)	Fair Value/ Amortised cost.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

C. Principle of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023 and have been consolidated in accordance with Ind AS 110 "Consolidated financial statements". The Consolidated financial statements are based on classification provisions contained in Ind AS 1 "Presentation of financial statements". Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- The ability to use its power over the investee to affect its returns.
- Exposure or rights to variable return from its involvement with the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.
- Right arising from other contractual arrangements.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 December. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

   Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

   All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

   A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

   If the Group loses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary
ii. Derecognises the carrying amount of any non-controlling interests
iii. Derecognises the cumulative translation differences recorded in equity
iv. Recognises the fair value of the consideration received
v. Recognises the fair value of any investment retained
vi. Recognises any surplus or deficit in profit or loss
vii. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

D. Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the ultimate parent company's functional and presentation currency.

E. Business combinations and goodwill

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.
At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.
Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured

in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit (The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

F. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates and judgements are:

i. **Estimation relating to fair value measurements -** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models and the discount rates are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii. **Expected credit losses on financial assets:** For the purpose of measuring the expected credit loss for trade receivables and advances, the Group estimates irrecoverable amounts based on the ageing of the receivable/advances balances and historical experience. Further, a large number of minor receivables including advances are grouped into homogeneous groups and assessed for impairment collectively depending on their significance. Individual trade receivables/advances are written off when management deems them not to be collectible on assessment of facts and circumstances.

iii. **Estimating the incremental borrowing rate**: The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific estimates such as Company's credit rating.

G. Measurement of fair values

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

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

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

All assets are liabilities for which fair value is measured or disclosed in the financial statements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the respective notes.

3. Material accounting polices

A. Current/ non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

Assets
An asset is classified as current when:

i. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
ii. it is expected to be realised within twelve months from the reporting date;
iii. it is held primarily for the purposes of being traded; or
iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current

Liabilities
A liability is classified as current when:

i. it is expected to be settled in the Company's normal operating cycle;
ii. it is due to be settled within twelve months from the reporting date;
iii. it is held primarily for the purposes of being traded; or
iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date

All other liabilities are classified as non-current.

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

B. Foreign currency transactions

In preparing the consolidated financial statements of Group, transactions in currencies other than the functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

C. Financial instruments

i. Recognition and initial measurement

Financial assets (except trade receivable) and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

At initial recognition, an entity shall measure trade receivable at their transaction price (as defined in IndAs 115), if trade receivable do not contain a significant financing component in accordance with IndAs 115.

ii. Classification and subsequent measurement

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

- Amortised cost
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

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

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

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

D. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use.

The cost comprises purchase price, freight, expenditure incurred towards transformation of hotel including salary cost of transformation employees, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Each component is separately depreciated over its useful life.

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

ii. Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation on plant, property and equipment is calculated on straight-line basis using the useful lives prescribed under Schedule II to the Companies Act, 2013.

Asset	**Useful life (as per Companies Act, 2013)**	**Useful life (Based on technical evaluation)**
Building	10 years	10 years
Computer equipment and Hardware	3 to 6 years	3 to 6 years
Equipment	5 years	5 years
Furniture and fixtures	8 years to 10 years	8 years to 10 years
Lease hold improvements	Over the unexpired period of lease or 10 years, whichever is lower.	Over the unexpired period of lease or 10 years, whichever is lower.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives based on management's technical assessment of their respective economic useful lives. Depreciation method, useful lives and residual values are reviewed at each financial year/period-end and adjusted prospectively if appropriate.

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E. Intangible assets

i. Recognition and measurement

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

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

ii. Amortisation

Intangible assets are amortized on a straight-line basis using the useful lives which are as follows;

Asset	Useful life (Based on technical evaluation)
Trademark	Indefinite
Franchise Agreements	16 years
Software and Proprietary Tecnology	3 years to 8 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually,

either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

F. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:
- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Measurement of expected credit losses

For trade receivable and contract assets, the Company applied simplified approach in calculating Expected credit loss (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factor specific to the debtors and economic environment.

Presentation of allowance for expected credit losses in the balance sheet

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

Write-off

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

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists or when annual impairment assessment is required, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

G. Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

ii. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

H. Provisions (other than for employee benefits) and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contingent liability is disclosed where there is a possible obligation or present obligation that may, but probably will not, require outflow of resources. Contingent assets are not recognised.

I. Revenue

The Company apply IndAs 115 "Revenue from contracts with customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration that we expect to receive in exchange for each performance obligation.

Judgment is required in determining whether the Company is the principal or agent in transactions with hotel partners and end-users. The Company evaluates the presentation of revenue on a gross or net basis based on whether it controls the service provided to the end-user and is the principal (i.e. "Gross"), or the Company arranges for other parties to provide the service to the end-user and is an agent (i.e. net").

The Company collects indirect taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Revenue from royalty

Revenue in the form of royalty is recognized on net basis as the Company does not gains control on stay services before it gets passed to customer. The Company act as an agent, and earns royalty income, in the sale of rooms. Royalty income are recognized on completion of booking of room nights by end customers, on accrual basis to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured. In these arrangements, the Company does not recognise the gross amount as revenue but only the fee consideration it expects to be entitled to.

J. Leases

Group as a lessee

Identifying a lease

At the inception of the contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company assesses whether:

- The contract involves the use of an identified asset, specified explicitly or implicitly.
- The Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use, and
- The Group has right to direct the use of the asset.

The Group recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Initial recognition of Right of use asset (ROU)

The Group recognise a ROU asset at the lease commencement date (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

Subsequent measurement of Right of use asset (ROU)

ROU assets are subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of ROU asset or the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability. Refer to the accounting policies in section, I (ii), impairment of non-financial assets.

Initial recognition of lease liability

Lease liabilities are initially measured at the present value of the lease payments to be paid over the lock in period of lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

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Subsequent measurement of lease liability

Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or

rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

As a lessor

Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease:

Rental income from operating lease is recognised on a straight-line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

Trade receivables and contractual balances

The Company classifies the right to receive consideration in exchange for services as either trade receivable or unbilled revenue. Accommodation revenue in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue).

Unbilled revenue

Unbilled revenue represents the gross unbilled amount expected to be realised from customers for services rendered upto the reporting date, and is measured as per the contractual terms under arrangements entered with the customers.

Interest

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

K. Income tax

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Current tax relating to items recognised outside profit and loss is recognised outside profit and loss in correlation to the underlying transaction either In other comprehensive income or directly in equity.

L. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

M. Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

N. Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

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IBL Limited Newco, LLC
Notes to Special purpose Consolidated Financial statement as at December 31, 2023 and December 31, 2022
(Amount in INR Millions, unless stated otherwise)

3. Property plant and equipment

	Leasehold improvement	Furniture & fixtures	Computer equipments and hardware	Total
Gross carrying amount				
As at 1 January 2022	230.05	124.86	742.94	1,097.85
Additions	-	-	30.14	30.14
Disposals	-	(52.90)	-	(52.90)
Exchange difference (FCTR)	25.88	8.05	86.98	120.91
At 31 December 2022	**255.93**	**80.01**	**860.06**	**1,196.00**
Additions	88.42	0.23	24.11	112.76
Disposals	-	-	-	-
Exchange difference (FCTR)	1.34	0.31	3.39	5.04
At 31 December 2023	**345.69**	**80.55**	**887.56**	**1,313.80**
Accumulated Depreciation				
As at 1 January 2022	42.58	91.76	723.53	857.87
Charge for the year	9.47	9.62	45.98	65.07
Disposals	-	(52.85)	-	(52.85)
Exchange difference (FCTR)	0.39	(1.71)	1.82	0.50
At 31 December 2022	**52.44**	**46.82**	**771.33**	**870.59**
Charge for the year	11.85	8.12	48.70	68.67
Disposals	-	-	-	-
Exchange difference (FCTR)	0.25	0.21	3.15	3.61
At 31 December 2023	**64.54**	**55.15**	**823.18**	**942.87**
Net carrying amount				
At 31 December 2022	**203.49**	**33.19**	**88.73**	**325.41**
At 31 December 2023	**281.15**	**25.40**	**64.38**	**370.93**

IBL Limited Newco, LLC
Notes to Special purpose Consolidated Financial statement as at December 31, 2023 and December 31, 2022
(Amount in INR Millions, unless stated otherwise)

4 Right of use assets

	Software	Total
Gross carrying amount		
As at 1 January 2022	-	-
Additions	343.84	343.84
Disposals	-	-
Exchange difference (FCTR)	38.98	38.98
At 31 December 2022	**382.82**	**382.82**
Additions	-	-
Disposals	-	-
Exchange difference (FCTR)	1.46	1.46
At 31 December 2023	**384.28**	**384.28**
Accumulated Amortisation		
As at 1 January 2022	-	-
Additions	94.76	94.76
Disposals	-	-
Exchange difference (FCTR)	10.74	10.74
At 31 December 2022	**105.50**	**105.50**
Additions	82.49	82.49
Disposals	-	-
Exchange difference (FCTR)	0.75	0.75
At 31 December 2023	**188.74**	**188.74**
At 31 December 2022	**277.32**	**277.32**
At 31 December 2023	**195.54**	**195.54**

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(Amount in INR Millions, unless stated otherwise)

4(a). Goodwill and other intangilbe assets

Gross carrying amount	Goodwill	Trademark	Franchise Agreement	Internally generated software*	Total	Intangibles under development
As at 1 January 2022	5,422.34	10,373.57	2,367.44	7,735.16	25,898.51	23.48
Additions	-	-	220.91	-	220.91	9.04
Disposals	-	-	-	(34.54)	(34.54)	-
Exchange difference (FCTR)	609.63	1,166.79	291.32	1,097.03	3,164.77	3.67
At 31 December 2022	**6,031.97**	**11,540.36**	**2,879.67**	**8,797.65**	**29,249.65**	**36.19**
Additions	-	-	5.44	63.77	69.21	-
Disposals	-	-	-	-	-	(11.01)
Exchange difference (FCTR)	23.03	44.05	11.02	34.10	112.20	(0.34)
At 31 December 2023	**6,055.00**	**11,584.41**	**2,896.13**	**8,895.52**	**29,431.06**	**24.84**
Accumulated Amortization						
As at 1 January 2022			1,523.89	7,120.24	8,644.13	-
Charge for the year	-	-	309.73	764.70	1,074.43	-
Disposals	-	-	-	-	-	-
Exchange difference (FCTR)	-	-	12.25	(1,094.43)	(1,082.18)	-
At 31 December 2022	-	-	**1,845.87**	**6,790.51**	**8,636.38**	-
Charge for the year	-	-	183.54	703.64	887.18	-
Disposals	-	-	-	-	-	-
Exchange difference (FCTR)	-	-	7.82	29.16	36.98	-
At 31 December 2023	-	-	**2,037.23**	**7,523.31**	**9,560.54**	-
Net carrying amount						
At 31 December 2022	**6,031.97**	**11,540.36**	**1,033.80**	**2,007.14**	**20,613.27**	**36.19**
At 31 December 2023	**6,055.00**	**11,584.41**	**858.90**	**1,372.21**	**19,870.52**	**24.84**

Net book value	As at 31 December 2023	As at 31 December 2022
Goodwill	6,055.00	6,031.97
Other intangible assets	13,815.52	14,581.30
	19,870.52	**20,613.27**

Goodwill and Intangible Assets – Acquired intangible assets are recorded at their fair value at the date of acquisition. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The trademarks relate to the use of the names "Motel 6" and "Studio 6," and have been assigned an indefinite life because they will be continually renewed and are believed to generate indefinite cash flows for the Company. Acquired franchise agreements with the Company are amortized over a weighted average useful life of the contracts.

*Costs associated with internally developed software during the preliminary project stage are expensed as incurred. Once a project has reached the development stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional features and functionality. As software in progress is completed and placed in service, it is transferred to the appropriate intangible asset category and amortization begins. Internally developed software is amortized on a straight-line basis over its estimated useful life. Maintenance costs are expensed as incurred.

The Company also has cloud computing arrangements that are primarily comprised of hosting arrangements which are service contracts. Internal and external implementation costs for cloud computing arrangements, if direct and incremental, are capitalized until the software is complete and ready for its intended use. Costs related to specific upgrades and enhancements are capitalized when it is probable the expenditures will result in additional features and functionality. Amortization of capitalized implementation costs is recorded on a straight-line basis over the term of the cloud computing arrangement, which is the non-cancellable period of the agreement. Capitalized cloud computing arrangement costs, net of amortization, are recorded within prepaid expenses and other current assets and other assets on the balance sheet and within prepaid expenses and other current and long-term assets on the statement of cash flows. Subscription fees are prepaid and recorded within selling, general and administrative expense over the period that the Company has access to use the software.

(Amount in INR Millions, unless stated otherwise)

5. Investment in subsidiaries

	As at 31 December 2023	As at 31 December 2022
Non-trade, Unquoted investments (fully paid up)		
Investment at cost (fully paid up)		
Investment in G6 Hospitality LLC and its subsidiaries	61,729.67	61,686.58
Total	**61,729.67**	**61,686.58**
Aggregate amount of unquoted investment	61,729.67	61,686.58
Aggregate amount of impairment	-	-

6. Other non-current financial assets

	As at 31 December 2023	As at 31 December 2022
Prepaid expenses		
-Unsecured, considered good	1,640.89	1,070.66
Total	**1,640.89**	**1,070.66**

The Company incur certains direct costs such as franchise commission and incentives in order to obtain franchise cost. Such cost are capitalised over the term of the contract. Deferred contract cost expected to be recognised in period greater than 12 months from the balance sheet date are classified as non-current and remaining current portion is classified as prepaid expenses in these special purpose financial statements.

6a. Non-current tax assets

	As at 31 December 2023	As at 31 December 2022
Advance income tax (net of provison for tax)	23.72	9.60
Total	**23.72**	**9.60**

7. Trade receivables

	As at 31 December 2023	As at 31 December 2022
Trade receivables	2,399.22	1,974.12
	2,399.22	**1,974.12**
Break up for security details:-		
Trade receivable		
Considered good - unsecured	2,399.22	1,974.12
Having significant increase in credit risk	192.81	128.47
	2,592.03	**2,102.59**
Impairment allowance (allowance for expected credit loss)		
Having significant increase in credit risk	(192.81)	(128.47)
	(192.81)	**(128.47)**
Total	**2,399.22**	**1,974.12**

No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Company applies the simplified approach for recognition of impairment loss allowance on trade receivables as permitted under Ind AS 109. Under this approach, the Compamny uses a provision matrix based on the number of days past due, considering historical default rates and forward-looking information.
For other financial assets, the Companmy assesses expected credit losses on an individual basis. The allowance is determined based on management's evaluation of credit risk for each overdue case, considering factors such as counterparty creditworthiness, past payment history, and prevailing economic conditions.

8. Cash and cash equivalents

	As at 31 December 2023	As at 31 December 2022
Balances with banks		
- in current accounts	2,574.28	3,198.45
Total	**2,574.28**	**3,198.45**

8a. Other Financial assets

	As at 31 December 2023	As at 31 December 2022
Unsecured, considered good		
Security deposit	5.99	5.95
Other recoverable	21.41	21.46
Total	**27.40**	**27.41**

9. Other current assets

	As at 31 December 2023	As at 31 December 2022
Prepaid expenses	772.51	843.10
Total	**772.51**	**843.10**

ADMS & CO. DELHI CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless stated otherwise)

10. Capital account

	As at 31 December 2023	As at 31 December 2022
Capital contribution*		
OYO Hotels Inc	62,346.83	62,346.83
Total contribution	**62,346.83**	**62,346.83**

*The Company, being a Delaware limited liability company, does not have an authorized share capital. Pursuant to the acquisition effective 17 December 2024, OYO Hotels Inc. became the sole capital contributor of the Company. Prior to the acquisition, the Company was a subsidiary of BRE/Everbright M6 LLC.

11. Other equity

	As at 31 December 2023	As at 31 December 2022
A. Retained earnings	(43,276.52)	(43,537.44)
B. Other comprehensive income	822.55	2,166.73
	(42,453.97)	**(41,370.71)**

A. Retained earnings

	As at 31 December 2023	As at 31 December 2022
Balance at the beginning of the year	(43,537.44)	(43,207.43)
Add: Profit/ (loss) for the year	260.92	(330.01)
Balance at the end of year	**(43,276.52)**	**(43,537.44)**

B. Other comprehensive income

	As at 31 December 2023	As at 31 December 2022
Balance at the beginning of year	2,166.73	85.62
Add:- Exchange differences on translation of financial statements of foreign operations (net)	(1,344.18)	2,081.11
Balance at the end of year	**822.55**	**2,166.73**

12. Non-current borrowing

	As at 31 December 2023	As at 31 December 2022
Term loan		
Secured loan		
Long term borrowing from bank (refer note below)	19,531.57	22,501.64
	19,531.57	**22,501.64**

secured by a charge over the patents, copyrights, trademarks, and certain identified properties owned by the borrower. The loan carries interest at SOFR plus the Applicable Term SOFR Margin of 0.75% per annum and has a tenure of five years. The borrowings were utilized to consummate the transaction and to meet transaction-related costs.

12. Other current financial liabilities

	As at 31 December 2023	As at 31 December 2022
Employee related payables	2,020.13	1,842.62
Insurance obligation	1,784.74	2,428.94
Statutory liabilities	79.63	98.87
Deferred revenue	112.03	112.90
	3,996.53	**4,483.33**

13. Lease liabilities

	As at 31 December 2023	As at 31 December 2022
Balance as at 1 January	519.53	-
Additions during the year	204.07	696.66
Interest accrued during the year	40.77	25.23
Payment during the year	(216.59)	(202.36)
Balance as at 31 December	**547.78**	**519.53**
Non-current portion	223.09	216.59
Current portion	324.69	302.94

ADMS & CO. CHARTERED ACCOUNTANTS DELHI

(Amount in INR Millions, unless stated otherwise)

14. Other non current liabilities

	As at 31 December 2023	As at 31 December 2022
Deferred revenue	1,229.26	1,247.72
	1,229.26	**1,247.72**

The Company receives the initial franchise and relicensing fee when a franchise agreement executed. Such upfront fee are deferred and recognised over the term of the franchise agreement. Deferred franchise fee expected to be recognised in period greater than 12 months from the balance sheet date are classified as non-current and remaining as current deferred revenue in these special purpose financial statement.

In the event an agreement terminated prior to the tem end, any deferred revenue is immediately

15. Trade payables

	As at 31 December 2023	As at 31 December 2022
-total outstanding dues of micro enterprises and small enterprises	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	44,431.52	40,333.77
	44,431.52	**40,333.77**

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(Amount in INR Millions, unless stated otherwise)

16. Revenue from operations

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Sale of services		
Royalty income	12,390.23	12,394.22
Total	**12,390.23**	**12,394.22**
Timing of revenue recognition		
Services transferred over time	12,390.23	12,394.22
Services transferred at a point in time	-	-
	12,390.23	**12,394.22**

17 Contract balances

	As at 31 December 2023	As at 31 December 2022
Trade receivables (refer note 7)	2,399.22	1,974.12

Contract assets are recognised when there is excess of revenue earned over billings on contracts with customers. Unbilled receivables are classified as contract assets (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities are recognised when there is excess of invoicing over revenue earned on contracts with customers. Deferred revenue are classified as contract liabilities where invoicing was made in advance or the advance received from the customers while performance of services is pending. Right of return assets and refund liabilities are not present in contracts with customers.

18. Other income

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Interest on banks deposits carried at amortised cost	114.36	0.07
Total	**114.36**	**0.07**

19. Employee benefits expense

	For the year ended 31 December 2023	For the year ended 31 December 2022
Salaries, wages and bonus	2,829.09	3,023.27
Staff welfare expenses	444.78	343.46
Total	**3,273.87**	**3,366.73**

20. Finance cost

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Interest on borrowings	2,161.17	1,752.01
Interest on lease liabilities	40.77	25.23
Bank charges	34.57	21.96
	2,236.51	**1,799.20**

21. Depreciation and amortization expense

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Depreciation of property, plant & equipment (refer note 3)	68.67	65.07
Amortisation of right of use assets (refer note 4)	82.49	94.76
Amortisation of intangible assets (refer note 4a)	887.18	1,074.43
Total	**1,038.34**	**1,234.26**

ADMS & CO. CHARTERED ACCOUNTANTS DELHI

(Amount in INR Millions, unless stated otherwise)

22. Other expenses

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Rent expense	144.48	121.30
Office expenses	70.02	98.93
Rates and taxes	61.30	54.62
Advertising and sales promotion	2,236.35	1,626.43
Repairs and maintenance	28.29	184.47
Information technology expenses	1,360.06	54.65
Travelling and conveyance	171.79	506.28
Legal and professional fee	261.45	2,223.35
Miscellaneous expenses	149.88	550.20
Exchange difference (net)	1.97	(52.22)
Bad debts/advances written off	108.93	84.72
Insurance expenses	418.05	388.35
Outsourced manpower	124.88	47.63
Recruitment & training expenses	16.47	2.41
Freight, postage and courier	15.09	17.93
Customer support	181.00	-
Subscription charges	120.96	132.45
Communication costs	31.95	37.87
Management fees	179.78	173.55
Total	**5,682.70**	**6,252.92**

23. Tax expense

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
a) Current income tax		
Current income tax charge	12.25	71.19
Adjustments in respect of Current income tax of previous year	-	-
	12.25	**71.19**

24. Other comprehensive income

	For the Period from 1 January 2023 to 31 December 2023	For the Period from 1 January 2022 to 31 December 2022
Other comprehensive income/(loss) to be reclassified to profit or loss in		
Exchange differences on translation of financial statements of foreign operations (net)	(1,344.18)	2,081.11
Income tax	-	-
Net other comprehensive income/(loss) to be reclassified to profit or	**(1,344.18)**	**2,081.11**

P.D.M.S & CO. DELHI CHARTERED ACCOUNTANTS

25. Key accounting estimates and assumptions
The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Below assumption used for the valuation purpose, the key assumptions used in estimating the recoverable amount include the following:

Cash flow projections: Cash flow projections are based on management-approved budgets and forecasts covering a period of five years. These projections reflect historical performance and management's expectations of future business performance, considering industry trends and market conditions.

Revenue growth rate: Revenue growth rates used in the projections are derived from historical growth trends, expected demand for the Company's products and services, and anticipated market developments.

Terminal growth rate: Cash flows beyond the forecast period are extrapolated using a terminal growth rate of 2%, which does not exceed the long-term average growth rate of the industry in which the Company operates.

Discount rate: Future cash flows are discounted using a pre-tax discount rate of 14.60%, reflecting current market assessments of the time value of money and the risks specific to the asset or CGU.

Management believes that the assumptions used are reasonable and consistent with external sources of information. Changes in key assumptions, including discount rate, terminal growth rate or operating margins, within reasonably possible ranges, would not result in the carrying amount of the relevant asset or CGU exceeding its recoverable amount.

b. Impairment of non-financial asset
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

26. Contingent liabilities & capital committement:
There were no contingent liablities and capital commitments as on 31 December 2023 and 31 December 2022.

27. Subsequent event
Oravel Stays Limited, through its subsidiaries OYO Hotels Inc. and Oravel Stays Singapore Pte. Limited has entered into a purchase and sale agreement dated 17 December 2024, with BRE/Everbright M6 Borrower LLC (seller), G6 Franchising Pledgor Canada L.P., BRE/Everbright M6 LLC, IBL Limited, LLC, G6 Canada Hospitality Franchising, Inc.,G6 Hospitality Franchising Canada L.P., (Collectively G6 Hospitality) to acquire all the shares/interest of the Seller. G6 Hospitality and its associated entities owns, operates, and franchises economy lodging locations in the United States and Canada. It also offers various support services for its franchisees, including property management; call center; distribution, marketing, and sales programs; procurement; training; and in-house technical expertise.

(Amount in INR Millions, unless stated otherwise)

28. Fair values
Financial instrument category

The carrying value and fair value of financial instruments by categories as at 31 December 2023:

	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying value	Total fair value
Assets					
Cash and cash equivalents (refer note 8)	2,574.28	-	-	2,574.28	2,574.28
Trade receivables (refer note 7)	2,399.22	-	-	2,399.22	2,399.22
Other financial assets (refer note 8a)	27.40	-	-	27.40	27.40
Total	**5,000.90**	-	-	**5,000.90**	**5,000.90**
Liabilities					
Borrowing (refer note 12)	19,531.57	-	-	19,531.57	19,531.57
Trade payable (refer note 15)	44,431.52	-	-	44,431.52	44,431.52
Lease liabilities (refer note 13)	547.78	-	-	547.78	547.78
Other financial liabilities (refer note 12)	3,996.53	-	-	3,996.53	3,996.53
	68,507.40	-	-	**68,507.40**	**68,507.40**

The carrying value and fair value of financial instruments by categories as at 31 December 2022:

	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying value	Total fair value
Assets					
Cash and cash equivalents (refer note 8)	3,198.45	-	-	3,198.45	3,198.45
Trade receivables (refer note 7)	1,974.12	-	-	1,974.12	1,974.12
Other financial assets (refer note 8a)	27.41	-	-	27.41	27.41
Total	**5,199.98**	-	-	**5,199.98**	**5,199.98**
Liabilities					
Borrowing (refer note 12)	19,531.57	-	-	19,531.57	19,531.57
Trade payable (refer note 15)	40,333.77	-	-	40,333.77	40,333.77
Lease liabilities (refer note 13)	519.53	-	-	519.53	519.53
Other financial liabilities (refer note 12)	4,483.33	-	-	4,483.33	4,483.33
	64,868.20	-	-	**64,868.20**	**64,868.20**

The following methods/assumption were used to estimate the fair values;

(i) The carrying value of cash and cash equivalents, other bank balance (bank deposit and restricted cash), trade receivable (net of allowance), trade payable, other financial assets and other financial liabilities (other than designated at FVTPL) measured at amortised cost approximate their fair value, due to their short term nature.

(ii) Fair value of investment in quoted mutual fund is based on quoted market price at the reporting date

(iii) The fair values of the Group's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting year.

(iv) The fair value of financial liabilities determined by use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

(v) The fair value of unquoted equity investments are based on Discounted Cash Flow approach. Multiple of Free Cash Flow (FCF) are considered after applying suitable discounts for size, liquidity and other company specific discounts.

29. Fair value hierarchy

There are no assets and liabilities for which fair values is measured using :

There are no assets and liabilities for which fair values is measured using :

Quoted prices in active markets (Level 1)

Significant observable inputs (Level 2)

Significant unobservable inputs (Level 3)

There are no transfers between levels 1, 2 and 3 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Specific valuation techniques used to value financial instrument include:

(i) Fair value of security deposits paid having maturity of more than 12 months has been determined based on cash flows discounted using bank deposit rate.

(ii) Investment in mutual funds and bonds are fair valued on mark to market basis.

(iii) Trade receivables, trade payables and other financial liabilities are carried at amortized cost.

(iv) Fair value of security deposits paid having maturity of more than 12 months has been determined based on cash flows discounted using bank deposit rate.

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ADMS & CO. CHARTERED ACCOUNTANTS DELHI

(Amount in INR Millions, unless stated otherwise)

30. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and investment in mutual funds that derive directly from issue of shares to shareholders.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade payables and trade receivables.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, Company have interest bearing fixed deposit. A change in interest rates at the reporting date would not affect significantly on profit or loss and equity.

Credit risk

Credit risk is the risk arised from the possibilities that customers may not be able to settle their obligation. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trend, forward looking macroeconomics analysis, historical trend of bade debt. Since, entire revenue and trade receivable including contract assets is from group companies only, management assess that the credit risk associated with receivable and contract assets is negligible.

Liquidity risk

The Company monitors its risk of a shortage of funds doing a liquidity planning exercise. The Company's treasury function reviews the liquidity position on an ongoing basis. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

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

	0 to 1 year	1-5 years	More than 5 years	Total
As at 31 December 2023				
Borrowings	-	19,531.57	-	19,531.57
Lease liabilities	324.69	223.09	-	547.78
Trade payables	44,431.52	-	-	44,431.52
Other financial liabilities	3,996.53	-	-	3,996.53
	48,752.74	**19,754.66**	-	**68,507.40**

	0 to 1 year	1-5 years	More than 5 years	Total
As at 31 December 2022				
Borrowings	-	22,501.64	-	22,501.64
Lease liabilities	302.94	216.59	-	519.53
Trade payables	40,333.77	-	-	40,333.77
Other financial liabilities	4,483.33	-	-	4,483.33
	45,120.04	**22,718.23**	-	**67,838.26**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is not exposed to excessive concentration since the customers of the Company are not engaged in similar business activities. The Company derives its revenues and corresponding trade receivables from the group company only.

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(Amount in INR Millions, unless stated otherwise)

31. Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations. There are no financial covenants attached to interest-bearing loans and borrowings that define capital structure requirements.

	As at 31 December 2023	As at 31 December 2022
Total financial liabilities	68,507.40	64,868.20
Less: Cash and cash equivalents (refer note 8)	(2,574.28)	(3,198.45)
Net debt (A)	**65,933.14**	**61,669.76**
Total Equity (B)	**(817.11)**	**(817.11)**
Capital Gearing Ratio	**N/A**	**N/A**

32. These special purpose consolidated financial statements for the period ended 31 December 2023 and 31 December 2022 have been prepared specifically in connection with the purposed IPO of Oravel Stays Limited (the "Group Company" or the "Holding Company"). Only those disclosures as considered necessary by the management have been disclosed.

As per our report of even date

For A D M S & Co.
Chartered Accountants
Firm Registration No.: 014626C

per Varun Gaur
Partner
Membership No. 514879

ADMS & CO. DELHI CHARTERED ACCOUNTANTS

Place: New Delhi
Date: December 27, 2025

For and on behalf of the Board of Directors of
IBL Limited Newco, LLC

Rakesh Kumar
Authorised Signatory

Place: Gurugram
Date: December 27, 2025