

**SS & L BEACH PRIVATE LIMITED**  
**AUDITOR'S REPORT AND SPECIAL PURPOSE**  
**FINANCIAL STATEMENTS**

**31 MARCH 2025**

TH/DN/MF/LU

## **Independent Auditor's Report To the Shareholders of SS & L Beach Private Limited**

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the special purpose financial statements of SS & L Beach Private Limited ("the Company"), which comprise the statement of financial position as at 31 March 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying special purpose financial statements give a true and fair view of the financial position of the Company as at 31 March 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the special purpose Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for the Special Purpose Financial Statements**

Management is responsible for the preparation of the special purpose financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the Special Purpose Financial Statements**

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

## Auditor's responsibilities for the audit of the Special Purpose Financial Statements (Continued)

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

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

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



For and on behalf of Ernst & Young  
Partner: Dhunya Nizar  
Licensed Auditor: ICAM-IL-Z73

12 May 2025  
Male'



SS & L Beach Pvt Ltd

Statement of financial position as at 31 March 2025

(All amounts are in USD millions, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	98.79	96.69
Capital work-in-progress	6	0.01	4.60
Right-of-use assets	7	38.06	38.64
Other assets	8	0.01	0.54
Other financial assets	9	-	1.10
		<b>136.87</b>	<b>141.57</b>
<b>Current assets</b>			
Inventories	10	2.33	2.30
Other current assets	8	1.78	2.41
<b>Financial assets</b>			
Trade receivables	11	2.71	2.10
Other financial assets	11A	0.18	0.18
Cash and cash equivalents	12	16.08	6.17
		<b>23.08</b>	<b>13.16</b>
<b>TOTAL</b>		<b>159.95</b>	<b>154.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1.21	0.71
Other equity	14	27.15	21.66
		<b>28.36</b>	<b>22.36</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	105.53	99.76
Lease liability	16	14.00	15.48
		<b>119.53</b>	<b>115.24</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	0.67	6.45
Lease liability	16	1.71	0.26
Trade and other payables	17	4.56	3.47
Other financial liabilities	17A	0.17	0.76
Other liabilities	17B	4.86	4.92
Current tax liability	18	0.09	1.26
		<b>12.05</b>	<b>17.12</b>
<b>Total liabilities</b>		<b>131.58</b>	<b>132.36</b>
<b>TOTAL</b>		<b>159.95</b>	<b>154.73</b>

The board of directors is responsible for these financial statements.

Signed for and on behalf of the board by,

Name of the director

PARESH BAPNA

Signature

PABapna

MOHAMED SHAHDY ANWAR

M.S.A

The accompanying notes are an integral part of the special purpose financial statements.

12 May 2025  
India



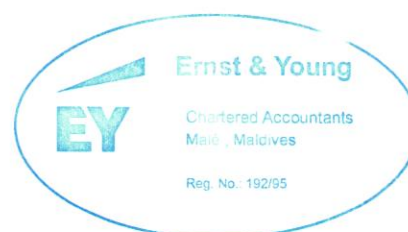
SS & L Beach Pvt Ltd

Statement of comprehensive income for the year ended 31 March 2025

(All amounts are in USD millions, unless otherwise stated)

	Notes	March 31, 2025	March 31, 2024
<b>Income</b>			
Revenue from operations	19	52.09	46.90
Other income	20	0.44	0.58
<b>Total income (I)</b>		<b>52.53</b>	<b>47.48</b>
<b>Expenses</b>			
Cost of materials consumed	21	7.27	6.47
Employee benefits expense	22	9.75	10.63
Other expenses	23	16.93	15.67
Depreciation, amortisation and impairment expense	24	8.26	8.08
<b>Total expenses (II)</b>		<b>42.22</b>	<b>40.85</b>
<b>Earnings before finance cost and tax (I) - (II)</b>		<b>10.31</b>	<b>6.63</b>
Finance costs	25	14.67	13.91
		<b>14.67</b>	<b>13.91</b>
<b>Net (loss)/ profit before tax</b>		<b>(4.36)</b>	<b>(7.28)</b>
<b>Tax expenses:</b>			
Current tax	26	0.76	0.79
Deferred tax	26	-	-
<b>Total tax expenses</b>		<b>0.76</b>	<b>0.79</b>
<b>Net (loss)/ Profit for the year</b>		<b>(5.12)</b>	<b>(8.07)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive (loss)/income for the year, net of tax</b>		<b>(5.12)</b>	<b>(8.07)</b>

The accompanying notes are an integral part of the special purpose financial statements.



SS & L Beach Pvt Ltd

Statement of changes in equity for the year ended 31 March 2025

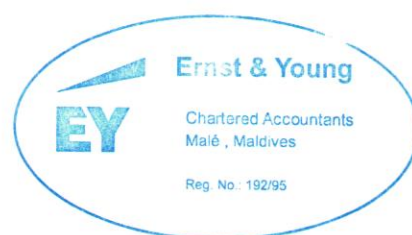
(All amounts are in USD millions, unless otherwise stated)

A. Equity share capital

Particulars	in USD \$		in No	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
<b>At the beginning of the year</b>	<b>0.71</b>	<b>0.71</b>	<b>11.00</b>	<b>11.00</b>
Changes in equity share capital due to prior period errors	-	-	-	-
<b>Balance at the beginning of the current reporting period</b>	<b>0.71</b>	<b>0.71</b>	<b>11.00</b>	<b>11.00</b>
Changes in equity share capital during the year	0.51	-	7.63	-
<b>At the end of the year</b>	<b>1.21</b>	<b>0.71</b>	<b>18.63</b>	<b>11.00</b>

B. Other equity

	Reserves and surplus			Total
	Capital Contribution	Share premium	Retained earnings / (Accumulated loss)	
<b>Balance as at March 31, 2023</b>	<b>28.98</b>	-	<b>(20.17)</b>	<b>8.81</b>
Net loss for the period	-	-	(8.07)	(8.07)
<b>Total comprehensive income for the period ended March 31, 2024</b>	<b>-</b>	-	<b>(8.07)</b>	<b>(8.07)</b>
Add: Deemed contribution by shareholders	20.90	-	-	20.90
<b>Balance as at March 31, 2024</b>	<b>49.88</b>	-	<b>(28.25)</b>	<b>21.63</b>
Net loss for the period	-	-	(5.12)	(5.12)
<b>Total comprehensive income for the period ended March 31, 2025</b>	<b>-</b>	-	<b>(5.12)</b>	<b>(5.12)</b>
Add: Amounts settled during the period	(49.88)	-	-	(49.88)
Share issue	-	60.51	-	60.51
<b>Balance as at March 31, 2025</b>	<b>-</b>	<b>60.51</b>	<b>(33.37)</b>	<b>27.14</b>



SS & L Beach Pvt Ltd

Statement of cash flow for the year ended 31 March 2025

(All amounts are in USD millions, unless otherwise stated)

	March 31, 2025	March 31, 2024
<b>A. Cash flows from operating activities</b>		
(Loss)/Profit before tax	(4.36)	(7.28)
<b>Adjustments for:</b>		
Depreciation on Property, Plant and Equipment	7.37	6.68
Amortisation on Intangible Asset	-	0.02
Depreciation on Right-of-use Asset	0.88	0.87
Amortisation on Transaction Costs	0.14	0.24
Fair value change of Derivative Financial Instrument	1.10	(0.19)
Provision for impairment	-	0.51
Loss on Disposal of Property, Plant and Equipment	0.19	-
Interest on lease liability	1.42	1.43
Interest on Bank Loan	8.54	11.46
Interest on loan from immediate holding company	2.48	-
<b>Operating profit before working capital changes</b>	<b>17.76</b>	<b>13.73</b>
<b>Movements in working capital :</b>		
(Increase)/decrease in inventories	(0.03)	0.20
(Increase)/decrease in trade receivables	(0.59)	(0.02)
Increase in trade payables	0.45	2.22
<b>Cash generated from operations</b>	<b>17.59</b>	<b>16.13</b>
Direct taxes paid (net of refunds)	(1.93)	(0.16)
<b>Net cash flow generated in operating activities (A)</b>	<b>15.66</b>	<b>15.97</b>
<b>B. Cash flows from investing activities</b>		
Acquisition and Construction of Property, Plant and Equipment	(5.07)	(13.73)
Acquisition of ROU	-	(0.65)
Payment for capital advances	1.16	-
<b>Net cash flow used in investing activities (B)</b>	<b>(3.91)</b>	<b>(14.38)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of bank loans principal	(57.75)	(4.13)
Repayment of bank loans interest	(9.30)	(11.41)
Funds received from immediate holding companies	55.87	17.40
Settlement of capital contribution	(49.88)	-
Repayment of lease interest	(1.43)	-
Repayment of lease liability	(0.35)	(1.02)
Issuance of Shares	61.00	-
<b>Net cash flow (used in) / generated from financing activities (C)</b>	<b>(1.84)</b>	<b>0.84</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>9.91</b>	<b>2.43</b>
Cash and cash equivalents at the beginning of the year	6.18	3.75
<b>Cash and cash equivalents at the end of the year</b>	<b>16.09</b>	<b>6.18</b>
<b>Cash and cash equivalents include</b>		
Balances with banks	15.95	5.85
Cash on hand	0.13	0.32
<b>Total cash and cash equivalents (refer note 12)</b>	<b>16.08</b>	<b>6.17</b>

The accompanying notes are an integral part of the financial statements.

**SS & L BEACH PRIVATE LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2025**

**1 CORPORATE INFORMATION**

**1.1 Reporting entity**

SS & L Beach Private Limited (the “Company”) (Registration No.C08952019) is a private limited liability company incorporated and domiciled in the Republic of Maldives on 3<sup>rd</sup> September 2019. The registered office of the Company is situated at H.#02-01, Millennium Tower, 10 Ammer Ahmed Magu, K.Male’, Republic of Maldives.

**1.2 Principal activities and nature of operations**

The Company is engaged in owning and operating the Anantara Resorts and Spa Maldives (Anantara Dhigufinolhu Resort and Spa, Anantara Veliganduhuraa Resort and Spa Maldives and Naladhu Maldives) which provides accommodation facilities, food, and beverages to the tourists and other facilities and recreational activities.

**1.3 Date of authorisation for issue**

The special purpose financial statements of the Company for the period ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 12 May 2025.

**1.4 Parent Enterprise and Ultimate**

The Company’s immediate parent is Restocraft Hospitality Private Limited an entity incorporate and domiciled in India. The ultimate parent undertaking is Ventive Hospitality Limited a company incorporated and domiciled in India and listed in Indian stock exchange.

**2 BASIS OF PREPARATION**

**2.1 Special purpose financial statements**

These special purpose financial statements as at 31 March 2025 have been prepared solely for the purpose of providing financial information on reporting dates that are aligned with Ventive Hospitality Limited to be used in the preparation of the Consolidated Financial Statements by the holding company.

As such, these special purpose financial statements as at 31 March 2025 of the Company are prepared in addition to the statutory financial statements as at and for the year ended 31 March, and therefore should not be used for any other purpose except as described above.

**2.2 Statement of compliance**

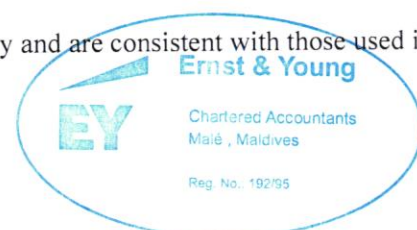
The statements of financial position, statements of comprehensive income, statements of cash flows and statements of changes in equity, together with accounting policies and notes form the special purpose financial statements (“financial statements”) of the Company. The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

**2.3 Basis of measurement**

These financial statements have been prepared on a historical cost basis except for the derivative asset that has been measured at fair value and presented in United States dollars (“USD”). All values are rounded to the nearest millions, except when otherwise indicated.

**2.4 Comparative information**

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.



**SS & L BEACH PRIVATE LIMITED  
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**2 BASIS OF PREPARATION (CONTINUED)**

**2.5 Going concern**

The Company incurred a net loss of USD 5.12 Million during the year ended 31 March 2025 and this condition indicate that a uncertainty exists that may cast a doubt on the Company's ability to continue as a going concern. Nevertheless, the new shareholders have taken various actions to improve the profitability including restructure the capital structure and minimize the finance cost.

The Board of Directors is confident that, with the necessary support from the Group, the Company will have sufficient resources to sustain its operations in the foreseeable future. Throughout the year, the Company restructured its debt capital.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, 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.

**Judgements, 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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**3.1 Useful life of the Property, Plant and Equipment**

The Company reviews the residual values, useful lives and methods of depreciation of assets at each reporting date. Management estimates these values, rates, methods and hence they are subject to uncertainty.

**3.2 Fair value measurement of derivative assets**

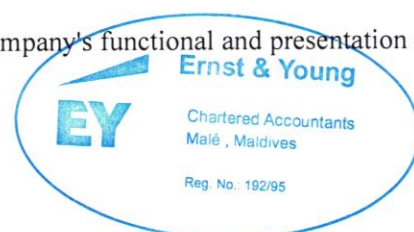
When the fair values of derivate assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of future interest rates. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Please refer note 10.

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The following are the material accounting policies applied by the Company in preparing its financial statements:

**4.1 Foreign currency translation**

The financial statements are presented in USD, which is the Company's functional and presentation currency.



**SS & L BEACH PRIVATE LIMITED  
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**4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**4.1 Foreign currency translation (Continued)**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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 measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

**4.2 Revenue recognition**

The Company owns and operates Anantara Resort & Spa Maldives and undertake all resort related activities such as room service, food and beverages, spa service and water sports and related activities. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

**Room service**

The performance obligation is satisfied over-time and the payment is generally due upon check out.

**Foods and beverages**

The performance obligation is satisfied upon delivery of the foods and beverages and the payment is generally due upon check out.

**Other services**

The performance obligation is satisfied upon delivery of the other services and the payment is generally due upon check out.

**Others**

Other income is recognised on an accrual basis.

**Contract balances**

**Contract assets**

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

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

**SS & L BEACH PRIVATE LIMITED  
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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS  
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**4 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)**

**4.2 Revenue recognition (Continued)**

**Contract liabilities**

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

**4.3 Expenditure recognition**

Expenses are recognised in the statement of comprehensive income on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to statement of comprehensive income in arriving at the profit for the period.

**4.4 Taxes**

**Current tax**

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the end of the reporting period. Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS**  
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**4 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)**

**4.4 Taxes (Continued)**

**Deferred tax Continued)**

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

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

Deferred tax relating to items recognised outside statement of comprehensive income is recognised outside statement of comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in statement of comprehensive income.

**Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**4.5 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, 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 as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are

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**4 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)**

**4.5 Leases (Continued)**

**Right-of-use assets ( Contined)**

depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease right of -	Dhigufinolhu	April 2094
-	Veligandu hura	December 2088
-	Boduhura	August 2087
-	Kudahura	December 2086

The right-of-use assets are subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is 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. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

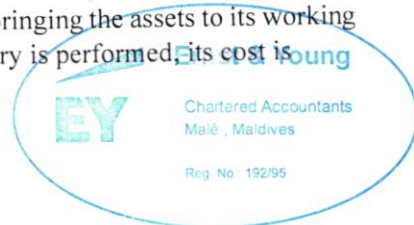
**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (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 assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**4.6 Property, plant and equipment**

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The cost of the self-constructed assets includes the cost of materials, direct labour cost and appropriate proportion of production overheads. The cost of property, plant and equipment acquired by the Company includes cost of acquisition together with any incidental expenses incurred in bringing the assets to its working condition for the intended use. When a major inspection of plant and machinery is performed, its cost is



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**4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**4.6 Property, plant and equipment (Continued)**

recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are met. Depreciation on property, plant and equipment of the Company is charged on a straight-line basis to write off the cost over the estimated useful life of the assets. Estimated useful life of the major asset classes are as follows:

Buildings on leasehold land	Over 30 years
Plant and machinery	Over 10 years
Furniture and fittings	Over 7 years
Office equipment and computers	Over 5 to 10 years
Marine Boats	Over 10 years
Other equipment	Over 2 to 5 years

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

**4.7 Intangible assets**

Intangible assets with finite lives are amortised over the useful economic life (5 years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

**4.8 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

**Calculation of recoverable amount**

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, 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. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

**Impairment/ Reversal of impairment**

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased