

INDEPENDENT AUDITOR'S REPORT

To The Members of Sukhsagar Complexes Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Sukhsagar Complexes Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2024 and the Statement of Profit and Loss including Other Comprehensive Income, statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's Report, Chairman's statement, but does not include the Ind AS financial statements and our auditor's report thereon.
- Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or

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

Responsibilities of management and Those Charged with Governance for the Ind AS Financial Statements

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

In preparing the financial statements, 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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

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internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

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- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement (and statement of changes in equity) dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 wherein:
- a. an accounting software did not have audit trail feature enabled throughout the year,
 - b. In respect of a revenue management software used for maintaining its revenue records, has a feature of recording audit trail (edit log) facility at the application level and the same has operated from July 1, 2023 for all relevant transactions recorded; however the software does not have feature of audit trail at database level to log direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software(s) for the period for which the audit trail feature was enabled and operating.

(Refer note no. 35 of the financial statements).



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

For Nangia & Co. LLP
Chartered Accountants
ICAI FRN 002391C/N500069

Prateek Agrawal

Prateek Agrawal
Partner
Membership No. 402826



Signed at Gurugram on 24 May, 2024
UDIN: 24402826BKEZPB7426

Annexure 'A' to the Independent Auditors Report

[Refer to in our separate report of even date]

Annexure referred to under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of **Sukhsagar Complexes Private Limited** on the financial statements for the year ended on March 31, 2024 and based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

I In respect of the Company's Property, Plant and Equipment and Intangible Assets

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment in phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Title deeds in respect of all immovable properties are held in the name of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) As confirmed by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

II (a) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management at reasonable interval in respect of Food & Beverages and Stores and spares. In our opinion the coverage and procedure of such verification by the management is appropriate and

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there is no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

III According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not made any investments provided guarantee or security or granted any advance in the nature of loan, secured or unsecured to Company, Firm, limited liability partnership or any other parties during the year. Accordingly, the requirement to report on clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

IV The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

V The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

VI The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

VII In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.



- b) According to the information and explanation given to us, there are no amounts in respect of Income Tax, Goods and Services tax, Sales Tax, Value Added Tax, Employee state Insurance, Duty of Excise, Duty of Custom, Cess and Service Tax etc. that have not been deposited with the appropriate authority on account of any dispute.

VIII As confirmed by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

IX (a) As explained to us, the Company has not defaulted in repayment of loans and other borrowings and in repayment of interest thereon to any lender.

(b) As confirmed by the management, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has applied term loans for the purpose for which the loans were obtained.

(d) The Company did not raise any funds on short-term basis during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

X (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.



- XI (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- XII As explained, the Company is not a Nidhi company. Therefore, the provisions of para 3(xii) of the Order are not applicable to the Company.
- XIII In our opinion, transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- XIV The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- XV In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) (c) and (d) of the Order is not applicable.
- XVII The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year as well.
- XVIII There has been no resignation of the statutory auditors of the Company during the year.



- XIX On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX In provisions related to Corporate Social Responsibilities is not applicable to the Company as per section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx) of the order is not applicable for the year.

For Nangia & Co. LLP
Chartered Accountants
ICAI FRN 002391C/N500069

Prateek Agrawal

Prateek Agrawal

Partner,

Membership No. 402826

Signed at Gurugram on 24 May, 2024

UDIN: 24402826BKEZPB7426



Annexure 'B' to the Independent Auditors Report

[Refer to in our separate report of even date]

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

We have audited the internal financial controls over financial reporting of **Sukhsagar Complexes Private Limited ("the Company")** as of March 31, 2024 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Nangia & Co. LLP
Chartered Accountants
ICAI FRN 002391C/N500069

Prateek Agrawal

Prateek Agrawal
Partner,
Membership No. 402826
Signed at Gurugram on 24 May, 2024
UDIN: 24402826BKEZPB7426



	Note ^h	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,433.63	4,470.57
Intangible assets	4	1.31	2.12
Financial assets	5		
(i) Other financial assets		110.01	102.64
Deferred tax assets (net)	6	-	-
Other non-current assets	7	19.41	25.47
		<u>4,564.36</u>	<u>4,600.80</u>
Current assets			
Inventories	8	10.99	12.29
Financial assets	9		
(i) Trade receivables		34.67	20.83
(ii) Cash and cash equivalents		84.11	27.86
(iii) Other financial assets		-	0.58
Other current assets	10	52.20	33.39
		<u>181.97</u>	<u>94.95</u>
		<u>4,746.33</u>	<u>4,695.75</u>
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1,019.50	1,019.50
Other equity	12	256.25	100.98
Total equity		<u>1,275.75</u>	<u>1,120.48</u>
Liabilities			
Non-current liabilities			
Financial liabilities	13		
(i) Borrowings		379.17	667.65
Provisions	14	4.40	4.11
		<u>383.57</u>	<u>671.76</u>
Current liabilities			
Financial liabilities	15		
(i) Borrowings		2,751.89	2,728.86
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		21.28	24.91
- total outstanding dues of creditors other than micro enterprises and		121.16	108.60
(iii) Other financial liabilities		155.84	20.68
Other current liabilities	16	32.28	16.40
Provisions	14	4.56	4.06
		<u>3,087.01</u>	<u>2,903.51</u>
		<u>3,470.58</u>	<u>3,575.27</u>
Total Liabilities			
Total Equity and Liabilities			
		<u>4,746.33</u>	<u>4,695.75</u>

Summary of material accounting policies
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Nangia & Co. LLP
ICAI FRN 002391C/N500069
Chartered Accountants

Prateek Agrawal

Prateek Agrawal
Partner
Membership No. 402826



For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited

Rajeev Janveja
(Whole Time Director)
Din: 07334001

Sumant Jaidka
(Director)
Din: 5201572

Kapil Sharma
(Chief Financial Officer)

Place : Gurugram
Date : May 24, 2024

Place : New Delhi
Date : May 24, 2024



Sukhsagar Complexes Private Limited
CIN:U70101DL1993PTC172878
Statement of Profit and Loss for the year ended March 31, 2024

	Notes	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Revenue from operations	17	1,305.58	1,169.79
Other income	18	5.15	0.58
Total Income		1,310.73	1,170.37
Expenses			
Cost of materials consumed	19	108.40	78.95
Employee benefits expense	20	229.49	191.73
Other expenses	21	476.54	407.80
Total expenses		814.43	678.48
Earnings before interest, tax, depreciation and amortisation (EBITDA)		496.30	491.89
Finance costs	22	280.05	256.04
Depreciation and amortization expense	23	66.27	63.27
Finance income	24	(5.43)	(6.23)
Profit before tax		155.41	178.81
Tax expense		-	-
Profit for the year		155.41	178.81
Other comprehensive income			
Re-measurement losses on defined benefit plans		(0.14)	(0.73)
		(0.14)	(0.73)
Total comprehensive income for the year		155.27	178.08
Earnings per equity share:	25		
(1) Basic		1.52	1.75
(2) Diluted		1.52	1.75

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Nangia & Co. LLP
ICAI FRN 002391C/N500069
Chartered Accountants

Prateek Agrawal

Prateek Agrawal
Partner
Membership No. 402826



For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited

Rajeev Janveja
Rajeev Janveja
(Whole Time Director)
Din: 07334001

Sumant Jaidka
Sumant Jaidka
(Director)
Din: 05201572

Kapil Sharma
Kapil Sharma
(Chief Financial Officer)

Place : Gurugram
Date : May 24, 2024

Place : New Delhi
Date : May 24, 2024



Sukhsagar Complexes Private Limited
CIN:U70101DL1993PTC172878
Statement of Cash flow for the year ended March 31, 2024

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Operating activities		
Profit before tax	155.41	178.81
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	66.27	63.27
Finance income (including fair value change in financial instruments)	(5.42)	(6.22)
Finance costs (including fair value change in financial instruments)	276.01	250.22
Excess provision written back	(5.15)	-
	492.27	486.08
Working Capital Adjustment:		
Change in trade receivables	(8.69)	(1.31)
Change in loans and advances and other current assets	(25.56)	(6.08)
Change in inventories	1.30	(2.59)
Change in liabilities and provisions	155.43	16.20
	614.75	492.30
Income tax paid (net of refunds)	6.06	9.82
Net cash flow from operating activities	620.81	502.12
Investing activities		
Purchase of property, plant and equipment	(28.52)	(23.57)
Finance income	5.42	6.22
Net Cash flow used in investing activities	(23.10)	(17.35)
Financing activities		
Proceeds from short-term borrowings	2,362.00	241.00
Repayment of short-term borrowings	(1,114.00)	764.00
Repayment of long term borrowings	(1,513.86)	(1,260.67)
Interest paid	(275.60)	(247.86)
Net Cash used in financing activities	(541.46)	(503.53)
Net increase/(decrease) in cash and cash equivalents	56.25	(18.76)
Cash and cash equivalents at the beginning of the year	27.86	46.62
Cash and cash equivalents at the end of the year	84.11	27.86
Components of cash and cash equivalents		
Cash on hand	4.93	6.58
Balances with banks in		
- current accounts	79.18	21.28
- deposits with original maturity of less than three months	-	-
Total cash and cash equivalents	84.11	27.86

Summary of material accounting policies

2

As per our report of even date

For Nangia & Co. LLP
ICAI FRN 002391C/N500069
Chartered Accountants

Prateek Agrawal

Prateek Agrawal
Partner
Membership No. 402826



Place : Gurugram
Date : May 24, 2024

For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited

Rajeev Janveja
Rajeev Janveja
(Whole Time Director)
Din: 02695031

Sumant Jaisika
Sumant Jaisika
(Director)
Din: 05201572

Kapil Sharma
Kapil Sharma
(Chief Financial Officer)

Place : New Delhi
Date : May 24, 2024



Sukhsagar Complexes Private Limited
CIN:U70101DL1993PTC172878
Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

At April 1, 2022

Issue of share capital

At March 31, 2023

Issue of share capital

At March 31, 2024

No. of shares	Amount Rs in lakhs
10,195,000	1,019.50
10,195,000	1,019.50
-	-
10,195,000	1,019.50

B. Other Equity

For the year ended March 31, 2024

	Reserves and Surplus			Total equity Rs in lakhs
	Capital reserve	Securities Premium Reserve	Retained Earnings	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	
Balance at April 1, 2022	37.00	724.57	(838.67)	(77.10)
Total Comprehensive income for the year	-	-	178.08	178.08
Balance at March 31, 2023	37.00	724.57	(660.59)	100.98
Total Comprehensive income for the year	-	-	155.27	155.27
Balance at March 31, 2024	37.00	724.57	(505.32)	256.25

Summary of material accounting policies

2

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

As per our report of even date

For Nangia & Co. LLP
ICAI FRN 002391C/N500069
Chartered Accountants

Prateek Agrawal

Prateek Agrawal
Partner
Membership No. 402826



For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited

Rajeev Janveja
(Whole Time Director)
Din: 02695031

Sumant Jaidka
(Director)
Din: 05001572

Kapil Sharma
(Chief Financial Officer)

Place : Gurugram
Date : May 24, 2024

Place : New Delhi
Date : May 24, 2024



1. Corporate Information

Sukhsagar Complexes Private Limited (the Company) is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Asset no. 6, Aerocity Hospitality District, New Delhi-110037.

The principal activities of the Company are to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on May 24, 2024.

2 Basis of preparation

2.1 Material accounting policies

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost or at amortised cost except for the following assets and liabilities:

- Net defined benefit (asset)/liability
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto to in use.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except where otherwise indicated

2.2 Summary of material accounting policies

(a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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



months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

(b) Foreign currency transactions and balances

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

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 statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

c) Fair value measurement

The Company measures financial instruments, such as, investment in mutual funds at fair value at each balance sheet date.

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 the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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



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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Note 26)
- Contingent consideration (Note 28)
- Quantitative disclosures of fair value measurement hierarchy (Note 30)
- Financial instruments (including those carried at amortised cost) (Note 30)



(d) Revenue recognition

In arrangements for room revenue and related services, the Company has applied the guidance in Ind AS 115 for recognition of Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room revenue and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT)/GST is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT), GST and Luxury Tax. Shortfall of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax/ VAT/GST.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, 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 net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Gain/(loss) on sale of investment in mutual funds

Gain/(loss) on sale of investment in mutual funds is recorded as other income on transfer of title from the Company and is determined as the difference between the redemption price and carrying value of the investments.



(e) Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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



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

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

(f) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes its purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of fixed assets as follows:

Fixed Assets	Useful life considered (SLM)
Plant & Machinery	15 Years
Building	60 Years
Electrical installations and fittings	10 Years
Office Equipment's	5 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years

The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.



(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life 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 are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The useful lives of intangible assets are assessed as below:

- Software 3 years

Intangible assets with indefinite useful lives are not amortized, 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.

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 recognized in the income statement when the asset is derecognized.

(h) Borrowing costs

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

(i) Inventories

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal 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 Company 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



(l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(m) Financial instruments

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



Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through statement of profit and loss(FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans to subsidiaries etc. For more information on receivables, refer to Note 9.

Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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



Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through statement of profit and loss.

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information, refer Note 13.

Financial guarantee contracts

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

Derecognition

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



Contributed equity

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

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



(n) Redeemable preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(o) 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.

(p) Segment reporting policies

Identification of segments

The management of the Company reviews the specific performance of its respective hotel properties. However, since all hotels have similarity in terms of products and services, customer classes, method of providing services and the regulatory environment, the individual hotels qualify for aggregation. Thus, the management has considered aggregating all the hotels as one reportable operating segment. Accordingly, the figures appearing in these financial statements relate to the Company's single operating segment.

(q) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, interest income, finance costs and tax expense.



Sukhsagar Complexes Private Limited
Notes to financial statements as at March 31, 2024

3 Property, plant and equipment

Particulars	Land	Building	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Computers	Vehicles	Total
Cost										
At April 1, 2022	2,542.49	2,076.00	268.19	221.99	50.41	0.15	79.41	8.93	0.70	5,248.27
Additions	-	-	1.90	-	4.41	4.92	10.60	1.74	-	23.57
At March 31, 2023	2,542.49	2,076.00	270.09	221.99	54.82	5.07	90.01	10.67	0.70	5,271.84
Additions	-	-	7.67	-	14.50	-	4.81	1.54	-	28.52
At March 31, 2024	2,542.49	2,076.00	277.76	221.99	69.32	5.07	94.82	12.21	0.70	5,300.36
Depreciation										
At April 1, 2022	-	252.21	162.35	208.67	38.35	0.15	70.10	6.39	0.70	738.92
Charge for the year	-	-	22.68	0.34	1.07	0.48	0.70	0.85	-	62.35
At March 31, 2023	-	288.44	185.03	209.01	39.42	0.63	70.80	7.24	0.70	801.27
Charge for the year	-	-	22.92	0.31	2.24	0.94	1.58	1.24	-	65.46
At March 31, 2024	-	324.67	207.95	209.32	41.66	1.57	72.38	8.48	0.70	866.73
Net book value										
At March 31, 2024	2,542.49	1,751.33	69.81	12.67	27.66	3.50	22.44	3.73	-	4,433.63
At March 31, 2023	2,542.49	1,787.56	85.05	12.98	15.40	4.44	19.21	3.43	-	4,470.57
Net book value										

Net book value

	As at March 31, 2024	As at March 31, 2023
Plant, property and equipment	4,433.63	4,470.57

a) Asset charged against borrowings: All immovable and movable assets of the Company are subject to first charge to secured borrowings. Refer Note 13

4 Intangible assets

Particulars	Software	Total
Cost		
At April 1, 2022	7.74	7.74
Additions	-	-
At March 31, 2023	7.74	7.74
Additions	-	-
At March 31, 2024	7.74	7.74
Amortisation and impairment		
At April 1, 2022	4.70	4.70
Amortisation for the year	0.92	0.92
At March 31, 2023	5.62	5.62
Amortisation for the year	0.81	0.81
At March 31, 2024	6.43	6.43
Net Book		
At March 31, 2024	1.31	1.31
At March 31, 2023	2.12	2.12
Net book value		

	As at March 31, 2024	As at March 31, 2023
Software	1.31	2.12



Sukhsagar Complexes Private Limited
Notes to financial statements as at March 31, 2024

5 Financial assets

(a) Other financial assets

Security deposits
Non current bank balances
Interest accrued on non current bank balances

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
17.04	13.93
48.52	48.52
44.45	40.19
110.01	102.64

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Sukhsagar Complexes Private Limited
Notes to financial statements as at March 31, 2024

6 Deferred tax assets

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Property, plant & equipment	283.50	303.84
Deferred tax liability	283.50	303.84
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	2.48	4.11
Provision for doubtful debts and advances	26.71	28.93
Effect of unabsorbed depreciation and business loss	217.24	232.71
Provision for gratuity	1.52	1.46
Provision for leave compensation	0.74	0.66
Borrowing cost	34.82	35.97
Deferred tax assets	283.50	303.84
Net deferred tax asset/(liability)	-	-

Note : Deferred tax asset for the current year has been restricted on losses and credits has been recognized to the extent of Deferred tax liability

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year March 31, 2024 and March 31, 2023:

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Loss before tax	155.41	178.81
Tax rate	25.17%	26.00%
Tax at statutory income tax rate	39.11	46.49
Deferred tax asset on losses not recognized	(39.11)	(46.49)
Net	-	-

7 Other non-current assets

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Advance income tax (net of provision for taxation)	19.41	25.47
Total	19.41	25.47

8 Inventories
(valued at lower of cost and net realisable value, unless otherwise stated)

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Food and beverages (excluding liquor, wines and smokes)	2.96	2.63
Stores and spares	8.03	9.66
Total	10.99	12.29



Sukhsagar Complexes Private Limited
Notes to financial statements as at March 31, 2024

9 Financial assets

(i) Trade receivables

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Trade receivables*	34.67	20.83
	34.67	20.83

* refer note 36(c) for agewise outstanding of trade receivables

Break-up for security details:

Trade receivables		
Unsecured, considered good	34.67	20.83
Trade Receivables which have significant increase in credit risk	106.11	111.26
	140.78	132.09

Impairment allowance (allowance for bad and doubtful debts)

Trade Receivables which have significant increase in credit risk	106.11	111.26
	106.11	111.26
Total trade receivables	34.67	20.83

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) Cash and cash equivalents

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Balance with banks		
On current accounts	79.18	21.28
Cash on hand	4.93	6.58
	84.11	27.86

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Balances with banks		
on current accounts	79.18	21.28
Cash on hand	4.93	6.58
Total cash and cash equivalents	84.11	27.86



Sukhsagar Complexes Private Limited
Notes to financial statements as at March 31, 2024

(iii) Other financial assets

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Security deposits	-	0.58
	-	0.58

Break up of current financial assets carried at amortised cost

Trade receivables	34.67	20.83
Cash and cash equivalents	84.11	27.86
Security deposits	-	0.58
Total current financial assets carried at amortised cost	118.78	49.26

10 Other current assets

	As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
Advance for supply of goods and rendering of services	14.93	1.09
Subsidy recoverable	-	2.80
Balance with statutory/ government authorities	29.26	24.82
Prepaid expenses	8.01	4.68
	52.20	33.39



11 Equity share capital

Authorised Share Capital

At April 1, 2022
Increase on account of reclassification of preference shares into equity shares
At March 31, 2023
Increase/(decrease) during the year
At March 31, 2024

Equity shares	
No. of shares	Rs in lakhs
15,680,000	1,568.00
15,680,000	1,568.00
15,680,000	1,568.00

a) Terms/rights attached to equity shares

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

b) Issued equity capital*

Equity shares of INR 10 each issued, subscribed and fully paid

At April 1, 2022
Issued during the year
At March 31, 2023
Issued during the year
At March 31, 2024

No. of shares	Rs in lakhs
10,195,000	1,019.50
10,195,000	1,019.50
10,195,000	1,019.50

* refer note 36(A) for the details of promoters holding

c) Shares held by holding company

Equity shares of Re. 10 each fully paid up
Lemon Tree Hotels Limited

As at March 31, 2024 Rs in lakhs		As at March 31, 2023 Rs in lakhs	
No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
10,195,000	1,019.50	10,195,000	1,019.50

Details of shareholders holding more than 5% shares in the company

Equity shares of Re. 10 each fully paid up
Lemon Tree Hotels Limited

No. of shares	% held as at March 31, 2024	No. of shares	% held as at March 31, 2023
10,195,000	100.00%	10,195,000	100.00%

d) Reconciliation of shares outstanding at the beginning and at the end of the year (expressed in absolute numbers)

Particulars

Equity Shares
At the commencement of the year
Add: Issued during the year
At the end of the year

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
10,195,000	10,195,000
10,195,000	10,195,000

e) The Company has not issued Bonus Share, Share for consideration other than Cash and has not bought back shares during the period of five years immediately preceding the reporting date.

12 Other equity

Securities premium

At April 1, 2022
Add : Premium on equity shares issued during the year
At March 31, 2023
Add : Premium on equity shares issued during the year
At March 31, 2024

Rs in lakhs
724.57
724.57
724.57

Retained earnings*

At April 1, 2022
Profit for the year
At March 31, 2023
Profit for the year
At March 31, 2024

Rs in lakhs
(838.67)
178.08
(660.59)
155.27
(505.32)

* includes Revaluation Reserve of Rs. 1,500 lakhs transferred to retained earnings on the date of transition (i.e April 1, 2015) from IGAAP to Ind AS

Capital reserve (Equity Component of redeemable preference shares)

At April 1, 2022
Increase/(decrease) during the year
At March 31, 2023
Increase/(decrease) during the year
At March 31, 2024

Rs in lakhs
37.00
37.00
37.00

Other reserves
Securities premium
Retained earnings
Capital reserve

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
724.57	724.57
(505.32)	(660.59)
37.00	37.00
256.25	100.98

Capital reserve represents equity component of 5% redeemable preference shares.



13 Borrowings

Non-current borrowings

Term Loans

Indian rupee loans from Banks (Secured)

HDFC Bank Limited (Refer note 1 & 2 below)

379.17 667.65

Total non-current borrowings

379.17 667.65

Current borrowings

Term Loans

Current maturity of long term loans

HDFC Bank Limited (Refer note 1 & 2 below)

288.89 1,513.86

Total current borrowings

288.89 1,513.86

Less: Amount clubbed under "current borrowings"

(288.89) (1,513.86)

Net current borrowings

- -

Term loans

1.) Terms attached to loan from HDFC Bank Limited :

The loan has been re-paid during the year and below charge has been satisfied:

a) Exclusive Charges by way of Equitable mortgage on all of the project's (Red Fox hotel situated at Khasra No. 102/103/433 village jhalana, JLN Marg, Jaipur) land and building.

b) Exclusive charge on Company's hotel movables, including movable plant and machinery, machinery spares, furniture and fixtures and all other movable assets, present and future.

c) Exclusive charge on Project's current assets - book debts, operating cash flows, receivables, commissions, bank accounts both present and future, all revenue..

d) Unconditional and irrevocable Corporate guarantee of parent company Lemon Tree Hotels Limited.

e) Pledge Shares of the Company held by Lemon Tree Hotels Limited.

Rate of interest is 9.01% p.a (March 31, 2023: 8.35%).

2)WCTL of Rs. 650 lakhs is repayable in 48 equal monthly instalments after 1 year of moratorium and It is secured by second charge over existing primary and collateral securities including mortgages created in favour of the bank w.r.t (Red Fox Hotel situated at Khasra No.102/103/433, Village Jhalana , J.L.N. Marg , Jaipur). 100% Credit Guarantee from National Credit Guarantee Trustee Company Limited. Rate of interest is 8.74% p.a (March 31, 2023: 8.77%).

3) The Company has not defaulted in the repayment of loans and interest at Balance Sheet date.

4) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debt service coverage ratio, capital gearing ratio, fixed assets coverage ratio.

5) The Company has complied/ taken waiver for the covenants as per the terms of the loan agreement.

6) The Company has complied all significant covenants from bank and financial institutions as per the terms of the loan agreement.

7) Basis on several terms and conditions as specified in sanction letters, the company submits quarterly returns/statements of current assets with banks/ financial institution and these returns/statements are in agreement with the books of accounts.

14 Provisions

Provision for gratuity (refer note 27)

Current

1.62 1.52

Non-current

4.40 4.11

6.02 5.63

Provision for leave benefits

Current

2.94 2.54

2.94 2.54

Total current

4.56 4.06

Total non-current

4.40 4.11



Sukhsagar Complexes Private Limited
Notes to financial statements as at March 31, 2024

15 Financial liabilities

(i) Borrowings

Loan from related party (refer note below)
Current maturities of long-term borrowings (refer note 13)

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
2,463.00	1,215.00
288.89	1,513.86
2,751.89	2,728.86

Note - Loan from related party is non interest bearing and is repayable on demand

(ii) Trade payables

Trade Payables*
-Micro and small enterprises
-Other than micro and small enterprises

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
21.28	24.91
121.16	108.60
142.44	133.51

* refer note 36(D) for agewise outstanding of trade payable

Trade payables
Trade payables to related parties

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
128.69	119.76
13.75	13.75
142.44	133.51

(iii) Other financial liabilities

Interest accrued but not due
Outstanding dues of employees

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
119.61	1.95
36.23	18.73
155.84	20.68

Break up of current financial liabilities carried at amortised cost

Particulars

Current maturities of long-term borrowings
Trade payables
Outstanding dues of employees
Interest accrued but not due

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
2,751.89	2,728.86
142.44	133.51
36.23	18.73
119.61	1.95
3,050.17	2,883.05

Total financial liabilities measured at amortised cost

16 Other current liabilities

Advance received from customers
Statutory liabilities

As at March 31, 2024 Rs in lakhs	As at March 31, 2023 Rs in lakhs
9.31	7.01
22.97	9.39
32.28	16.40



17 Revenue from operations

Sale of products and services

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Room rentals	1,127.84	1,004.74
Food and beverage (excluding liquor and wine)	99.24	94.39
Other services	78.50	70.66
	1,305.58	1,169.79

18 Other income

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Sale of scrap	-	0.58
Excess provision/ credit balances written back	5.15	-
	5.15	0.58

19 Cost of materials consumed

(a) Consumption of food & beverages excluding liquor & wine

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Inventory at the beginning of the year	2.63	2.02
Add: Purchases	108.73	79.56
	111.36	81.58
Less: Inventory at the end of the year	2.96	2.63
Cost of food and beverage consumed	108.40	78.95
	108.40	78.95

20 Employee benefit expense

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Salaries, wages and bonus	200.51	168.73
Contribution to provident fund and other fund	17.79	14.28
Gratuity expense	1.02	0.84
Staff welfare and training expenses	10.17	7.88
	229.49	191.73



21 Other expenses

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	21.51	30.51
Power and fuel	128.40	126.90
Management fees	35.61	27.88
Commission -other than sole selling agent	70.98	71.89
Linen & uniform washing and laundry expenses	24.39	22.36
Guest transportation	6.41	7.18
Subscription charges	5.96	5.45
Repair and maintenance expenses		
- Buildings	81.34	9.74
- Plant and machinery	22.39	30.72
- Others	10.15	9.12
Rent	3.74	2.37
Rates and taxes	4.99	7.62
Insurance	4.36	1.69
Communication costs	2.97	3.24
Printing and stationery	4.95	4.69
Traveling and conveyance	3.47	2.86
Advertising and sales promotion	7.75	1.34
Security and cleaning expenses	22.64	31.79
Membership and subscriptions	0.65	0.65
Legal and professional fees	9.56	6.08
Payment to auditors	1.03	1.03
Equipment hire charges	2.09	1.67
Miscellaneous expenses	1.20	1.02
	476.54	407.80
Payment to auditors		
Statutory audit fees	0.55	0.55
Tax audit fees	0.12	0.12
Others	0.36	0.36
	1.03	1.03

22 Finance costs

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Interest		
- on term loans from banks	145.28	248.05
- on others	130.73	2.17
Bank charges (including commission on credit card collection)	4.04	5.82
	280.05	256.04



Sukhsagar Complexes Private Limited

Notes to financial statements for the year ended March 31, 2024

23 Depreciation and amortization expense

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Depreciation of tangible assets	65.46	62.35
Amortization of intangible assets	0.81	0.92
	66.27	63.27

24 Finance income

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Interest income on :		
- Income tax refund	0.69	1.63
- Bank deposits	4.74	4.60
	5.43	6.23

25 Earnings per share (Basic and Diluted)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

	For the year ended March 31, 2024 Rs in lakhs	For the year ended March 31, 2023 Rs in lakhs
Profit after tax	155.41	178.81
Profit for calculation of basic and diluted EPS	155.41	178.81
Weighted average number of Equity shares for basic EPS	1,01,95,000	1,01,95,000
Weighted average number of Equity shares adjusted for the effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	1,01,95,000	1,01,95,000
Basic and diluted EPS	1.52	1.75



26. 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, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. 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. The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical judgements, estimates and assumptions

a. Impairment of property, plant and equipment

Each hotel property is an identifiable asset that generates cash inflows and is independent of the cash inflows of the other hotel properties, hence identified as cash generating units. The Company assesses the carrying amount of hotel properties (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (<i>pre tax rate of WACC</i>)	12.00%	12.50%
Long term growth rate	5.00%	5.50%

As at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount.

b. Loss allowance on trade receivables

An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2023 is considered adequate.

27. Gratuity and other post-employment benefit plans

	<i>Rs. in lakhs</i>	
	March 31, 2024	March 31, 2023
Gratuity plan	6.02	5.63
Total	6.02	5.63

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2024

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2024:

Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Rs. in lakhs	
	April 1, 2023	Service cost	Net interest expense	Sub-total included in profit or loss	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer March 31, 2024
Defined benefit obligation	5.63	0.62	0.40	1.02	(0.77)	-	0.02	0.12	0.14	6.02
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-
Benefit liability	5.63	0.62	0.40	1.02	(0.77)	-	0.02	0.12	0.14	6.02



Sukhsagar Complexes Private Limited

Notes to financial statements for the year ended March 31, 2024

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2023:

Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Rs. in lakhs
	Service cost	Net interest expense	Sub-total included in profit or loss	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments included in OCI	Contributions by employer March 31, 2023
Defined benefit obligation	4.35	0.58	0.27	0.84	(0.29)	-	(0.19)	0.92
Fair value of plan assets	-	-	-	-	-	-	-	0.73
Benefit liability	4.35	0.58	0.27	0.84	(0.29)	-	(0.19)	0.92
								5.63



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2024

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
	<u>%</u>	<u>%</u>
Discount rate	7.10%	7.20%
Future salary increases	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 and March 31, 2023 is as shown below:

India gratuity plan:

	<u>March 31, 2024</u>	<u>March 31, 2024</u>	<u>March 31, 2024</u>	<u>March 31, 2024</u>
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.17)	0.18	0.19	(0.18)

	<u>March 31, 2023</u>	<u>March 31, 2023</u>	<u>March 31, 2023</u>	<u>March 31, 2023</u>
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.16)	0.17	0.17	(0.17)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



Sukhsagar Complexes Private Limited**Notes to financial statements for the year ended March 31, 2024**

The following payments are expected contributions to the defined benefit plan in future years:

Duration (Years)	For the year ended March 31, 2024	For the year ended March 31, 2023
1	1.67	1.57
2	1.30	1.25
3	1.02	0.97
4	0.82	0.76
5	0.65	0.61
Above 5	2.22	2.04
Total expected payments	7.68	7.20

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2023: 4 years).

28. Commitments and contingencies**a. Commitments****Estimated amount of contracts remaining to be executed on capital account and not provided for:**

At March 31, 2024, the Company had NIL commitments (March 31, 2023: Rs NIL)

b. Contingent liabilities**Claims against the Company not acknowledged as debts**

- a) Malviya National Institute of Technology, Jaipur ("MNIT") filed an application before the Sub-divisional Officer ("SDO"), Jaipur against, among others, Sukhsagar Complexes Private Limited, alleging that a portion of the land on which Red Fox Hotel, Jaipur has been constructed is owned by MNIT. Pursuant to an order dated December 31, 1999, the SDO, Jaipur, recorded certain land bearing khasra number 102/433 in the name of Gulab Chand and certain others, while removing the name of Malviya Regional Engineering College, the predecessor entity to MNIT. Against the order of the SDO, MNIT filed an appeal (appeal no. 327/2013) before the Divisional Commissioner, Jaipur ("Commissioner"), against Gulab Chand, Girdharilal Maninar and Gopal DasJohar, being the previous owners of the property sold to Sukhsagar, and also, among others, Sukhsagar, stating that Sukhsagar and Devashish Builders Private Limited had encroached on the land belonging to MNIT. The appeal was dismissed by the Commissioner pursuant to an order dated January 8, 2013 and the order passed by the SDO, dated December 31, 1999, was confirmed. Subsequently, Sukhsagar filed a review petition before the Commissioner challenging the order dated January 8, 2013 on grounds of certain procedural irregularities. The Commissioner, through an order dated September 4, 2013, recalled its previous order dated January 8, 2013. The Commissioner eventually dismissed the appeal filed by MNIT through an order dated September 11, 2013. MNIT filed a writ petition before the High Court of Rajasthan challenging the order of the Commissioner, dated September 11, 2013. The proceedings have taken up for further proceedings, and is likely to be listed in due course. The proceedings are in progress & the management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.



Sukhsagar Complexes Private Limited**Notes to financial statements for the year ended March 31, 2024**

b) Other Contingent liabilities*Rs. in lakhs*

		March 31, 2024	March 31, 2023
a.	In respect of matters pending with consumer courts The Company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.	4.50	4.50



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2024
29. Related Party Transactions

a) Names of related parties where control exists irrespective of whether transactions have occurred ,

Holding company

Lemon Tree Hotels Limited

Fellow Subsidiary Company

Canary Hotels Private Limited
Carnation Hotels Private Limited
Oriole Dr Fresh Hotels Private Limited

Enterprise in which holding company has significant influence

Mind Leaders Learning India Private Limited

Key Management Personnel

Mr. Sumant Jaidka(Director)
Mr. Rajeev Janveja (Whole Time Director)

b) Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer

Mr. Kapil Sharma

Company Secretary

Mr. Arun Kumar (upto January 15, 2024)



Sukhsagar Complexes Private Limited**Notes to financial statements for the year ended March 31, 2024**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

(Rs. in Lakhs)

Transactions with Related Party	Year Ended	Holding Company	Fellow Subsidiary
Amount Paid on behalf of party			
Oriole Dr. Fresh Hotels Private Limited	31-Mar-24	-	-
	31-Mar-23	1.35	-
Amount Received by the company			
Fleur Hotels Private Limited	31-Mar-24	0.18	-
	31-Mar-23	0.25	-
Loans (taken)			
Lemon Tree Hotels Limited	31-Mar-24	874.00	-
	31-Mar-23	1,055.00	-
Manakin Resorts Private Limited	31-Mar-24	-	220.00
	31-Mar-23	-	-
Carnation Hotels Private Limited	31-Mar-24	-	1,268.00
	31-Mar-23	-	800.00
Loan (Repaid)			
Lemon Tree Hotels Limited	31-Mar-24	1,109.00	-
	31-Mar-23	850.00	-
Carnation Hotels Private Limited	31-Mar-24	-	5.00
	31-Mar-23	-	-
Interest on Loan Given			
Manakin Resorts Private Limited	31-Mar-24	-	0.22
	31-Mar-23	-	-
Carnation Hotels Private Limited	31-Mar-24	-	130.51
	31-Mar-23	-	2.17
Management fees (Gross)			
Lemon Tree Hotels Limited	31-Mar-24	35.59	-
	31-Mar-23	27.55	-



Sukhsagar Complexes Private Limited

Notes to financial statements for the year ended March 31, 2024

Transactions with Related Party	Year Ended	Holding Company	Fellow Subsidiary
Reimbursement of expenses			
Lemon Tree Hotels Limited	31-Mar-24	0.33	-
	31-Mar-23	0.32	-
Balance Outstanding at year end			
Guarantee Received			
Lemon Tree Hotels Limited	31-Mar-24	4,300.00	-
	31-Mar-23	4,300.00	-
Loan Received			
Lemon Tree Hotels Limited	31-Mar-24	180.00	-
	31-Mar-23	415.00	-
Carnation Hotels Private Limited	31-Mar-24	-	2,063.00
	31-Mar-23	-	800.00
Manakin Resorts Private Limited	31-Mar-24	-	220.00
	31-Mar-23	-	-
Interest accrued on borrowings			
Carnation Hotels Private Limited	31-Mar-24	-	119.41
	31-Mar-23	-	1.95
Manakin Resorts Private Limited	31-Mar-24	-	0.20
	31-Mar-23	-	-
Trade Payable			
Lemon Tree Hotels Limited	31-Mar-24	38.43	-
	31-Mar-23	17.93	-



Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Company has not entered into any commitments with related parties during the year.

30. Fair value measurement

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument

a. Financial instruments by category

Rs. in lakhs

	March 31, 2024		March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Trade receivables	-	34.67	-	20.83
Cash and cash equivalents	-	84.11	-	27.86
Other financial assets	-	110.01	-	103.22
Total Financial Assets	-	228.79	-	151.91

Rs. in lakhs

	March 31, 2024		March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Liabilities				
Borrowings	-	3,131.06	-	3,396.51
Trade payables	-	142.44	-	133.51
Other financial liabilities	-	155.84	-	20.68
Total Financial Liabilities	-	3,429.34	-	3,550.70

b. Fair value measurement hierarchy for assets and liabilities**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.



ii) Level 2

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

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

There are no financial asset's and liabilities as at March 31, 2024 and March 31, 2023 measured at fair value.

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

31. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

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 supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as 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. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

Interest rate 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Rs. In Lakhs

	March 31, 2024	March 31, 2023
Variable rate borrowings	668.06	2,181.51
Fixed rate borrowings	2,463.00	1,215.00



Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. In lakhs

	Increase/decrease basis points	in	Effect on profit before tax
March 31, 2024			
		50	(8.31)
		-50	8.31
March 31, 2023			
		50	(14.75)
		-50	14.75

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and Security Deposits

Customer credit risk is managed by business through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions and other financial instruments.



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2024

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2024 and 31 March 2023 is the carrying amount as illustrated in Note 9.

Gross carrying amount of trade receivables

Rs. In lakhs

Ageing	March 31, 2024	March 31, 2023
Not due	-	-
0-60 days past due	17.87	20.83
61-120 days past due	11.07	-
121-180 days past due	2.38	-
180-365 days past due	3.25	-
365-730 days past due	0.10	-

Provision for doubtful debts(including provision for expected credit losses)

Rs. In lakhs

Ageing	March 31, 2024	March 31, 2023
Not due	-	-
0-60 days past due	-	-
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
365-730 days past due	106.11	111.26

Reconciliation of provision for doubtful debts - Trade receivables

Rs. In lakhs

	March 31, 2024	March 31, 2023
Provision at beginning	111.26	111.26
Addition during the year	-	-
Reversal during the year	5.15	-
Utilized during the year	-	-
Provision at closing	106.11	111.26



Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders.

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

	<i>Rs. in lakhs</i>				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
Year ended					
March 31, 2024					
Borrowings(Other than preference share)	2,463.00	94.79	194.10	379.17	-
Trade and other payables	142.44	-	-	-	-
Financial Liabilities	155.84	-	-	-	-
	2,761.28	94.79	194.10	379.17	-
Year ended					
March 31, 2023					
Borrowings(other than preference share)	1,215.00	36.11	1,477.75	668.06	-
Trade and other payables	133.51	-	-	-	-
Financial Liabilities	20.68	-	-	-	-
	1,369.19	36.11	1,477.75	668.06	-

32. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. 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 adjust the dividend payment to shareholders, 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 includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.



Sukhsagar Complexes Private Limited**Notes to financial statements for the year ended March 31, 2024**

	March 31, 2024	<i>Rs. in lakhs</i> March 31, 2023
Borrowings (other than preference share)	3131.06	3,396.51
Trade payables	142.44	133.51
Less: cash and cash equivalents	84.11	27.86
Net debt	3,189.39	3,502.16
Total capital (Including preference share)	1,275.77	1,120.48
Capital and net debt	4,465.16	4,622.64
Gearing Ratio	71.43 %	75.77%

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2024 and 31 March 2023.

33. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

	March 31, 2024	March 31, 2023
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	21.28	24.91
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

34. Segment Reporting

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – “Operating Segments”.



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2024

Information about major customers

During the year ended March 31, 2024 and March 31, 2023 no customer accounted more than 10% of revenue in year.

35. As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses SAP S/4 HANA as its accounting software operated for recording all the accounting transactions for the year ended March 31, 2024. SAP S/4 HANA has a feature of recording audit trail (edit log) facility which has not been enabled throughout the year.

In respect of maintaining revenue records, the Company has used revenue management software. The said software has a feature of recording audit trail (edit log) facility from July 1, 2023, except the software does not have feature of audit trail at database level.

The Management has adequate internal controls over financial reporting which were operating effectively for the year ended March 31, 2024. The Management is in the process of evaluating the options to ensure compliance with the requirements of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 referred above in respect of audit trail (edit log).

36. Supplementary information as per requirement of Schedule III of the Companies Act.

A) Detail of shareholding of promoters of the company

As at March 31, 2024

S.No.	Promoter Name	Number of shares at the beginning of the year 2023	% of total Share Capital	Change during the year*	Number of shares at the end of the year 2024	Percentage of Total shares	% change during the year
1	Lemon tree Hotels Limited	10,195,000	100%	-	10,195,000	100%	-

As at March 31, 2023

S.No.	Promoter Name	Number of shares at the beginning of the year 2022	% of total Share Capital	Change during the year*	Number of shares at the end of the year 2023	Percentage of Total shares	% change during the year
1	Lemon tree Hotels Limited	10,195,000	100%	-	10,195,000	100%	-



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2024

B) Ratio Analysis and its elements

S.N o.	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for variance
1	Current Ratio	Current asset	Current liabilities	0.06	0.03	80.26%	Increase is mainly due to borrowings and increase in current assets taken during the year
2	Debt Equity Ratio	Total debt	Shareholder equity	2.45	3.03	(19.04%)	-
3	Debt service coverage Ratio	Earnings available for debt service	debt service	0.20	1.98	(89.88 %)	Decrease is mainly due to prepayment of loan made during the year.
4	Return on Equity	Net profit after taxes	Average shareholders equity	12.97%	17.34%	(25.17%)	Decrease in profits during the year
5	Inventory Turnover Ratio	Cost of good sold	Average Inventory	9.31	7.18	29.69%	Increase in revenue has lead to increase inventory levels
6	Trade Receivable turnover Ratio	Net credit sales	Avg. accounts receivable	47.05	57.99	(18.88%)	-
7	Trade Payables turnover Ratio	Net credit purchase(F& B & Liquor wine)	Average Trade Payable	-	-	-	-
8	Net capital Turnover Ratio	Net Sales	Working capital	(0.45)	(0.42)	(7.90)%	-
9	Net Profit Ratio	Net Profit	Net sales	11.90%	15.29%	(22.13%)	-
10	Return on capital employed	EBIT	Capital employed	9.76%	9.49%	2.82%	-
11	Return on investment	Income generated from investments(Fixed Deposits)	Time weighted investments	-	-	-	-

- (i) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (ii) Debt Service = Interest & Lease Payments + Principal Repayments.
- (iii) Capital Employed = Net worth+ Total Debt+Deferred Tax Liability-Net Intangible assets



Sukhsagar Complexes Private Limited**Notes to financial statements for the year ended March 31, 2024****C) Trade Receivables ageing schedule:****As at March 31, 2024****(Rs. in lakhs)**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	31.32	3.25	0.10	-	-	34.67
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	99.68	6.43	106.11
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-

As at March 31, 2023**(Rs. in lakhs)**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	20.83	-	-	-	-	20.83
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	104.83	0.06	6.37	111.26
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2024

D) Trade payables Ageing Schedule:

As at 31st March 2024

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	21.28	-	-	-	21.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	55.67	18.37	-	0.31	74.35
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Unbilled Dues	46.81	-	-	-	46.81

As at March 31, 2023

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	24.91	-	-	-	24.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	44.12	-	-	0.31	44.43
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Unbilled Dues	64.17	-	-	-	64.17



E) Other Statutory Information

- (i) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (ii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (iii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (iv) The Company has not entered into any transaction with companies struck off.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) During the year, the Company has not entered into any scheme of arrangements in terms of section 230 to 237 of the Companies Act, 2013 and accordingly, the prescribed disclosures of Schedule III are not required to be given.
- (viii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or,
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or,
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (x) The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act



Sukhsagar Complexes Private Limited

Notes to financial statements for the year ended March 31, 2024

37. The previous year figures have been regrouped, rearranged and reclassified wherever necessary to conform to this year's classification.

As per our report of even date

For Nangia & Co. LLP

ICAI FRN 002391C/N500069

Chartered Accountants

Prateek Agrawal

Prateek Agrawal

Partner

Membership No. 402826



**For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited**

Rajeev Janveja

Rajeev Janveja

Director

Din:07334001

Sumant Jaidka

Sumant Jaidka

Director

Din:05201572

Kapil Sharma

Kapil Sharma

Chief Financial Officer

Place : Gurugram

Date : May 24, 2024

Place : New Delhi

Date : May 24, 2024

