

SUNAIR HOTELS LIMITED

Regd. Off.:- A-7, 1ST FLOOR, GEETANJALI ENCLAVE, NEW DELHI- 110 017

CIN:U74899DL1977PLC008495

Website- www.hotelmetdelhi.com

PHONE # (91 11) 41515250 e-mail: sunairhotels@gmail.com

NOTICE

NOTICE is hereby given that the 44th Annual General Meeting of the Members of Sunair Hotels Limited will be held through through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") , on Monday 27th September, 2021 at 11.30 A.m. via zoom meetings link <https://us02web.zoom.us/j/86472609249?pwd=VDFBTTUzeENCY3Nad2ZhSmN6ZXIGUT09> in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 02/2021, 20/2020, 14/2020 and 17/2020 dated 13th January, 2021, 5th May, 2020, 8th April, 2020 and 13th April, 2020

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - a. The Audited Financial statements of the Company for the financial year ended on 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. The Audited Consolidated Financial statements of the Company for the financial year ended on 31st March, 2021, together with the Report of the Auditors thereon.and in this regard, pass the following resolutions as Ordinary Resolutions:
 - (a) "**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
 - (b) "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."
2. To appoint a Director in place of Mrs. Sheel Gupta (Din-00218219), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Sheel Gupta (Din-00218219), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
3. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

"**RESOLVED THAT** pursuant to Section 139,and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by members at the 40th AGM held on 29th September, 2017, the appointment of M/s Anil Sood & Associates Chartered Accountant (firm registration no. 004985 N) having Registered office at F-90/8, Okhla Industrial Area-1, New Delhi -110 020, as Statutory Auditors of the Company to hold office till the Annual General Meeting to be held in 2022, be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2022."

SPECIAL BUSINESS:

4. **RE- APPOINTMENT OF MR. VIPUL GUPTA (DIN-00204638) AS AN EXECUTIVE DIRECTOR OF THE COMPANY AND FIXATION OF HIS SALARY.**

To Consider and if though fit, to pass the following resolution, with or without modification(s), as an **ORDINARY RESOLUTION.**

"**RESOLVED THAT** subject to the approval of the shareholders, and in accordance with the provisions of section 196, 197, 198, 203 and other applicable provisions of the Companies act 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with schedule- V of the Companies act 2013, Mr. Vipul Gupta be and is hereby re-appointed as Executive Director for a period of 3 years as per section 197, read with schedule V of the companies act, 2013 i.e. with effect from 1st April 2021 to 31st March 2024 on a salary of Rs 2,50,000 lacs (per month) with an increase of 10% every year, with following perquisites and allowances which was approved by the Remuneration Committee in its meeting:

SALARY

Basic salary Rs 2,50,000 (Rupees Two Lacs fifty thousand only) per month from 01/04/2021 to 31/03/2024 with an increase of 10% every year, besides following perquisites and allowances:-

PERQUISITES & ALLOWANCES

In addition to the salary payable he shall be entitled to the following perquisites and allowances which will be subject to a maximum of 100% of his annual salary.

- a) House Rent allowance or Leased accommodation up to a limit Rs.75,000 per month.
- b) Reimbursement of Medical expenses actually incurred for self and family, restricted to one month's salary in a year or three month's salary over a period of three year.
- c) Free telephone facility at residence. All personal long distance calls shall be billed by the Company.
- d) Use of Company's Car and driver for official work."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Executive Director, remuneration by way of salary, perquisites and other allowances, shall be in accordance with the ceiling prescribed in section II of the part II of Schedule V of the Companies Act, 2013 or any statutory modification thereof."

"RESOLVED FURTHER THAT Board of directors be and is hereby authorized to amend and vary from time to time the remuneration (with in the prescribe limit as per the companies act 2013 and other applicable provisions if any) during the tenure of the appointment in such manner as may be agreed to between the Board of Directors and Mr. Vipul Gupta."

"RESOLVED FURTHER THAT Mr. S.P.Gupta (having DIN-00204504) Director of the Company be and is hereby authorized to Sign the various E- Form as may be necessary to file with Registrar of Company NCT of Delhi and Haryana in this regard."

BY ORDER OF THE BOARD

Sd/-

(Neha Rajput)

Company Secretary

(Membership No.-A-26116)

Place : New Delhi
Dated : 31/08/2021

NOTES :-

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13th, 2021, May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent by email through its registered email address to sunairhotels@gmail.com.
4. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 4 of the notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 of the notice along with statement to shareholder are annexed hereto.

: 3 :

6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before AGM through email on sunairhotels@gmail.com.
7. In compliance with the aforesaid MCA Circulars Notice of the AGM along with the Annual Report 2020-21 is being sent through electronic mode to those Members whose email addresses are found by the Company/directors. Although the physical copies of the financial statements for the financial year 31.03.2021 is also being sent by courier to all the members specifying the detail of scheduled AGM by VC / OAVM. Members may note that the notice and Annual Report 2020-21 will also be available on the Company's website www.hotelmetdelhi.com. Further the link will be available on the website of the company at www.hotelmetdelhi.com shortly and also will be sent on the email ids/addresses of the shareholders whose addresses are available.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. In case of joint holder attending the Meeting, whose name appears as the first holder in the order of names will be entitled to vote.
11. To provide the fair chance to participate in the AGM by VC / OAVM, Members are advised to notify the Company their email ids / change in email ids and Phone No's and any change in address to the company as soon as possible.
12. The Meeting shall be deemed to be held at the Registered office of the Company at A-7, 1st Floor, Geetanjali Enclave, New Delhi-110017.
13. Members can send their requests, if any, to sunairhotels@gmail.com.
14. Voting if demanded by the members will be online at the email address of the company during the meeting.
15. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM.
16. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
17. All grievances connected with the facility for voting during the meeting means may be addressed to Sunair Hotels Limited and send an email to sunairhotels@gmail.com and further can call on 011-41515250. other details will be posted on www.hotelmetdelhi.com.
18. Shareholders can update their mobile numbers and e-mail IDs (which may be used for sending future communication(s)) by writing to sunairhotels@gmail.com.

SUNAIR HOTELS LIMITED

Regd. Off.:- A-7, 1ST FLOOR, GEETANJALI ENCLAVE, NEW DELHI- 110 017

CIN:U74899DL1977PLC008495

Website- www.hotelmetdelhi.com

PHONE # (91 11) 41515250 e-mail: sunairhotels@gmail.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following explanatory statements, as required by section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 4 mentioned in the accompanying Notice.

Mr. Vipul Gupta was reappointed as Executive Director for the Period of 5 years i.e. with effect from 01/04/2016 to 31/03/2021 . Now his term of Appointment expired on 31st March, 2021. The Board of Directors in its Meeting held on 02.03.2021 proposed his appointment as executive Director for a period of 3 years as per section 197, read with schedule V of the companies act, 2013 i.e. with effect from 1st April 2021 to 31st March 2024, on the remuneration given in the body of resolution.

His remuneration is within limits set out according to the provisions of the Companies act 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with schedule- V of the Companies act 2013


The Director recommended the passing of resolution given in item no. 4 of the Notice as an ordinary Resolution.

The above may also be treated as an abstract of the main terms and conditions of the appointment of Mr. Vipul Gupta as an executive Director as per Companies Act 2013.

Mr. Vipul Gupta, Mr. S.P.Gupta, Mr. Kaveen Gupta and Mrs. Sheel Gupta are interested in passing of the resolution.

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 31/08/2021


(Neha Rajput)
Company Secretary
(Membership No.-A-26116)

SUNAIR HOTELS LIMITED

Regd. Off.:- A-7, 1ST FLOOR, GEETANJALI ENCLAVE, NEW DELHI- 110 017

CIN:U74899DL1977PLC008495

Website- www.hotelmetdelhi.com

PHONE # (91 11) 41515250

e-mail: sunairhotels@gmail.com

Details of Directors Seeking Appointment / Re-appointment at the Annual General Meeting

ITEM NO: 2 and 4

Name of Director	Mrs. Sheel Gupta	Mr. Vipul Gupta
PAN no.	AEDPG0111K	AACPG8452E
Date of Birth	10/03/1943	27/12/1968
Date of Appointment	03/11/2006	10/09/1993
Qualification	Post-Graduate	MBA
Experience in functional area	Having rich experience about 44 years.	Having experience about 28 years
Director in other Company* Excluding Sunair Hotels Limited	Sun Aero Limited Columbia Trading Co. Limited Urban Lifestyle (P) Ltd	Sun Aero Limited Urban Lifestyle (P) Ltd Columbia Trading Co. Ltd. Pushpanjali Trexim (P) Ltd. H.J.Consultants Pvt. Ltd.
Membership in various committees In other Board excluding Sunair Hotels Limited	Nil	NIL
Chairmanship in the Committees of other Boards	None	None
No. of shares held in the Company	16,17,500	29,16,000
Detail of Remuneration last Drawn	Not Applicable	27.60 lacs
Relationship with other Directors and KMP	Mr. S.P.Gupta – Husband	Mr. S.P.Gupta – Father
	Mr. Vipul Gupta – Son	Mr. Kaveen Gupta –Brother
Relationship with other Directors and KMP	Mr. Kaveen Gupta- Son	Mrs. Sheel Gupta- Mother
Number of Board Meeting Attended during the year	4	4

* Excluding companies in which there is dispute.

BY ORDER OF THE BOARD

Selt
(Neha Rajput)

Company Secretary
(Membership No.-A-26116)

Place : New Delhi
Dated : 31/08/2021

SUNAIR HOTELS LIMITED

Regd. Off.:- A-7, 1ST FLOOR, GEETANJALI ENCLAVE, NEW DELHI- 110 017

CIN:U74899DL1977PLC008495

Website- www.hotelmetdelhi.com

PHONE # (91 11) 41515250

e-mail: sunairhotels@gmail.com

Statement to the shareholders Regarding payment of Remuneration to Mr. Vipul Gupta :-

I. General information:	: Details
(1) Nature of industry	Hotel Industry
(2) Date or expected date of commencement of commercial production	Hotel is operational since 2000
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
(4) Financial performance based on given indicators	Due to COVID-19 the hotel operation has been severally impacted. Hotel mainly has business traveler and maximum business travels has remained suspended, due to which performance was below previous years.
(5). Foreign investments or collaborations, if any.	N.A.
II. Information about the appointee:	:
(1) Background details	: Mr. Vipul Gupta has been Director in the Company since 1993 and was reappointed as Executive Director for the Period of 5 years i.e. with effect from 01/04/2016 to 31/03/2021.
(2) Past remuneration	: 27.60 lacs in the FY 2020-21
(3) Recognition or awards	: MBA and Having experience about 28 years.
(4) Job profile and his suitability	: He is working as a Executive Director of the Company since 2001 and he is managing day to day business of the Company.
(5). Remuneration proposed	: 2.50 lacs p.m. and perq.
(6). Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	: Proposed remuneration is quite low compared with peers in the industry.
(7). Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel 15 [or other director if any.	: Mr. S.P.Gupta – Father Mr. Kaveen Gupta –Brother Mrs. Sheel Gupta- Mother

: 2 :

III. Other information:

- (1) Reasons of loss or inadequate profits : Due to COVID-19 the hotel operation has been severally impacted the hotel mainly has business traveler and maximum business travels has remained suspended, due to which performance was below previous years.
- (2) Steps taken or proposed to be taken for improvement : Company provided continued best of the services to guests despite the challenges and in full compliance with the regulations and by ensuring the highest health and safety standards. Further the company is quite hopeful in the coming financial year, provided there are no further waves of covid 19 in India and World.
- (3) Expected increase in productivity and profits in measurable terms : The turnover of the company is expected to grow and the same could not be comparable with current year due to pandemic and real comparison would be with 2019 on return of normalcy.

IV. Disclosures

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the Financial statement: : N.A.

- (i) all elements of remuneration package : such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) details of fixed component. and : performance linked incentives along with the performance criteria;
- (iii) service contracts, notice period, : severance fees; and
- (iv) stock option details, if any, and whether : the same has been issued at a discount as well as the period over which accrued and over which exercisable.

SUNAIR HOTELS LIMITED

Regd. Off.:- A-7, 1ST FLOOR, GEETANJALI ENCLAVE, NEW DELHI- 110 017

CIN:U74899DL1977PLC008495

Website- www.hotelmetdelhi.com

PHONE # (91 11) 41515250

e-mail: sunairhotels@gmail.com

DIRECTORS' REPORT

To,
The Members

The Directors of your company have pleasure in presenting the 44th Annual Report of the Company and its financial accounts for the year ended on 31st March, 2021.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years figures are given hereunder :

	CURRENT YEAR (Rs.) 31/03/2021	PREVIOUS YEAR (Rs.) 31/03/2020
<u>Net Sales / Income from:</u>		
a) Business Operations	120,972,281	582,976,598
b) Other Income	26,213,508	45,300,117
Total Income	<u>147,185,789</u>	<u>628,276,714</u>
Profit / (Loss) before Interest & Depreciation	(2,255,617)	184,553,111
Less: Finance cost including Bank Charges	77,596	171,058
Profit / (Loss) before Depreciation	<u>(2,333,213)</u>	<u>184,382,053</u>
Less: Depreciation	36,154,692	44,903,389
Profit / (Loss) after Depreciation but before Tax	<u>(38,487,905)</u>	<u>139,478,664</u>
Less: <u>Tax (Saving) / Expense</u>		
a) Current Income-tax	-	26,500,000
b) Earlier year(s) Adjustment of Income-tax	(1,148,158)	-133,764
c) Deferred Tax	<u>(60,852,171)</u>	<u>13,076,287</u>
Net Profit/ (Loss) after Tax	<u>23,512,424</u>	<u>100,036,140</u>
Less: <u>Appropriations:</u>		
a) Dividend (including Interim, if any, and Final)	-	-
Net Profit/ (Loss) after Dividend & Tax	<u>23,512,424</u>	<u>100,036,140</u>
Amount transferred to General Reserve	-	-
Balance carried to Balance Sheet	<u>23,512,424</u>	<u>100,036,140</u>
Earning per share (Basic)	0.59	2.52
Earning per share (Diluted)	0.59	2.52

2. DIVIDENDS

With a view to conserve funds, the Directors do not recommend any dividend for the financial year 2020-21.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid by the Company .

4. RESERVES

The Board of Directors do not propose any amount to be carried to any reserve.

5. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company is engaged in the business of Hotel Running and Financial / Portfolio Management.

The highlights of the Company's performance are as under:

Revenue from operations for the year stood at Rs. 12.09 Crores turnover as compared to Rs. 58.29 Crores for the previous year. Turnover has reduced drastically approx. 80% as compared to previous year, due to COVID-19 impact. Hotel was Practically not in operations till 16/10/2020, due to COVID-19, during the year under review. Profit before tax for the year stood at Rs. - 3.85 Crore as compared to Rs. 13.94 Crore as compared to previous year. Profit after tax for the year also stood at Rs. 2.35 crores for the year as compared to Rs. 10.00 crores in the previous year as the Hotel operations income has gone down drastically during the year under review. Further, it is worth mentioning that the International Flights are yet to commence and are closed till 31/08/2021. Earning per Equity Share (EPS) of the Company has also decreased during the period under review as the EPS for the year was Rs. 0.59 as compared to Rs. 2.52 for the previous year.

The ongoing Global COVID-19 pandemic has caused and continues to cause significant loss of life and has resulted in curtailment of economic activities across the World as local administrations and Governments seek to limit spread of the disease including through lockdown policies, restriction on business activities and business shutdowns. Pandemic Covid 19 has seen more than 210 million infections. While the recovery rate has been a good more than 4.5 million fatalities have been registered. Among other things Hotel Premises across the Globe are either closed or are not operational or are operating at a significantly lower capacity to observe various social distancing requirements and government-mandated COVID-19 protocols and SOP's which badly effected the sector and also performance of your company. The COVID-19 pandemic disrupted several lives and dealt a severe blow to the economic health of the nation as well as of our company. The nation-wide lockdown caused a sharp contraction of 23.9% in GDP during Q1 FY 2021, recovering to a 7.5% drop in Q2. The V shaped recovery again got sever dent due to second wave which caused great havoc in India.

According to World Travel & Tourism Council, Economic Impact Reports 2020 The pandemic severely impacted travel and tourism globally, causing the industry a loss of almost US\$ 4.5 trillion. Domestic visitor spends decreased by 45% while international visitor spends decreased by 69.4% compared to 2019. Further the report says 2019, the Travel & Tourism sector contributed 10.4% to global GDP; a share which decreased to 5.5% in 2020 due to ongoing restrictions to mobility.

As per the Report of United Nations World Tourism Organization (UNWTO) Global tourism suffered its worst year on record in 2020, with International arrivals dropping by 74% according to the latest data from the World Tourism Organization (UNWTO). Further Foreign Tourist Arrivals (FTAs) in India, as per statistics provided by the Ministry of Tourism, averages at more than 10 million a year. During FY 2020, FTAs numbered 2.68 million compared to 10.93 million in 2019. Of this, during April- December, 2020, FTAs were only 0.21 million tourist arrivals compared to 7.75 million arrivals during the same period of the previous year, registering a drop of 97%. The Economic Survey projects India's real GDP to grow by 10-11% in 2021-22, provided normalisation of economic activities continues and the rollout of COVID-19 vaccines gathers further pace. Apart from this the company has taken several steps to survive this pandemic. Your company explored ways to survive this period by exploring new revenue opportunities and optimising costs via fixed cost reduction by calling limited staff to serve the Company etc. As the hotel mainly has business traveler and maximum business travels are suspended, the performance was much below previous years. We provided continued best of the services to guests despite the challenges and in full compliance with the regulations and SOP's and by ensuring the highest health and safety standards. Further the company is quite hopeful in the coming financial year, if there are no further waves of COVID-19 in India and World.

6. **CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the financial year under review.

7. **MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year to which these financial statements relate and the date of this report. However The ongoing global COVID-19 pandemic has caused and continues to cause significant loss of life and has resulted in curtailment of economic activities across the World as local administrations and governments seek to limit spread of the disease including through lockdown policies restriction on business activities and business shutdowns. This has badly affected the financial position of the company .

8. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

As the company in earlier years mentioned that Hon'ble Justice P K Bahri (Retd) passed an Award on 18/07/2015 against which applications u/s 33 of the Arbitration & Conciliation Act 1996 were filed by both parties before him and which were decided by him on 03/10/2015. Against the said Award applications u/s 34 of the Arbitration & Conciliation Act 1996 has been filed by both the parties in the Hon'ble Delhi High Court and the matter is still pending there. In the meantime, an execution petition for the said award was also filed by VLS Finance Ltd. However, the execution petition has been dismissed by Hon'ble High Court vide order dated 16/08/2017 and the next date of hearing is 21/09/2021. In the SFIO matter the LPA was dismissed in January, 2019 and now the matter is pending in trial court and next day of hearing is 23/09/2021. SFIO has filed a petition u/s 241(2) a/w 246 a/w 339 of the Companies Act 2013, and the next date of hearing is 30/09/2021.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in 'Annexure-A' attached to this report.

10. **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company does not have any risk management policy as the elements of risk threatening the Company's existence are quite minimal.

11. **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company is covered under the provisions of Corporate Social Responsibility pursuant to the provisions of Section 135 of the Companies Act, 2013. Therefore the company has spent the funds through "Abhinandan Jan Kalyan Society " which have used the fund for Charitable Diagnostic Services and working for reducing inequalities faced by socially and economically backward groups. Disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been given by way of an Annexure to this Report.

12. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any loans to any person or other body corporate or given any guarantee in connection with any loan to any body Corporate or person or acquired by way of subscription, purchase or otherwise, the securities of any other body corporate during the financial year 2020-21 covered under the provisions of Section 186 of the Companies Act, 2013.

13. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There were no fresh contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review. 10

14. **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.

15. **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

A) Changes in Directors and Key Managerial Personnel

a) Mrs. Sheel Gupta (Din-00218219), to retire at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

B) The term of Appointment of Mr. Vipul Gupta (DIN-00204638) was expired on 31st March, 2021. Now his Re-appointment is proposed as executive Director for a period of 3 years i.e. with effect from 1st April 2021 to 31st March 2024

C) Declaration by an Independent Director(s) and re- appointment, if any

Mr. Rajender Prasad Aggarwal and Mr. Bal Kishan Bansal Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

D) Formal Annual Evaluation

The Board of Directors has carried out an annual evaluation of the performance of Board Committees and Independent Directors and Company Secretary, CFO of the Company pursuant to the provisions of Companies Act, 2013. The performance of the Committees was evaluated by the Board on the basis of the criteria such as the composition of Committees, coordination and effectiveness of Committee meetings, etc.

Performance of the Independent Directors was evaluated by the Board on the basis of the criteria such as the Independent Opinion, presence in meetings of Board & Committees, Leadership qualities etc.

The performance of the entire Board was evaluated on the basis of the criteria such as the Board composition, fulfillment of responsibility, effectiveness of Board processes, functioning, etc. The performance of the Executive Directors (individually) including Chairman and Non-executive Directors (individually), was evaluated by the Independent Directors of the Company in their separate meeting on the basis of the criteria such as Presence in the meetings, Strategic planning, Compliance, completion of duties, etc.

16. **Web Link of Annual Return:-**

As provided under Section 92(3) and 134(3)(a) of the Act, read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Amendment Rules, 2020, Draft Annual Return in Form MGT-7 for FY 2020-21 is uploaded on the website of the Company and can be accessed at https://www.hotelmetdelhi.com/Draft_annual_return.pdf

17. **ANNUAL RETURN**

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished on Form No. MGT-9 attached as 'Annexure-C' to this Report. Further Copy of Annual report including extract of annual return is also available at company's website www.hotelmetdelhi.com for reference.

18. **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The meeting of the Board of Directors were held five (5) times 23.06.2020, 04.09.2020, 23.12.2020, 01.03.2021 and 02.03.2021 (including one separate meeting by independent Directors of the company) during the financial year 01/04/2020 to 31/03/2021. ||

19 **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 134(3) read with Section 134(5) of the Companies Act, 2013, your directors confirm as under:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis; and
- e) The Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the company.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Statement about the subsidiary companies, M/s Sun Aero Limited has been enclosed with the Directors Report.

21. **PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT**

The Audited Balance Sheet and Statement of Profit & Loss as on the 31st March 2021 together with Reports of Directors and Auditors thereon of its, a wholly owned Subsidiary Companies, together with the statement as required under Section 129 of the Companies Act, 2013, a statement containing salient features of the Financial Statements of the Company's subsidiary in form AOC-1 is attached herewith. No effect in the books of account of the Company has been taken for the profit of the Subsidiary Companies.

22. **DEPOSITS**

The Company has neither accepted nor renewed any deposits covered under Chapter V of the Act, 2013 during the year under review. Although the company has filed the Return of deposit form (Annual) pursuant to the Companies (Acceptance of Deposits) Rules, 2014.

23. **DIRECTORS**

Mrs. Sheel Gupta(DIN-00218219) is to retire at the ensuing Annual General Meeting and being eligible offer herself for re-appointment. The term of Appointment of Mr. Vipul Gupta (DIN-00204638) expired on 31st March, 2021. Now his Re-appointment is proposed as executive Director for a period of 3 years i.e. with effect from 1st April 2021 to 31st March 2024.

24. **STATUTORY AUDITORS**

M/s Anil Sood & Associates Chartered Accountant (firm registration no. 004985 N) New Delhi, the Statutory Auditor of the Company were appointed as the Auditors of the Company at the 40TH Annual general Meeting of the Company held on 29th September, 2017 pursuant to section 139 and 142 and other applicable provisions of the Companies Act , 2013, and the Rules made hereunder, as amended from time to time, for period of five years till the conclusion of the Annual General Meeting to be held in 2022, subject to the ratification by the shareholders at every Annual General Meeting.

25. **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**
Pursuant to the provisions of Section 177 of the Companies Act 2013 (corresponding Section 292A of the Companies Act, 1956), the Audit Committee meeting was held four (4) times during the year on 23.06.2020, 04.09.2020, 23.12.2020 and 02.03.2021 which were attended by all the Committee members. The Committee reviewed all the financial statements for the year ended 31st March 2021. The Audit committee has three members which includes Mr. S.P.Gupta and two independent Directors Mr. Rajender Prasad Aggarwal and Mr. Bal Kishan Bansal who attended the aforesaid meetings. Provisions Related with the Vigil Mechanism is not applicable on Company .
26. **SHARES**
- a) **DEFFERENTIAL RIGHTS**
The Company has not issued any share with differential rights, as provided in rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014 during the year.
- b) **SWEAT EQUITY**
The Company has not issued any Sweat Equity Shares during the year under review. The Company has not issued any sweat equity shares as provided in rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014 during the year.
- c) **BONUS SHARES**
The Company has not issued any share related with any scheme where the voting rights are not exercised directly by the employees, as provided in rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014.
- d) **EMPLOYEES STOCK OPTION PLAN**
The Company has not issued any Employee Stock Options as provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 during the financial year.
27. **AUDITORS' REPORT**
The Directors are of the view that the notes appended to the accounts and referred to by the auditors in their report are self-explanatory and do not require any elucidation.
28. **NOMINATION AND REMUNERATION COMMITTEE**
The policy formulated by nomination and remuneration committee is enclosed. During the year nomination and remuneration Committee meeting was held four (1) times during the year on 02.03.2021 which was attended by all the Committee members. Nomination and remuneration committee has three members which includes Mrs. Sheel Gupta and two independent Directors Mr. Rajender Prasad Aggarwal and Mr. Bal Kishan Bansal.
29. **Corporate Social Responsibility Committee (CSR)**
Corporate Social Responsibility Committee meeting was held one (1) times during the year on 02.03.2021, which were attended by all the Committee members. CSR committee has has three members which includes Mr. S.P. Gupta and two independent Directors Mr. Rajender Prasad Aggarwal and Mr. Bal Kishan Bansal.
30. **MANAGERIAL REMUNERATION:**
Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been given by way of an Annexure to this report.
31. **CORPORATE GOVERNANCE CERTIFICATE**
Not Applicable.
32. **SECRETARIAL AUDIT REPORT**
Not applicable.
33. **MAINTENANCE OF COST RECORDS**
Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

34. **SEXUAL HARRASMENT OF WOMEN AT WORK PLACE**

Company promote the positive workplace environment for everyone, free from harassment of any nature. And no complaint was received by the Company from any women employee during the year 2020-2021.

35. **COMPLIANCE OF SECRETARIAL STANDARD ISSUED BY ICSI**

Company has complied with the Secretarial Standard issued by ICSI.

36. **INTERNAL FINANCIAL CONTROLS:**

Adequate Internal Financial Control system and checks are in place commensurate with the size of the company and nature of its business.

37. **DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143**

During the year under review, the statutory auditors has not reported to the audit committee, under section 143(12) of the companies Act, 2013, any instance of fraud committed against the company by its officers or employees, the detail of which would need to be mentioned in the Director's Report.

38. **ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, various Government Authorities, employees and shareholders for their continued support extended to your Company's activities during the year under review.

For and on behalf of the Board of Directors

Sd/-

(S.P. GUPTA)
(DIN-00204504)
Chairman

Sd/-

(VIPUL GUPTA)
(DIN-00204638)
Director (Operations)

Place : New Delhi
Dated : 31/08/2021

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND
OUTGO FOR THE YEAR ENDED 31/03/2021**

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

- (i) The steps taken or impact on conservation of energy.

Company is making all Efforts to improve energy usage efficiencies and increase the share of renewable energy and reuse of natural recourses. The Company has a process to identify and evaluate energy risks and opportunities, taking into account future plans, evolving regulatory frameworks and other aspects. Further Your Company has implemented various guidance issued by The Ministry of Environment and Forests (MoEF) and other applicable laws to make hotels more environment friendly.

Company has complied and would comply with the requirements of the Government in this regard. Your company has continuously being acquiring the ecofriendly methods and environment friendly technologies and other necessary measures to achieve economy in consumption of energy. The company is already having following systems in place for conservation of energy.

- a. Using of 4 stage dimmer system.
- b. In guest rooms energy key card system.
- c. Building automation system for all equipments.
- d. Various speed pumps.
- e. VFD operated A/c plant with eco- Friendly system.
- f. Most of the equipments are PNG operated.
- g. PNG operated boilers
- h. In guest rooms insulated windows.
- i. Eco-friendly laundry equipments.
- j. Company has already replaced device in Air condition plants with energy saving devices
- k. Company has already replaced all lighting with LED
- l Company is using natural pipe gas for boilers & Kitchen equipments.
- m Replacement of guest Elevator
- n Replacement of Air Condition plant no.3 with VFD operated ECO- friendly system
- o Charcoal base Tandoor replaced with PNG Tandoor.

- a. No investment and upgradation in energy conservation system in the year 2020-2021

- (ii) The steps taken by the company for utilizing alternate sources of energy.

: Rs. Nil

- a. Natural Gas
- b. Solar Energy

- (iii) The capital investment on energy conservation equipments.

: Rs. Nil

(B) Technology Absorption:

- (i) Company has already taken steps towards technology absorption in the last few years and some of them are listed below:

- a. Upgradation in STP Plant for recycling of water.
- b. Organic Waste Converter.
- c. Upgradation in Rain Water Harvesting System.

15

: 2 :

- d. Company has already Built Automation System
- e. Company is conducted Water & Energy Audit every year.
- f. Company is already having has LED System
- g. Online Monitoring System of Sewage Treatment Plant and Air Monitoring System
- h. 100% Reusing of waste water after treatment
- i. Charcoal base Tandoor replaced with PNG Tandoor.

During the previous year the none efforts taken towards technology absorption.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution.
 - a. Cost Reduction
 - b. Product Improvement
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year).
 - (a) the details of technology imported : Washer extractor
 - (b) the year of import; : F. Y 2019-2020
 - (c) whether the technology been fully absorbed : Yes
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof. : Not Applicable
- (iv) the expenditure incurred on Research and Development. : Not Applicable

(C) Foreign Exchange Earnings and Outgo:

<u>Particulars</u>	<u>31st March 2021</u>	<u>31st March 2020</u>
Earnings	1,087,834	205,436,735
Outgo / Expenses	1,049,449	23,838,550

For and on behalf of the Board of Directors

Sd/-
(S.P. GUPTA)
(DIN-00204504)
Chairman

Sd/-
(VIPUL GUPTA)
(DIN-00204638)
Director (Operations)

Sd/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sd/-
(NEHA RAJPUT)
Company Secretary
(M.no. A-26116)

Place : New Delhi
Dated : 31/08/2021

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) for the year ended on 31st March, 2021

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of subsidiary to be presented with amounts in Rs)

1. Sl. No. -1
2. Name of the subsidiary- Sun Aero Limited
3. the date since when subsidiary was acquired- 22/10/1993
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period 01/04/2020 to 31/03/2021.
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. –N.A.
6. Share capital –Authorized Share Capital – 1000000 equity shares of Rs. 10/- each and paid up share capital- 70000 equity shares of Rs. 10/- each.
7. Reserves & surplus : 276,678,452
8. Total assets : 278,292,615
9. Total Liabilities : 914,163
10. Investments : -
11. Turnover : 59,655,383
12. Profit before taxation : (522,641)
13. Provision for taxation : (135,792)
14. Profit after taxation : (386,849)
15. Proposed Dividend : -
16. % of shareholding : 100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations –N.A.
2. Names of subsidiaries which have been liquidated or sold during the year. – N.A.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Name of Associates/Joint Ventures

Name of Associates/Joint Ventures

1. Latest audited Balance Sheet Date 17 N.A.
2. Date on which the Associate or Joint Venture was associated or acquired- N.A.

: 2 :

3. Shares of Associate/Joint Ventures held by the company on the year end
i) No. N.A.
ii) Amount of Investment in Associates/Joint Venture N.A.
iii) Extend of Holding % N.A.
4. Description of how there is significant influence N.A.
5. Reason why the associate/joint venture is not consolidated N.A.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet N.A.
7. Profit / Loss for the year
i.) Considered in Consolidation N.A.
ii.) Not Considered in Consolidation N.A.
1. Names of associates or joint ventures which are yet to commence operations – N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year.- N.A.

AUDITORS' REPORT

As per our report of even date
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(S.P. GUPTA)
(DIN-00204504)
Chairman

Sd/-
(VIPUL GUPTA)
(DIN-00204638)
Director (Operations)

Place : New Delhi
Dated : 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sd/-
(NEHA RAJPUT)
Company Secretary
(M.No. A-26116)

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014] for the year ended on 31st March, 2021

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS / ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTION UNDER THIRD PROVISIO THERETO

1. Details of contracts or arrangements or transaction not at Arm's Length basis:

<u>Sl. No.</u>	<u>Particulars</u>	<u>Details</u>
(a)	Name (s) of the related party & nature of relationship	NIL
(b)	Nature of contracts / arrangements / transaction	NIL
(c)	Duration of the contracts / arrangements / transaction	NIL
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transaction	NIL
(f)	Date of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transaction at Arm's Length basis:

<u>Sl. No.</u>	<u>Particulars</u>	<u>Details</u>
(a)	Name(s) of the related party & nature of relationship	NIL
(b)	Nature of contracts / arrangements / transaction	NIL
(c)	Duration of the contracts / arrangements / transaction	NIL
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
(e)	Date of approval by the Board	NIL
(f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors

Place: New Delhi
Dated : 31/08/2021

Sd/-
(S.P. GUPTA)
(DIN-00204504)
Chairman

Sd/-
(VIPUL GUPTA)
(DIN-00204638)
Director (Operations)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014] for the year ended on 31st March, 2021

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U74899DL1977PLC008495
 ii) Registration Date : 14/02/1977
 iii) Name of the Company : Sunair Hotels Limited
 iv) Category / Sub-Category of the Company : Company Limited by shares / Indian Non-Government Company
 v) Address of the Registered office and contact details : A-7, 1st Floor, Geetanjali Enclave, New Delhi-110017
 vi) Whether listed company Yes / No : No.
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1.	Hotel Running	99633102	20.08%
2.	Sub-Licensing of Properties	99721121	79.92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	Sun Aero Limited A-7, 1st Floor, Geetanjali Enclave, New Delhi-110017	U74899DL1 993PLC055	Sub.	100%	Clause (ii) Sub section 87 of sec 2 of the companies act, 2013.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
for the year ended on 31st March, 2021

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	20,083,720	20,083,720	50.53%	-	20,083,720	20,083,720	50.53%	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	2,280,176	2,280,176	5.73%	-	2,280,176	2,280,176	5.73%	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	22,363,896	22,363,896	56.26%	-	22,363,896	22,363,896	56.26%	NIL
(2) Foreign									
a) NRIs - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding (A) = (A)(1)+(A)(2)	-	22,363,896	22,363,896	56.26%	-	22,363,896	22,363,896	56.26%	NIL
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	-	14,252,974	14,252,974	35.86%	-	14,252,974	14,252,974	35.86%	NIL
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	24,360	24,360	0.06%	-	24,360.00	24,360	0.06%	-
ii) Individual shareholders holding nominal share capital exceeding Rs. 1 lakh	-	3,108,770	3,108,770	7.82%	-	3,108,770	3,108,770	7.82%	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	17,386,104	17,386,104	43.74%	-	17,386,104	17,386,104	43.74%	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	17,386,104	17,386,104	43.74%	-	17,386,104	17,386,104	43.74%	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	39,750,000	39,750,000	100.00%	-	39,750,000	39,750,000	100.00%	NIL

ii. Shareholding of Promoters
for the year ended on 31st March, 2021

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Ananya Gupta	480,000	1.21%	NIL	480,000	1.21%	NIL	NIL
2.	Babita Gupta	1,730,000	4.35%	NIL	1,730,000	4.35%	NIL	NIL
3.	Kaveen Gupta	3,241,000	8.15%	NIL	3,241,000	8.15%	NIL	NIL
4.	Kaveen Gupta (HUF)	465,000	1.17%	NIL	465,000	1.17%	NIL	NIL
5.	Monisha Gupta	1,340,000	3.37%	NIL	1,340,000	3.37%	NIL	NIL
6.	S. P. Gupta	6,140,020	15.45%	NIL	6,140,020	15.45%	NIL	NIL
7.	Sheel Gupta	1,617,500	4.07%	NIL	1,617,500	4.07%	NIL	NIL
8.	S. P. Gupta (HUF)	1,631,600	4.10%	NIL	1,631,600	4.10%	NIL	NIL
9.	S P Gupta & Sheel Gupta	522,600	1.32%	NIL	522,600	1.32%	NIL	NIL
10.	Vipul Gupta	2,916,000	7.34%	NIL	2,916,000	7.34%	NIL	NIL
11.	Columbia Trading Co. Limited	2,280,176	5.73%	Nil	2,280,176	5.73%	Nil	Nil
	Total	22,363,896	56.26%		22,363,896	56.26%		

iii. Change in Promoters' Shareholding (please specify, if there is no change)
for the year ended on 31st March, 2021

Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
	Date	No. of shares	% of total shares of the	Date	No. of shares	% of total shares of the
At the beginning of the year	01/04/2020	22,363,896	56.26%	01/04/2020	22,363,896	56.26%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer / bonus / sweat equity, etc.):		No Change during the Year			No Change during the Year	
At the end of the year	31/03/2021	22,363,896	56.26%	31/03/2021	22,363,896	56.26%

iv. **Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**
for the year ended on 31st March, 2021

Sl. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year			Date of Change During the year
		Date	No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	
1.	B.C.Gupta	01/04/20	302,510	0.76%	31/03/21	302,510	0.76%	No Change
2.	Rajni Gupta	01/04/20	303,500	0.77%	31/03/21	303,500	0.77%	No Change
3.	Robin Gupta	01/04/20	301,000	0.76%	31/03/21	301,000	0.76%	No Change
4.	Sudhir Gupta	01/04/20	225,010	0.57%	31/03/21	225,010	0.57%	No Change
5.	Suman Gupta	01/04/20	228,750	0.57%	31/03/21	228,750	0.57%	No Change
6.	Salil Gupta	01/04/20	227,500	0.57%	31/03/21	227,500	0.57%	No Change
7.	Sumrit Gupta & Sudhir Gupta	01/04/20	225,000	0.57%	31/03/21	225,000	0.57%	No Change
8.	Star Light Credit India Ltd.	01/04/20	4,257,500	10.71%	31/03/21	4,257,500	10.71%	No Change
9.	Trans Asia Consultants Pvt. Ltd.	01/04/20	329,950	0.83%	31/03/21	329,950	0.83%	No Change
10.	VLS Finance Limited*	01/04/20	9,594,824	24.14%	31/03/21	9,594,824	24.14%	No Change
			15,995,544	40.25%		15,995,544	40.25%	

* under dispute

v. **Shareholding of Directors and Key Managerial Personnel:**
for the year ended on 31st March, 2021

Sl. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year			Date of Change During the year
		Date	No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company	
1.	Satya Pal Gupta	01/04/20	6,140,020	15.45%	31/03/21	6,140,020	15.45%	No Change
2.	Vipul Gupta	01/04/20	2,916,000	7.34%	31/03/21	2,916,000	7.34%	No Change
3.	Kaveen Gupta	01/04/20	3,241,000	8.15%	31/03/21	3,241,000	8.15%	No Change
4.	Sheel Gupta	01/04/20	1,617,500	4.07%	31/03/21	1,617,500	4.07%	No Change
5.	Bal Kishan Bansal	01/04/20	-	0.00%	31/03/21	-	0.00%	No Change
6.	Rajender Prasad Aggarwal	01/04/20	-	0.00%	31/03/21	-	0.00%	No Change
7.	Neha Rajput (Company Secretary)	01/04/20	-	0.00%	31/03/21	-	0.00%	No Change
8.	Vipin Jain (CFO)	01/04/20	-	0.00%	31/03/21	-	0.00%	No Change
			13,914,520	35.01%		13,914,520	35.01%	

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended 31/03/2021

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
for the year ended on 31st March, 2021

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

<u>Sl. No.</u>	<u>Particulars of Remuneration</u>	<u>Name of MD / WTD / Manager</u> Mr. S. P. Gupta (CMD)	<u>Name of MD / WTD / Manager</u> Mr. Vipul Gupta (WTD)	<u>Name of MD / WTD / Manager</u> Mr. Kaveen Gupta (WTD)	<u>Total Amount</u>
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,800,000	2,400,000	2,100,000	6,300,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	270,000	360,000	-	630,000
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5.	Others	-	-	-	-
6.	Total (A)	<u>2,070,000</u>	<u>2,760,000</u>	<u>2,100,000</u>	<u>6,930,000</u>

Ceiling as per the Act

within prescribed limit

B. Remuneration to Other Directors
for the year ended on 31st March, 2021

<u>Sl. No.</u>	<u>Particulars of Remuneration</u>	<u>Name of Director</u>			<u>Total Amount (Rs.)</u>
		Mrs. Sheel Gupta	Mr. Bal Kishan Bansal	Mr. Rajender Prasad Aqqarwal	
1.	<u>Independent Directors</u>				
	- Fee for attending board / committee meetings	-	75,000	75,000	150,000
	- Commission	-	-	-	-
	- Others, Consultancy Fee	-	-	-	-
	Total (1)	-	75,000	75,000	150,000
2.	<u>Other Non-Executive Directors</u>				
	- Fee for attending board / committee meetings	40,000	-	-	40,000
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (2)	40,000	-	-	40,000
3.	Total (B)=(1+2)	40,000	75,000	75,000	190,000
4.	Total Managerial Remuneration	40,000	75,000	75,000	190,000

Overall Ceiling as per the Act

within prescribed limit

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD
for the year ended on 31st March, 2021

<u>Sl. No.</u>	<u>Particulars of Remuneration</u>	<u>Name of Key Managerial Personnel</u>			Total
		CEO	CFO	Company Secretary	
			Mr. Vipin Jain	Mrs. Neha Rajput	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,	-	513,615	452,319	965,934
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	157,979	-	157,979
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total (A)	-	671,594	452,319	1,123,913

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

for the year ended on 31st March, 2021

Type	Section of the Companies	Brief Description	Details of Penalty / Punishment/ Compounding fees	Authority [RD / NCLT / COURT]	Appeal made, if any (give
------	--------------------------	-------------------	---	-------------------------------	---------------------------

A. COMPANY

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

B. DIRECTORS

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

C. OTHER OFFICERS IN DEFAULT

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Sd/- 26
(S.P. GUPTA)
(DIN-00204504)
Chairman

Sd/-
(VIPUL GUPTA)
(DIN-00204638)
Director (Operations)

Place: New Delhi
Dated : 31/08/2021

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014] for the year ended on 31st March, 2021

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the CSR policy and projects or programs.-

The Board of Directors, on the recommendation of the CSR Committee, had formulated a Corporate Social Responsibility Policy ("CSR"). As per the Policy Statement, the Company's CSR policy will focus on addressing the critical social economic issues. In the Previous Financial Year company spent the funds through "Abinandan Jan Kalyan Society " for the Charitable Diagnostic services and working for reducing inequalities faced by socially and economically backward groups.

the Board of Directors, on the recommendation of the CSR Committee, approved a CSR spend of Rs. 24,71,708/- (2% of the average net profits of the Company made during the three immediately preceding financial years) for the financial year 2020-21.

2. The Composition of the CSR Committee.- CSR committee has three members which includes Mr. S.P. Gupta and two independent Directors Mr. Rajender Prasad Aggarwal and Mr. Bal Kishan Bansal.

3. Average net profit of the company for last three financial years-Rs. 12,35,85,386/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)- Rs. 24,71,708/-

5. Details of CSR spent during the financial year.-Rs.24,71,708/-

(a) Total amount to be spent for the financial year;-Rs. 24,71,708/-

(b) Amount unspent, if any;- N.A.

(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Abhinandan Jan Kalyan Society	As per Clause III of schedule VII of the Companies act 2013.	For Charitable Diagnostic services and working for reducing inequalities faced by socially and economically backward groups in Delhi	24,71,708/-	24,71,708/-	24,71,708/-	Abhinandan Jan Kalyan Society
	TOTAL			24,71,708/-	24,71,708/-	24,71,708/-	

*Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. NA

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: New Delhi
Dated : 31/08/2021

Sd/-
S.P. Gupta
Chairman
(DIN-00204504)

27

Sd/-
Rajender Prasad Aggarwal
Chairman CSR Committee
(DIN- 08206997)

ANNEXURE TO DIRECTOR REPORT

PERFORMANCE EVALUATION POLICY

INTRODUCTION

In an endeavor to safeguard the interest of public at large, the Companies Act, 2013 ('Act') provides that the performance of the board of directors of listed companies and prescribed class of companies must be reviewed regularly against appropriate measures. For this purpose, the Nomination and Remuneration Committee of a company is required under Section 178 of the Act to formulate a policy for recommending it to the Board of directors of the company, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Based on such performance evaluation, remuneration of directors, key managerial personnel and other senior management shall be determined. such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

This policy aims at establishing a procedure for conducting periodical evaluation of directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the Company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the Company. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties. For this purpose, the Nomination and Remuneration Committee shall be responsible to identify the persons who are qualified to become directors and who may be appointed in the senior management of the Company and recommend to the Board their appointment and removal.

In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every director, key managerial personnel and other employees in accordance with the criteria contained herein, based on which their remuneration shall be determined.

RESPONSIBILITY OF BOARD

It shall be the duty of the Chairman of the Board, who shall be supported by the Company Secretary to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:

- I. The Chairman of the Company shall meet with each and every director individually to discuss his / her performance throughout the year.
- II. Review performance evaluation reports submitted by the Chairperson of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.
- III. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- IV. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

RESPONSIBILITY OF INDEPENDENT DIRECTORS

Independent Directors shall evaluate the performance of non - independent directors and board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of the non- independent directors, performance of chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

EVALUATION FACTORS

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of independent directors, non- independent directors, other employees of the Company and committees of directors separately, as, such evaluation factors may vary in accordance with their respective functions and duties.

<u>Scale</u>	<u>Rating Scale</u>	<u>Performance</u>
5		<i>Exceptionally good</i>
4		<i>Good</i>
3		<i>Satisfactory</i>
2		<i>Needs improvement</i>
1		<i>Unacceptable</i>

INDEPENDENT DIRECTORS

Overall Rating: _____

-	Compliance with Articles of Association, Companies Act & other Laws	
-	Compliance with ethical standards	
-	Rendering independent, unbiased opinion	
-	Attendance & presence in meetings of Board & committees	
-	Attendance & presence in general meetings	
-	Leadership qualities	
-	Qualifications	
-	Disclosure of independence, and disclosure of interest	
-	Independent view on key appointments & strategy formulation	
-	Objective evaluation of Board's performance	
-	Review of integrity of financial information	
-	Safeguard of stakeholders' interests	
-	Appointment & removal of KMPs	
-	Determination of level of remuneration of KMPs	
-	Updation of skills and knowledge	
-	Punctuality	
-	Information regarding external environment	
-	Seeking expert opinion, when required	
-	Raising of concerns to the Board	
-	Reporting of frauds, violation etc.	
-	Team work attributes	
-	Safeguard of confidential information	

NON – INDEPENDENT DIRECTORS / NON – EXECUTIVE DIRECTORS/ EXECUTIVE DIRECTORS/CMD

Overall Rating: _____

-	Compliance with Article of Association, Companies Act & other laws	
-	Strategic planning- financial & business	
-	Operational performance of the Company	
-	Monitoring performance against plans	
-	Steps initiated towards Business Development	
-	Steps initiated towards Branding of the Company	
-	Compliance with ethical standards	
-	Exercising duties diligently	
-	Qualifications	
-	Punctuality	
-	Disclosure of interest	
-	Leadership skills	
-	Motivating employees, providing assistance & directions	
-	Establishment of internal control processes	
-	Communication skills	
-	Attendance & presence in meetings of Board & committees	
-	Attendance of general meetings	
-	Team work attributes	
-	Monitoring policies, encouraging suggestions	
-	Supervising & training the staff members	
-	Safeguard of confidential information	

COMMITTEES OF BOARD

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Corporate Social Responsibilities Committee
4. Share Transfer Committee

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects:

Overall Rating: _____

-	Compliance with Article of Association, Companies Act & other laws	
-	Compliance with its charter documents B127	
-	Compliance with ethical standards& code of conduct of Company	
-	Committee's accomplishments w.r.t. performance objectives	
-	Redressal of complaints & grievances	
-	Coordination with other committees and Board of Directors	
-	Fulfillment of roles & responsibilities B132	
-	Adherence to Company's policies and internal procedures	

ENTIRE BOARD

Overall Rating: _____

-	Is the composition of the board appropriate with the right mix of Knowledge and skills required to drive organizational performance in the Light of future strategy?	
-	Members of the board meet all applicable independence requirements.	
-	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.	
-	The Board of Directors is effective in developing a good corporate governance practice that allows and encourages the Board to fulfill its Responsibilities.	
-	The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.	
-	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.	
-	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?	
-	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail	
-	Board meetings are conducted in a manner that encourages open Communication, meaningful participation, and timely resolution of issues.	
-	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.	
-	Nomination and appointment of Board members and their Remuneration follow clearly established procedures laid down by the Nomination and Remuneration Committee.	

COMPANY SECRETARY

Overall Rating: _____

-	Compliance with Article of Association, Companies Act & other laws	
-	Compliance with ethical standards & code of conduct of Company	
-	Reporting to the Board about compliance with applicable laws	
-	Ensuring compliance with secretarial standards	
-	Assistance to the board of directors	
-	Discharge of duties assigned by Board	
-	success of meetings convened	
-	Preparation of minutes	
-	Attendance & presence in meeting of board, committees of Board and general meeting	
-	Assistance in obtaining required approvals from Board, shareholders, Government	
-	Representation before various regulators on behalf of the company	
-	Advising Board on corporate governance and compliance there under	
-	Punctuality	

OTHER KEY MANAGERIAL PERSONNEL AND SENIOR EMPLOYEES

Overall Rating: _____

-	Compliance with Article of Association, Companies Act & other laws	
-	Compliance with ethical standards & code of conduct of Company	
-	Fulfillment of roles and responsibilities granted to them	
-	Achievement of target fixed	
-	Punctuality and other personality related aspects	

:5:

REMUNERATION

The Company aspires to pay performance linked remuneration to its directors, key managerial personnel and other senior employees. For this reason, based on the fore-stated criteria of evaluation of performance of directors, Company Secretary and other Key Managerial Personnel and senior employees, their remuneration shall be determined and reviewed from time to time by the Chairman & Managing Director.

REVIEW

Subject to the approval of Board of Directors, the "Nomination and Remuneration Committee" reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, Rules made thereunder, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors.

Place: New Delhi
Dated : 31/08/2021

Sd/-
S.P. Gupta
Director
(DIN-00204504)

Sd/-
Rajender Prasad Aggarwal
Chairman of Nomination
and Remuneration Committee
(DIN- 08206997)

Independent Auditor's Report

To the Members of Sunair Hotels Limited

Report on the Audit of the standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sunair Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 (Act), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics (CoE) issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Standalone Financial Statements and our auditor's report thereon.

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

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

Management's Responsibility for the standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial controls 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 with reference to standalone financial statements in place and the operative effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 Standalone 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.
- e) Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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 no pending litigations on its financial position in its financial statements-see Note No. 44 to the Standalone financial statements.
 - (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – see Note 44 to the standalone financial statements;
 - (iii) There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sdl-
(ANIL SOOD)
Partner

Membership No. 83939

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 31/08/2021

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sunair Hotels Limited of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Inventory has been physically verified during the year by the management and according to the information and explanations given to us, no material discrepancies were noticed on physical verification. In our opinion, the frequency of verification is reasonable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted deposits during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Act and does not have any unclaimed deposits as at March 31st, 2021 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, goods & service tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, goods & service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:
36

Name of the statute	Nature of dues	(in Rs Lacs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	Nil	AY 2001-02	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2002-03	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2003-04	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2004-05	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2005-06	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2006-07	ITAT, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2007-08	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2008-09	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2009-10	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2010-11	High Court, New Delhi
Income-tax Act, 1961	Income-tax	Nil	AY 2011-12	High Court, New Delhi

Note : All the appeals have been filed by the income tax department except one where company has also filed the cross appeal along with department. Therefore no disputed tax liability was outstanding as on 31/03/2021.

8. The Company has neither borrowed any funds from financial institution or bank, nor issued debentures and does not have loans or borrowings from government. Accordingly, no comments are called for on defaults in repayment of such dues.
9. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review. Therefore, no comments on utilization of those funds by the Company are called for.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, managerial remuneration has been paid or provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule-V to the Companies Act, 2013.
12. The Company is not a Nidhi Company, therefore, no comments are called for in respect of compliance with the provisions of Nidhi Rules, 2014.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. The Company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, no further comments in this regard are called for.
15. Based upon the audit procedures performed and information and explanations given by the management, we report that that the Company has not undertaken any non-cash transactions with directors or persons connected with him during the year.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 31/08/2021

37

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sunair Hotels Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Sunair Hotels Limited (“the Company”) as of March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

: 2 :

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, to the best of our information and according to the explanations given to us, 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, 2021, 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 issued by the ICAI.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

SUNAIR HOTELS LIMITED
CIN: U74899DL1977PLC008495

REGD OFFICE: A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

e-mail: sunairhotels@gmail.com

Website- www.hotelmetdelhi.com

BALANCE SHEET AS AT 31st MARCH, 2021

Sl. No. Particulars	Note No.	AS AT 31-03-2021 Amount (Rs.)		AS AT 31-03-2020 Amount (Rs.)
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share capital	3	397,500,000	397,500,000	
(b) Reserves and surplus	4	1,189,859,038	1,170,874,271	1,568,374,271
(2) Non-current Liabilities				
(a) Deferred tax liabilities (net)	5	125,780,052	186,632,223	
(b) Other long-term liabilities	6	90,881,000	90,881,000	
(c) Long-term provisions	7	15,797,776	232,458,828	15,429,150
(3) Current Liabilities				
(a) Trade payables	8			
• outstanding dues of micro enterprises and small enterpris		-	-	
• outstanding dues of creditors other than micro enterprises		-	-	
		6,681,553	23,908,724	
(b) Other Current Liabilities	9	80,398,589	83,812,390	
(c) Short-term provisions	10	6,143,745	93,223,887	7,353,919
TOTAL		1,913,041,753	1,913,041,753	1,976,391,677
II. ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment				
(i) Tangible assets	11		1,242,685,008	1,278,639,698
(b) Non-current investments	12	450,131,795	448,087,929	
(c) Long-term loans and advances	13	43,110,649	41,715,082	
(d) Other non-current assets	14	2,598,018	495,840,462	2,598,018
(2) Current Assets				
(a) Inventories	15	66,136,147	69,956,610	
(b) Trade receivables	16	5,721,013	17,042,281	
(c) Cash and bank balances	17	23,439,624	37,324,421	
(d) Short-term loans and advances	18	73,901,807	74,105,695	
(e) Other current assets	19	5,317,690	174,516,283	6,921,943
TOTAL		1,913,041,753	1,913,041,753	205,350,950
Significant Accounting Policies	2			1,976,391,677

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

AUDITORS' REPORT

As per our report of even date
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(S.P.GUPTA)
Chairman
(DIN-00204504)

Sd/-
(VIPUL GUPTA)
Director (Operations)
(DIN-00204638)

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sd/-
(NEHA RAJPUT)
Company Secretary
(M No. A-26116)

SUNAIR HOTELS LIMITED
CIN: U74899DL1977PLC008495

REGD OFFICE: A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

e-mail: sunairhotels@gmail.com

Website- www.hotelmetdelhi.com

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

Sl. No	Note No.	YEAR ENDED 31-03-2021 Amount (Rs.)	YEAR ENDED 31-03-2020 Amount (Rs.)
I. Revenue			
(a)	20	120,972,281	582,976,598
(b)	21	26,213,508	45,300,117
II. Total Revenue		147,185,789	628,276,714
III. Expenses			
(a)	22	4,816,514	37,356,515
(b)	23	64,230	1,278,067
(d)	24	33,139,364	106,096,817
(e)	25	108,949,590	297,092,204
(f)	26	77,596	171,058
(g)	27	36,154,692	44,903,389
(h)	28	2,471,708	1,900,000
IV. Total Expenses		185,673,694	488,798,051
V. Profit / (loss) before tax (II - IV)		(38,487,905)	139,478,664
VI. Tax expense/(saving)			
(a)		-	26,500,000
(b)		(60,852,171)	13,076,287
(c)		(1,148,158)	39,442,523
VII. Profit / (loss) for the year (V - VI)		23,512,424	100,036,140
VIII Prior period adjustments			
		-	-
IX. Profit / (loss) transferred to Balance Sheet (VII - VIII)		23,512,424	100,036,140
X. Earnings per equity share (EPS)			
(a)	30	0.59	2.52
(b)		0.59	2.52

Significant Accounting Policies 2

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

AUDITORS' REPORT

As per our report of even date
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(S.P.GUPTA)
Chairman
(DIN-00204504)

Sd/-
(VIPUL GUPTA)
Director (Operations)
(DIN-00204638)

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sd/-
(NEHA RAJPUT)
Company Secretary
(M No. A-26116)

SUNAIR HOTELS LIMITED
CIN: U74899DL1977PLC008495

REGD OFFICE: A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

e-mail: sunairhotels@gmail.com

Website- www.hotelmetdelhi.com

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Sl. No. <u>Particulars</u>	YEAR ENDED 31-03-2021 <u>Amount (Rs.)</u>	YEAR ENDED 31-03-2020 <u>Amount (Rs.)</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit /(loss) before tax and after prior period expenses	(41,867,404)	139,478,664
<u>Adjustments for:</u>		
- Interest Income	(112,097)	(167,673)
- Dividend Received	(2,080)	(201,610)
- Depreciation	36,154,692	44,903,389
- Profit (Loss) on sale of Assets	-	1,742,904
Operating (loss) before working capital changes	(5,826,889)	185,755,673
<u>Movement in working capital:</u>		
-Increase / (Decrease) in inventories	3,820,463	(9,356,894)
-Increase / (Decrease) in Debtors	11,321,268	11,340,006
-Increase / (Decrease) in Short Term Loans & Advances	203,888	56,073
-Increase / (Decrease) in Other Current assets	1,604,253	(6,565,445)
-Increase / (Decrease) in Trade payables	(17,227,171)	5,143,261
-Increase / (Decrease) in Other long-term liabilities	-	3,000
-Increase / (Decrease) in Long-term provisions	368,626	(78,446)
-Increase / (Decrease) in Long-term loans and advances	(1,395,567)	6,134,559
-Increase / (Decrease) in Sundry Liabilities	(3,413,801)	2,677,310
-Increase / (Decrease) in Other Provisions	(1,210,174)	(5,016,457)
Cash (used in) operations	(11,755,106)	190,092,640
Direct taxes (paid)	-	(31,502,301)
Net cash (used in) operating activities	(A) (11,755,106)	158,590,339
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,043,866)	(91,585,618)
Purchase of Fixed Assets	(200,002)	(55,206,716)
Sale of Assets	-	4,342,372
Dividend received	2,080	201,610
Net cash (used in) investing activities	(B) (2,241,788)	(142,248,352)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Income	112,097	167,673
Increase / (Repayment) of Term Loan	-	-
Net cash from financing activities	(C) 112,097	167,673
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(13,884,797)	16,509,661

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

	YEAR ENDED	YEAR ENDED
:2:		
Cash and cash equivalents at the beginning of the year	(D) 37,324,421	14,993,599
Cash and cash equivalents at the end of the year	(E) 22,417,975	37,324,421
Net increase / (decrease) in cash and cash equivalents (E-D)	<u>(14,906,446)</u>	<u>22,330,822</u>

COMPONENTS OF CASH AND CASH EQUIVALENTS	31-03-2021	31-03-2020
Cash in Hand	1,652,818	1,668,447
FDRs with Banks	0	1,021,649
Balances with Banks	20,765,158	34,634,325
	<u>22,417,975</u>	<u>37,324,421</u>

Significant Accounting Policies: Note No. 2

AUDITORS' REPORT

As per our report of even date
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

<i>Sd/-</i> (S.P.GUPTA)	<i>Sd/-</i> (VIPUL GUPTA)
Chairman	Director (Operations)
(DIN-00204504)	(DIN-00204638)

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

<i>Sd/-</i> (VIPIN JAIN)	<i>Sd/-</i> (NEHA RAJPUT)
Chief Financial Officer	Company Secretary
M.No.-FCS 8984	(M. No. A-26116)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021

1. ACCOUNTING CONVENTIONS

- a) The financial statement of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable.
- b) The financial statements have been prepared on accrual basis under the historical cost convention basis. The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous year.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

Estimation of uncertainties relating to the Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the company. The company has performed sensitive analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered, net of provisions established.

B. Tangible Property, Plant and Equipment:

a) Own Property, Plant and Equipment:

- (i) Tangible Property, Plant and Equipment are stated at cost. Cost includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including expenditures and levies directly attributable to bringing the assets to their working condition for the intended use. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Property, Plant and Equipment are capitalised.
- (ii) Land is stated at original cost of acquisition.
- (iii) Capital work-in-progress is stated at amount spent upto the date of Balance Sheet.

Gains or losses arising from derecognition of Property, Plant and Equipments are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit and loss when the asset is derecognized.

b) Leased Assets:

- (i) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.
- (ii) Finance Leases: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as Property, Plant and Equipments with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the statement of profit and loss.

- (iii) However, rentals referred to in (i) or (ii) above and the interest component referred to in (ii) above pertaining to the period upto the date of commissioning of the assets are capitalized.
- (iv) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

C. Intangible Assets & Amortisation:

Intangible Assets are recognised as per the criteria specified in Accounting Standard (AS-26) on "Intangible Assets" and are amortised over the useful life of the underlying assets as follows:

- a) Leasehold land: over the period of lease.
- b) Lump sum fees for technical know-how: over a period of six years in case of foreign technology and three years in case of indigenous technology.

Gains or losses arising from derecognition of Property, Plant and Equipments are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit and loss when the asset is derecognized.

D. Depreciation and amortization:

- a) Depreciation on tangible Property, Plant and Equipments is calculated on Straight Line Method pursuant to the requirements of Schedule-II of the Companies Act, 2013 with effect from April 01, 2014, by using the rates prescribed therein over the estimated useful lives of the Property, Plant and Equipments as specified in Part 'C', while fixing the residual values of the Property, Plant and Equipments at 5% of their original cost, in respect of assets which are used for full period in the year and on prorata basis for assets acquired & put to use during the year.
- b) Intangible Property, Plant and Equipments are amortized on a straight-line basis over the estimated useful economic life in respect of assets which are used for full period in the year, and on prorata basis for assets acquired / recognized and put to use during the year. If there is a significant change from previous estimates in the expected pattern of economic benefits from the asset, the amortization period and method are changed accordingly to reflect the changed pattern. However, no amortization expense is provided on intangible assets derecognized during the year.

E. Impairment of Tangible and Intangible Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

G. Valuation of Investment:

- a) Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase.
- b) Current investments are carried at the lower of cost and fair market value of each investment individually.
- c) Long term investments are carried at cost less provisions recorded to recognize any diminution, other than temporary, in the carrying value of each investment. 45
- d) Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

H. Investment Property:

An investment in land or building, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as an investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation on building component of investment property is calculated on a Straight Line Method basis using the rates and useful lives prescribed in Schedule II to the Companies Act, 2013 in respect of such investment properties which are used for full period in the year, and on prorata basis for assets acquired and put to use during the year. However, no depreciation is provided on the investment properties sold during the year, but on disposal, the difference between its carrying amount and the net disposal proceeds is charged or credited to the statement of profit and loss.

I. Valuation of Inventory:

Inventories are stated at lower of cost or net realisable value wherever applicable. Cost is determined on weighted average basis.

J. Revenue Recognition:

All incomes and expenses are accounted for on accrual and prudent basis. Revenue in respect of insurance / other claims, interest, commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made. Expenses incurred for which benefit will accrue in the subsequent years are declared in the balance sheet as deferred revenue expenses and amortised over the period in which the benefit is expected to accrue.

K. Foreign Currency Transactions:

- a) In accordance with the Accounting Standard AS-11 on "Effects of changes in foreign exchange rate" as prescribed by the ICAI, year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions denominated in foreign currency are recorded at exchange rate prevailing at the time of transaction. However, transactions completed during the year are adjusted on actual basis.
- b) In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non-monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss except in cases where they relate to acquisition of Property, Plant and Equipments, in which case they are adjusted to the carrying cost of such assets.
- e) Difference in outstanding value of term loan in foreign currency as at the year end vis-à-vis the date of obtaining loan is recorded in the books of account in a separate account called 'Exchange Difference (FC Loan)' Account to be appropriated at the conclusion of the said term loan.
- f) Difference in foreign exchange forward contracts is recognised as income / loss in the books of account by spreading the same proportionately over the effective life of the contract.

L. Employee Benefits :

- a) All short-term employee benefits expected to be paid in exchange for services rendered by the employees during the year are recognised, at the undiscounted amount, as liability (accrued expense), after deducting any amount already paid. Where the amount already paid exceeds the undiscounted amount of the benefits, such excess is recognised as an asset (prepaid expense).
- b) Company's contribution to Provident Fund, which is a defined contribution plan, is charged to the statement of profit and loss.
- c) Gratuity liability is a 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.
- d) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit method. 46
- e) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- f) Termination benefits are recognised as a liability immediately on incurrence of any such obligation.

M. Provision for Current and Deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing differences' between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

N. Provisions, Contingent Liabilities and Contingent Assets :

- a) Provisions are recognised for liabilities that can only be measured by using a substantial degree of estimation, if;
- (i) the Company has a present obligation as a result of a past event,
 - (ii) a probable outflow of resources is expected to settle the obligation, and
 - (iii) the amount of obligation can reliably be estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will ultimately be received.

- b) Contingent Liability is disclosed in case of:
- (i) a present obligation arising on past events, when it is not probable that an outflow of resources will be required to settle the obligation,
 - (ii) a present obligation, when no reliable estimate is possible, and
 - (iii) a possible obligation arising from past events, where the probability of outflow of resources is not remote.
- c) Contingent Assets are neither recognised nor disclosed.
- d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

O. Prior Period Items :

Prior Period items are disclosed separately in the statement of profit and loss for the year, keeping in view their materiality and the past method of accounting.

P Exceptional and Extra-ordinary Items:

Exceptional and extra-ordinary items of the Company during the period are disclosed separately in the statement of profit and loss for the year, as part of net profit.

3. SHARE CAPITAL

	31-03-2021		31-03-2020	
	<u>Number</u>	<u>Amount (Rs.)</u>	<u>Number</u>	<u>Amount (Rs.)</u>
Authorised and issued share capital:				
Equity shares of Rs. 10/- each	40,000,000	400,000,000	40,000,000	400,000,000
Subscribed and paid-up share capital:				
Equity shares of Rs. 10/- each fully paid-up	39,750,000	397,500,000	39,750,000	397,500,000
Total	39,750,000	397,500,000	39,750,000	397,500,000

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

	31-03-2021		31-03-2020	
	<u>Number</u>	<u>Amount (Rs.)</u>	<u>Number</u>	<u>Amount (Rs.)</u>
Shares outstanding at the beginning of the year	39,750,000	397,500,000	39,750,000	397,500,000
Shares outstanding at the end of the year	39,750,000	397,500,000	39,750,000	397,500,000

Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2021 the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (PY Rs. Nil).

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.

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

	31-03-2021		31-03-2020	
	<u>No. of Shares held</u>	<u>% of Holding</u>	<u>No. of Shares held</u>	<u>% of Holding</u>
Equity shares of Rs. 10/- each fully paid-up				
a. Columbia Trading Co. Ltd.	2,280,176	5.73%	2,280,176	5.73%
b. Kaveen Gupta	3,241,000	8.15%	3,241,000	8.15%
c. S.P.Gupta	6,140,020	15.45%	6,140,020	15.45%
d. Star Light Credit India Ltd.	4,257,500	10.71%	4,257,500	10.71%
e. Vipul Gupta	2,916,000	7.34%	2,916,000	7.34%
f. VLS Finance Limited*	9,594,824	24.14%	9,594,824	24.14%
(* Under dispute)				

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

4. RESERVES & SURPLUS

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
A. <u>Capital Reserves</u>		
Opening Balance	80,000,000	80,000,000
Closing Balance (A)	<u>80,000,000</u>	<u>80,000,000</u>
B. <u>Other Reserves</u>		
General Reserve		
Opening Balance	30,000	30,000
Closing Balance (B)	<u>30,000</u>	<u>30,000</u>
C. <u>Surplus / (deficit) in the statement of profit and loss</u>		
Opening Balance	1,090,844,271	984,986,970
Adc Net Profit / (Net Loss) for the current year	23,512,424	105,857,301
Amount available for Appropriations	<u>1,114,356,695</u>	<u>1,090,844,271</u>
Less: Appropriations	4,527,657	-
Closing Balance (C)	<u>1,109,829,038</u>	<u>1,090,844,271</u>
Total (A+B+C)	<u>1,189,859,038</u>	<u>1,170,874,271</u>

5. DEFERRED TAX LIABILITIES (NET)

In line with the method recommended by the Accounting Standard AS-22 on "Accounting for Taxes on Income" components of deferred tax assets and liabilities as on 1st April, 2020 and 31st March, 2021 are given as under:

	<u>01-04-2020</u>	<u>For the Year</u>	<u>Reversing</u>	<u>31-03-2021</u>
A. <u>Deferred Tax Assets</u>				
a. Gratuity Provision	4,182,988	504,274	193,686	4,493,576
b. Prov. For Leave Encashment	1,004,685	182,689	36,342	1,151,032
c. Prov. For Bonus (Good work reward)	1,042,941	317,896	1,178,633	182,204
d. Unabsorbed Depreciation	-	17,857,331	-	17,857,331
e. Unabsorbed Business Losses	-	7,989,288	-	7,989,288
Total (A)	<u>6,230,614</u>	<u>26,851,478</u>	<u>1,408,661</u>	<u>31,673,431</u>
B. <u>Deferred Tax Liabilities</u>				
a. Depreciation	192,862,837	(35,409,354)	-	157,453,483
Total (B)	<u>192,862,837</u>	<u>(35,409,354)</u>	<u>-</u>	<u>157,453,483</u>
Net Deferred Tax Liabilities (B-A)	<u>186,632,223</u>	<u>(62,260,832)</u>	<u>(1,408,661)</u>	<u>125,780,052</u>

Deferred tax asset has been recognised and carried forward since there is a reasonable certainty that sufficient future taxable income shall be available against which the same can be realised.

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

6. OTHER LONG TERM LIABILITIES

	31-03-2021 <u>Amount (Rs.)</u>	31-03-2020 <u>Amount (Rs.)</u>
Others		
Security Deposit		
a. Security Deposits for space	90,881,000	90,881,000
	<u>90,881,000</u>	<u>90,881,000</u>

7. LONG TERM PROVISIONS

	31-03-2021 <u>Amount (Rs.)</u>	31-03-2020 <u>Amount (Rs.)</u>
Provision for Employee Benefits		
a. Gratuity	12,095,790	11,917,355
b. Leave Encashment (Hotel)	3,701,986	3,511,795
	<u>15,797,776</u>	<u>15,429,150</u>

8. TRADE PAYABLE

	31-03-2021 <u>Amount (Rs.)</u>	31-03-2020 <u>Amount (Rs.)</u>
Trade Payables (including Acceptances)		
- outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,681,553	23,908,724
- total outstanding dues to related entities	-	-
 (Refer Note no. 43 for details of dues to Micro, Small & Medium Enterprises)		
	<u>6,681,553</u>	<u>23,908,724</u>

9. OTHER CURRENT LIABILITIES

	31-03-2021 <u>Amount (Rs.)</u>	31-03-2020 <u>Amount (Rs.)</u>
a. Duties & Taxes Payables	2,589,059	2,715,270
b. Advance Sub-License fee	73,536,750	73,477,575
c. Other Payables	4,272,780	7,619,545
Total	<u>80,398,589</u>	<u>83,812,390</u>

10. SHORT TERM PROVISIONS

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. Provision for Employee Benefits				
a. Salary & Wages Payable	2,064,610		1,190,006	
b. LTA payable	127,162		922,869	
c. Good-work Reward payable	1,091,677		4,047,502	
e. Provision for Gratuity	2,295,019		920,639	
f. Provision for Leave Encashment	565,277	6,143,745	272,903	7,353,919
B. Provision for Taxes				
a. Provision for Income-tax		-		-
Total		<u>6,143,745</u>		<u>7,353,919</u>

SUNAIR HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

11. Property, Plant and Equipment:

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as on 1st April, 2020	Additions During The Year	(Disposals) During The Year	Balance as on 1st April, 2020	Depreciation charge for the year	Adjustment on Disposals	Balance as on 31st Mar, 2021	Balance as on 31st Mar, 2020
A. Tangible Assets (Not Under Lease)								
a. <u>Buildings</u>								
Hotel	1,125,048,875	-	-	227,268,002	17,548,643	-	880,232,230	897,780,873
Commercial	14,135,800	-	-	4,575,531	215,982	-	9,344,287	9,560,269
b. <u>Plant & Equipment</u>								
Hotel	505,462,283	115,625	-	410,548,563	8,216,489	-	86,812,857	94,913,719
Commercial	-	-	-	-	-	-	-	-
c. Furniture & Fixtures	284,399,738	-	-	240,360,406	6,895,884	-	37,143,449	44,039,333
d. Vehicles	20,164,708	-	-	3,463,160	2,394,559	-	14,306,989	16,701,548
e. Office Equipment	7,721,516	49,576	-	6,853,108	107,239	-	810,745	868,408
f. Others	-	-	-	-	-	-	-	-
Computers & Accessories	42,885,075	34,800	-	38,727,011	660,093	-	3,532,771	4,158,064
Electrical Fittings & Installations	3,561,530	-	-	2,944,046	115,803	-	501,681	617,484
Total (i)	2,003,379,525	200,001	-	934,739,827	36,154,692	-	1,032,685,008	1,068,639,698
B. Tangible Assets (Under Lease)								
a. Land on License	210,000,000	-	-	210,000,000	-	-	210,000,000	210,000,000
Total (A+B)	2,213,379,525	200,001.00	-	934,739,827	36,154,692	-	1,242,685,008	1,278,639,698
	2,170,121,423	55,206,716	11,948,614	895,699,774	44,903,389	5,863,336	1,278,639,698	1,274,421,649

Details in respect of each class of asset for the first five years subsequent to the date of reduction or increase due to impairment or revaluation: Rs. Nil

No Property, Plant and Equipment was acquired through business combination during the year (PY Rs. Nil).

Land represents plot allotted on license by NDMC for which Rs. 21 crores were paid to Sun Aero Ltd., the subsidiary company, as development rights.

SUNAIR HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

12. NON-CURRENT INVESTMENTS

Other Investments

Sl. No.	Particulars	Subsidiary / Associate / JV / Controlled Special Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully Paid	Extent of Holding (%)		Amount (Rs.)		Basis of Valuation
			As on 31st March 2021	As on 1st April 2020			As on 31st March 2021	As on 1st April 2020	As on 31st March 2021	As on 31st March 2020	
Investments in Equity Instruments											
(i)	Sunaero Ltd.	Subsidiary	70,000	70,000	Unquoted	Fully paid	100%	100%	700,000	700,000	At Cost
Total 'a'			70,000	70,000	Unquoted	Fully paid	100%	100%	700,000	700,000	At Cost
Investment in Mutual Funds											
(i)	Aditya Birla Sunlife Corporate Bond Fund -G-D	Others	469,704	491,404	Quoted	Fully paid	100%	100%	38,500,000	38,500,000	At Cost
(ii)	Aditya Birla Overnight Fund- Growth	Others	19,720	-	Quoted	Fully paid	100%	0%	21,321,299	-	At Cost
(iii)	Axis Short Term Fund- G	Others	814,812	-	Quoted	Fully paid	100%	0%	20,000,000	-	At Cost
(iv)	HDFC Corporate Bond Fund-DP-G	Others	937,846	316,049	Quoted	Fully paid	100%	100%	22,700,000	7,200,000	At Cost
(v)	HDFC Liquid Fund	Others	2,497	-	Quoted	Fully paid	100%	0%	10,045,467	-	At Cost
(vi)	HDFC Overnight Fund-DP-G	Others	1,683	22,463	Quoted	Fully paid	100%	100%	5,118,070	66,694,453	At Cost
(vii)	HDFC Overnight Fund-DP-G	Others	-	5,083	Quoted	Fully paid	100%	100%	-	15,091,741	At Cost
(viii)	HDFC Short Term Debt Fund -D-G	Others	-	1,208,245	Quoted	Fully paid	0%	100%	-	27,361,800	At Cost
(x)	HDFC Liquid Fund Growth	Others	6,367	6,367	Quoted	Fully paid	100%	100%	24,733,618	24,733,618	At Cost
(xii)	ICICI Prudential Corporate Bond Fund a-DP-G	Others	2,763,823	3,029,241	Quoted	Fully paid	100%	100%	58,449,836	62,000,000	At Cost
(xiv)	ICICI Prudential Overnight Fund-DP-G	Others	129,763	195,765	Quoted	Fully paid	100%	100%	14,008,133	21,087,641	At Cost
(xvi)	IDFC Corporate Bond Fund Direct Plan -G	Others	4,179,134	2,193,736	Quoted	Fully paid	100%	100%	58,100,000	28,100,000	At Cost
(xvii)	IDFC Bond Fund - Short Term Plan-G	Others	569,268	859,297	Quoted	Fully paid	100%	100%	24,296,064	36,700,000	At Cost
(xviii)	IDFC Overnight Fund- G	Others	12,311	-	Quoted	Fully paid	100%	0%	13,500,000	-	At Cost
(xix)	Kotak Corporate Bond Fund Direct Growth	Others	12,145	11,977	Quoted	Fully paid	100%	100%	33,485,018	32,800,000	At Cost
(xxii)	Kotak Overnight Fund -Direct-G	Others	4,116	22,848	Quoted	Fully paid	100%	100%	4,505,706	24,134,850	At Cost
(xxvi)	L & T Liquid Fund - Growth	Others	-	1,611	Quoted	Fully paid	0%	100%	-	4,366,310	At Cost
(xxvii)	L&T Overnight Fund- Growth	Others	672	-	Quoted	Fully paid	100%	0%	1,049,493	-	At Cost
(xxviii)	L&T Resurgent India Bond Fund -D-G	Others	-	1,184,357	Quoted	Fully paid	0%	100%	-	15,823,365	At Cost
(xxix)	L & T Short Term Bond Fund-DP-G	Others	1,819,119	1,356,122	Quoted	Fully paid	100%	100%	36,500,000	26,500,000	At Cost
(xxx)	Nippon India Interval Fund-Quarterly Plan/ Reliance Int	Others	-	205,875	Quoted	Fully paid	0%	100%	-	5,010,055	At Cost
(xxxv)	Nippon India Liquid Fund -GP-Growth Option/Reliance	Others	-	572	Quoted	Fully paid	0%	100%	-	2,756,080	At Cost
(xxvi)	Nippon India Liquid Fund -Weekly Dividend Option	Others	-	756	Quoted	Fully paid	0%	100%	-	1,157,434	At Cost
(xxix)	SBI Corporate Bond Fund	Others	2,948,550	-	Quoted	Fully paid	100%	0%	35,000,000	-	At Cost
(xxx)	SBI Overnight Fund	Others	1,502	-	Quoted	Fully paid	100%	0%	5,009,458	-	At Cost
(xxxi)	Sundaram Money Market Fund -R-G	Others	-	708,293	Quoted	Fully paid	0%	100%	-	7,142,650	At Cost
(xxxii)	UTI Short Term Income- Fund-G	Others	724,707	-	Quoted	Fully paid	100%	0%	17,500,000	-	At Cost
(xxxiii)	UTI Overnight Fund- Direct-DD	Others	1,787	-	Quoted	Fully paid	100%	0%	5,009,635	-	At Cost
(xxxiv)	UTI Credit Risk Fund-D-GP (Segregated)	Others	-	1,151,169	Quoted	Fully paid	100%	100%	-	227,931	At Cost
Total 'b'			-	1,151,169	Quoted	Fully paid	100%	100%	449,431,795	447,387,929	At Cost
Total (a+b)			70,000	70,000	Unquoted	Fully paid	100%	100%	700,000	700,000	At Cost

Summary details of non-current investments:

A. Aggregate amount of Quoted Investments	At cost	At market value
450,131,795	447,387,929	449,431,795
448,087,929	459,115,703	476,165,858
	700,000	700,000
	Nil	Nil
	Nil	Nil

52

SUNAIR HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

13. LONG TERM LOANS AND ADVANCES

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
A. <u>Capital Advances</u>		
Unsecured, considered good		
a. Greater Noida Industrial Development Authority	550,000	550,000
Total (A)	<u>550,000</u>	<u>550,000</u>
B. <u>Security Deposits</u>		
Unsecured, considered good		
a. Security deposit to service providers	2,406,047	2,406,047
b. Security deposit for let-out properties	3,120,000	3,120,000
c. Security deposit with Government Agencies for utilities	7,227,310	7,227,310
Total (B)	<u>12,753,357</u>	<u>12,753,357</u>
C. <u>Other Loans & Advances</u>		
Unsecured, considered good		
a. Income Tax Refundable	22,972,292	21,576,725
b. Cash Seized by I.T. Department	3,000,000	3,000,000
c. Other Advances	3,835,000	3,835,000
Total (C)	<u>29,807,292</u>	<u>28,411,725</u>
Total (A+B+C)	<u>43,110,649</u>	<u>41,715,082</u>
<u>Details of loans & advances to directors or other officers, etc.</u>		
Other Officers of the Company	-	-
Total	<u>-</u>	<u>-</u>

14. OTHER NON-CURRENT ASSETS

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
<u>Others</u>		
a. Commitment Charges (Recoverable)	2,043,860	2,043,860
b. Financial Charges (Recoverable)	554,158	554,158
Total	<u>2,598,018</u>	<u>2,598,018</u>

15. INVENTORIES

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
A. <u>Raw Materials & Components (Valued at cost)</u>		
Food	435,309	1,740,758
Beverage	4,107,297	5,441,207
Tobacco	2,330	2,330
Operating Equipments	61,591,211	62,772,315
Total (A)	<u>66,136,147</u>	<u>69,956,610</u>

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

16. TRADE RECEIVABLES

	31-03-2021		31-03-2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. <u>Trade receivables outstanding for a period less than six months from the date they are due for payment</u>				
Unsecured, considered good				
a. Trade receivable	5,182,866		14,216,263	
b. Income receivable	393,837	5,576,703	1,810,878	16,027,141
Total (A)		<u>5,576,703</u>		<u>16,027,141</u>
B. <u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</u>				
Unsecured, considered good				
a. Trade receivable	144,310		1,015,140	
b. Income receivable	-	144,310	-	1,015,140
Total (B)		<u>144,310</u>		<u>1,015,140</u>
Total (A+B)		<u>5,721,013</u>		<u>17,042,281</u>

17. CASH AND BANK BALANCES

	31-03-2021	31-03-2020
	Amount (Rs.)	Amount (Rs.)
A. <u>Cash and cash equivalents</u>		
a. <u>Balances with banks</u>		
Current Account with Scheduled Banks	20,765,158	34,634,325
There are no Earmarked Balances, Margin Money, Security against borrowings, Guarantees and Other Commitments included in the balances above (PY Nil)		
b. <u>Cheques, drafts on hand</u>	-	-
c. <u>Cash on hand (including Imprest)</u>	1,652,818	1,668,447
Total(A)	<u>22,417,975</u>	<u>36,302,772</u>
B. <u>Other bank balances</u>		
a. Bank deposits with original maturity of more than 12 months but within 12 months from balance sheet date	1,021,649	-
b. Bank deposits with original maturity of more than 3 months but less than 12	-	1,021,649
Total(B)	<u>1,021,649</u>	<u>1,021,649</u>
Total (A+B)	<u>23,439,624</u>	<u>37,324,421</u>

18. SHORT TERM LOANS AND ADVANCES

unsecured, considered good	31-03-2021	31-03-2020
	Amount (Rs.)	Amount (Rs.)
<u>Other Loans & Advances</u>		
A. Advance License Fees (NDMC)	15,575,870	14,834,162
B. Advance (Staff & Consultants)	800,000	810,000
C. Prepaid Expenses (Hotel) (Licence fee L3 & L5)	4,872,423	8,944,447
D. Advance for assets	52,653,514	49,517,086
Total	<u>73,901,807</u>	<u>74,105,695</u>

Details of loans & advances to directors or other officers, etc. : NIL (P.Y. NIL)

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

19. OTHER CURRENT ASSETS

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. Staff Recovery	-	23,823
B. <u>Other Taxes Recoverable</u>		
i. GST Input	5,317,690	6,893,893
ii. DVAT Input	-	4,227
	<u>5,317,690</u>	<u>6,921,943</u>

20. REVENUE FROM OPERATIONS

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. <u>Sale of Services</u>				
<u>Facilities and Services Charges for Hotel Complex</u>				
Rooms	15,409,706		360,552,632	
<u>Food & Beverage</u>				
Food	6,948,298		92,336,250	
Beverage	881,543		18,794,377	
Tobacco	3,900		67,500	
Banquet Fees	363,004		3,718,060	
Other Operating Departments	248,127		14,136,589	
Services Charges Received	436,779		7,241,190	
Sub License Fees	96,680,925	120,972,281	86,130,000	582,976,598
		<u>120,972,281</u>		<u>582,976,598</u>
Revenue from Operations (Gross)		<u>120,972,281</u>		<u>582,976,598</u>
Less: Excise Duty		-		-
Revenue from Operations (Net)		<u><u>120,972,281</u></u>		<u><u>582,976,598</u></u>

21. OTHER INCOME

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. Interest from Bank Deposits	112,097	167,673
B. Scrap sale	-	437,377
C. Income From Travel Desk	900,000	1,750,000
D. Guest Transport Charges & Tour	42,500	2,531,880
E. Short Term Capital Gain	12,143,878	22,508,405
F. Dividends received on share / Mutual Funds	2,080	201,610
G. Insurance Claim Received	-	2,211,277
H. Gain / (Loss) on Foreign Exchange Curr. Fluctuation	253	18,751
I. Miscellaneous Income	7,342,141	15,473,144
J. Other Charges Recovered	5,670,558	-
Total	<u><u>26,213,508</u></u>	<u><u>45,300,117</u></u>

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

22. COST OF MATERIALS CONSUMED

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<u>Materials Consumed</u>		
Inventory at the beginning of the year	7,184,295	7,250,863
Add : Purchases	2,177,155	37,289,948
	<u>9,361,450</u>	<u>44,540,811</u>
Less: Inventory at the end of the year	4,544,936	7,184,295
Cost of Raw Material Consumed	<u>4,816,514</u>	<u>37,356,515</u>

Details of Materials Consumed

A. Food	4,209,411	31,591,161
B. Beverages	606,350	5,734,593
C. Tabacoo	753	30,761
	<u>4,816,514</u>	<u>37,356,515</u>

* Cost of operating equipments consumed is directly booked as an expense under its relevant expenditure head.

23. COST OF UTILITIES AND HOSPITALITY SERVICES

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. Telephone Cost	860	36,080
B. Laundry Cost	63,370	1,021,785
C. Health Club	-	220,202
	<u>64,230</u>	<u>1,278,067</u>

24. EMPLOYEE BENEFIT EXPENSES

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. Salaries, wages and bonus		22,187,809		83,803,926
B. Directors Remuneration		6,300,000		8,287,500
C. <u>Contributions to:</u>				
a. Provident Fund	1,475,598		6,213,553	
b. ESI	270,828		1,332,925	
c. Other Funds	627,367	2,373,793	57,029	7,603,507
D. Gratuity Fund Contributions		1,731,711		1,027,436
E. Staff Welfare Expenses		365,446		4,586,726
F. Medical Reimbursement		-		670,220
G. Exgratia Paid		180,606		117,502
		<u>33,139,364</u>		<u>106,096,817</u>

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

25. OTHER EXPENSES

	31-03-2021		31-03-2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a. Power & Fuel		22,439,427		64,793,301
b. Rent		3,060,000		3,060,000
c. <u>Repairs & Maintenance</u>				
i. Plant & Machinery	1,500,431		2,446,023	
ii. Buildings	10,912,777		37,981,806	
iii. Others	<u>6,540,834</u>	18,954,043	<u>27,310,331</u>	67,738,159
d. Insurance		2,607,705		2,208,772
e. Old Balances written off		-		10,792
f. Advertising & Sales Promotion		75,912		2,674,813
g. Communication Cost		468,854		632,564
h. Printing & Stationery		444,663		3,074,604
i. Legal & Professional Fees		31,757,488		39,828,533
j. Payment to Auditors		403,649		403,649
k. Licence fee		18,956,616		20,694,956
l. Loss on Sale of Assets		-		1,742,904
o. Internet Expense		370,222		1,877,597
p. Banquet Expenses		216,875		3,064,218
q. Guest Supply & Relation Expenses		69,640		8,455,133
r. Linen		878,670		1,008,538
s. Flowers & Decoration		-		484,132
t. Laundry & Dry Cleaning		15,842		238,097
u. Uniform		-		227,724
v. Guest Supplies		337,427		7,481,747
w. Commission on Rooms		1,628,955		37,910,182
x. Cleaning Supply		216,441		1,316,967
y. Guest News Paper & Magazines		1,670		65,260
z. Music & Entertainment		35,000		470,000
aa. Kitchen Utensils		1,130		4,200
ab. Local Transportation & Vehicle Maintenance		386,269		1,676,673
ac. Guests Entertainment & Business Promotion		211,446		1,521,320
ad. Credit Card Charges		78,916		2,278,620
ae. Security Services		3,364,405		5,148,914
af. Traveling Expenses Foreign (incl.Directors)		-		7,662,786
ag. AGM & Conference Charges		8,040		37,170
ah. Membership Fees & Subscription		58,300		169,603
ai. Misc Expenses		365,689		727,470
aj. R.O.C. Fee		13,971		26,604
ak. Manpower Outsourced		1,075,511		8,024,953
al. Sitting Fees		190,000		220,000
am Postage/Courier/Telegram		36,201		73,215
ap. Rate & Taxes		<u>220,614</u>		<u>58,035</u>
Total		<u>108,949,590</u>		<u>297,092,204</u>

Details of Payment to Auditors

As Auditor:

- Audit Fee		325,000		325,000
- Tax Audit Fee		78,650		78,650
- Others		-		-
Total		<u>403,650</u>		<u>403,650</u>

26. <u>FINANCE COST</u>	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
		31-03-2021		31-03-2020
		<u>Amount (Rs.)</u>		<u>Amount (Rs.)</u>
a. Interest on Taxes		51,544		3,726
b. Bank Charges		26,052		167,332
Total		<u>77,596</u>		<u>171,058</u>

27. <u>DEPRECIATION AND AMORTIZATION EXPENSES</u>	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
Depreciation on Assets		36,154,692		44,903,389
Total		<u>36,154,692</u>		<u>44,903,389</u>

28. <u>DETAILS OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY</u>	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
(a) Gross Amount required to be spent by the company during the year		2,471,708		1,900,000
(b) Amount spent during the year on:	<u>In Cash</u>	<u>Yet to be paid i</u>		<u>Total</u>
(i) Construction / acquisition of any assets	Nil (PY Nil)	Nil (PY Nil)		Nil (PY Nil)
(ii) <u>On purposes other than (i) above</u>				
- Donation to Abhinandan Jan Kalyan Society	2,471,708	Nil		2,471,708
- Donation to Abhinandan Jan Kalyan Society	(PY 19,00,000)	(PY Nil)		(PY 19,00,000)
(c) Contribution paid to trust controlled by the related party	Nil	Nil		Nil

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

30. EARNING PER SHARE (EPS)

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
Total operations for the year		
Profit / (loss) after tax	23,512,424	100,036,140
Less: Dividends & dividend tax on other than equity shares	-	-
Net profit / (loss) for calculation of Basic EPS	<u>23,512,424</u>	<u>100,036,140</u>
Net profit as above	23,512,424	100,036,140
Add : Dividends & dividend tax on other than equity shares	-	-
Add : Adjustments for the effects of dilutive potential equity shares	-	-
Net profit / (loss) for calculation of Diluted EPS	<u>23,512,424</u>	<u>100,036,140</u>
Weighted average number of equity shares in calculating Basic EF	39,750,000	39,750,000
Effect of dilution:		
Convertible preference shares (numbers)	-	-
Convertible bonds (numbers)	-	-
Stock option granted under ESOP	-	-
Weighted average number of equity shares in calculating Dilu	<u>39,750,000</u>	<u>39,750,000</u>
(a) Basic	0.59	2.52
(b) Diluted	0.59	2.52

31. Additional information pursuant to Note No. 5(viii)(a) of Part-II of Schedule-III to the Companies Act, 2013

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
<u>Value of imports calculated on C.I.F. basis by the Company during the financial year in respect of:</u>		
A. Raw materials	-	-
B. Components and spare parts	-	-
C. Capital goods & Other goods	-	2,981,475
Total	<u>-</u>	<u>2,981,475</u>

32. Additional information pursuant to Note No. 5(viii)(b) of Part-II of Schedule-III to the Companies Act, 2013

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
<u>Expenditure in foreign currency during the financial year on account of:</u>		
A. Royalty, know-how, professional and consultation fees	-	-
B. Interest	-	-
C. Traveling Expenses	-	3,695,628
D. Commission Expenses	1,049,449	17,161,447
Total	<u>1,049,449</u>	<u>20,857,075</u>

33. Additional information pursuant to Note No. 5(viii)(c) of Part-II of Schedule-III to the Companies Act, 2013

	<u>31-03-2021</u>		<u>31-03-2020</u>	
	<u>Page (%)</u>	<u>Amount (Rs.)</u>	<u>Page (%)</u>	<u>Amount (Rs.)</u>
<u>Total value of indigenous materials consumed:</u>				
A. <u>Raw materials</u>				
Food & Beverages	100	4,816,514	100	37,356,515
B. Other Supplies	100	764,200	100	13,308,132
C. Spare parts	100	6,292,990	100	39,809,473
D. Components	100	69,950	100	2,177,212
Total	59	<u>11,943,654</u>		<u>92,651,333</u>

34. Additional information pursuant to Note No. 5(viii)(d) of Part-II of Schedule-III to the Companies Act, 2013 Rs. Nil (PY Nil)

35. Additional information pursuant to Note No. 5(viii)(e) of Part-II of Schedule-III to the Companies Act, 2013

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<u>Earnings in foreign exchange:</u>		
A. Export of goods calculated on F.O.B. basis	-	-
B. Royalty, know-how, professional and consulation fees	-	-
C. Interest and dividend	-	-
D. <u>Other income</u>	-	-
Guest Rooms, F&B Sales and Other Services	1,087,834	205,436,735
	<u>1,087,834</u>	<u>205,436,735</u>

36. Gratuity & Other Post-employment Benefits

The Company does not have a defined benefit gratuity plan. However, every employee who has completed five years or more of service gets gratuity on departure at 15 days' salary (last drawn basic salary) for each completed year of service or part thereof in excess of six months on projected unit method.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognized in the balance sheet.

I. Gratuity

	31-03-2021	31-03-2020	31-03-2019
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
1. <u>Change in present value of obligation</u>			
a) Present value of obligation as at the beginning of the period	12,837,994	12,475,689	11,094,902
b) Acquisition adjustment	-	-	-
c) Interest cost	878,780	962,674	864,787
d) Past service cost	-	-	-
e) Current service cost	1,334,203	1,693,591	1,480,761
f) Curtailment cost / (Credit)	-	-	-
g) Settlement cost / (Credit)	-	-	-
h) Benefit paid	(178,896)	(665,131)	(886,259)
i) Actuarial (gain) / Loss on obligation	(481,272)	(1,628,829)	(78,502)
j) Present value of obligation as at the end of the period	<u>14,390,809</u>	<u>12,837,994</u>	<u>12,475,689</u>
2. <u>Changes in fair value of plan assets</u>			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Expected return on plan assets	-	-	-
d) Contribution	-	-	-
e) Benefits paid	-	-	-
f) Actuarial gain / (loss) on plan assets	-	-	-
g) Fair value of plan assets at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>
3. <u>Fair value of plan assets</u>			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Actual return on plan assets	-	-	-
d) Contributions	-	-	-
e) Benefits paid	-	-	-
f) Fair value of plan assets at the end of the period	-	-	-
g) Funded status	(14,390,809)	(12,837,994)	(12,475,689)
h) Excess of actual over estimated return on plan assets	-	-	-
4. <u>Actuarial gain / losses recognized</u>			
a) Actuarial gain / (loss) for the period- obligation	481,272	1,628,829	78,502
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	60 (481,272)	(1,628,829)	(78,502)
d) Actuarial (gain) / loss recognized in the period	(481,272)	(1,628,829)	(78,502)
e) Unrecognized actuarial (gains) losses at the end of the period	-	-	-
f) Experience Adjustment on Present Value of Obligation-Loss	(889,997)	9,787	(220,922)

5. <u>The amounts to be recognized in the balance sheet and related analysis</u>			
a) Present value of obligation as at the end of the period	14,390,809	12,837,994	12,475,689
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(14,390,809)	(12,837,994)	(12,475,689)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-
f) Net assets / (liability) recognized in balance sheet	(14,390,809)	(12,837,994)	(12,475,689)
6. <u>Expense recognized in the statement of profit and loss</u>			
a) Current service cost	1,334,203	1,693,591	1,480,761
b) Past service cost	-	-	58,440
c) Interest cost	878,780	962,674	864,787
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-
f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(481,272)	(1,628,829)	(78,502)
h) Expenses recognized in the statement of profit & losses	1,731,711	1,027,436	2,325,486
7. <u>Reconciliation statement of expenses in the statement of profit & loss</u>			
a) Present value of obligation as at the end of the period	14,390,809	12,837,994	12,475,689
b) Present value of obligation as at the beginning of the period	12,837,994	12,475,689	11,094,902
c) Benefit paid	178,896	665,131	886,259
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	1,731,711	1,027,436	2,325,486
8. <u>Amount for the current period</u>			
a) Present value of obligation as at the end of the period	14,390,809	12,837,994	12,475,689
b) Fair value of plan assets	-	-	-
c) Surplus / (Deficit)	(14,390,809)	(12,837,994)	(12,475,689)
d) Experience adjustment on plan liabilities (loss) / gain	481,272	1,628,829	(78,502)
e) Experience adjustment on plan assets (loss) / gain	-	-	-
9. <u>Movement in the liability recognized in the balance sheet</u>			
a) Opening net liability	11,448,356	11,086,051	9,646,824
b) Expense as above	1,731,711	1,027,436	2,325,486
c) Benefits paid	(178,896)	(665,131)	(886,259)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability	13,001,171	11,448,356	11,086,051
10. <u>Major categories of plan assets (as percentage of total plan assets)</u>			
a) Government of India Securities	-	-	-
b) State Government Securities	-	-	-
c) High quality corporate bonds	-	-	-
d) Equity shares of listed companies	-	-	-
e) Property	-	-	-
f) Special deposit scheme	-	-	-
g) Funds managed by insurer	-	-	-
h) Bank balance (For Gratuity)	-	-	-
Total	-	-	-

11. The principal assumption used in determining gratuity obligation for the Company's plans are shown below:

	31-03-2021	31-03-2020	31-03-2019
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a) Discount rate	6.70	6.85	7.70
b) Rate of return on Plan Assets	0.00	0.00	0.00
c) Salary Escalation	0%(*)	4.00	6.00

*--0% P.A. for FY 2021-22, 2% P.A. for FY 2022-23 and 4% P.A. thereafter

II. Leave Encashment

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>	<u>31-03-2019</u> <u>Amount (Rs.)</u>
1. <u>Change in present value of obligation</u>			
a) Present value of obligation as at the beginning of the period	3,784,698	4,225,449	3,779,040
b) Acquisition adjustment	-	-	-
c) Interest cost	259,068	326,052	294,631
d) Past service cost	-	-	-
e) Current service cost	835,463	607,305	842,180
f) Curtailment cost / (Credit)	-	-	-
g) Settlement cost / (Credit)	-	-	-
h) Benefit paid	(144,802)	(497,780)	(779,114)
i) Actuarial (gain) / Loss on obligation	(467,164)	(876,328)	88,712
j) Present value of obligation as at the end of the period	<u>4,267,263</u>	<u>3,784,698</u>	<u>4,225,449</u>
2. <u>Changes in fair value of plan assets</u>			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Expected return on plan assets	-	-	-
d) Contribution	-	-	-
e) Benefits paid	-	-	-
f) Actuarial gain / (loss) on plan assets	-	-	-
g) Fair value of plan assets at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>
3. <u>Fair value of plan assets</u>			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Actual return on plan assets	-	-	-
d) Contributions	-	-	-
e) Benefits paid	-	-	-
f) Fair value of plan assets at the end of the period	-	-	-
g) Funded status	(4,267,263)	(3,784,698)	(4,225,449)
h) Excess of actual over estimated return on plan assets	-	-	-
4. <u>Actuarial gain / losses recognized</u>			
a) Actuarial gain / (loss) for the period- obligation	(467,164)	(876,328)	88,712
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	(467,164)	(876,328)	88,712
d) Actuarial (gain) / loss recognized in the period	(467,164)	(876,328)	88,712
e) Unrecognized actuarial (gains) losses at the end of the period	-	-	-
f) Experience Adjustment on Present Value of Obligation-Lo:	(732,805)	(352,344)	30,259
5. <u>The amounts to be recognized in the balance sheet and related analysis</u>			
a) Present value of obligation as at the end of the period	4,267,263	(4,225,449)	4,225,449
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(4,267,263)	(4,225,449)	(4,225,449)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-
f) Net assets / (liability) recognized in balance sheet	4,267,263	(4,225,449)	(4,225,449)
6. <u>Expense recognized in the statement of profit and loss</u>			
a) Current service cost	835,463	607,305	842,180
b) Past service cost	-	-	-
c) Interest cost	259,068	326,052	294,631
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-
f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(467,164)	(876,328)	88,712
h) Expenses recognized in the statement of profit & losses	<u>627,367</u>	<u>57,029</u>	<u>1,225,523</u>

62

7. <u>Reconciliation statement of expenses in the statement of profit & loss</u>			
a) Present value of obligation as at the end of the period	4,267,263	(4,225,449)	4,225,449
b) Present value of obligation as at the beginning of the period	3,784,698	4,225,449	3,779,040
c) Benefit paid	(144,802)	(497,780)	(779,114)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	627,367	57,029	1,225,523
8. <u>Amount for the current period</u>			
a) Present value of obligation as at the end of the period	4,267,263	(4,225,449)	4,225,449
b) Fair value of plan assets as at the end of the period	-	-	-
c) Surplus / (Deficit)	(4,267,263)	4,225,449	(4,225,449)
d) Experience adjustment on plan liabilities (loss) / gain	467,164	876,328	(88,712)
e) Experience adjustment on plan assets (loss) / gain	-	-	-
9. <u>Movement in the liability recognized in the balance sheet</u>			
a) Opening net liability	3,784,698	4,225,449	3,779,040
b) Expense as above	627,367	57,029	1,225,523
c) Benefits paid	(144,802)	(497,780)	(779,114)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability	4,267,263	3,784,698	4,225,449
10. <u>Major categories of plan assets (as percentage of total plan assets)</u>			
a) Government of India Securities	-	-	-
b) State Government Securities	-	-	-
c) High quality corporate bonds	-	-	-
d) Equity shares of listed companies	-	-	-
e) Property	-	-	-
f) Special deposit scheme	-	-	-
g) Funds managed by insurer	-	-	-
h) Bank balance (For Gratuity)	-	-	-

11. The principal assumption used in determining leave encashment obligation for the Company's plans are shown below:

	<u>31-03-2021</u>	<u>31-03-2020</u>	<u>31-03-2019</u>
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
a) Discount rate	6.70	6.85	7.70
b) Rate of return on Plan Assets	-	-	-
c) Salary Escalation	0%(*)	4.00	6.00

*--0% P.A. for FY 2021-22, 2% P.A. for FY 2022-23 and 4% P.A. thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Previous year figures have not been given since those are not fully available.

SUNAIR HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

37. **Segment Reporting**

The business segments of the Company have been identified in line with the Accounting Standard AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, taking into account the organisational structure and different risk and return of these segments. The Company's reportable business segments consists of the following:

- a) Hotel Business
- b) Commercial Centre
- c) Portfolio Management

The accounting policies adopted for segment reporting are in line with the following additional policies for segment reporting :

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating business activities of the segment. Revenue and expenses, which relate to enterprise as a whole that cannot be allocated to a segment on reasonable basis, have been disclosed separately under the column "unallocable".
- b) Segment assets and liabilities represent assets and liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed under the column "unallocable".

<u>Particulars</u>	<u>Hotel Business</u>	<u>Commercial Business</u>	<u>Portfolio Management</u>	<u>Total Amount (Rs)</u>
<u>Segment Revenue</u>				
- Revenue including other income	38,358,906	96,680,925	12,145,958	147,185,789
Net Sales / Income from Operations	(A) 38,358,906	96,680,925	12,145,958	147,185,789
<u>Segment Expenses</u>				
<u>Allocable Expenses</u>				
-Consumption of Stores, Provisions & Beverages and Purchase of Mutual Funds	4,880,744	-	-	4,880,744
-Employee benefit expenses	33,139,364	-	-	33,139,364
-Operating / Administration Expenses	108,949,590	-	-	108,949,590
-Finance Cost	77,596	-	-	77,596
-Expenditure on CSR Activity	2,471,708	-	-	2,471,708
	(B) 149,519,002	-	-	149,519,002
Segment Result	(A - B) (111,160,097)	96,680,925	12,145,958	(2,333,213)
Less : Depreciation				36,154,692
Profit before Taxation				(38,487,905)
Less : Tax Expense for the year				(62,000,329)
Profit after Taxation				23,512,424
Segment Assets (including Misc. expenditure and debit balance of Profit & Loss A/c)	1,903,303,629	9,738,124	-	1,913,041,753
Segment Liabilities (including long term liabilities)	166,015,965	159,666,750	-	325,682,715
Total Carrying Amount of fixed assets	1,233,340,721	9,344,287	-	1,242,685,008
Total Depreciation on fixed assets	35,938,710	215,982	-	36,154,692

The business segments of the Company viz., hotel business and commercial centre are both located at one geographical place only and accordingly the geographical segment is not applicable to the company.

39. Income-tax provision has been made in the books of account as per legal advice received by the Company for assessment of various incomings and outgoings.

40. Sundry Debtors / Creditors, if any, are not reconciled due to non-receipt of corresponding statements of account from them. Necessary adjustments, if any, in the books of account will be made at the time of reconciliation of the same.

41. **Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006**

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date; and hence, in absence of the same, (disclosures as required u/s 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 regarding:- (a) Principal amount and interest due thereon remaining unpaid to any suppliers as at the end of the accounting year; interest paid during the year; Amount of the payment made to the supplier beyond the appointed date during accounting year; Interest due and payable for the delay in making payment; Interest accrued and unpaid at the end of the accounting year; and further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprises, have not been given. The company is making efforts to get confirmations from the suppliers as regard to their status under the said Act.

42. **EXCEPTIONAL AND EXTRA-ORDINARY ITEMS**

No exceptional or extra-ordinary items of revenue nature occurred during the year (PY Nil). Hence no disclosure of the same has been made in the Statement of Profit and Loss.

43. As the company in earlier years mentioned that Hon'ble Justice P K Bahri (Retd) passed an Award on 18/07/2015 against which applications u/s 33 of the Arbitration & Conciliation Act 1996 were filed by both parties before him and which were decided by him on 03/10/2015. Against the said Award applications u/s 34 of the Arbitration & Conciliation Act 1996 has been filed by both the parties in the Hon'ble Delhi High Court and the matter is still pending there. In the meantime, an execution petition for the said award was also filed by VLS Finance Ltd. However, the execution petition has been dismissed by Hon'ble High Court vide order dated 16/08/2017 and the next date of hearing is 21/09/2021. In the SFIO matter the LPA was dismissed in January, 2019 and now the matter is pending in trial court and next day of hearing is 23/09/2021. SFIO has filed a petition u/s 241(2) a/w 246 a/w 339 of the Companies Act 2013, and the next date of hearing is 30/09/2021.

44. **CONTINGENT LIABILITIES & COMMITMENTS (to the extent not provided for)**

	<u>31-03-2021</u>	<u>31-03-2020</u>
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
(i) <u>Contingent Liabilities</u>		
A. Claims against the Company not acknowledged as debts	Nil	Nil
B. Guarantees	Nil	Nil
C. Bills of exchange discounted with banks	Nil	Nil
D. Tax demand disputed in appeals	Nil	Nil
(ii) <u>Commitments</u>		
A. Estimated amount of contracts remaining to be executed on capital accounts and not provided for	3,900,000	3,700,000
B. Uncalled liability on shares and other investments partly paid	Nil	Nil
C. Other commitments	Nil	Nil

: 3 :

45. PREVIOUS YEAR FIGURES

Previous figures have been regrouped / recast wherever considered necessary.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sdl/-
(S.P.GUPTA)
Chairman
(DIN-00204504)

Sdl/-
(VIPUL GUPTA)
Director (Operations)
(DIN-00204638)

Sdl/-
(ANIL SOOD)
Partner
Membership No. 83939

Sdl/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sdl/-
(NEHA RAJPUT)
Company Secretary
(M No. A-26116)

Place : New Delhi
Dated: 31/08/2021

Page intentionally left blank.

SUN AERO LIMITED

CIN : U74899DL1993PLC055759

Regd. Off: A-7, FIRST FLOOR, GEETANJALI ENCLAVE, NEW DELHI-110 017

PHONE # (91 11) 41515250 e-mail: sunairhotels@gmail.com

DIRECTORS' REPORT

To,
The Members

The Directors of your company have pleasure in presenting the 28th Annual Report of the Company and its financial accounts for the year ended on 31st March, 2021.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years figures are given hereunder :

	<u>Curr.Year</u> <u>31/03/2021</u>	<u>Prev.Year</u> <u>31/03/2020</u>
<u>Net Sales / Income from:</u>		
a) Business Operations	59,655,383	49,789,060
b) Other Income	4,680	176,502
Total Income	<u>59,660,063</u>	<u>49,965,562</u>
Profit / (Loss) before Interest & Depreciation	(154,195)	(1,420,279)
Less: Finance cost (Interest)	370	545
Profit / (Loss) before Depreciation	<u>(154,565)</u>	<u>(1,420,824)</u>
Less: Depreciation	368,076	377,576
Profit / (Loss) after Depreciation but before Tax	<u>(522,641)</u>	<u>(1,798,400)</u>
Less: <u>Tax Saving / (Expense)</u>		
a) Current Income-tax	-	-
b) Earlier year(s) Adjustment of Income-tax	-	-
c) Deferred Tax	<u>(135,792)</u>	<u>(474,893)</u>
Net Profit/ (Loss) after Tax	<u>(386,849)</u>	<u>(1,323,507)</u>
Dividend (including Interim, if any, and Final)	-	-
Net Profit/ (Loss) after Dividend & Tax	<u>(386,849)</u>	<u>(1,323,507)</u>
Amount transferred to General Reserve	-	-
Balance carried to Balance Sheet	<u>(386,849)</u>	<u>(1,323,507)</u>
Earning per share (Basic)	(5.53)	(18.91)
Earning per share (Diluted)	(5.53)	(18.91)

2. DIVIDENDS

With a view to conserve funds, the Directors do not recommend any dividend for the financial year 2020-21

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid by the Company .

4. RESERVES

The Board of Directors do not propose any amount to be carried to any reserve.

5. **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

The Company is engaged in the business of Portfolio Activities.

The highlights of the Company's performance are as under:

- a) Revenue from operations has increased from Rs. 49,789,060/- to Rs.59,655,383/-
- b) Loss before Tax for the year has decreased from Rs.-1,798,400/- to Rs. -522,641/-
- c) Earning per share have increased from Rs.-19/- to Rs. -6/-

The ongoing global COVID-19 pandemic has caused and continues to cause significant loss of life and has resulted in curtailment of economic activities across the World as local administrations and Governments seek to limit spread of the disease including through lockdown policies restriction on business activities and business shutdowns. The COVID-19 pandemic disrupted several lives and dealt a severe blow to the economic health of the nation as well as of our company .The nation-wide lockdown caused a sharp contraction of 23.9% in GDP during Q1 FY 2021, recovering to a 7.5% drop in Q2, together with improvement in all key economic indicators. Commencing from July 2020, the recovery has been V-shaped, as demonstrated by Quarter-on-Quarter GDP growth, The Economic Survey projects India's real GDP to grow by 10 to 11% in 2021-22, provided normalisation of economic activities continues and the rollout of COVID-19 vaccines gathers pace and there are no further waves of pandemic. Apart from this the company has done reasonably good to survive this pandemic.

6. **CHANGE IN NATURE OF BUSINESS**

There has been no change in the business of the Company during the financial year under review.

7. **MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

8. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No such orders have been passed by any authority. Further the Company had made an application to Reserve Bank of India for voluntary surrender of NBFC Certificate No. N-14-03086 dated 16/12/2005 issued by Reserve bank of India, Delhi , the application is under still under process and till date no material order has received in this regard.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in 'Annexure-A' attached to this report.

10. **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company does not have any risk management policy as the elements of risk threatening the Company's existence are quite minimal.

11. **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**
The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.
12. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**
There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision are not applicable.
13. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**
There were one contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review at Arm's Length basis. In this regard Form no. AOC-2 is attached as 'Annexure-B' to this report.
14. **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**
There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report in not applicable to the Company.
15. **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**
The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.
16. **Web Link of Annual Return, If Any.:-**
The Company doesn't have any website. Therefore, no need to of publication of Annual Return.
17. **ANNUAL RETURN**
The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished on Form No. MGT-9 attached as 'Annexure-C' to this Report.
18. **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**
The Company had 4 (Four) Board meetings dated 23/06/2020, 02/09/2020, 23/12/2020 and 02/03/2021 during the financial year under review.
19. **DIRECTORS RESPONSIBILITY STATEMENT**
In terms of Section 134(3) read with Section 134(5) of the Companies Act, 2013, your directors confirm as under:
- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
 - b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period;
 - c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - d) the Directors have prepared the annual accounts on a going concern basis; and
 - e) The Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the company.
 - f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Company doesn't have any subsidiary, Joint Venture and Associate Company.

20. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Company doesn't have any subsidiary, Joint Venture and Associate Company.

21. **DEPOSITS**

The Company has neither accepted nor renewed any deposits covered under Chapter V of the Act, 2013 during the year under review.

22. **DIRECTORS**

Mr. Kaveen Gupta and Mr. Sheel Gupta retire at this Annual General Meeting and being eligible offer themselves for re-election.

23. **STATUTORY AUDITORS**

M/s Anil Sood & Associates Chartered Accountant (firm registration no. 004985 N) New Delhi, the Statutory Auditor of the Company were appointed as the Auditors of the Company at the 24TH Annual general Meeting of the Company held on 28th September, 2017 pursuant to section 139 and 142 and other applicable provisions of the Companies Act, 2013, and the Rules made hereunder, as amended from time to time, for period of five years till the conclusion of the Annual General Meeting to be held in 2022, subject to the Approval by the shareholders at every Annual General Meeting. Their appointment is hereby ratified and that the Board of Directors be and are hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2022.

24. **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rules 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 is not applicable to the Company.

25. **SHARES**

a) **BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

b) **SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

c) **BONUS SHARES**

The Company has not issued any Bonus Shares during the year under review.

d) **EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option scheme to the employees during the year under review.

26. **DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the year under review, the statutory auditors has not reported, any instance of fraud committed against the company by its officers or employees, under section 143(12) of the companies Act, 2013 the detail of which would need to be mentioned in the Director's Report.

28. **SEXUAL HARRASMENT OF WOMEN AT WORK PLACE**

Company promote the positive workplace environment for everyone, free from harassment of any nature. And no complaint was received by the Company from any employee during the financial year 2020-21.

29. **DETAIL OF Extra Ordinary General Meeting** 72

The Company had 1 (one) Extra Ordinary General meetings dated 20/03/2021 during the financial year under review.

30. **COMPLIANCE OF SECRETARIAL STANDARD ISSUED BY ICSI**

Company has complied with the Secretarial Standard issued by ICSI.

31. **CORPORATE GOVERNANCE CERTIFICATE**

Not Applicable.

32. **SECRETARIAL AUDIT REPORT**

Not applicable.

33. **MAINTENANCE OF COST RECORDS**

Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

34. **INTERNAL FINANCIAL CONTROLS:**

Adequate Internal Financial Control system and checks are in place commensurate with the size of the company and nature of its business.

35. **DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the year under review, the statutory auditors has not reported, any instance of fraud committed against the company by its officers or employees, under section 143(12) of the companies Act, 2013 the detail of which would need to be mentioned in the Director's Report.

36. **COST AUDIT**

The provisions of section 148 are not applicable to the company

37. **ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, various government authorities, employees and shareholders for their continued support extended to your Company's activities during the year under review.

For and on behalf of the Board of Directors

Place: New Delhi
Dated : 28/08/2021

Sd/-
(VIPUL GUPTA)
(DIN-00204638)
Director

Sd/-
(S.P.GUPTA)
(DIN-00204504)
Director

SUN AERO LIMITED

CIN : U74899DL1993PLC055759

Regd. Off: A-7, FIRST FLOOR, GEETANJALI ENCLAVE, NEW DELHI-110 017

PHONE # (91 11) 41515250 e-mail: sunairhotels@gmail.com

ANNEXURE-A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO for the year ended on 31st March, 2021

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

- (i) The steps taken or impact on conservation of energy. : Not Applicable
- (ii) The steps taken by the company for utilizing alternate sources of energy. : Not Applicable
- (iii) The capital investment on energy conservation equipments. : Not Applicable

(B) Technology Absorption:

- (i) the efforts made towards technology absorption. : Not Applicable
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution. : Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Not Applicable
 - (a) the details of technology imported
 - (b) the year of import;
 - (c) whether the technology been fully absorbed
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.
- (iv) the expenditure incurred on Research and Development. : Not Applicable

(C) Foreign Exchange Earnings and Outgo:

<u>Particulars</u>	<u>Year Ended</u> <u>31st March 2021</u>	<u>Year Ended</u> <u>31st March 2020</u>
Earnings	NIL	NIL
Outgo / Expenses	NIL	NIL

For and on behalf of the Board of Directors

Place: New Delhi
Dated : 28/08/2021

Sd/-
(VIPUL GUPTA)
(DIN-00204638)
Director

Sd/-
(S.P.GUPTA)
(DIN-00204504)
Director

SUN AERO LIMITED

CIN : U74899DL1993PLC055759

Regd. Off: A-7, FIRST FLOOR, GEETANJALI ENCLAVE, NEW DELHI-110 017

PHONE # (91 11) 41515250 e-mail: sunairhotels@gmail.com

ANNEXURE-B

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014] for the year ended 31/03/2021

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS / ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTION UNDER THIRD PROVISIO THERETO

1. Details of contracts or arrangements or transaction not at Arm's Length basis:

<u>Sl. No.</u>	<u>Particulars</u>	<u>Details</u>
(a)	Name (s) of the related party & nature of relationship	N.A
(b)	Nature of contracts / arrangements / transaction	N.A
(c)	Duration of the contracts / arrangements / transaction	N.A
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
(e)	Justification for entering into such contracts or arrangements or transaction	N.A
(f)	Date of approval by the Board	N.A
(g)	Amount paid as advances, if any	N.A
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A

2. Details of contracts or arrangements or transaction at Arm's Length basis:

<u>Sl. No.</u>	<u>Particulars</u>	<u>Details</u>
(a)	Name(s) of the related party & nature of relationship	Pushpanjali Trexim (P) Limited (Majority of Directors and shareholders are same)
(b)	Nature of contracts / arrangements / transaction	Purchase of land at Raigad
(c)	Duration of the contracts / arrangements / transaction	N.A
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	10.57 crores
(e)	Date of approval by the Board	02/03/2021
(f)	Amount paid as advances, if any	10.57 crores

For and on behalf of the Board of Directors

Sd/- 75

(S.P.GUPTA)

Director

(DIN-00204504)

Sd/-

(VIPUL GUPTA)

Director

(DIN-00204638)

Place: New Delhi

Dated : 28/08/2021

SUN AERO LIMITED

CIN : U74899DL1993PLC055759

Regd. Off: A-7, FIRST FLOOR, GEETANJALI ENCLAVE, NEW DELHI-110 017

PHONE # (91 11) 41515250 e-mail: sunairhotels@gmail.com

ANNEXURE-C

Form No. MGT-9 for the year ended on 31st March, 2021

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U74899DL1993PLC055759
ii) Registration Date : 22/10/1993
iii) Name of the Company : Sun Aero Limited
iv) Category / Sub-Category of the Company : Company Limited by shares / Indian Non- Government Company

v) Address of the Registered office and contact details : A-7, 1st Floor, Geetanjali Enclave, New Delhi-110017
vi) Whether listed company Yes / No : No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1.	Financial / Portfolio Management	99712000	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	Sunair Hotels Limited	U74899DL1977PLC008495	Holding Company	100%	Section 2(87) of the Companies act 2013.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):i. Category-wise Share Holding

Category of Shareholders	of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	66,500	66,500	95%	-	66,500	66,500	95%	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any other	-	3,500	3,500	5%	-	3,500	3,500	5%	NIL
Total shareholding of Promoter (A)(1)	-	70,000	70,000	100.00%	-	70,000	70,000	100.00%	NIL
(2) Foreign									
a) NRIs - Individual	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	
Total Shareholding (A) = (A)(1)+(A)(2)	-	70,000	70,000	100.00%	-	70,000	70,000	100.00%	NIL
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FII's	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	-	-	-	-	-	-	-	-	
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1	-	-	-	-	-	-	-	-	
ii) Individual shareholders holding nominal share capital exceeding Rs. 1 lakh	-	-	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(2)	-	-	-	-	-	-	-	-	
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	70,000	70,000	100%	-	70,000	70,000	100%	NIL

* Any other a nominee of Sunair Hotels Limited (Sunair Hotels Limited being holding Company of Sun Aero Limited)

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumber	No. of Shares	% of total Shares of the company	% of Shares Pledged /	
1.	Sunair Hotels Limited	66500	95.00%	NIL	66500	95.00%	NIL	NIL
2.	Nominee of Sunair Hotels Ltd.	3500	5.00%	NIL	3500	5.00%	NIL	NIL
	Total	70000	100.00%	NIL	70000	100.00%	NIL	NIL

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

for the year ended 31/03/2021

Sl. No.	Shareholding at the beginning of the year No. of shares	% of total shares of the company	Cumulative Shareholding during the year No. of shares	% of total shares of the company	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
	70000	100.00%	70000	100.00%	
	70000	100.00%	70000	100.00%	

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): for the year ended 31/03/2021**

Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
	Date	No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company
At the beginning of the year	01/04/2020	N.A	N.A	01/04/2020	N.A	N.A
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.,		No Change during the Year			No Change during	
At the end of the year	31/03/2021	N.A	N.A	31/03/2021	N.A	N.A

(v) **Shareholding of Directors and Key Managerial Personnel:**

for the year ended 31/03/2021

Sl. No.	Shareholding at the beginning of the year Date of Change During the year	No. of shares	% of total shares of the company	Cumulative Shareholding during the year No. of shares	% of total shares of the company	
						For Each of the Directors and KMP
1.	SATYA PAL GUPTA (hold share as a Nominee of Sunair Hotels Ltd.)	No Change during the year	500	0.71%	500	0.71%
2.	VIPUL GUPTA (hold share as a Nominee of Sunair Hotels Ltd.)	No Change during the year	500	0.71%	500	0.71%
3.	KAVEEN GUPTA (hold share as a Nominee of Sunair Hotels Ltd.)	No Change during the year	500	0.71%	500	0.71%
4.	SHEEL GUPTA (hold share as a Nominee of Sunair Hotels Ltd.)	No Change during the year	500	0.71%	500	0.71%
	Total		2000	2.84%	2000	2.84%

78

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNELA. Remuneration to Managing Director, Whole-time Directors and / or Manager

<u>Sl. No.</u>	<u>Particulars of Remuneration</u>	<u>Name of MD / WTD / Manager</u>	<u>Name of MD / WTD / Manager</u>	<u>Total Amount</u>
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others (specify)	-	-	-
5.	Others, please specify	-	-	-
6.	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to Other Directors

<u>Sl. No.</u>	<u>Particulars of Remuneration</u>	<u>Name of Director</u>	<u>Total Amount</u>
1.	<u>Independent Directors</u>		
	- Fee for attending board / committee meetings	-	-
	- Commission	-	-
	- Others, please specify	-	-
	Total (1)	-	-
2.	<u>Other Non-Executive Directors</u>		
	- Fee for attending board / committee meetings	-	-
	- Commission	-	-
	- Others, please specify	-	-
	Total (2)	-	-
3.	Total (B)=(1+2)	-	-
4.	Total Managerial Remuneration	80	-
	Overall Ceiling as per the Act	-	-

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

<u>Sl. No.</u>	<u>Particulars of Remuneration</u>	<u>Name of Key Managerial Personnel</u>			<u>Total Amount</u>
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total (A)	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
------	------------------------------	-------------------	---	-------------------------------	------------------------------------

A. **COMPANY**

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

B. **DIRECTORS**

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

C. **OTHER OFFICERS IN DEFAULT**

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Sd/-

(S.P.GUPTA)

Director

(DIN-00204504)

Sd/-

(VIPUL GUPTA)

Director

(DIN-00204638)

Place: New Delhi

Dated : 28/08/2021

Independent Auditor's Report

To the Members of Sun Aero Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sun Aero Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 financial statements give the information required by the Companies Act, 2013 (Act), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Loss and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics (CoE) issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

83

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

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

As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid financial statements comply with the AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has no pending litigations on its financial position in its financial statements-Refer Note No. 33 to the financial statements.
 - (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 33 to the standalone financial statements;
 - (iii) There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 28/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sun Aero Limited of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Inventory has been physically verified during the year by the management and according to the information and explanations given to us, no material discrepancies were noticed on physical verification. In our opinion, the frequency of verification is reasonable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted deposits during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Act and does not have any unclaimed deposits as at March 31st, 2021 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities except for a few instances of delay in deposits.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2021, for a period of more than six months from the date they become payable.
 - (c) The dues in respect of service tax, value added tax, income tax and excise duty which have not been deposited as at March 31, 2021, on account of dispute are given below:

Name of the statute	Nature of dues	Amount (in Crore)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act,	Income-tax	14.67	FY 1995-2000	High Court, Delhi
Nil				

: 2 :

8. The Company has neither borrowed any funds from financial institution or bank, nor issued debentures and does not have loans or borrowings from government. Accordingly, no comments are called for on defaults in repayment of such dues.
9. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review. Therefore, no comments on utilization of those funds by the Company are called for.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. Provisions of section 197 read with Schedule-V to the Companies Act, 2013 in respect of managerial remuneration are applicable on the Company, being a limited company. However, according to the information and explanations given to us, no managerial remuneration was paid or provided by the Company for the year .
12. The Company is not a Nidhi Company, therefore, no comments are called for in respect of compliance with the provisions of Nidhi Rules, 2014.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. The Company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, no further comments in this regard are called for.
15. Based upon the audit procedures performed and information and explanations given by the management, we report that that the Company has not undertaken any non-cash transactions with directors or persons connected with him during the year.
16. According to the information and explanations given to us, the Company has obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 28/08/2021

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sun Aero Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Sun Aero Limited (“the Company”) as of March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

: 2 :

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, to the best of our information and according to the explanations given to us, 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, 2021, 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 issued by the ICAI.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 28/08/2021

Sdl-
(ANIL SOOD)
Partner
Membership No. 83939

SUN AERO LIMITED
CIN : U74899DL1993PLC055759
Regd. Office Address : A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

BALANCE SHEET AS AT 31st MARCH, 2021

Sl. No.	Particulars	Note No.	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
I. <u>EQUITY AND LIABILITIES</u>				
(1)	Shareholders' Funds			
(a)	Share capital	3	700,000	700,000
(b)	Reserves and surplus	4	<u>276,678,452</u>	<u>277,065,301</u>
			277,378,452	277,765,301
(3)	Current Liabilities			
(a)	Other current liabilities	5	914,163	121,000
	TOTAL		<u>278,292,615</u>	<u>277,886,301</u>
II. <u>ASSETS</u>				
(1)	Non-current Assets			
(a)	<u>Property, Plant and Equipment</u>			
	Tangible assets, not under lease	6	110,896,218	1,152,794
(b)	Non Current Investment	7	5,008,055	-
(c)	Long-term loans and advances	8	108,855,530	223,895,367
(d)	Deferred tax assets	9	572,468	436,676
	Other non-current assets	10	<u>196,780</u>	<u>175,000</u>
			225,529,051	225,659,837
(2)	Current Assets			
(a)	Inventories	11	38,271,546	50,885,198
(b)	Cash and cash equivalents	12	<u>14,492,018</u>	<u>1,341,266</u>
	TOTAL		<u>278,292,615</u>	<u>277,886,301</u>
	Significant Accounting Policies	2		

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

AUDITORS' REPORT

As per our separate report of even date attached
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(S.P.GUPTA)
Director
(DIN-00204504)

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(VIPUL GUPTA)
Director
(DIN-00204638)

Place: New Delhi
Dated: 28/08/2021

SUN AERO LIMITED
CIN : U74899DL1993PLC055759
Regd. Office Address : A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

Sl. No. Particulars	Note No.	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
I. Revenue			
(a) Revenue from operations	13	59,655,383	49,789,060
(b) Other Income	14	4,680	176,502
II. Total Revenue		59,660,063	49,965,562
III. Expenses			
(b) Purchases of stock-in-trade	15	46,500,000	54,479,567
(c) Changes in inventories of Stock-in-trade	16	12,613,652	(4,221,694)
(d) Employee benefit expenses	17	372,520	4,010
(e) Other expenses	18	328,086	1,123,959
(f) Finance costs	19	370	545
(g) Depreciation	20	368,076	377,576
IV. Total Expenses		60,182,704	51,763,963
V. Profit / (loss) before tax (II - IV)		(522,641)	(1,798,400)
VI. Tax expense			
(a) Current tax	-	-	-
(b) Earlier years' tax	-	-	-
(c) Deferred Tax	(135,792)	(135,792)	(474,893)
VII. Profit / (loss) transferred to Balance Sheet (V - VI)		(386,849)	(1,323,507)
VIII Earnings per equity share (EPS)	21		
(a) Basic		(5.53)	(18.91)
(b) Diluted		(5.53)	(18.91)
Significant Accounting Policies	2		

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

AUDITORS' REPORT

As per our separate report of even date attached
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sdl-
(S.P.GUPTA)
Director
(DIN-00204504)

Sdl-
(ANIL SOOD)
Partner
Membership No. 83939

Sdl-
(VIPUL GUPTA)
Director
(DIN-00204638)

Place: New Delhi
Dated: 28/08/2021

SUN AERO LIMITED

Reqd. Office Address : A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Sl. No.	Particulars	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit /(loss) before tax and after prior period expenses	(522,641)	(1,798,400)
	Operating (loss) before working capital changes	(522,641)	(1,798,400)
	- Depreciation	368,076	377,576
	- Dividend Received	-	(146,586)
	- Interest Paid	370	545
	<u>Movement in working capital:</u>		
	- (Increase) / decrease in inventories	12,613,652	(4,221,694)
	- (Increase) / decrease in loans and advances	115,039,837	5,000,000
	- (Increase) / decrease in other Non Current Assets	(21,780)	10,000
	- Increase / (decrease) in current liabilities and provisions	793,163	-
	Cash (used in) operations	128,270,677	(778,559)
	Direct taxes (paid)	-	435,444
	Net cash (used in) operating activities	(A) 128,270,677	(343,115)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Land Purchase	(110,111,500)	-
	- Investment Purchase	(5,008,055)	-
	- Dividend Received	-	146,586
	Net cash (used in) investing activities	(B) (115,119,555)	146,586
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	- Interest Income	-	-
	- Interest paid	(370)	(545)
	Net cash from financing activities	(C) (370)	(545)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	13,150,752	(197,074)
	Cash and cash equivalents at the beginning of the year	(D) 1,341,266	1,538,340
	Cash and cash equivalents at the end of the year	(E) 14,492,018	1,341,266
	Net increase / (decrease) in cash and cash equivalents (E-D)	13,150,752	(197,074)
	COMPONENTS OF CASH AND CASH EQUIVALENTS	31/03/2021	31/03/2020
	Cash in hand	984,597	978,077
	With Banks - On current accounts	13,507,421	363,189
		14,492,018	1,341,266

Significant Accounting Policies: Note No. 2

AUDITORS' REPORT

As per our separate report of even date attached *Sdl-*
 For ANIL SOOD & ASSOCIATES (S.P.GUPTA)
 Chartered Accountants Director
 Firm Regn. No.004985N (DIN-00204504)

Sdl-
 (ANIL SOOD) (VIPUL GUPTA)
 Partner Director
 Membership No. 83939 (DIN-00204638)

Place: New Delhi
 Dated: 28/08/2021

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021

1. ACCOUNTING CONVENTIONS

- a) The financial statement of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable.
- b) The financial statements have ben prepared on accrual basis under the historical cost convention basis. The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous year.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

Estimation of uncertainties relating to the Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the company. The company has performed sensitive analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered, net of provisions established.

B. Tangible Property, Plant and Equipment:

a) Own Property, Plant and Equipment:

- (i) Tangible Property, Plant and Equipment are stated at cost. Cost includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including expenditures and levies directly attributable to bringing the assets to their working condition for the intended use. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Property, Plant and Equipment are capitalised.
- (ii) Land is stated at original cost of acquisition.
- (iii) Capital work-in-progress is stated at amount spent upto the date of Balance Sheet.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit and loss when the asset is derecognized.

b) Leased Assets:

- (i) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.
- (ii) Finance Leases: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as Property, Plant and Equipments with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the statement of profit and loss. 92
- (iii) However, rentals referred to in (i) or (ii) above and the interest component referred to in (ii) above pertaining to the period upto the date of commissioning of the assets are capitalized.

- (iv) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

C. **Intangible Assets & Amortisation:**

Intangible Assets are recognised as per the criteria specified in Accounting Standard (AS-26) on "Intangible Assets" and are amortised over the useful life of the underlying assets as follows:

- a) Leasehold land: over the period of lease.
- b) Lump sum fees for technical know-how: over a period of six years in case of foreign technology and three years in case of indigenous technology.

Gains or losses arising from derecognition of Property, Plant and Equipments are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit and loss when the asset is derecognized.

D. **Depreciation and amortization:**

- a) Depreciation on tangible Property, Plant and Equipments is calculated on Straight Line Method pursuant to the requirements of Schedule-II of the Companies Act, 2013 with effect from April 01, 2014, by using the rates prescribed therein over the estimated useful lives of the Property, Plant and Equipments as specified in Part 'C', while fixing the residual values of the Property, Plant and Equipments at 5% of their original cost, in respect of assets which are used for full period in the year and on prorata basis for assets acquired & put to use during the year.
- b) Intangible Property, Plant and Equipments are amortized on a straight-line basis over the estimated useful economic life in respect of assets which are used for full period in the year, and on prorata basis for assets acquired / recognized and put to use during the year. If there is a significant change from previous estimates in the expected pattern of economic benefits from the asset, the amortization period and method are changed accordingly to reflect the changed pattern. However, no amortization expense is provided on intangible assets derecognized during the year.

E. **Impairment of Tangible and Intangible Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. **Borrowing Costs :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

G. **Valuation of Investment:**

- a) Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase.
- b) Current investments are carried at the lower of cost and fair market value of each investment individually.
- c) Long term investments are carried at cost less provisions recorded to recognize any diminution, other than temporary, in the carrying value of each investment.
- d) Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

H. **Investment Property:**

An investment in land or building, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as an investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation on building component of investment property is calculated on a Straight Line Method basis using the rates and useful lives prescribed in Schedule II to the Companies Act, 2013 in respect of such investment properties which are used for full period in the year, and on prorata basis for assets acquired and put to use during the year. However, no depreciation is provided on the investment properties sold during the year, but on disposal, the difference between its carrying amount and the net disposal proceeds is charged or credited to the statement of profit and loss.

I. **Valuation of Inventory:**

Inventories are stated at lower of cost or net realisable value wherever applicable. Cost is determined on FIFO basis.

J. **Revenue Recognition:**

All incomes and expenses are accounted for on accrual and prudent basis. Revenue in respect of insurance / other claims, interest, commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made. Expenses incurred for which benefit will accrue in the subsequent years are declared in the balance sheet as deferred revenue expenses and amortised over the period in which the benefit is expected to accrue.

K. **Foreign Currency Transactions:**

a) In accordance with the Accounting Standard AS-11 on "Effects of changes in foreign exchange rate" as prescribed by the ICAI, year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions denominated in foreign currency are recorded at exchange rate prevailing at the time of transaction. However, transactions completed during the year are adjusted on actual basis.

b) In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

c) Non-monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss except in cases where they relate to acquisition of Property, Plant and Equipments, in which case they are adjusted to the carrying cost of such assets.

e) Difference in outstanding value of term loan in foreign currency as at the year end vis-à-vis the date of obtaining loan is recorded in the books of account in a separate account called 'Exchange Difference (FC Loan)' Account to be appropriated at the conclusion of the said term loan.

f) Difference in foreign exchange forward contracts is recognised as income / loss in the books of account by spreading the same proportionately over the effective life of the contract.

L. **Employee Benefits :**

a) All short-term employee benefits expected to be paid in exchange for services rendered by the employees during the year are recognised, at the undiscounted amount, as liability (accrued expense), after deducting any amount already paid. Where the amount already paid exceeds the undiscounted amount of the benefits, such excess is recognised as an asset (prepaid expense).

b) Company's contribution to Provident Fund, which is a defined contribution plan, is charged to the statement of profit and loss.

c) Gratuity liability is a 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.

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

e) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

f) Termination benefits are recognised as a liability immediately on incurrence of any such obligation.

M. **Provision for Current and Deferred Tax :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing differences' between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

N. **Provisions, Contingent Liabilities and Contingent Assets :**

- a) Provisions are recognised for liabilities that can only be measured by using a substantial degree of estimation, if;
 - (i) the Company has a present obligation as a result of a past event,
 - (ii) a probable outflow of resources is expected to settle the obligation, and
 - (iii) the amount of obligation can reliably be estimated.Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will ultimately be received.

- b) Contingent Liability is disclosed in case of:
 - (i) a present obligation arising on past events, when it is not probable that an outflow of resources will be required to settle the obligation,
 - (ii) a present obligation, when no reliable estimate is possible, and
 - (iii) a possible obligation arising from past events, where the probability of outflow of resources is not remote.
- c) Contingent Assets are neither recognised nor disclosed.
- d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

O. **Prior Period Items :**

Prior Period items are disclosed separately in the statement of profit and loss for the year, keeping in view their materiality and the past method of accounting.

P. **Exceptional and Extra-ordinary Items:**

Exceptional and extra-ordinary items of the Company during the period are disclosed separately in the statement of profit and loss for the year, as part of net profit.

SUN AERO LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

3. SHARE CAPITAL

	31/03/2021		31/03/2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised share capital:				
Equity shares of Rs. 10/- (PY Rs. 10/-) each	1,000,000	10,000,000	1,000,000	10,000,000
Issued, subscribed and paid-up share capital:				
Equity shares of Rs. 10/- each fully paid-up	70,000	700,000	70,000	700,000
Total	<u>70,000</u>	<u>700,000</u>	<u>70,000</u>	<u>700,000</u>

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

	31/03/2021		31/03/2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	70,000	700,000	70,000	700,000
Shares outstanding at the end of the year	<u>70,000</u>	<u>700,000</u>	<u>70,000</u>	<u>700,000</u>

Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2021 the amount of per share dividend recognized as distribution to equity shareholders was Rs. Nil (PY Rs. Nil).

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.

Equity Shares held by holding company, ultimate holding company and/or their subsidiaries / associates:

	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
M/s Sunair Hotels Limited, the holding company		
70,000 (PY 70,000) equity shares of Rs. 10/- each fully paid-up	700,000	700,000

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

	31/03/2021		31/03/2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of Rs. 10/- each fully paid-up				
M/s Sunair Hotels Limited, holding company (3500 shares are being held in the names of eleven nominees of Sunair Hotels Limited and the balance shares are held in the name of Sunair Hotels Limited)	70,000	100	70,000	100

4. RESERVES & SURPLUS

	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
Surplus / (deficit) in the statement of profit and loss		
Opening Balance	277,065,301	278,388,808
Add : Net Profit / (Net Loss) for the current year	(386,849)	(1,323,507)
Closing Balance	<u>276,678,452</u>	<u>277,065,301</u>
Total	<u>276,678,452</u>	<u>277,065,301</u>

5. OTHER CURRENT LIABILITIES

a. Audit fee payable	108,900	108,900
b. TDS Payable	805,263	12,100
Total	<u>914,163</u>	<u>121,000</u>

96

6. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION OF ASSET	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as on 1st April, Life	Additions/ (Disposals)	Balance as on 31st Mar, 2021	Balance as on 1st April, 2020	Depreciation charge for the year	Adjustment on Disposals	Balance as on 31st Mar, 2021	Balance as on 31st March, 2021	Balance as on 31st March, 2020
A. Tangible Assets (Not Under Lease)									
a. Land	-	110,111,500	110,111,500	-	-	-	-	110,111,500	-
b. Car (Audi A4)	8	3,099,584	3,099,584	1,949,290	368,076	-	2,317,366	782,218	1,150,294
c. Mobile Phone	5	50,000	50,000	47,500	-	-	47,500	2,500	2,500
Current Year Total		3,149,584	113,261,084	1,996,790	368,076	-	2,364,866	110,896,218	1,152,794
Previous Year Total		3,149,584	3,149,584	1,619,214	377,576	-	1,996,790	1,152,794	1,530,370

Notes to Property, Plant and Equipment :

- Details in respect of each class of asset for the first five years subsequent to the date of reduction or increase due to impairment or revaluation: Rs. Nil
- No Property, Plant and Equipment was acquired through business combination during the year (PY Rs. Nil).

SUN AERO LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

7. <u>NON CURRENT INVESMENT</u>	31/03/2021	31/03/2020		
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>		
Muthoot Fincorp Limited	5,008,055	-		
	<u>5,008,055</u>			
8. <u>LONG TERM LOANS AND ADVANCES</u>	31/03/2021	31/03/2020		
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>		
A. <u>Capital Advances</u>				
a. Unsecured, considered good	107,723,163	222,685,000		
B. <u>Others</u>				
a. Unsecured, considered good				
-Income Tax Refundable	1,132,367	1,210,367		
Total	<u>108,855,530</u>	<u>223,895,367</u>		
9. <u>DEFERRED TAX ASSETS</u>				
In line with the method recommended by the Accounting Standard AS-22 on "Accounting for Taxes on Income" there were no deferred tax as on as on 1st April, 2020 and 31st March, 2021. However components of deferred tax liabilities as on those dates are given as under:				
	<u>01/04/2020</u>	<u>For the Year</u>	<u>Reversing</u>	<u>31/03/2021</u>
A. <u>Deferred Tax Assets</u>				
Depreciation	7874	45,221		53,095
Business Loss c/f	369,415	40,092	-	409,507
Unabsorbed Depreciation c/f	59,387	50,479	-	109,866
Total	<u>436,676</u>	<u>135,792</u>	<u>-</u>	<u>572,468</u>
Net Deferred Tax Assets	<u>436,676</u>	<u>135,792</u>	<u>-</u>	<u>572,468</u>
10. <u>OTHER NON-CURRENT ASSETS</u>				
	31/03/2021	31/03/2020		
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>		
A. Staff Advance	175,000	175,000		
B. Gst Input	21,780	-		
Total	<u>196,780</u>	<u>175,000</u>		
11. <u>INVENTORIES</u>				
	31/03/2021	31/03/2020		
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>		
A. <u>Stock-in-trade (Valued at Cost or NRV whichever is Less)</u>				
- Mutual Fund Units	38,271,546	50,885,198		
Total (A)	<u>38,271,546</u>	<u>50,885,198</u>		
12. <u>CASH AND CASH EQUIVALENTS</u>				
	31/03/2021	31/03/2020		
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>		
a. <u>Balances with banks</u>				
In current accounts with Scheduled Banks (There are no earmarked balances, margin money, security against borrowings, guarantees and other	13,507,421	363,189		
b. <u>Cash on hand</u>	984,597	978,077		
	<u>14,492,018</u>	<u>1,341,266</u>		

SUN AERO LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

13. REVENUE FROM OPERATIONS

	<u>31/03/2021</u> <u>Amount (Rs.)</u>	<u>31/03/2020</u> <u>Amount (Rs.)</u>
A. <u>Sale of Products</u>		
Traded Goods	59,655,383	49,789,060
Revenue from Operations (Gross)	59,655,383	49,789,060
Less: Excise Duty	-	-
Revenue from Operations (Net)	Total 59,655,383	49,789,060
Details of Goods Sold		
a. Shares & Mutual Funds	59,655,383	49,789,060
	59,655,383	49,789,060

14. OTHER INCOME

	<u>31/03/2021</u> <u>Amount (Rs.)</u>	<u>31/03/2020</u> <u>Amount (Rs.)</u>
A. <u>Interest Income</u>		
- Others	4,680	29,916
B. Dividend Income	-	146,586
	Total 4,680	176,502

15. PURCHASE OF STOCK-IN-TRADE

	<u>31/03/2021</u> <u>Amount (Rs.)</u>	<u>31/03/2020</u> <u>Amount (Rs.)</u>
-Mutual Funds	46,500,000	54,479,567
	Total 46,500,000	54,479,567

16. (INCREASE) / DECREASE IN INVENTORIES OF TRADED GOODS

	<u>31/03/2021</u> <u>Amount (Rs.)</u>	<u>31/03/2020</u> <u>Amount (Rs.)</u>	<u>(Increase) /</u> <u>Decrease (Rs.)</u>
<u>Inventories at the end of the year</u>			<u>31/03/2021</u>
a. Mutual Funds	38,271,546	50,885,198	12,613,652
	38,271,546	50,885,198	12,613,652
<u>Inventories at the beginning of the year</u>			<u>31/03/2020</u>
a. Mutual Funds	50,885,198	46,663,504	(4,221,694)
	50,885,198	46,663,504	(4,221,694)
<u>(Increase) / Decrease in Inventories</u>	(12,613,652)	4,221,694	

17. EMPLOYEE BENEFIT EXPENSES

	<u>31/03/2021</u> <u>Amount (Rs.)</u>	<u>31/03/2020</u> <u>Amount (Rs.)</u>
A. Salaries, wages and bonus	368,400	-
B. Staff Welfare Expenses	4,120	4,010
	Total 372,520	4,010

SUN AERO LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

18. OTHER EXPENSES

	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
A. Travelling & Conveyance	3,400	3,530
B. Communication Cost	4,040	3,590
C. Printing & Stationery	3,520	3,540
D. Legal & Professional Fees	-	755,200
E. Payment to Auditors	121,000	142,780
F. ROC Filing Fees	3,748	6,707
G. Insurance Paid	28,317	48,569
H. Vehicle Running & Maintenance Charges	158,431	160,043
I. Misc. Expenses	5,630	-
Total	328,086	1,123,959

Details of Payment to Auditors

As Auditor:

Statutory Audit Fee	60,500	71,390
Tax Audit Fee	60,500	71,390
Total	121,000	142,780

19. FINANCE COST

	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
a. Interest Paid	-	545
b. Interest Paid on TDS	370	-
Total	370	545

20. DEPRECIATION AND AMORTIZATION EXPENSES

	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
Depreciation on Assets	368,076	377,576
Total	368,076	377,576

21. EARNING PER SHARE (EPS)

	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)
Total operations for the year		
Profit / (loss) after tax	(386,849)	(1,323,507)
Less: Dividends & dividend tax on other than equity shares	-	-
Net profit / (loss) for calculation of Basic EPS	(386,849)	(1,323,507)
Net profit as above	(386,849)	(1,323,507)
Add : Dividends & dividend tax on other than equity shares	-	-
Add : Adjustments for the effects of dilutive potential equity shares	-	-
Net profit / (loss) for calculation of Diluted EPS	(386,849)	(1,323,507)
Weighted average number of equity shares in calculating Basic EPS	70,000	70,000
Effect of dilution:		
Convertible preference shares (numbers)	-	-
Convertible bonds (numbers)	-	-
Stock option granted under ESOP	-	-
Weighted average number of equity shares in calculating Diluted EPS	70,000	70,000
(a) Basic	(5.53)	(18.91)
(b) Diluted	(5.53)	(18.91)

100

SUN AERO LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

22. There were no imports made during the financial year (PY Rs. Nil). Therefore, no additional information pursuant to Note No. 5(viii)(a) of Part-II of Schedule-III to the Companies Act, 2013 is required to be given.
23. There was no expenditure in foreign currency during the financial year (PY Rs. Nil). Therefore, no additional information pursuant to Note No. 5(viii)(b) of Part-II of Schedule-III to the Companies Act, 2013 is required to be given.
24. The company does not manufacture any goods and there were no imports made during the financial year (PY Rs. Nil). Therefore, no additional information pursuant to Note No. 5(viii)(c) of Part-II of Schedule-III to the Companies Act, 2013 is required to be given.
25. The company has not issued shares to any non-residents and, therefore, no dividend is remittable in foreign currency. Accordingly, no additional information pursuant to Note No. 5(viii)(d) of Part-II of Schedule-III to the Companies Act, 2013 is required to be given.
26. There were no earnings in foreign exchange during the financial year (PY Rs. Nil). Therefore, no additional information pursuant to Note No. 5(viii)(e) of Part-II of Schedule-III to the Companies Act, 2013 is required to be given.

27. Related Party Disclosure

Related Party disclosure in accordance with the Accounting Standard AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given as under in respect of related parties with whom transactions have taken place:

a) Related parties and their relationship

1. **Holding Company** : Sunair Hotels Limited
2. **Key Management Personnel**
 - Mr. S. P. Gupta : Director
 - Mr. Kaveen Gupta : Director
 - Mr. Vipul Gupta : Director
 - Mrs. Sheel Gupta : Director
3. **Enterprises over which significant influence exercised by Key Management Personnel**
 - Pushpanjali Trexim (P) Ltd. : Mr S.P.Gupta and Mr Vipul Gupta Directors & Shareholders

b) Transactions with the related parties

<u>Particulars</u>	Enterprises over whi significant influenc exercised by Key Management Personnel <u>(Rs.in Lacs)</u>	Key Management Personnel (including relatives) <u>(Rs.in Lacs)</u>	Total <u>(Rs.in Lacs)</u>
a) Purchase of Property	10.57 (Crores) (P.Y. Nil)	Nil (P.Y. Nil)	10.57 (Crores) (P.Y. Nil)
b) Advances Recover	1,149.62 (P.Y. Nil)	Nil (P.Y. Nil)	1,149.62 (P.Y. Nil)

c) Balance outstanding on March 31, 2021

<u>Particulars</u>	Enterprises over whi significant influenc exercised by Key Management Personnel <u>(Rs.)</u>	Key Management Personnel (including relatives) <u>(Rs.)</u>	Total <u>(Rs.)</u>
Advances given	400.38 (P.Y. 1,550.00)	Nil (P.Y. Nil)	400.38 (P.Y. 1,550.00)

101

SUN AERO LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

28. Income-tax provision has been made in the books of account as per legal advice received by the Company for assessment of various incomings and outgoings.
29. Debts due by firms or companies in which directors are interested - Rs. NIL (PY Rs. NIL). Maximum amount outstanding at any time during the year Rs. NIL (PY Rs. NIL).

30. Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date; and hence, in absence of the same, (disclosures as required u/s 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 regarding:-(a) Principal amount and interest due thereon remaining unpaid to any suppliers as at the end of the accounting year; interest paid during the year ; Amount of the payment made to the supplier beyond the appointed date during accounting year; Interest due and payable for the delay in making payment; Interest accrued and unpaid at the end of the accounting year ; and further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprises, have not been given. The company is making efforts to get confirmations from the suppliers as regard to their status under the said Act.

SUN AERO LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

31. **Segment Reporting**

The business segments of the Company have been identified in terms of the Accounting Standard AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, taking into account the organisational structure and different risk and return involved in those segments. Accordingly, the reportable business segments of the company are as under:

- a) Investment Business
- b) Real Estate

The accounting policies adopted for segment reporting are in line with the following additional policies of the Company, However, the following additional policies have been adopted for Segment Reporting:

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating business activities of the segment. However, revenue and expenses, which relate to the enterprise as a whole and cannot be allocated to a particular segment on reasonable basis are disclosed separately as "unallocable".
- b) Segment assets and liabilities resulting from the operating activities of a segment or directly attributable / allocable to the segment on a reasonable basis are so allocated.

Particulars	Portfolio Management		Real Estate		Unallocable (Amount Rs.)		Total Amount (Rs)		
	CY	PY	CY	PY	CY	PY	CY	PY	
Segment Revenue									
- Revenue	59,655,383	49,935,646	-	-	4,680	29,916	59,660,063	49,965,562	
Net Sales / Income from Operations (A)	<u>59,655,383</u>	<u>49,935,646</u>	<u>-</u>	<u>-</u>	<u>4,680</u>	<u>29,916</u>	<u>59,660,063</u>	<u>49,965,562</u>	
Segment Expenses									
Allocable Expenses									
-Operating / Administration Expenses	59,113,652	50,257,873	-	-	1,068,682	1,505,545	59,814,628	51,386,387	
(B)	<u>59,113,652</u>	<u>50,257,873</u>	<u>-</u>	<u>-</u>	<u>1,068,682</u>	<u>1,505,545</u>	<u>59,814,628</u>	<u>51,386,387</u>	
Segment Result	A - B								
		541,731	(322,227)	-	-	(1,064,002)	(1,475,629)	(154,565)	(1,420,824)
Less : Depreciation								368,076	377,576
Profit before Taxation								(522,641)	(1,798,400)
Less : Tax Expense for the year								(135,792)	(474,893)
Profit after Taxation								<u>(386,849)</u>	<u>(1,323,507)</u>
Segment Assets (including Misc. expenditure and debit balance of Profit									
	38,271,546	50,885,198	-	-	240,021,069	227,001,103	278,292,615	277,886,301	
Segment Liabilities (including long term liabilities)									
	-	-	-	-	-	-	-	-	
Total Carrying Amount of fixed assets									
	-	-	-	-	110,896,218	1,152,794	110,896,218	1,152,794	
Total Depreciation on fixed assets									
	-	-	-	-	368,076	377,576	110,896,218	1,152,794	

The business segments of the Company, viz., Investment and Real Estate are located at one geographical place only and accordingly the geographical segment is not applicable to the Company.

32. CONTINGENT LIABILITIES & COMMITMENTS (to the extent not provided for)

	<u>31/03/2021</u> <u>Amount (Rs.)</u>	<u>31/03/2020</u> <u>Amount (Rs.)</u>
(i) <u>Contingent Liabilities</u>		
A. Claims against the Company not acknowledged as debts	Nil	Nil
B. Guarantees	Nil	Nil
C. Bills of exchange discounted with banks	Nil	Nil
D. Tax demand disputed in appeals	146,651,400	146,651,400
(ii) <u>Commitments</u>		
A. Estimated amount of contracts remaining to be executed on capital accounts and not provided for	Nil	Nil
B. Uncalled liability on shares and other investments partly paid	Nil	Nil
C. Other commitments	Nil	Nil

33. EXCEPTIONAL AND EXTRA-ORDINARY ITEMS

No exceptional or extra-ordinary items of revenue nature occurred during the year (PY Nil). Hence no disclosure of the same has been made in the Statement of Profit and Loss.

34. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/recast wherever considered necessary.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(S.P.GUPTA)
Director
(DIN-00204504)

Sd/-
(VIPUL GUPTA)
Director
(DIN-00204638)

Place: New Delhi
Dated: 28/08/2021

Independent Auditor's Report

To the Members of Sunair Hotels Limited
New Delhi

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sunair Hotels Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial controls 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 operative effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d) 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 consolidated 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.
- e) Evaluate the overall presentation, structure and content of the consolidated Financial Statements, including the disclosures, and whether the consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial consolidated financial statements.

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

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

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

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

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) (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 of the aforesaid consolidated financial statements.
 - (b) (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

: 4 :

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts)
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the said Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A which is based on the auditor's reports of the Company and its subsidiary. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated financial position of Group in respect of claims and demands which are being contested as mentioned in Refer Note 44 and 45.
 - (ii) the Group 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 Holding company and its subsidiary incorporated in India during the year ended 31st, March, 2021.

For ANIL SOOD & ASSOCIATES
Firm Regn. No.004985N
Chartered Accountants

Sd/-
(ANIL SOOD)
Partner

Membership No. 83939

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Dated: 31/08/2021

108

Annexure - A to the Auditors' Report

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

Opinion

In conjunction with our audit of the consolidated financial statements of Sunair Hotels Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date. In our opinion, the Holding Company and such companies incorporated in India which is its subsidiary company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their report is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For Anil Sood & Associates
Chartered Accountants
Firm Regn No. 004985N

F-90/8
Okhla Industrial Area
Phase-I
New Delhi - 110 020
Dated: 31/08/2021

Sdl-
(ANIL SOOD)
Partner
Membership No. 83939

SUNAIR HOTELS LIMITED
REGD OFFICE: A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021

Sl. No. Particulars	Note No.	AS AT 31/03/2021 Amount (Rs.)		AS AT 31/03/2020 Amount (Rs.)
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share capital	3	397,500,000	397,500,000	
(b) Reserves and surplus	4	<u>1,466,537,490</u>	<u>1,447,939,573</u>	1,845,439,573
(2) Non-current Liabilities				
(a) Deferred tax liabilities (net)	5	125,780,052	186,632,223	
(b) Other long-term liabilities	6	90,881,000	90,881,000	
(c) Long-term provisions	7	<u>15,797,776</u>	<u>15,429,150</u>	292,942,373
(3) Current Liabilities				
(a) Trade payables	8			
• outstanding dues of micro enterprises and small enterprises		-	-	
• outstanding dues of creditors other than micro enterprises and small enterprises		6,681,553	23,908,724	
(b) Other Current Liabilities	9	81,312,752	83,933,390	
(c) Short-term provisions	10	<u>6,143,745</u>	<u>7,353,919</u>	115,196,033
TOTAL		<u>2,190,634,368</u>	<u>2,253,577,979</u>	
II. ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment				
(i) Tangible assets	11	1,353,581,225		1,279,792,492
(b) Non-current investments	12	454,439,850		447,387,929
(c) Deferred tax liabilities (net)		572,468		436,676
(d) Long-term loans and advances	13	151,966,179	265,785,449	
(e) Other non-current assets	14	<u>2,794,798</u>	<u>2,598,018</u>	268,383,466
(2) Current Assets				
(a) Inventories	15	104,407,693	120,841,808	
(b) Trade receivables	16	5,721,013	17,042,281	
(c) Cash and bank balances	17	37,931,644	38,665,688	
(d) Short-term loans and advances	18	73,901,807	74,105,695	
(e) Other current assets	19	<u>5,317,690</u>	<u>6,921,944</u>	257,577,416
TOTAL		<u>2,190,634,368</u>	<u>2,253,577,979</u>	
Significant Accounting Policies	2			

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

AUDITORS' REPORT

As per our report of even date
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(S.P. GUPTA)
Chairman
(DIN-00204504)

Sd/-
(VIPUL GUPTA)
Director (Operations)
(DIN-00204638)

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Date : 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sd/-
(NEHA RAJPUT)
Company Secretary
(M No. A-26116)

SUNAIR HOTELS LIMITED
REGD OFFICE: A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

Sl. No	Note No.	YEAR ENDED 31-03-2021 Amount (Rs.)	YEAR ENDED 31-03-2020 Amount (Rs.)
I. Revenue			
(a) Revenue from operations	20	180,627,665	632,765,658
(b) Other Income	21	26,218,188	45,476,619
II. Total Revenue		<u>206,845,852</u>	<u>678,242,277</u>
III. Expenses			
(a) Cost of materials consumed	22	4,816,514	37,356,515
(b) Cost of utilities and hospitality services	23	64,230	1,278,067
(c) Purchases of stock-in-trade	24	46,500,000	54,479,567
(d) Change in inventory of Stock-in-trade	25	12,613,652	(4,221,694)
(e) Employee benefit expenses	26	33,511,884	106,100,827
(f) Other expenses	27	109,277,676	292,395,002
(g) Finance costs	28	77,966	171,603
(h) Depreciation and amortization expenses	29	36,522,768	45,280,965
(i) Expenditure on CSR Activity	30	2,471,708	1,900,000
IV. Total Expenses		<u>245,856,398</u>	<u>534,740,853</u>
V. Profit / (loss) before tax (II - IV)		<u>(39,010,546)</u>	<u>143,501,425</u>
VI. Tax expense/(saving)			
(a) Current tax		-	26,500,000
(b) Deferred tax		(60,987,963)	13,076,287
(c) Previous Year		(1,148,158)	38,967,630
VII. Profit / (loss) for the year (V - VI)		<u>23,125,575</u>	<u>104,533,794</u>
VIII. Prior period adjustments			
		-	-
IX. Profit / (loss) transferred to Balance Sheet (VII - VIII)		<u>23,125,575</u>	<u>104,533,794</u>
X. Earnings per equity share (EPS)			
(a) Basic	31	0.58	2.63
(b) Diluted		0.58	2.63

Significant Accounting Policies 2

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

AUDITORS' REPORT

As per our report of even date
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(S.P.GUPTA)
Chairman
(DIN-00204504)

Sd/-
(VIPUL GUPTA)
Director(Operations)
(DIN-00204638)

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Date : 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sd/-
(NEHA RAJPUT)
Company Secretary
(M No. A-26116)

SUNAIR HOTELS LIMITED
REGD OFFICE: A-7, 1st FLOOR, GEETANJALI ENCLAVE, NEW DELHI - 110 017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Sl. No.	Particulars	YEAR ENDED 31-03-2021 Amount (Rs.)	YEAR ENDED 31-03-2020 Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES			
	Net profit /(loss) before tax and after prior period expenses	(43,538,203)	143,501,425
	<u>Adjustments for:</u>		
	- Interest Income	(112,097)	(167,673)
	- Dividend Received	(2,080)	(348,196)
	- Depreciation	36,522,768	45,280,965
	- Loss on sale of Assets	-	1,742,904
	- Interest Expense	51,914	545
	- Provision for Wealth Tax	-	-
	Operating (loss) before working capital changes	<u>(7,077,698)</u>	<u>190,009,970</u>
	<u>Movement in working capital:</u>		
	-Increase / (Decrease) in inventories	16,434,115	(13,578,588)
	-Increase / (Decrease) in Debtors	11,321,268	11,340,006
	-Increase / (Decrease) in Short Term Loans & Advances	203,888	56,073
	-Increase / (Decrease) in Other Current assets	1,604,254	(6,565,445)
	-Increase / (Decrease) in Trade payables	(17,227,171)	5,143,261
	-Increase / (Decrease) in Other long-term liabilities	-	3,000
	-Increase / (Decrease) in Long-term provisions	368,626	(78,446)
	-Increase / (Decrease) in Long-term loans and advances	113,819,270	11,134,559
	-Increase / (Decrease) in Other non-current assets	(196,780)	10,000
	-Increase / (Decrease) in Sundry Liabilities	(2,620,638)	2,677,310
	-Increase / (Decrease) in Other Provisions	(1,210,174)	(5,016,457)
	Cash (used in) operations	<u>115,418,958</u>	<u>195,135,243</u>
	Direct taxes (paid)	1,148,158	(31,066,857)
	Adjustment for indirect taxes	-	-
	Net cash (used in) operating activities (A)	<u>116,567,116</u>	<u>164,068,386</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Investments	(7,051,922)	(91,585,618)
	Purchase of Fixed Assets	(110,311,501)	(55,206,716)
	Sale of Assets	-	4,342,372
	Dividend received	2,080	348,196
	Net cash (used in) investing activities (B)	<u>(117,361,343)</u>	<u>(142,101,766)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
	Interest Income	112,097	167,673
	Interest Expense	(51,914)	(545)
	Increase / (Repayment) of Term Loan	-	-
	Net cash from financing activities (C)	<u>60,183</u>	<u>167,128</u>
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>(734,044)</u>	<u>22,133,748</u>

Sl. No.	Particulars		31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
		:2:		
	Cash and cash equivalents at the beginning of the year	(D)	38,665,688	16,531,939
	Cash and cash equivalents at the end of the year	(E)	36,909,995	38,665,688
	Net increase / (decrease) in cash and cash equivalents (E-D)		<u>(1,755,693)</u>	<u>22,133,749</u>

COMPONENTS OF CASH AND CASH EQUIVALENTS	31-03-2021	31-03-2020
Cash in Hand	2,637,417	2,646,525
FDRs with Banks	0	1,021,649
Balances with Banks	34,272,579	34,997,514
	<u>36,909,995</u>	<u>38,665,688</u>

Significant Accounting Policies: Note No. 2

AUDITORS' REPORT

As per our report of even date
For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

Sd/-
(S.P.GUPTA)
Chairman
(DIN-00204504)

Sd/-
(VIPUL GUPTA)
Director (Operations)
(DIN-00204638)

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Date : 31/08/2021

Sd/-
(ANIL SOOD)
Partner
Membership No. 83939

Sd/-
(VIPIN JAIN)
Chief Financial Officer
M.No.-FCS 8984

Sd/-
(NEHA RAJPUT)
Company Secretary
(M No. A-26116)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2021

1. Basis of Preparation of Financial Statements

a) Principles of consolidation

The Consolidated Financial Statements relating to Sunair Hotels Limited (the parent company) and Sun Aero Limited (wholly owned subsidiary company incorporated in India), and have been prepared on the basis of the Accounting Standard (AS-21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India read with the following basic assumptions:

- (i) The financial statements of the parent company and its subsidiary company have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- (ii) The consolidated financial statements have been prepared as a going concern in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis and comply in all material aspects with the Companies Act, 2013, applicable rules and other relevant provisions of the Companies Act, 2013 and Accounting Standard (AS-30) on Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict with any other accounting standard referred to in Companies Act, 2013.
- (iii) All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.
- (iv) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (v) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

Estimation of uncertainties relating to the Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the company. The company has performed sensitive analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered, net of provisions established.

B. Tangible Property, Plant and Equipment:

a) Own Property, Plant and Equipment:

- (i) Tangible Property, Plant and Equipment are stated at cost. Cost includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including expenditures and levies directly attributable to bringing the assets to their working condition for the intended use. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Property, Plant and Equipment are capitalised.
- (ii) Land is stated at original cost of acquisition.
- (iii) Capital work-in-progress is stated at amount spent upto the date of Balance Sheet.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit and loss when the asset is derecognized.

b) Leased Assets:

- (i) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.
- (ii) Finance Leases: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as Property, Plant and Equipment with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the statement of profit and loss.
- (iii) However, rentals referred to in (i) or (ii) above and the interest component referred to in (ii) above pertaining to the period upto the date of commissioning of the assets are capitalized.
- (iv) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

C. Intangible Assets & Amortisation:

Intangible Assets are recognised as per the criteria specified in Accounting Standard (AS-26) on "Intangible Assets" and are amortised over the useful life of the underlying assets as follows:

- a) Leasehold land: over the period of lease.
- b) Lump sum fees for technical know-how: over a period of six years in case of foreign technology and three years in case of indigenous technology.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit and loss when the asset is derecognized.

D. Depreciation and amortization:

- a) Depreciation on tangible Property, Plant and Equipment is calculated on Straight Line Method pursuant to the requirements of Schedule-II of the Companies Act, 2013 with effect from April 01, 2014, by using the rates prescribed therein over the estimated useful lives of the Property, Plant and Equipment as specified in Part 'C', while fixing the residual values of the Property, Plant and Equipment at 5% of their original cost, in respect of assets which are used for full period in the year and on prorata basis for assets acquired & put to use during the year.
- b) Intangible Property, Plant and Equipment are amortized on a straight-line basis over the estimated useful economic life in respect of assets which are used for full period in the year, and on prorata basis for assets acquired / recognized and put to use during the year. If there is a significant change from previous estimates in the expected pattern of economic benefits from the asset, the amortization period and method are changed accordingly to reflect the changed pattern. However, no amortization expense is provided on intangible assets derecognized during the year.

E. **Impairment of Tangible and Intangible Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. **Borrowing Costs :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

G. **Valuation of Investment:**

- a) Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase.
- b) Current investments are carried at the lower of cost and fair market value of each investment individually.
- c) Long term investments are carried at cost less provisions recorded to recognize any diminution, other than temporary, in the carrying value of each investment.
- d) Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

H. **Investment Property:**

An investment in land or building, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as an investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation on building component of investment property is calculated on a Straight Line Method basis using the rates and useful lives prescribed in Schedule II to the Companies Act, 2013 in respect of such investment properties which are used for full period in the year, and on prorata basis for assets acquired and put to use during the year. However, no depreciation is provided on the investment properties sold during the year, but on disposal, the difference between its carrying amount and the net disposal proceeds is charged or credited to the statement of profit and loss.

I. **Valuation of Inventory:**

SUANIR HOTELS LTD

Inventories are stated at lower of cost or net realisable value wherever applicable. Cost is determined on weighted average basis.

SUN AERO LTD

Inventories are stated at lower of cost or net realisable value wherever applicable. Cost is determined on FIFO basis.

J. **Revenue Recognition:**

All incomes and expenses are accounted for on accrual and prudent basis. Revenue in respect of insurance / other claims, interest, commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made. Expenses incurred for which benefit will accrue in the subsequent years are declared in the balance sheet as deferred revenue expenses and amortised over the period in which the benefit is expected to accrue.

K. **Foreign Currency Transactions:**

117

- a) In accordance with the Accounting Standard AS-11 on "Effects of changes in foreign exchange rate" as prescribed by the ICAI, year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions denominated in foreign currency are recorded at exchange rate prevailing at the time of transaction. However, transactions completed during the year are adjusted on actual basis.

- b) In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non-monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss except in cases where they relate to acquisition of Property, Plant and Equipment, in which case they are adjusted to the carrying cost of such assets.
- e) Difference in outstanding value of term loan in foreign currency as at the year end vis-à-vis the date of obtaining loan is recorded in the books of account in a separate account called 'Exchange Difference (FC Loan)' Account to be appropriated at the conclusion of the said term loan.
- f) Difference in foreign exchange forward contracts is recognised as income / loss in the books of account by spreading the same proportionately over the effective life of the contract.

L. Employee Benefits :

- a) All short-term employee benefits expected to be paid in exchange for services rendered by the employees during the year are recognised, at the undiscounted amount, as liability (accrued expense), after deducting any amount already paid. Where the amount already paid exceeds the undiscounted amount of the benefits, such excess is recognised as an asset (prepaid expense).
- b) Company's contribution to Provident Fund, which is a defined contribution plan, is charged to the statement of profit and loss.
- c) Gratuity liability is a 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.
- d) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit method.
- e) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- f) Termination benefits are recognised as a liability immediately on incurrence of any such obligation.

M. Provision for Current and Deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing differences' between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

N. Provisions, Contingent Liabilities and Contingent Assets :

- a) Provisions are recognised for liabilities that can only be measured by using a substantial degree of estimation, if;
 - (i) the Company has a present obligation as a result of a past event,
 - (ii) a probable outflow of resources is expected to settle the obligation, and
 - (iii) the amount of obligation can reliably be estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will ultimately be received.

- b) Contingent Liability is disclosed in case of:
 - (i) a present obligation arising on past events, when it is not probable that an outflow of resources will be required to settle the obligation,
 - (ii) a present obligation, when no reliable estimate is possible, and
 - (iii) a possible obligation arising from past events, where the probability of outflow of resources is not remote.
- c) Contingent Assets are neither recognised nor disclosed.
- d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

O. Prior Period Items :

Prior Period items are disclosed separately in the statement of profit and loss for the year, keeping in view their materiality and the past method of accounting.

P. Exceptional and Extra-ordinary Items:

Exceptional and extra-ordinary items of the Company during the period are disclosed separately in the statement of profit and loss for the year, as part of net profit.

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(Contd...)

3. SHARE CAPITAL

	31-03-2021		31-03-2020	
	<u>Number</u>	<u>Amount (Rs.)</u>	<u>Number</u>	<u>Amount (Rs.)</u>
<u>Authorised and issued share capital:</u>				
Equity shares of Rs. 10/- each	40,000,000	400,000,000	40,000,000	400,000,000
<u>Subscribed and paid-up share capital:</u>				
Equity shares of Rs. 10/- each fully paid-up	39,750,000	397,500,000	39,750,000	397,500,000
Total	39,750,000	397,500,000	39,750,000	397,500,000

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

	31-03-2021		31-03-2020	
	<u>Number</u>	<u>Amount (Rs.)</u>	<u>Number</u>	<u>Amount (Rs.)</u>
Shares outstanding at the beginning of the year	39,750,000	397,500,000	39,750,000	397,500,000
Shares outstanding at the end of the year	39,750,000	397,500,000	39,750,000	397,500,000

Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2021 the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (PY Rs. Nil).

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.

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

	31-03-2021		31-03-2020	
	<u>No. of Shares held</u>	<u>% of Holding</u>	<u>No. of Shares held</u>	<u>% of Holding</u>
Equity shares of Rs. 10/- each fully paid-up				
a. Columbia Trading Co. Ltd.	2,280,176	5.73%	2,280,176	5.73%
b. Kaveen Gupta	3,241,000	8.15%	3,241,000	8.15%
c. S.P.Gupta	6,140,020	15.45%	6,140,020	15.45%
d. Star Light Credit India Ltd.	4,257,500	10.71%	4,257,500	10.71%
e. Vipul Gupta	2,916,000	7.34%	2,916,000	7.34%
f. VLS Finance Limited*	9,594,824	24.14%	9,594,824	24.14%
(* Under dispute)				

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021
(Contd...)

4. RESERVES & SURPLUS

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
A. <u>Capital Reserves</u>		
Opening Balance	80,000,000	80,000,000
Closing Balance (A)	<u>80,000,000</u>	<u>80,000,000</u>
B. <u>Other Reserves</u>		
General Reserve		
Opening Balance	30,000	30,000
Closing Balance (B)	<u>30,000</u>	<u>30,000</u>
C. <u>Surplus / (deficit) in the statement of profit and loss</u>		
Opening Balance	1,367,909,572	1,263,375,779
Add : Net Profit / (Net Loss) for the current year	<u>23,125,575</u>	<u>104,533,794</u>
Amount available for Appropriations	1,391,035,147	1,367,909,573
Less: Appropriations	4,527,657	-
Closing Balance (C)	<u>1,386,507,490</u>	<u>1,367,909,573</u>
Total (A+B+C)	<u>1,466,537,490</u>	<u>1,447,939,573</u>

5. DEFERRED TAX LIABILITIES (NET)

In line with the method recommended by the Accounting Standard AS-22 on "Accounting for Taxes on Income" components of deferred tax assets and liabilities as on 1st April, 2020 and 31st March, 2021 are given as under:

	<u>31-03-2020</u>	<u>For the Year</u>	<u>Reversing</u>	<u>31-03-2021</u>
A. <u>Deferred Tax Assets</u>				
a. Gratuity Provision	4,182,988	504,274	193,686	4,493,576
b. Prov. For Leave Encashment	1,004,685	182,689	36,342	1,151,032
c. Prov. For Bonus (Good work reward)	1,042,941	317,896	1,178,633	182,204
d. Depreciation	7,874	45,221	-	53,095
e. Business Loss c/f	369,415	17,897,423	-	18,266,838
f. Unabsorbed Depreciation c/f	59,387	8,039,767	-	8,099,154
Total (A)	<u>6,667,290</u>	<u>26,987,270</u>	<u>1,408,661</u>	<u>32,245,899</u>
B. <u>Deferred Tax Liabilities</u>				
a. Depreciation	192,862,837	(35,409,354)	-	157,453,483
Total (B)	<u>192,862,837</u>	<u>(35,409,354)</u>	<u>-</u>	<u>157,453,483</u>
Net Deferred Tax Liabilities (B-A)	<u>186,195,547</u>	<u>(62,396,624)</u>	<u>(1,408,661)</u>	<u>125,207,584</u>

Deferred tax asset has been recognised and carried forward since there is a reasonable certainty that sufficient future taxable income shall be available against which the same can be realised.

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

6. OTHER LONG TERM LIABILITIES

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
<u>Others</u>		
<u>Security Deposit</u>		
a. Security Deposits for space	90,881,000	90,881,000
	<u>90,881,000</u>	<u>90,881,000</u>

7. LONG TERM PROVISIONS

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
<u>Provision for Employee Benefits</u>		
a. Gratuity	12,095,790	11,917,355
b. Leave Encashment (Hotel)	3,701,986	3,511,795
	<u>15,797,776</u>	<u>15,429,150</u>

8. TRADE PAYABLE

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
<u>Trade Payables (including Acceptances)</u>		
- outstanding dues of micro enterprises and small	-	-
- total outstanding dues of creditors other than micro enterprises and small	6,681,553	23,908,724
- total outstanding dues to related entities	-	-
(Refer Note no. 41 for details of dues to Micro, Small & Medium Enterprises)		
	<u>6,681,553</u>	<u>23,908,724</u>

9. OTHER CURRENT LIABILITIES

	<u>31-03-2021</u> <u>Amount (Rs.)</u>	<u>31-03-2020</u> <u>Amount (Rs.)</u>
a. Duties & Taxes Payables	3,394,322	2,727,370
b. Advance Rent	73,536,750	73,477,575
c. Other payables	4,381,680	7,728,445
Total	<u>81,312,752</u>	<u>83,933,390</u>

10 SHORT TERM PROVISIONS

	<u>31-03-2021</u>		<u>31-03-2020</u>	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<u>A. Provision for Employee Benefits</u>				
a. Salary & Wages Payable	2,064,610		1,190,006	
b. LTA payable	127,162		922,869	
c. Good-work Reward payable	1,091,677		4,047,502	
e. Provision for Gratuity	2,295,019		920,639	
f. Provision for Leave Encashment	565,277	6,143,745	272,903	7,353,919
		<u>6,143,745</u>	<u>272,903</u>	
<u>B. Others</u>				
a. Provision for Tax		-		-
Total		<u>6,143,745</u>		<u>7,353,919</u>

SUNAIR HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

11 Property, Plant and Equipment:

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as on 1st April 2020	Additions (Disposals)	Balance as on 31st Mar, 2021	Balance as on 1st April 2020	Depreciation charge for the year	Adjustment for Disposals	Adjustment due to assets life span	Balance as on 31st Mar, 2021	Balance as on 31st Mar, 2020
A. Tangible Assets (Not Under Lease)									
a. Land	-	110,111,500	110,111,500	-	-	-	-	110,111,500	-
b. Buildings									
Hotel	1,125,048,875	-	1,125,048,875	227,268,002	17,548,643	-	-	880,232,230	897,780,873
Commercial	14,135,800	-	14,135,800	4,575,531	215,982	-	-	9,344,287	9,560,269
c. Plant & Equipment									
Hotel	505,462,283	115,625	505,577,908	410,548,563	8,216,489	-	-	86,812,856	94,913,719
Commercial	-	-	-	-	-	-	-	-	-
d. Furniture & Fixtures	284,399,738	-	284,399,738	240,360,406	6,895,884	-	-	37,143,449	44,039,333
e. Vehicles	23,264,292	-	23,264,292	5,412,450	2,762,635	-	-	15,089,207	17,851,842
f. Office Equipment	7,771,516	49,576	7,821,092	6,900,608	107,239	-	-	813,245	870,908
g. Others	-	-	-	-	-	-	-	-	-
Computers & Accessories	42,885,075	34,800	42,919,875	38,727,011	660,093	-	-	39,387,104	4,158,064
Electrical Fittings & Installations	3,561,530	-	3,561,530	2,944,046	115,803	-	-	3,059,849	617,484
Total (i)	2,006,529,109	110,311,501	2,116,840,610	936,736,617	36,522,768	-	-	1,143,581,225	1,069,792,492
B. Tangible Assets (Under License)									
a. Land on License	210,000,000	-	210,000,000	-	-	-	-	210,000,000	210,000,000
Total (A+B)	2,216,529,109	110,311,501	2,326,840,610	936,736,617	36,522,768	-	-	1,353,581,225	1,279,792,492
Previous Year	2,173,271,007	55,206,716	2,216,529,109	897,318,988	45,280,965	5,863,336	-	1,279,792,492	1,275,952,019

Notes to Property, Plant and Equipment:

- Details in respect of each class of asset for the first five years subsequent to the date of reduction or increase due to impairment or revaluation: Rs. Nil
- No Property, Plant and Equipment was acquired through business combination during the year (PY Rs. Nil).
- Land represents plot allotted on license by NDMC for which Rs. 21 crores were paid to Sun Aero Ltd., the subsidiary company, as development rights.

SUNAIR HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

12. NON-CURRENT INVESTMENTS

Other Investments

Sl. No.	Particulars	Subsidiary / Associate / JV / Controlled Special Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully Paid	Extent of Holding (%)		Amount (Rs.)		Basis of Valuation
			As on 31st March 2021	As on 1st April 2020			As on 31st March 2021	As on 1st April 2020	As on 31st March 2021	As on 31st March 2020	
(i)	Aditya Birla Sunlife Corporate Bond Fund -G-D	Others	-	491,404	Quoted	Fully paid	100%	100%	38,500,000	38,500,000	At Cost
(ii)	Aditya Birla Overnight Fund- Growth	Others	19,720	-	Quoted	Fully paid	100%	100%	21,921,299	-	At Cost
(iii)	Axis Short Term Fund- G	Others	814,812	-	Quoted	Fully paid	100%	0%	20,000,000	-	At Cost
(iv)	HDFC Corporate Bond Fund-DP-G	Others	937,646	316,049	Quoted	Fully paid	100%	100%	22,700,000	7,200,000	At Cost
(v)	HDFC Liquid Fund	Others	2,497	-	Quoted	Fully paid	100%	0%	10,045,467	-	At Cost
(vi)	HDFC Overnight Fund-DP-G	Others	1,683	22,463	Quoted	Fully paid	100%	100%	66,694,453	-	At Cost
(vii)	HDFC Overnight Fund-DP-G	Others	-	5,083	Quoted	Fully paid	100%	100%	15,091,741	-	At Cost
(viii)	HDFC Short Term Debt Fund -D-G	Others	-	1,208,245	Quoted	Fully paid	0%	100%	27,361,800	-	At Cost
(x)	HDFC Liquid Fund Growth	Others	6,367	6,367	Quoted	Fully paid	100%	100%	24,733,618	-	At Cost
(xii)	ICICI Prudential All season Bond Fund-DP-G	Others	-	-	Quoted	Fully paid	100%	100%	-	-	At Cost
(xiii)	ICICI Prudential Corporate Bond Fund a-DP-G	Others	2,763,823	3,029,241	Quoted	Fully paid	100%	100%	62,000,000	-	At Cost
(xv)	ICICI Prudential Overnight Fund-DP-G	Others	129,763	195,765	Quoted	Fully paid	100%	100%	14,008,133	21,087,641	At Cost
(xvi)	IDFC Corporate Bond Fund Direct Plan -G	Others	4,179,134	2,193,736	Quoted	Fully paid	100%	100%	58,100,000	28,100,000	At Cost
(xvii)	IDFC Bond Fund - Short Term Plan-G	Others	569,268	859,297	Quoted	Fully paid	100%	100%	24,296,064	36,700,000	At Cost
(xviii)	IDFC Overnight Fund- G	Others	12,311	-	Quoted	Fully paid	100%	0%	13,500,000	-	At Cost
(xix)	Kotak Corporate Bond Fund Direct Growth	Others	12,145	11,977	Quoted	Fully paid	100%	100%	32,800,000	-	At Cost
(xxii)	Kotak Overnight Fund -Direct-G	Others	4,116	22,648	Quoted	Fully paid	100%	100%	33,485,018	24,134,850	At Cost
(xxvi)	L & T Liquid Fund - Growth	Others	-	1,611	Quoted	Fully paid	0%	100%	4,505,706	-	At Cost
(xxvii)	L&T Overnight Fund- Growth	Others	672	-	Quoted	Fully paid	100%	0%	1,049,493	-	At Cost
(xxviii)	L&T Resurgent India Bond Fund -D-G	Others	-	1,184,357	Quoted	Fully paid	0%	100%	-	15,823,365	At Cost
(xxix)	L & T Short Term Bond Fund-DP-G	Others	1,819,119	1,356,422	Quoted	Fully paid	100%	100%	36,500,000	26,500,000	At Cost
(xxx)	Nippon India Interval Fund-Quarterly Plan/ Reliance Interval Fund-C	Others	-	205,875	Quoted	Fully paid	0%	100%	-	5,010,055	At Cost
(xxxv)	Nippon India Liquid Fund -GP-Growth Option/Reliance Liquid Fund-	Others	-	572	Quoted	Fully paid	0%	100%	-	2,756,080	At Cost
(xxxvi)	Nippon India Liquid Fund -Weekly Dividend Option	Others	-	756	Quoted	Fully paid	0%	100%	-	1,157,434	At Cost
(xxxix)	SBI Corporate Bond Fund	Others	2,948,550	-	Quoted	Fully paid	100%	0%	35,000,000	-	At Cost
(xxxix)	SBI Overnight Fund	Others	1,502	-	Quoted	Fully paid	100%	0%	5,009,458	-	At Cost
(xxxix)	Sundaram Money Market Fund -R-G	Others	-	708,293	Quoted	Fully paid	0%	100%	-	7,142,650	At Cost
(xxxix)	UTI Short Term Income- Fund-G	Others	724,707	-	Quoted	Fully paid	100%	0%	17,500,000	-	At Cost
(xxxix)	UTI Overnight Fund- Direct-DD	Others	1,787	-	Quoted	Fully paid	100%	0%	5,009,635	-	At Cost
(xxxix)	UTI Credit Risk Fund-D-GP (Segregated)	Others	-	1,151,169	Quoted	Fully paid	100%	100%	-	227,931	At Cost
(xxxix)			-	-					-	-	
Total			9,453,283	8,363,886					449,431,795	447,387,929	
B. Investment in Muthooth Finance Corp.									5,008,055	-	
									5,008,055	-	
Total (a+b)									454,439,850	447,387,929	

Summary details of non-current investments:

- A. Aggregate amount of Quoted Investments
At cost
At market value
- B. Aggregate amount of Unquoted Investments (At cost)
C. Value of Investment Property (Net Block)
D. Aggregate provision for diminution in value of investments

124

13. LONG TERM LOANS AND ADVANCES

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
A. <u>Capital Advances</u>		
Unsecured, considered good		
a. Greater Noida Industrial Development Authority	550,000	550,000
b. Advances against Capital Goods	-	-
Total (A)	<u>550,000</u>	<u>550,000</u>
B. <u>Security Deposits</u>		
Unsecured, considered good		
a. Security deposit from service providers	2,406,047	2,406,047
b. Security deposit for let-out properties	3,120,000	3,120,000
c. Security deposit with Government Agencies for utilities	7,227,310	7,227,310
Total (B)	<u>12,753,357</u>	<u>12,753,357</u>
C. <u>Other Loans & Advances</u>		
Unsecured, considered good		
a. Income Tax Refundable	24,104,659	22,787,092
b. Cash Seized by I.T. Department	3,000,000	3,000,000
c. Other Advances	111,558,163	226,520,000
d. Other Loans	-	175,000
Total (C)	<u>138,662,822</u>	<u>252,482,092</u>
Total (A+B+C)	<u>151,966,179</u>	<u>265,785,449</u>
<u>Details of loans & advances to directors or other officers, etc.</u>		
Other Officers of the Company	-	-
Total	<u>-</u>	<u>-</u>

14. OTHER NON-CURRENT ASSETS

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
<u>Others</u>		
a. Commitment Charges (Recoverable)	2,043,860	2,043,860
b. Financial Charges (Recoverable)	554,158	554,158
c. Staff Advance	175,000	-
d. Gst Input	21,780	-
Total	<u>2,794,798</u>	<u>2,598,018</u>

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

15. INVENTORIES

	31-03-2021 <u>Amount (Rs.)</u>	31-03-2020 <u>Amount (Rs.)</u>
A. Raw Materials & Components (Valued at cost)		
Food	435,309	1,740,758
Beverage	4,107,297	5,441,207
Tobacco	2,330	2,330
Operating Equipments	61,591,211	62,772,315
Total (A)	<u>66,136,147</u>	<u>69,956,610</u>
B. Stock-in-trade (Valued at Lower of Cost & NRV)		
Debt Funds	38,271,546	50,885,198
Total (B)	<u>38,271,546</u>	<u>50,885,198</u>
Total (A+B)	<u>104,407,693</u>	<u>120,841,808</u>

16. TRADE RECEIVABLES

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. <u>Trade receivables outstanding for a period less than six months from the date they are due for payment</u>				
Unsecured, considered good				
a. Trade receivable	5,182,866		14,216,263	
b. Income receivable	393,837	5,576,703	1,810,878	16,027,141
Total (A)		<u>5,576,703</u>		<u>16,027,141</u>
B. <u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</u>				
Unsecured, considered good				
a. Trade receivable	144,310		1,015,140	
b. Income receivable	-	144,310	-	1,015,140
Total (B)		<u>144,310</u>		<u>1,015,140</u>
Total (A+B)		<u>5,721,013</u>		<u>17,042,281</u>

17. CASH AND BANK BALANCES

	31-03-2021 <u>Amount (Rs.)</u>	31-03-2020 <u>Amount (Rs.)</u>
A. <u>Cash and cash equivalents</u>		
a. Balances with banks		
Current Account with Scheduled Banks	34,272,579	34,997,514
There are no Earmarked Balances, Margin Money, Security against borrowings, Guarantees and Other Commitments included		
b. Cheques, drafts on hand	-	-
c. Cash on hand (including Imprest)	2,637,417	2,646,525
Total(A)	<u>36,909,995</u>	<u>37,644,039</u>
B. <u>Other bank balances</u>		
a. Bank deposits with original maturity of more than 12 months but less than 12 months from balance sheet	1,021,649	-
b. Bank deposits with original maturity of more than 3 months but less than 12 months	-	1,021,649
Total(B)	<u>1,021,649</u>	<u>1,021,649</u>
Total (A+B)	<u>37,931,644</u>	<u>38,665,688</u>

18. SHORT TERM LOANS AND ADVANCES

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<u>Unsecured, considered good</u>		
<u>Other Loans & Advances</u>		
A. Advance License Fees (NDMC)	15,575,870	14,127,773
B. Advance (Staff & Consultants)	800,000	810,000
C. Prepaid Expenses (Hotel) (Licence fee L3 & L5)	4,872,423	9,650,836
D. Advance for assets	<u>52,653,514</u>	<u>49,517,086</u>
Total	<u>73,901,807</u>	<u>74,105,695</u>

Details of loans & advances to directors or other officers, etc. : NIL (P.Y. NIL)

19. OTHER CURRENT ASSETS

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<u>Unsecured, considered good</u>		
A. Staff recovery	-	23,823
B. Other Taxes Recievable	<u>5,317,690</u>	<u>6,898,120</u>
	<u>5,317,690</u>	<u>6,921,943</u>

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

20. REVENUE FROM OPERATIONS

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. Sale of Products				
Traded Goods				
Debt Funds		59,655,383		49,789,060
B. Sale of Services				
<u>Facilities and Services Charges for Hotel Complex</u>				
Rooms	15,409,706		360,552,632	
<u>Food & Beverage</u>				
Food	6,948,298		92,336,250	
Beverage	881,543		18,794,377	
Tobacco	3,900		67,500	
Banquet Fees	363,004		3,718,060	
Other Operating Departments	248,127		14,136,589	
Services Charges Received	436,779		7,241,190	
Sub License Fees	96,680,925	120,972,281	86,130,000	582,976,598
Revenue from Operations (Gross)		180,627,665		632,765,658
Less: Excise Duty		-		-
Revenue from Operations (Net)		<u>180,627,665</u>		<u>632,765,658</u>

21. OTHER INCOME

	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. Interest from Bank Deposits	116,777	197,589
B. Scrap sale	-	437,377
C. Dividends received on Mutual Funds	2,080	348,196
D. Gain / (Loss) on Foreign Exchange Curr. Fluctuation	253	18,751
E. Income From Travel Desk	900,000	1,750,000
G. Guest Transport Charges & Tour	42,500	2,531,880
H. Short Term Capital Gain	12,143,878	22,508,405
I. Insurance Claim Received	-	2,211,277
K. Miscellaneous Income	7,342,141	15,473,144
J. Other Charges Recovered	5,670,558	-
Total	<u>26,218,188</u>	<u>45,476,619</u>

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

22. COST OF MATERIALS CONSUMED

	Sun Aero	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
Materials Consumed			
Inventory at the beginning of the year	-	7,250,863	7,250,863
Add : Purchases	-	4,749,947	37,289,948
	-	12,000,809	44,540,811
Less: Inventory at the end of the year	-	7,184,295	7,184,295
Cost of Raw Material Consumed	-	4,816,514	37,356,515
Details of Materials Consumed			
A. Food	-	4,209,411	31,591,161
B. Beverages	-	606,350	5,734,593
C. Tabacco	-	753	30,761
	-	4,816,514	37,356,515

* Cost of operating equipments consumed is directly booked as an expense under its relevant expenditure head.

23. COST OF UTILITIES AND HOSPITALITY SERVICES

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
A. Telephone Cost	860	36,080
B. Laundry Cost	63,370	1,021,785
C. Health Club	-	220,202
	64,230	1,278,067

24. PURCHASE OF STOCK-IN-TRADE

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
Debt Funds	46,500,000	54,479,567
	46,500,000	54,479,567

25. (INCREASE) / DECREASE IN INVENTORIES OF TRADED GOODS

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)	(Increase) / Decrease (Rs.)
Inventories at the end of the year			
Debts Funds	38,271,546	50,885,198	12,613,652
	38,271,546	50,885,198	12,613,652
Inventories at the beginning of the year			
Debts Funds	50,885,198	46,663,504	(4,221,694)
	50,885,198	46,663,504	(4,221,694)
Increase / (Decrease) in Inventories	(12,613,652)	4,221,694	(16,835,346)

(INCREASE) / DECREASE IN INVENTORIES OF TRADED GOODS (SUNAIR)

			31-03-2021
Inventories at the end of the year			
Debts Funds	129	-	-
		-	-

Inventories at the beginning of the year

31-03-2020

Debts Funds	-	-	-
	-	-	-
Increase / (Decrease) in Inventories	-	-	

(INCREASE) / DECREASE IN INVENTORIES OF TRADED GOODS (SUN AERO)

<u>Inventories at the end of the year</u>			31-03-2021
Debts Funds	38,271,546	50,885,198	12,613,652
	-	-	-
	<u>38,271,546</u>	<u>50,885,198</u>	<u>12,613,652</u>
<u>Inventories at the beginning of the year</u>			31-03-2020
Debts Funds	50,885,198	46,663,504	(4,221,694)
	-	-	-
	<u>50,885,198</u>	<u>46,663,504</u>	<u>(4,221,694)</u>
Increase / (Decrease) in Inventories	<u>(12,613,652)</u>	<u>4,221,694</u>	

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

26. EMPLOYEE BENEFIT EXPENSES

	31-03-2021		31-03-2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. Salaries, wages and bonus		22,556,209		83,803,926
B. Directors Remuneration		6,300,000		8,287,500
B. <u>Contributions to:</u>				
a. Provident Fund	1,475,598		6,213,553	
b. ESI	270,828		1,332,925	
c. Other Funds	627,367	2,373,793	57,029	7,603,507
C. Gratuity Fund Contributions		1,731,711		1,027,436
D. Staff Welfare Expenses		369,566		4,590,736
E. Medical Reimbursement		-		670,220
F. Ex gratia Paid		180,606		117,502
		<u>33,511,884</u>		<u>106,100,827</u>

27. OTHER EXPENSES

	31-03-2021		31-03-2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a. Power & Fuel		22,439,427		58,972,140
b. Rent		3,060,000		3,060,000
c. <u>Repairs & Maintenance</u>				
i. Plant & Machinery	1,500,431		2,446,023	
ii. Buildings	10,912,777		37,981,806	
iii. Others	6,540,834	18,954,043	27,310,331	67,738,159
d. Insurance		2,636,022		2,257,341
e. Bad Debt written off		-		10,792
f. Advertising & Sales Promotion		75,912		2,674,813
g. Travelling & Conveyance		3,400		3,530
h. Communication Cost		472,894		636,154
i. Printing & Stationery		448,183		3,078,144
j. Legal & Professional Fees		31,757,488		40,583,733
k. Payment to Auditors		524,649		546,429
l. Licence fee		18,956,616		20,694,956
o. Loss On Sale of Assets		-		1,742,904
p. Internet Expense		370,222		1,877,597
q. Banquet Expenses		216,875		3,064,218
r. Guest Supply & Relation Expenses		69,640		8,455,133
s. Linen		878,670		1,008,538
t. Flowers & Decoration		-		484,132
u. Laundry & Dry Cleaning		15,842		238,097
v. Uniform		-		227,724
w. Guest Supplies		337,427		7,481,747
x. Commission on Rooms		1,628,955		37,910,182
y. Cleaning Supply		216,441		1,316,967
z. Guest News Paper & Magazines		1,670		65,260
aa. Music & Entertainment		35,000		470,000
ab. Kitchen Utensils		1,130		4,200
ac. Local Transportation & Vehicle Maintenance		544,700		1,836,716
ad. Guests Entertainment & Business Promotion		211,446		1,521,320
ae. Credit Card Charges		78,916		2,278,620
af. Security Services		3,364,405		5,148,914
ag. Traveling Expenses Foreign (incl.Directors)		20,000		7,662,786
ah. AGM & Conference Charges		8,040		37,170
ai. Membership Fees & Subscription		58,300		169,603
aj. Misc Expenses		351,319		727,470
ak. R.O.C. Fee		17,719		33,311
al. Manpower Outsourced		1,075,511		8,024,953
am. Sitting Fees		190,000		220,000
ap. Postage/Courier/Telegram		36,201		73,215
aq. Rate & Taxes		220,614		58,035
Total		<u>109,277,676</u>		<u>292,395,002</u>

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<u>Details of Payment to Auditors</u>				
<u>As Auditor:</u>				
- Audit Fee		385,500		396,390
- Tax Audit Fee		139,150		150,040
Total		<u>524,650</u>		<u>546,430</u>

28. FINANCE COST

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
A. <u>Interest Paid on:</u>				
a. Interest on Taxes	<u>51,914</u>	51,914	<u>4,271</u>	4,271
B. Bank Charges		<u>26,052</u>		<u>167,332</u>
Total		<u>77,966</u>		<u>171,603</u>

29. DEPRECIATION AND AMORTIZATION EXPENSES

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
Depreciation on Assets		<u>36,522,768</u>		<u>45,280,965</u>
Total		<u>36,522,768</u>		<u>45,280,965</u>

30. DETAILS OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

		31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
(a) Gross Amount required to be spent by the company during the year		2,471,708	1,900,000
(b) Amount spent during the year on:	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any assets	Nil (PY Nil)	Nil (PY Nil)	Nil (PY Nil)
(ii) <u>On purposes other than (i) above</u>			
- Donation to Abhinandan Jan Kalyan Society	2,471,708 (PY 19,00,000)	Nil (PY Nil)	2,471,708 (PY 19,00,000)
(c) Contribution paid to trust controlled by the related party	Nil	Nil	Nil

31. EARNING PER SHARE (EPS)

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
Total operations for the year		
Profit / (loss) after tax	23,125,575	104,533,794
Less: Dividends & dividend tax on other than equity shares	-	-
Net profit / (loss) for calculation of Basic EPS	<u>23,125,575</u>	<u>104,533,794</u>
Net profit as above	23,125,575	104,533,794
Add : Dividends & dividend tax on other than equity shares	-	-
Add : Adjustments for the effects of dilutive potential equity shares	-	-
Net profit / (loss) for calculation of Diluted EPS	<u>23,125,575</u>	<u>104,533,794</u>
Weighted average number of equity shares in calculating Basic EPS	39,750,000	39,750,000
Effect of dilution:		
Convertible preference shares (numbers)	-	-
Convertible bonds (numbers)	-	-
Stock option granted under ESOP	-	-
Weighted average number of equity shares in calculating Diluted EPS	<u>39,750,000</u>	<u>39,750,000</u>
(a) Basic	0.58	2.63
(b) Diluted	0.58	2.63

32. Additional information pursuant to Note No. 5(viii)(a) of Part-II of Schedule-III to the Companies Act, 2013

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
<u>Value of imports calculated on C.I.F. basis by the Company during the financial year in respect of:</u>		
A. Capital goods & Other goods	-	2,981,475
Total	<u>-</u>	<u>2,981,475</u>

33. Additional information pursuant to Note No. 5(viii)(b) of Part-II of Schedule-III to the Companies Act, 2013

	31-03-2021 Amount (Rs.)	31-03-2020 Amount (Rs.)
<u>Expenditure in foreign currency during the financial year on account of:</u>		
A. Traveling Expenses	-	3,695,628
B. Commission Expenses	1,049,449	17,161,447
Total	<u>1,049,449</u>	<u>20,857,075</u>

34. Additional information pursuant to Note No. 5(viii)(c) of Part-II of Schedule-III to the Companies Act, 2013

	31-03-2021		31-03-2020	
	Page (%)	Amount (Rs.)	Page (%)	Amount (Rs.)
<u>Total value of indigenous materials consumed:</u>				
A. <u>Raw materials</u>				
Food & Beverages	100	4,816,514	100	37,356,515
B. Other Supplies	100	764,200	100	13,308,132
C. Spare parts	100	6,292,990	100	39,809,473
D. Components	100	69,950	100	2,177,212
Total		<u>11,943,654</u>		<u>92,651,333</u>

35. Additional information pursuant to Note No. 5(viii)(d) of Part-II of Schedule-III to the Companies Act, 2013 Rs. Nil (PY Nil)

36. Additional information pursuant to Note No. 5(viii)(e) of Part-II of Schedule-III to the Companies Act, 2013

	31-03-2021	31-03-2020
	Amount (Rs.)	Amount (Rs.)
<u>Earnings in foreign exchange:</u>		
A. Export of goods calculated on F.O.B. basis	-	-
B. Royalty, know-how, professional and consulation fees	-	-
C. Interest and dividend	-	-
D. <u>Other income</u>	-	-
Guest Rooms, F&B Sales and Other Services	1,087,834	209,542,393
	<u>1,087,834</u>	<u>209,542,393</u>

37. Gratuity & Other Post-employment Benefits

The Company does not have a defined benefit gratuity plan. However, every employee who has completed five years or more of service gets gratuity on departure at 15 days' salary (last drawn basic salary) for each completed year of service or part thereof in excess of six months on projected unit method.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognized in the balance sheet.

I. Gratuity

	31-03-2021	31-03-2020	31-03-2019
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
1. Change in present value of obligation			
a) Present value of obligation as at the beginning of the period	12,837,994	12,475,689	11,094,902
b) Acquisition adjustment	-	-	-
c) Interest cost	878,780	962,674	864,787
d) Past service cost	-	-	-
e) Current service cost	1,334,203	1,693,591	1,480,761
f) Curtailment cost / (Credit)	-	-	-
g) Settlelement cost / (Credit)	-	-	-
h) Benefit paid	(178,896)	(665,131)	(886,259)
i) Actuarial (gain) / Loss on obligation	(481,272)	(1,628,829)	(78,502)
j) Present value of obligation as at the end of the period	<u>14,390,809</u>	<u>12,837,994</u>	<u>12,475,689</u>
2. Changes in fair value of plan assets			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Expected return on plan assets	-	-	-
d) Contribution	-	-	-
e) Benefits paid	-	-	-
f) Actuarial gain / (loss) on plan assets	-	-	-
g) Fair value of plan assets at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>
3. Fair value of plan assets			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Actual return on plan assets	-	-	-
d) Contributions	-	-	-
e) Benefits paid	-	-	-
f) Fair value of plan assets at the end of the period	-	-	-
g) Funded status	(14,390,809)	(12,837,994)	(12,475,689)
h) Excess of actual over estimated return on plan assets	-	-	-
4. Actuarial gain / losses recognized			
a) Actuarial gain / (loss) for the period- obligation	481,272	1,628,829	78,502
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	(1,628,829)	(1,628,829)	(78,502)
d) Actuarial (gain) / loss recognized in the period	(1,628,829)	(1,628,829)	(78,502)
e) Unrecognized actuarial (gains) losses at the end of the period	-	-	-
f) Experience Adjustment on Present Value of Obligation-Loss/(Gain)	(889,997)	9,787	(220,922)
5. The amounts to be recognized in the balance sheet and related analysis			
a) Present value of obligation as at the end of the period	14,390,809	12,837,994	12,475,689
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(14,390,809)	(12,837,994)	(12,475,689)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-
f) Net assets / (liability) recognized in balance sheet	(14,390,809)	(12,837,994)	(12,475,689)

6. Expense recognized in the statement of profit and loss			
a) Current service cost	1,334,203	1,693,591	1,480,761
b) Past service cost	-	-	-
c) Interest cost	878,780	962,674	864,787
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-
f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(481,272)	(1,628,829)	78,502
h) Expenses recognized in the statement of profit & losses	1,731,711	1,027,436	2,267,046
7. Reconciliation statement of expenses in the statement of profit & loss			
a) Present value of obligation as at the end of the period	14,390,809	12,837,994	12,475,689
b) Present value of obligation as at the beginning of the period	12,837,994	12,475,689	11,094,902
c) Benefit paid	178,896	665,131	886,259
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	1,731,711	1,027,436	2,267,046
8. Amount for the current period			
a) Present value of obligation as at the end of the period	14,390,809	12,837,994	12,475,689
b) Fair value of plan assets	-	-	-
c) Surplus / (Deficit)	(14,390,809)	(12,837,994)	(12,475,689)
d) Experience adjustment on plan liabilities (loss) / gain	481,272	1,628,829	(78,502)
e) Experience adjustment on plan assets (loss) / gain	-	-	-
9. Movement in the liability recognized in the balance sheet			
a) Opening net liability (31/03/2016)	11,457,207	11,094,902	9,646,824
b) Expense as above	1,731,711	1,027,436	2,267,046
c) Benefits paid	(178,896)	(665,131)	(886,259)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability (31/03/2017)	13,010,022	11,457,207	11,027,611
10. Major categories of plan assets (as percentage of total plan assets)			
a) Government of India Securities	-	-	-
b) State Government Securities	-	-	-
c) High quality corporate bonds	-	-	-
d) Equity shares of listed companies	-	-	-
e) Property	-	-	-
f) Special deposit scheme	-	-	-
g) Funds managed by insurer	-	-	-
h) Bank balance (For Gratuity)	-	-	-
Total	-	-	-

11. The principal assumption used in determining gratuity obligation for the Company's plans are shown below:

	31-03-2021	31-03-2020	31-03-2019
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a) Discount rate	6.70	6.85	7.80
b) Rate of return on Plan Assets	0.00	0.00	0.00
c) Salary Escalation	0%(*)	4.00	6.00

*--0% P.A. for FY 2021-22, 2% P.A. for FY 2022-23 and 4% P.A. thereafter

II. Leave Encashment

	31-03-2021	31-03-2020	31-03-2019
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
1. Change in present value of obligation			
a) Present value of obligation as at the beginning of the period	3,784,698	4,225,449	3,779,040
b) Acquisition adjustment	-	-	-
c) Interest cost	259,068	326,052	294,631
d) Past service cost	-	-	-
e) Current service cost	835,463	607,305	842,180
f) Curtailment cost / (Credit)	-	-	-
g) Settlement cost / (Credit)	-	-	-
h) Benefit paid	(144,802)	(497,780)	(779,114)
i) Actuarial (gain) / Loss on obligation	(467,164)	(876,328)	88,712
j) Present value of obligation as at the end of the period	4,267,263	3,784,698	4,225,449
2. Changes in fair value of plan assets			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Expected return on plan assets	-	-	-
d) Contribution	-	-	-
e) Benefits paid	-	-	-
f) Actuarial gain / (loss) on plan assets	-	-	-
g) Fair value of plan assets at the end of the period	-	-	-

135

3. Fair value of plan assets			
a) Fair value of plan assets at the beginning of the period	-	-	-
b) Acquisition adjustment	-	-	-
c) Actual return on plan assets	-	-	-
d) Contributions	-	-	-
e) Benefits paid	-	-	-
f) Fair value of plan assets at the end of the period	-	-	-
g) Funded status	(4,267,263)	(3,784,698)	(4,225,449)
h) Excess of actual over estimated return on plan assets	-	-	-
4. Actuarial gain / losses recognized			
a) Actuarial gain / (loss) for the period- obligation	(467,164)	(876,328)	88,712
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	(467,164)	(876,328)	88,712
d) Actuarial (gain) / loss recognized in the period	(467,164)	(876,328)	88,712
e) Unrecognized actuarial (gains) losses at the end of the period	-	-	-
f) Experience Adjustment on Present Value of Obligation-Loss/(Gain)	(732,805)	(352,344)	30,259
5. The amounts to be recognized in the balance sheet and related analysis			
a) Present value of obligation as at the end of the period	4,267,263	3,784,698	4,225,449
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(4,267,263)	(3,784,698)	(4,225,449)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-
f) Net assets / (liability) recognized in balance sheet	4,267,263	3,784,698	(4,225,449)
6. Expense recognized in the statement of profit and loss			
a) Current service cost	835,463	607,305	842,180
b) Past service cost	-	-	-
c) Interest cost	259,068	326,052	294,631
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-
f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(467,164)	(876,328)	88,712
h) Expenses recognized in the statement of profit & losses	627,367	57,029	1,225,523
7. Reconciliation statement of epenses in the statement of profit & loss			
a) Present value of obligation as at the end of the period	4,267,263	3,784,698	4,225,449
b) Present value of obligation as at the beginning of the period	3,784,698	4,225,449	3,779,040
c) Benefit paid	(144,802)	(497,780)	(779,114)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	627,367	57,029	1,225,523
8. Amount for the current period			
a) Present value of obligation as at the end of the period	4,267,263	3,784,698	4,225,449
b) Fair value of plan assets as at the end of the period	-	-	-
c) Surplus / (Deficit)	(4,267,263)	(3,784,698)	(4,225,449)
d) Experience adjustment on plan liabilities (loss) / gain	467,164	876,328	(88,712)
e) Experience adjustment on plan assets (loss) / gain	-	-	-
9. Movement in the liability recognized in the balance sheet			
a) Opening net liability	3,784,698	4,225,449	3,779,040
b) Expense as above	627,367	57,029	1,225,523
c) Benefits paid	(144,802)	(497,780)	(779,114)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability	4,267,263	3,784,698	4,225,449
10. Major categories of plan assets (as percentage of total plan assets)			
a) Government of India Securities	-	-	-
b) State Government Securities	-	-	-
c) High quality corporate bonds	-	-	-
d) Equity shares of listed companies	-	-	-
e) Property	-	-	-
f) Special deposit scheme	-	-	-
g) Funds managed by insurer	-	-	-
h) Bank balance (For Gratuity)	-	-	-

:5:

11. The principal assumption used in determining leave encashment obligation for the Company's plans are shown below:

	31-03-2021	31-03-2020	31-03-2019
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
a) Discount rate	6.70	6.85	7.80
b) Rate of return on Plan Assets	-	-	-
c) Salary Escalation	0%(*)	4.00	6.00

*--0% P.A.for FY 2021-22, 2% P.A. for FY 2022-23 and 4% P.A. thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Previous year figures have not been given since those are not fully available.

38. Segment Reporting

The business segments of the Company have been identified in line with the Accounting Standard AS-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, taking into account the organisational structure and different risk and return of these segments. The Company's reportable business segments consists of the following:

- a) Hotel Business
- b) Commercial Centre
- c) Portfolio Management

The accounting policies adopted for segment reporting are in line with the following additional policies for segment reporting :

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating business activities of the segment. Revenue and expenses, which relate to enterprise as a whole that cannot be allocated to a segment on reasonable basis, have been disclosed separately under the column "unallocable".
- b) Segment assets and liabilities represent assets and liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed under the column "unallocable".

<u>Particulars</u>	<u>Hotel Business</u>	<u>Commercial Business</u>	<u>Portfolio Management</u>	<u>Total Amount (Rs)</u>
Segment Revenue				
- Revenue	33,838,680	96,680,925	12,145,958	142,665,563
Net Sales / Income from Operations	(A) 33,838,680	96,680,925	12,145,958	142,665,563
Segment Expenses				
<u>Allocable Expenses</u>				
-Consumption of Stores, Provisions & Beverages and Purchase of Mutual Funds	38,634,582	-	-	38,634,582
-Employee benefit expenses	106,096,817	-	-	106,096,817
-Operating / Administration Expenses	291,271,043	-	-	291,271,043
-Finance Cost	171,058	-	-	171,058
-Expenditure on CSR Activity	1,900,000	-	-	1,900,000
	(B) 438,073,501	-	-	438,073,501
Segment Result	(A - B) -404,234,821	96,680,925	12,145,958	(295,407,938)
Less : Depreciation				36,522,768
Profit before Taxation				(331,930,705)
Less : Tax Expense for the year				(62,136,121)
Profit after Taxation				(269,794,584)
Segment Assets (including Misc. expenditure and debit balance of Profit & Loss A/c)	1,906,494,852	9,738,124	-	1,916,232,976
Segment Liabilities (including long term liabilities)	212,205,376	159,666,750	-	371,872,126
Total Carrying Amount of fixed assets	1,233,340,720	9,344,287	-	1,242,685,007
Total Depreciation on fixed assets	35,938,710	215,982	-	36,154,692

The business segments of the Company viz., hotel business and commercial centre are both located at one geographical place only and accordingly the geographical segment is not applicable to the company.

SUNAIR HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd...)

39. Related Party Disclosure

Related Party disclosure in accordance with the Accounting Standard AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given as under in respect of related parties with whom transactions have taken place:

a) **Related parties and their relationship**

1. **Subsidiary Company** : Sun Aero Limited
2. **Associate Concerns** : Pushpanjali Trexim (P) Limited
: Art Spice
: Urban LifeStyle Pvt. Ltd.
: Unique LifeStyle Pvt. Ltd.
3. **Key Management Personnel**
- Mr. S. P. Gupta : Chairman
- Mr. Kaveen Gupta : Whole Time Director
- Mr. Vipul Gupta : Whole Time Director
- Mrs. Sheel Gupta : Director
- Mrs. Babita Gupta : Director
4. **Relatives of Key Management Personnel**
S.P Gupta (HUF) : Mr. S.P Gupta is Karta of HUF
Kaveen Gupta (HUF) : Mr. Kaveen Gupta is Karta of HUF
Vipul Gupta (HUF) : Mr. Vipul Gupta is Karta of HUF
Mrs. Monisha Gupta : Wife of Mr. Vipul Gupta
Mrs. Sheel Gupta : Wife of Mr. S.P Gupta

The above list of related parties and relatives of Key Management Personnel is as determined by the Management and on which the auditors have relied upon.

b) **Transactions with the related parties**

<u>Particulars</u>	Subsidiary and Associate Concerns (Amount in Rs. Lacs)	Key Management Personnel (including relatives) (Rs.in Lacs)	Total (Rs.in Lacs)
Rent Paid	Nil (P.Y. Nil)	30.60 (P.Y. 30.60)	30.60 (P.Y. 30.60)
Sub License Fees Received	Nil (P.Y. Nil)	- (P.Y. 6.49)	- (P.Y. 6.49)
Advances Recover	1,149.62 (P.Y. Nil)	Nil (P.Y. Nil)	1,149.62 (P.Y. Nil)
Directors' Remuneration	Nil (P.Y. Nil)	69.30 (P.Y. 91.25)	69.30 (P.Y. 91.25)
c) Balance outstanding on March 31, 2021			
Advances	400.38 (P.Y. 1550)	Nil (P.Y. Nil)	400.38 (P.Y. 1550)

40. Income-tax provision has been made in the books of account as per legal advice received by the Company for assessment of various incomings and outgoings.

41. Sundry Debtors / Creditors, if any, are not reconciled due to non-receipt of corresponding statements of account from them. Necessary adjustments, if any, in the books of account will be made at the time of reconciliation of the same.

42. Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date; and hence, in absence of the same, (disclosures as required u/s 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 regarding:-(a) Principal amount and interest due thereon remaining unpaid to any suppliers as at the end of the accounting year; interest paid during the year; Amount of the payment made to the supplier beyond the appointed date during accounting year; Interest due and payable for the delay in making payment; Interest accrued and unpaid at the end of the accounting year; and further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprises, have not been given. The company is making efforts to get confirmations from the suppliers as regard to their status under the said Act.

43. EXCEPTIONAL AND EXTRA-ORDINARY ITEMS

No exceptional or extra-ordinary items of revenue nature occurred during the year (PY Nil). Hence no disclosure of the same has been made in the Statement of Profit and Loss.

44. As the company in earlier years mentioned that Hon'ble Justice P K Bahri (Retd) passed an Award on 18/07/2015 against which applications u/s 33 of the Arbitration & Conciliation Act 1996 were filed by both parties before him and which were decided by him on 03/10/2015. Against the said Award applications u/s 34 of the Arbitration & Conciliation Act 1996 has been filed by both the parties in the Hon'ble Delhi High Court and the matter is still pending there. In the meantime, an execution petition for the said award was also filed by VLS Finance Ltd. However, the execution petition has been dismissed by Hon'ble High Court vide order dated 16/08/2017 and the next date of hearing is 21/09/2021. In the SFIO matter the LPA was dismissed in January, 2019 and now the matter is pending in trial court and next day of hearing is 23/09/2021. SFIO has filed a petition u/s 241(2) a/w 246 a/w 339 of the Companies Act 2013, and the next date of hearing is 30/09/2021.

45. CONTINGENT LIABILITIES & COMMITMENTS (to the extent not provided for)

	31-03-2021	31-03-2020
	Amount (Rs.)	Amount (Rs.)
(i) <u>Contingent Liabilities</u>		
A. Claims against the Company not acknowledged as debts	Nil	Nil
B. Guarantees	Nil	Nil
C. Bills of exchange discounted with banks	Nil	Nil
D. Tax demand disputed in appeals	146,651,400	146,651,400
(ii) <u>Commitments</u>		
A. Estimated amount of contracts remaining to be executed on capital accounts and not provided for	3,900,000	3,700,000
B. Uncalled liability on shares and other investments partly paid	Nil	Nil
C. Other commitments	Nil	Nil

46. PREVIOUS YEAR FIGURES

Previous figures have been regrouped / recast wherever considered necessary.

47. FIGURES TO SUBSIDIARIES

Figures pertaining to subsidiaries have been recast / reclassified wherever considered necessary to bring them in line with the holding Company financial statement.

For ANIL SOOD & ASSOCIATES
Chartered Accountants
Firm Regn. No.004985N

sd/-
(S.P.GUPTA)
Chairman
(DIN-00204504)

sd/-
(VIPUL GUPTA)
Director (Operations)
(DIN-00204638)

F-90/8, Okhla Industrial
Area, Phase-I
New Delhi -110 020
Date : 31/08/2021

sd/-
(ANIL SOOD)
Partner
Membership No. 83939

sd/-
(VIPIN JAIN)
CFO
M.No.-FCS 8984

sd/-
(NEHA RAJPUT)
Company Secretary
(M No. A-26116)