

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 45th Annual General Meeting of the Members of Sunair Hotels Limited will be held through through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") , on Wednesday 14th September, 2022 at 11.30 A.m. via zoom meetings link <https://us02web.zoom.us/j/81898878154?pwd=ekhXWmZQMUdxQ2pY1RzTTVQY0Jldz09>

in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 02/2022, No. 02/2021, 20/2020, 14/2020 and 17/2020 dated 5th May, 2022, 13th January, 2021, 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively, to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt :
  - a. The Audited Financial statements of the Company for the financial year ended on 31st March, 2022, 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, 2022, 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, 2022 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, 2022 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 Mr. Vipul Gupta (Din-00204638 ), who retires by rotation and being eligible, offers himself 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, Mr. Vipul Gupta (Din-00204638 ), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
3. To Re appointment of auditors of the Company for second term, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

"RESOLVED THAT 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, and subject to the approval of the Shareholders at the General Meeting, M/s Anil Sood & Associates Chartered Accountant (firm registration no. 004985 N) having Registered office at S-316, Greater Kailash-1, New Delhi-110048 has been reappointed as Statutory Auditors of the company, to hold for a second term of five consecutive years from the conclusion of the 45th Annual General Meeting until the conclusion of the 50th Annual General Meeting, at such remuneration and out of pocket expenses, as may be decided by the board of directors of the company.

SPECIAL BUSINESS:

4. RE- APPOINTMENT OF MR. Satya Pal Gupta (DIN-00204504) AS MANAGING 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 shareholders and approval of the Central Government as stipulated under section 196 read with Schedule V and, 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 and pursuant to the Articles of association of the company, Mr. Satya Pal Gupta (DIN-00204504) be and is hereby re-appointed as Chairman cum Managing Director w.e.f. 01/04/2022 to 31/03/2025 on a salary of Rs 1,50,000 lacs (per month) with an increase of 10% every year, with following prerequisites and allowances."

**SALARY**

Basic salary 1,50,000 lacs (Rupees one Lakh fifty thousand only) per month, plus allowance as per the rules of the company, 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.50,000/- 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 his remuneration is within limits set out in section 197, read with schedule V of the Companies act, 2013, i.e. overall limit of 10% of net profit, calculated as per section 198 of the Companies Act, 2013 payable to more than one managerial person."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Chairman cum Managing 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 or any other section if any"

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do and execute all such acts, deeds, papers, documents, matters and things, as may be necessary, for giving effect to the above resolution."

"RESOLVED FURTHER THAT Board of directors be and is hereby authorized to amend and vary from time to time the remuneration during the tenure of the appointment in such manner as may be agreed to between the Board of Directors and Mr. Satya Pal Gupta."

"RESOLVED FURTHER THAT Mr. Vipul Gupta and/or Mr. Kaveen Gupta 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."

5. **RE- APPOINTMENT OF MR. KAVEEN GUPTA (DIN-00204605) 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 and pursuant to the Articles of association of the company, Mr. Kaveen Gupta (DIN-00204605) be and is hereby re-appointed as Executive Director w.e.f. 01/04/2022 to 31/03/2025 on a salary of Rs. 1,75,000/- p.m with an increase of 10% every year, with following perquisites and allowances.

**SALARY**

Basic salary Rs 1,75,000 (Rupees one Lacs seventy five thousand only) per month from 01/04/2022 to 31/03/2025 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) 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. Kaveen Gupta.”

“RESOLVED FURTHER THAT Mr. Satya Pal Gupta (having DIN-00204504)/ Mr. Vipul Gupta 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 : 03/08/2022

**NOTES :-**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5th, 2022, December 14th, 2021, December 8th, 2021, 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 and 5 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. 3, 4 and 5 of the notice along with statement to shareholder are annexed hereto.
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 2021-22 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 31.03.2022 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 2021-22 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.

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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](mailto: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](mailto:sunairhotels@gmail.com) and further can call on 011-41515250. other details will be posted on [www.hotelmetdelhi.com](http://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](mailto:sunairhotels@gmail.com).

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**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. 3, 4 and 5 mentioned in the accompanying

**Item No- 3**

M/s Anil Sood & Associates chartered Accountant (firm registration no. 004985 N) having Registered office at S-316, Greater Kailash-1, New Delhi-110048 had been appointed as the Statutory Auditors of the Company at 40th Annual General Meeting held on 29th September, 2017 to hold office for a period of five years till the conclusion of Annual General Meeting to be held in 2022. As per Section 139 of the Act, M/s Anil Sood & Associates., Chartered Accountants are eligible for re-appointment for a Second Term of five years. They have conveyed their consent for re-appointment as the Statutory Auditors of the Company for next term of five years along with the confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, etc., and considering the recommendation of Audit Committee, the Board at its meeting held on 14th February, 2022, proposed the re-appointment of M/s Anil Sood & Associates Chartered Accountants as Statutory Auditors for a Second term of five years from the conclusion of this Annual General Meeting till the Conclusion of 50th Annual General Meeting to be held in the year 2027.

The Board recommends the Ordinary Resolution at item no. 3 of the Notice for approval by the members of the Company.

None of the Directors or Key Managerial Personnel are interested in the Resolution at Item No. 3 of the accompanying Notice.

**Item No- 4**

Mr. Satya Pal Gupta was appointed as Chairman cum Managing Director for a period of 5 year i.e. with effect from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2022. His term of appointment expired on 31<sup>st</sup> March 2022. The Board of Directors in its Meeting held on 14<sup>th</sup> February 2022 proposed for his appointment as Chairman cum Managing Director of the Company for a period of 3 year w.e.f. 1st April 2022 to 31st March 2025, subject to the approval of shareholders and approval of the Central Government as stipulated under section 196 read with Schedule V and, 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 and pursuant to the Articles of association of the company on a salary, perquisites and other allowances as given in the 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. Satya Pal Gupta as Chairman cum Managing Director pursuant to section 190 of the Companies Act, 2013.

No other director except Mr. S.P.Gupta, Mr. Kaveen Gupta ,Mr. Vipul Gupta, are interested in passing of the resolution.

**Item No-5**

The Board of Directors in its Meeting held on 14th February 2022 , on the recommendation of Nomination and Remuneration Committee at their meeting proposed the name of Mr. Kaveen Gupta as Executive Director for the Period of 3 years I.e. with effect from 01st April 2022 to 31st March 2025 subject to the approval of 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 and pursuant to the Articles of association of the company, 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. 5 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. Kaveen Gupta as an executive Director as per Companies Act 2013.

No other Director except Mr. Vipul Gupta, Mr. S.P.Gupta, Mr. Kaveen Gupta, is intrested in passing of the resolution.

BY ORDER OF THE BOARD

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

Place : New Delhi  
Dated : 03/08/2022

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

ITEM NO: 2 and 4

Name of Director	Mr. Vipul Gupta	Mr. S.P.Gupta	Mr. Kaveen Gupta
PAN no.	AACPG8452E	AACPG8453F	AACPG8454C
Date of Birth	27/12/1968	17/07/1933	26/05/1965
Date of Appointment	10/09/1993	20/03/1980	25/08/1994
Qualification	MBA	Deploma in Business Management	MBA
Experience in functional area	Having experience about 29 years	Having experience about 60 years	Having experience about 30 years
Director in other Company* Excluding Sunair Hotels Limited	Sun Aero Limited Columbia Trading Co. Ltd. Pushpanjali Trexim (P) Ltd. H.J.Consultants Pvt. Ltd.	Sun Aero Limited H J Consultants Pvt. Ltd. Columbia Trading Co. Ltd. Pushpanjali Trexim (P) Ltd.	Sun Aero Limited Columbia Trading Co. Ltd. Pushpanjali Trexim (P) Ltd.
Membership in various committees In other Board excluding Sunair Hotels Limited	NIL	Columbia Trading Co. Limited- Audit Committee	NIL
Chairmanship in the Committees of other Boards	None	None	None
No. of shares held in the Company	29,16,000	61,40,020	32,41,000
Detail of Remuneration last Drawn	3450000	2070000	2100000
Relationship with other Directors and KMP	Mr. S.P.Gupta – Father	Mr. Vipul Gupta – Son	Mr. S.P.Gupta – father
	Mr. Kaveen Gupta –Brother	Mr. Kaveen Gupta- son	Mr. Vipul Gupta –brother
Number of Board Meeting Attended during the year	4	4	4

\* Excluding companies in which there is dispute.

BY ORDER OF THE BOARD

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

Place : New Delhi  
Dated : 03/08/2022

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**Statement to the shareholders Regarding payment of Remuneration to Mr. Satya Pal 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 is below as compared to period prior to covid 19.
- (5). Foreign investments or collaborations, if any. : N.A.
- II. **Information about the appointee:** :
- (1) Background details : Mr. Satya Pal Gupta has been Director in the Company since 1980 and was reappointed as Chairman cum Managing Director for the Period of 5 years i.e. with effect from 01/04/2017 to 31/03/2022.
- (2) Past remuneration : 20.70 lacs in the FY 2021-22
- (3) Recognition or awards : Diploma in Business Management and, Having
- (4) Job profile and his suitability : He is working as Chairman cum Managing Director of the Company since long and he is managing day to day business of the Company.
- (5). Remuneration proposed : 1.50 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. Vipul Gupta- son  
Mr. Kaveen Gupta –son  
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### III. Other information:

- (1) Reasons of loss or inadequate profits : Due to COVID-19 the hotel operation has been severely impacted the hotel mainly has business traveler and maximum business travels has remained suspended, due to which performance was below as compare to 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. :

### Statement to the shareholders Regarding payment of Remuneration to Mr. Kaveen 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.

: 3 :

- (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 is below as compared to period prior to covid 19.
- (5). Foreign investments or collaborations, if any. : N.A.

**II. Information about the appointee:**

- (1) Background details : Mr. Kaveen Gupta has been Director in the Company since 1994 and was reappointed as an Executive Director for the Period of 5 years i.e. with effect from 01/04/2017 to 31/03/2022.
- (2) Past remuneration : 21 lacs in the FY 2021-22
- (3) Recognition or awards : Diploma in Business Management and Having
- (4) Job profile and his suitability : He is working as Chairman cum Managing Director of the Company since long and he is managing day to day business of the Company.
- (5). Remuneration proposed : 1.75 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. Vipul Gupta- son  
Mr. Satya Pal Gupta –Father

**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 as compare to 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.

: 4 :

- (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.

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**DIRECTORS' REPORT**

To,  
The Members

The Directors of your company have pleasure in presenting the 45th Annual Report of the Company and its financial accounts for the year ended on 31st March, 2022.

**1. FINANCIAL RESULTS**

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

	<b>CURRENT YEAR (Rs.) in Hundreds <u>31/03/2022</u></b>	<b>PREVIOUS YEAR (Rs.) in Hundreds <u>31/03/2021</u></b>
<u>Net Sales / Income from:</u>		
a) Business Operations	2,972,458	1,209,723
b) Other Income	258,081	262,135
Total Income	<u>3,230,539</u>	<u>1,471,858</u>
Profit / (Loss) before Interest & Depreciation	499,792	(22,556)
Less: Finance cost including Bank Charges	1,432	776
Profit / (Loss) before Depreciation	498,360	(23,332)
Less: Depreciation	357,277	361,547
Profit / (Loss) after Depreciation but before Tax	141,083	(384,879)
Less: <u>Tax (Saving) / Expense</u>		
a) Current Income-tax	-	-
b) Earlier year(s) Adjustment of Income-tax	931	(11,482)
c) Deferred Tax	140,187	(608,522)
Net Profit/ (Loss) after Tax	<u>(35)</u>	<u>235,124</u>
Less: <u>Appropriations:</u>		
a) Dividend (including Interim, if any, and Final)	-	-
Net Profit/ (Loss) after Dividend & Tax	<u>(35)</u>	<u>235,124</u>
Amount transferred to General Reserve	-	-
Balance carried to Balance Sheet	<u>(35)</u>	<u>235,124</u>
Earning per share (Basic)	(0.00)	0.59
Earning per share (Diluted)	(0.00)	0.59

**2. DIVIDENDS**

With a view to conserve funds, the Directors do not recommend any dividend for the financial year 2021-22.

**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. 29.72 crores turnover as compared to Rs.12.09 Crores for the previous year. Turnover has increased as compared to previous year. Profit before tax for the year stood at Rs 1.41 Crore as compared to Rs.(3.84) Crore (Loss) as compared to previous year. Loss after tax for the year also stood at Rs. 3500 for the year as compared to Profit after Tax of Rs. 2.35 crores in the previous year as the Hotel operational expenses increased during the year. Further Earning per Equity Share (EPS) of the Company has also decreased during the period under review as the EPS for the year was Rs.0.000 as compared to Rs.0.59 for the previous year. The severe second wave of the Covid-19 pandemic had a significant humanitarian and economic impact and In 2021, due to the largest wave of infection in the country, several state governments like Uttar Pradesh, Delhi etc. have announced complete lockdowns in April 2021. Cases started to rise by March 2021, resulting in state-wide lockdowns from 05th April 2021 to 15th June 2021. We witnessed socio-political unrest in several parts of the World, resulting in the disruption of global supply chains. In this uncertain operating environment, our focus remained on the uninterrupted Business of our Company, and protecting our business model. Against this challenging backdrop, our robust results for the financial year 2021-22 demonstrate strategic clarity, strength of our Company. Although After an abysmal FY21 the Indian hospitality sector made a steady recovery in FY22 as successful vaccination drives and reduction in Covid cases have helped improve travel sentiment. Though the Omicron wave caused a temporary blip, FY22 has witnessed a sharp rebound in revenues. The revival can be largely attributed to pent-up demand for leisure and business travel, supported by increased bookings on account of weddings and significant uptick in MICE (meetings, incentives, conferences and exhibitions). The sector also saw some green shoots from International travel, after a lull of nearly two years. Though International travel continued to suffer in FY22 as well, there was a sharp recovery as compared to the previous year. Despite the strong upward movement, FTAs remained at about 20% of the pre-Covid levels. With the resumption of international flights from March 27, 2022, the international travel demand is expected to recover gradually through FY23 till the end of FY24. In April 2022, the number of FTAs recovered to reach 21% of total arrivals in FY21.

Credit Rating agency ICRA has slashed its 2022-23 growth forecast for India's GDP to 7.2% from 8%, citing elevated commodity prices and supply chain challenges arising from the Russia-Ukraine conflict, as well as higher prices of fuels and edible oils denting demand due to squeezed household incomes. Protracted geopolitical tensions, the renewed lockdowns in parts of China and high commodity prices pose downside risks to the growth outlook, ICRA warned, with firms facing compressed margins that could hurt the growth of gross value added (GVA) in the economy. Moreover, as per ICRA the K-shaped recovery appears likely to continue with the formal sector gaining market share in the coming year. Apart from this the company has done reasonably good to survive this pandemic.

As per Report of World Tourism Organization (UNWTO) After a global contraction of 3.4% in 2020 and a rebound of 5.5% in 2021, the world economy is projected to grow by 4% in 2022 and then 3.5% in 2023. Given its importance as a major export category (prior to the pandemic tourism was the third largest in the world, after fuels and chemicals), and recognizing its role as a source of employment and economic development, the sector's recovery is expected to drive growth in every world region.

## 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.

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. The next date of hearing is 04/11/2022.

An execution petition for the said award filed by VLS Finance Ltd. VLS Finance Limited was dismissed by Hon'ble High Court vide order dated 16/08/2017. Now again ENF. (COMM.) 113/2022 against the above award has been filed by VLS Finance Limited which is pending adjudication. Affidavits as required vide order dated 30.5.2022 have been filed by the company and its Directors and the next date of hearing in the matter is 18.8.2022. The award was against the company and its directors to refund the amount of forfeited security deposit of Rs. 8 crores with interest which was forfeited due to failure of VLS Finance Limited to perform it's obligation under the MOU dated 11/03/1995 and in the opinion of the company the amount is not at all refundable

The 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 8.9.2022. And in the SFIO matter in ASJ ( Spl Court) Dwarka the next date of hearing is 2.9.2022.

It is also to be noted that in the FIRs which were filed by VLS Finance Limited against company and others, charges have been framed by the Court vide order dated 10.12.2021

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. 14

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 2021-22 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.

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 ), the Director of the Company has Resigned from the Directorship of the Company w.e.f. 15/10/2021. Board Appreciate the service rendered by her over the period of time and valuable advice and input received from her.

B) At the ensuing Annual General Meeting Mr. Vipul Gupta (DIN-00204638) ,Executive Director of the Comapny retires by rotation and being eligible offers himself for reappointment. Mr. Vipul Gupta shall continue to hold his office of Executive Director, and the reappointment as such director shall not be deemed to constitute a break in his office of Executive Director detail regarding Mr. Vipul Guta are Annexed with teh Notice Calling AGM.

**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 submitted declarations on 11/06/2021 that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act 2013, Although at present, they are not meeting the criteria of Independent Directors as per the section the 149 of the Companies Act 2013, therefore, not eligible to remain independent Directors in the company. Therefore both of them resigned on 31/03/2022 from the directorship of the company. Further the Company is searching for the suitable persons to join as Independent Director in the Company.

**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 2021-22 is uploaded on the website of the Company and can be accessed at <https://www.hotelmetdelhi.com/aboutus.php>

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](http://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 28.06.2021, 31.08.2021, 03.11.2021, 14.02.2022 and 14.02.2022 (including one separate meeting by independent Directors of the company) during the financial year 01/04/2021 to 31/03/2022.

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 have been followed along with proper explanation relating to material departures;
- b) The directors have 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 have 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 have 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 2022 together with Reports of Directors and Auditors thereon of its, a wholly owned Subsidiary Company, 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 Company.

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), the Director of the Company has Resigned from the Directorship of the Company w.e.f. 15/10/2021. Mr. Vipul Gupta (DIN-00204638), Executive Director of the Company retires by rotation and being eligible offers himself for reappointment, but it shall not be deemed to constitute a break in his office of Executive Director as he was re-appointed as an Executive Director of the Company at the Annual General Meeting held on 27/09/2021 for a period of three year from 01.04.2021 to 31.03.2024. The term of Appointment of Mr. Satya Pal Gupta (DIN-00204504) expired on 31st March, 2022. Now his Re-appointment is proposed as Chairman cum Managing Director of the Company for a period of 3 years i.e. with effect from 1st April 2022 to 31st March 2025. The term of Appointment of Mr. Kaveen Gupta (DIN-00204605) expired on 31st March, 2022. Now his Re-appointment is proposed as Executive Director of the Company for a period of 3 years i.e. with effect from 1st April 2022 to 31st March 2025.

24. **STATUTORY AUDITORS**

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, and subject to the approval of the Shareholders at the General Meeting, M/s Anil Sood & Associates chartered Accountant (firm registration no. 004985 N) having Registered office at S-316, Greater Kailash-1, New Delhi-110048 has been recommended for reappointment by BOD as statutory auditors of the company, to hold for a second term of five consecutive years from the conclusion of the 45th Annual General Meeting until the conclusion of the 50th Annual General Meeting, at such remuneration and out of pocket expenses, as may be decided by the board of directors of the company.

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 28.06.2021, 31.08.2021, 03.11.2021 and 14.03.2021 which were attended by all the Committee members. The Committee reviewed all the financial statements for the year ended 31st March 2022. During the Financial Year 31st March 2022 the Audit committee had 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) **DEFERENTIAL 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 one (1) times during the year on 04/10/2021 which was attended by all the Committee members. Nomination and remuneration committee had 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 14/02/2022, which were attended by all the Committee members. CSR committee had 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 2021-2022.

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. **Disclosure under the Insolvency and Bankruptcy Code (IBC), 2016**

there is no proceeding which is pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the financial year under review.

39. 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 : 03/08/2022

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

*Sd/-*  
(KAVEEN GUPTA)  
(DIN-00204605)  
Executive Director

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND  
OUTGO FOR THE YEAR ENDED 31/03/2022**

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 fresh investment and upgradation in energy conservation system in the year 2021-2022

- (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. 20
  - c. Upgradation in Rain Water Harvesting System.

: 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>	Rs in Hundreds	Rs in Hundreds
	<u>31<sup>st</sup> March 2022</u>	<u>31<sup>st</sup> March 2021</u>
Earnings	3,099	10,878
Outgo / Expenses	22,049	10,494

For and on behalf of the Board of Directors

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

Sd/-  
(KAVEEN GUPTA)  
(DIN-00204605)  
Executive Director

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

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

Place : New Delhi  
Dated : 03/08/2022

**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, 2022

**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 Hundreds )

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 01/04/2021 to 31/03/2022.
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 : 2,758,679
8. Total assets : 2,766,889
9. Total Liabilities : 1,210
10. Investments : -
11. Turnover : 59,062
12. Profit before taxation : (8,180)
13. Provision for taxation : (75)
14. Profit after taxation : (8,106)
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 22 N.A.
2. Date on which the Associate or Joint Venture was associated or acquired- N.A.

- |   |      |
|---|------|
| 3. Shares of Associate/Joint Ventures held by the company on the year end                     | N.A. |
| 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/-*  
(KAVEEN GUPTA)  
(DIN-00204605)  
Executive Director

*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)

Place : New Delhi  
Dated : 03/08/2022

## 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, 2022

**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

Sd/-

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

Chairman

Sd/-

(KAVEEN GUPTA)  
(DIN-00204605)

Executive Director

Place: New Delhi  
Dated : 03/08/2022



## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022**

[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, 2022

**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	69.71%
2.	Sub-Licensing of Properties	99721121	30.29%

**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	U74899DL1993PLC055	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, 2022

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	
<b>A. Promoters</b>									
(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	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	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	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding (A) = (A)(1)+(A)(2)</b>	-	22,363,896	22,363,896	56.26%	-	22,363,896	22,363,896	56.26%	NIL
<b>B. Public Shareholding</b>									
(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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
(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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	17,386,104	17,386,104	43.74%	-	17,386,104	17,386,104	43.74%	0.00
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	17,386,104	17,386,104	43.74%	-	17,386,104	17,386,104	43.74%	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	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, 2022

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
	<b>Total</b>	<b>22,363,896</b>	<b>56.26%</b>		<b>22,363,896</b>	<b>56.26%</b>		

iii. Change in Promoters' Shareholding (please specify, if there is no change)  
for the year ended on 31st March, 2022

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	01/04/2021	22,363,896	56.26%	01/04/2021	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	31/03/2022	22,363,896	56.26%	31/03/2022	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, 2022

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	01/04/21	302,510	0.76%	31/03/22	302,510	0.76%	No Change
2.	Rajni Gupta	01/04/21	303,500	0.77%	31/03/22	303,500	0.77%	No Change
3.	Robin Gupta	01/04/21	301,000	0.76%	31/03/22	301,000	0.76%	No Change
4.	Sudhir Gupta	01/04/21	225,010	0.57%	31/03/22	225,010	0.57%	No Change
5.	Suman Gupta	01/04/21	228,750	0.57%	31/03/22	228,750	0.57%	No Change
6.	Sailil Gupta	01/04/21	227,500	0.57%	31/03/22	227,500	0.57%	No Change
7.	Sumrit Gupta & Sudhir Gupta	01/04/21	225,000	0.57%	31/03/22	225,000	0.57%	No Change
8.	Star Light Credit India Ltd.	01/04/21	4,257,500	10.71%	31/03/22	4,257,500	10.71%	No Change
9.	Trans Asia Consultants Pvt. Ltd.	01/04/21	329,950	0.83%	31/03/22	329,950	0.83%	No Change
10.	VLS Finance Limited*	01/04/21	9,594,824	24.14%	31/03/22	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, 2022

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	01/04/21	6,140,020	15.45%	31/03/22	6,140,020	15.45%	No Change
2.	Vipul Gupta	01/04/21	2,916,000	7.34%	31/03/22	2,916,000	7.34%	No Change
3.	Kaveen Gupta	01/04/21	3,241,000	8.15%	31/03/22	3,241,000	8.15%	No Change
4.	Sheel Gupta*	01/04/21	1,617,500	4.07%	31/03/22	1,617,500	4.07%	No Change
5.	Bal Kishan Bansal**	01/04/21	-	0.00%	31/03/22	-	0.00%	No Change
6.	Rajender Prasad Aggarwal**	01/04/21	-	0.00%	31/03/22	-	0.00%	No Change
7.	Neha Rajput (Company Secretary)	01/04/21	-	0.00%	31/03/22	-	0.00%	No Change
8.	Vipin Jain (CFO)	01/04/21	-	0.00%	31/03/22	-	0.00%	No Change
			13,914,520	35.01%		13,914,520	35.01%	

\*Mrs. Sheel Gupta (Din-00218219), the Director of the Company has been Resigned from the Directorship of the Company w.e.f. 15/10/2021

\*\*Mr. Bal Kishan Bansal and Rajender Prasad Aggarwal has Resigned from the Directorship of the Company w.e.f. 31/03/2022

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended 31/03/2022

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**  
for the year ended on 31st March, 2022

**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	3,000,000	2,100,000	6,900,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	270,000	450,000	-	720,000
	(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)	2,070,000	3,450,000	2,100,000	7,620,000

Ceiling as per the Act

within prescribed limit

**B. Remuneration to Other Directors**  
for the year ended on 31st March, 2022

<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 Aggarwal	
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	20,000	-	-	20,000
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (2)	20,000	-	-	20,000
3.	Total (B)=(1+2)	20,000	75,000	75,000	170,000
4.	Total Managerial Remuneration	20,000	75,000	75,000	170,000

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, 2022

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			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,	-	1,079,677	533,119	1,612,796
	(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)	-	1,079,677	533,119	1,612,796

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

for the year ended on 31st March, 2022

Type	Section of the Companies	Brief Description	Details of Penalty / Punishment/ Compounding fees	Authority [RD / NCLT / COURT]	Appeal made, if any (give
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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/-* 31  
(S.P. GUPTA)  
(DIN-00204504)  
Chairman

*Sd/-*  
(KAVEEN GUPTA)  
(DIN-00204605)  
Executive Director

Place: New Delhi  
Dated : 03/08/2022

### 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, 2022

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. 16,83,300/- (2% of the average net profits of the Company made during the three immediately preceding financial years) for the financial year 2021-22.

2. The Composition of the CSR Committee.- CSR committee had 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. 84162859/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)- Rs. 16,83,257/-
5. Details of CSR spent during the financial year.-Rs.16,83,300/-  
 (a) Total amount to be spent for the financial year;-Rs. 16,83,300/-  
 (b) Amount unspent, if any;- N.A.  
**(c) Manner in which the amount spent during the financial year is detailed below.**

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent : Direct or through implementing agency*
1	Abhinanda n 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	1,683,300	1,683,300	1,683,300	Abhinandan Jan Kalyan Society
	<b>TOTAL</b>			1683300	1683300	1683300	

\*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.

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

32

Sd/-  
(KAVEEN GUPTA)  
(DIN-00204605)  
Executive Director



## 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 form 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	

### 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 : 03/08/2022

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

*Sd/-*  
(KAVEEN GUPTA)  
(DIN-00204605)  
Executive Director

## 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, 2022, 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 (herein referred as "the Financial Statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the (Accounting Standards) Rules 2021 ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss 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 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 ethical requirements that are relevant to our audit of the 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 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 and presentation of its report (hereinafter called as "Board Report") which comprises various informations required under section 134(3) of the Companies Act 2013 but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the standalone financial statement does not cover the Board Report 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 Board Report and in doing so, consider whether the Board Report 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 Board Report, 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 AS and other accounting principles generally accepted in India. 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 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 standalone financial reporting process

### **Auditor's Responsibilities 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the operative effectiveness of Company's internal control systems.
- 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 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 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 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**

1. This report as per annexure -A include a statement on the matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of sub-section (11) of section 143 of the Act, to the extent applicable to the Company.
2. 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 flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021.
- (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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) (a) 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 managerial remuneration for the year ended March 31, 2022, has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V 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 disclosed the impact of pending litigations on its financial position in its standalone financial statements-Refer Note No. 43 and 44 to the standalone financial statements.
  - (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b), contain any material misstatement.
- (v) a) The Company has neither declared nor paid any dividend during the year.
- b) The Board of Directors of the Company have not proposed any dividend for the year.

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

*sdl-*  
(ANIL SOOD)

Partner

Membership No. 83939

UDIN : 22083939APEYJM6848

S-316, Greater Kailash-1  
New Delhi -110 048  
Dated: 03/08/2022

## 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)

- (i) In respect of the Company's Property, Plant and Equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. The company does not have any intangible assets.
  - (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties are held in the name of the Company.
  - (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year.
  - (e) According to the information and explanations given to us, no proceedings have been initiated during the year or pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
  - (a) The inventory includes food, Beverage, Tobacco, Operating Equipment, spares were physically verified by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
  - (b) The Company has not availed /been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, from Banks on the basis of security of current assets, therefore no requirement to file quarterly returns/statements by the Company with such banks .
- (iii) During the year, the Company has not made investments , provided any guarantee(s) or security(ies) or granted any loans or advances in the nature of loans Secured or Unsecured to companies, firms, limited liability partnerships or any parties hence clause 3(iii)(a) to 3(iii) (f) is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments' made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has neither accepted any amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) 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.
- (vii) 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 goods and service tax, provident fund, employees' state insurance, income tax, duty of customs, duty of excise, cess and other statutory dues applicable to it with the appropriate authorities except for a few instances of delay in deposits.

According to the information and explanations given, no undisputed amounts payable in respect of above statutory dues were outstanding as at March 31, 2022, for a period of more than six months from the date they become payable.

- (b) The dues in respect of service tax, value added tax, income tax and excise duty which have not been deposited as at March 31, 2022, on account of dispute are given below:

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

\* Amounts are net of payments made and without considering interest for the overdue period, if any, as may be levied if demand as raised is upheld.

# Excluding interest and additional tax

- (viii) According to the information and explanations given to us, the company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under Income Tax Act as income during the year.
- (ix) (a) The company has not taken any term loan /borrowed money during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) 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.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in the subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the requirement to report on clause 3(x) (a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of fully or partially or convertible debentures during the year under audit.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government.

- (c) According to the information and explanations given to us, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clauses 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) 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.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
 (b) We have considered the internal audit reports of the Company issued till the date of the audit report, for the period under audit.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.  
 (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year under our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation by the statutory auditors during the year and accordingly, requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) is not applicable for the year.  
 (b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of Section 135(6) of the Act.

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

*Sd/-*  
 (ANIL SOOD)  
 Partner

Membership No. 83939

UDIN : 22083939APEYJM6848

## 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, 2022, in conjunction with our audit of the 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.

#### 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, 2022, 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.

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, 2022, 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

*Sd/-*  
(ANIL SOOD)  
Partner

Membership No. 83939

**UDIN : 22083939APEYJM6848**

S-316, Greater Kailash-1  
New Delhi -110 048  
Dated: 03/08/2022

**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, 2022**

Sl. No. Particulars	Note No.	AS AT 31-03-2022 Amount (Rs.) (In Hundreds)		AS AT 31-03-2021 Amount (Rs.) (In Hundreds)	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share capital	3	3,975,000		3,975,000	
(b) Reserves and surplus	4	<u>11,896,352</u>	15,871,352	<u>11,898,590</u>	15,873,590
<b>(2) Non-current Liabilities</b>					
(a) Deferred tax liabilities (net)	5	1,397,988		1,257,801	
(b) Other long-term liabilities	6	911,310		908,810	
(c) Long-term provisions	7	<u>158,773</u>	2,468,071	<u>157,978</u>	2,324,589
<b>(3) Current Liabilities</b>					
(a) Trade payables	8	151,709		66,816	
(b) Other Current Liabilities	9	835,115		803,986	
(c) Short-term provisions	10	<u>85,618</u>	1,072,442	<u>61,437</u>	932,239
<b>TOTAL</b>			<u>19,411,864</u>	<u>19,130,418</u>	
<b>II. ASSETS</b>					
<b>(1) Non-current Assets</b>					
(a) Property, Plant and Equipment					
(i) Tangible assets	11		12,222,275		12,426,851
(b) Non-current investments	12	4,686,116		4,501,318	
(c) Long-term loans and advances	13	289,123		303,573	
(d) Other non-current assets	14	<u>153,514</u>	5,128,753	<u>153,514</u>	4,958,405
<b>(2) Current Assets</b>					
(a) Inventories	15	705,467		661,361	
(b) Trade receivables	16	162,039		57,210	
(c) Cash and bank balances	17	325,509		234,396	
(d) Short-term loans and advances	18	789,406		739,018	
(e) Other current assets	19	<u>78,416</u>	2,060,837	<u>53,177</u>	1,745,162
<b>TOTAL</b>			<u>19,411,864</u>	<u>19,130,418</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/-*  
(KAVEEN GUPTA)  
Executive Director  
(DIN-00204605)

*Sd/-*  
(ANIL SOOD)  
Partner

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

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

Place-New Delhi  
Dated: 03/08/2022

Membership No. 83939  
UDIN : 22083939APEYJM6848

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022**

Sl. No	Particulars	Note No.	YEAR ENDED 31-03-2022 Amount (Rs.) (In Hundreds)	YEAR ENDED 31-03-2021 Amount (Rs.) (In Hundreds)
<b>I.</b>	<b>Revenue</b>			
	(a) Income from operations	20	2,972,458	1,209,723
	(b) Other Income	21	258,081	262,135
<b>II.</b>	<b>Total Revenue</b>		<u>3,230,539</u>	<u>1,471,858</u>
<b>III.</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	22	137,354	48,165
	(b) Cost of utilities and hospitality services	23	4,916	642
	(d) Employee benefit expenses	24	503,836	331,394
	(e) Other expenses	25	2,067,807	1,089,496
	(f) Finance costs	26	1,432	776
	(g) Depreciation and amortization expenses	27	357,277	361,547
	(h) Expenditure on CSR Activity	28	16,833	24,717
<b>IV.</b>	<b>Total Expenses</b>		<u>3,089,455</u>	<u>1,856,737</u>
<b>V.</b>	<b>Profit / (loss) before tax (II - IV)</b>		141,083	(384,879)
<b>VI.</b>	<b>Tax expense/(saving)</b>			
	(a) Current tax		-	-
	(b) Deferred tax		140,187	(608,522)
	(c) Previous Year		931	(11,482)
<b>VII.</b>	<b>Profit / (loss) for the year (V - VI)</b>		<u>(35)</u>	<u>235,124</u>
<b>VIII.</b>	<b>Prior period adjustments</b>		-	-
<b>IX.</b>	<b>Profit / (loss) transferred to Balance Sheet (VII - VIII)</b>		<u>(35)</u>	<u>235,124</u>
<b>X.</b>	<b>Earnings per equity share (EPS)</b>	29	<b>(In Rs.)</b>	<b>(In Rs.)</b>
	(a) Basic		(0.000)	0.59
	(b) Diluted		(0.000)	0.59

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/-*  
(KAVEEN GUPTA)  
Executive Director  
(DIN-00204605)

*Sd/-*  
(ANIL SOOD)  
Partner

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

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

Place-New Delhi  
Dated: 03/08/2022

Membership No. 83939  
UDIN : 22083939APEYJM6848



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022**

Sl. No. Particulars	YEAR ENDED 31-03-2022 Amount (Rs.) (In Hundreds)	YEAR ENDED 31-03-2021 Amount (Rs.) (In Hundreds)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit /(loss) before tax and after prior period expenses	137,950	(418,674)
<u>Adjustments for:</u>		
- Interest Income	(1,456)	(1,121)
- Dividend Received	(874)	(21)
- Depreciation	357,277	361,547
- Profit (Loss) on sale of Assets	(5,131)	-
<b>Operating (loss) before working capital changes</b>	<b>487,766</b>	<b>(58,269)</b>
<u>Movement in working capital:</u>		
-Increase / (Decrease) in inventories	(44,106)	38,205
-Increase / (Decrease) in Debtors	(104,829)	113,213
-Increase / (Decrease) in Short Term Loans & Advances	(50,388)	2,039
-Increase / (Decrease) in Other Current assets	(25,239)	16,043
-Increase / (Decrease) in Trade payables	84,893	(172,272)
-Increase / (Decrease) in Other long-term liabilities	2,500	-
-Increase / (Decrease) in Long-term provisions	795	3,686
-Increase / (Decrease) in Long-term loans and advances	14,450	(13,956)
-Increase / (Decrease) in Sundry Liabilities	31,129	(34,138)
-Increase / (Decrease) in Other Provisions	24,181	(12,102)
<b>Cash (used in) operations</b>	<b>421,152</b>	<b>(117,551)</b>
Direct taxes (paid)	-	-
<b>Net cash (used in) operating activities</b>	<b>(A) 421,152</b>	<b>(117,551)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(184,798)	(20,439)
Purchase of Fixed Assets	(166,393)	(2,000)
Sale of Assets	18,820	-
Dividend received	874	21
<b>Net cash (used in) investing activities</b>	<b>(B) (331,496)</b>	<b>(22,418)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Income	1,456	1,121
Increase / (Repayment) of Term Loan	-	-
<b>Net cash from financing activities</b>	<b>(C) 1,456</b>	<b>1,121</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>91,112</b>	<b>(138,848)</b>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

		YEAR ENDED	YEAR ENDED
	:2:		
Cash and cash equivalents at the beginning of the year	(D)	234,396	373,244
Cash and cash equivalents at the end of the year	(E)	325,509	234,396
Net increase / (decrease) in cash and cash equivalents (E-D)		<u>91,112</u>	<u>(138,848)</u>

COMPONENTS OF CASH AND CASH EQUIVALENTS		31-03-2022	31-03-2021
Cash in Hand		26,454	16,528
FDRs with Banks		8,313	10,216
Balances with Banks		290,742	207,652
		<u>325,509</u>	<u>234,396</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  
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Executive Director  
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(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)

Place-New Delhi  
Dated: 03/08/2022

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**  
**FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2022**

**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 Companies (Accounting Standards) Rules 2021 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.
- 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.
- 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 incurrance 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

	31-03-2022		31-03-2021	
	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>
<b>Authorised and issued share capital:</b>				
Equity shares of Rs. 10/- each	40,000,000	4,000,000	40,000,000	4,000,000
<b>Subscribed and paid-up share capital:</b>				
Equity shares of Rs. 10/- each fully paid-up	39,750,000	3,975,000	39,750,000	3,975,000
<b>Total</b>	<b>39,750,000</b>	<b>3,975,000</b>	<b>39,750,000</b>	<b>3,975,000</b>

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

	31-03-2022		31-03-2021	
	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>
Shares outstanding at the beginning of the year	39,750,000	3,975,000	39,750,000	3,975,000
Shares outstanding at the end of the year	39,750,000	3,975,000	39,750,000	3,975,000

**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 31<sup>st</sup> March, 2022 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:**

	31-03-2022		31-03-2021	
	<u>No. of Shares held</u>	<u>% of Holding</u>	<u>No. of Shares held</u>	<u>% of Holding</u>
<b>Equity shares of Rs. 10/- each fully paid-up</b>				
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)				

Details of shares held by promoters in the Company

<u>Name of the shareholder</u>	<u>31st March, 2022</u>		<u>31st March, 2021</u>	
	<u>Shares held</u>	<u>% of Holding</u>	<u>Shares held</u>	<u>% of Holding</u>
Ananya Gupta & Kaveen Gupta	480,000	1.21%	480,000	1.21%
Mrs. Babita Gupta	1,730,000	4.35%	1,730,000	4.35%
Mr. Kaveen Gupta	3,241,000	8.15%	3,241,000	8.15%
Kaveen Gupta (HUF)	465,000	1.17%	465,000	1.17%
Mrs. Monisha Gupta	1,340,000	3.37%	1,340,000	3.37%
Mr. S.P. Gupta	6,140,020	15.45%	6,140,020	15.45%
Mrs. Sheel Gupta	1,617,500	4.07%	1,617,500	4.07%
S.P. Gupta (HUF)	1,631,600	4.10%	1,631,600	4.10%
Mr. S.P. Gupta & Sheel Gupta	522,600	1.32%	522,600	1.32%
Mr. Vipul Gupta	2,916,000	7.34%	2,916,000	7.34%
Columbia Trading Co. Ltd.	2,280,176	5.73%	2,280,176	5.73%



**4. RESERVES & SURPLUS**

	31-03-2022	31-03-2021
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>A. Capital Reserves</b>		
Opening Balance	800,000	800,000
Closing Balance (A)	<u>800,000</u>	<u>800,000</u>
<b>B. Other Reserves</b>		
<b>General Reserve</b>		
Opening Balance	300	300
Closing Balance (B)	<u>300</u>	<u>300</u>
<b>C. Surplus / (deficit) in the statement of profit and loss</b>		
Opening Balance	11,098,290	10,908,443
Adc Net Profit / (Net Loss) for the current year	<u>(35)</u>	<u>235,124</u>
Amount available for Appropriations	11,098,255	11,143,567
Less: Appropriations - GST Expenses	<u>2,204</u>	<u>45,277</u>
Closing Balance (C)	<u>11,096,052</u>	<u>11,098,290</u>
<b>Total (A+B+C)</b>	<u>11,896,352</u>	<u>11,898,590</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, 2021 and 31st March, 2022 are given as under:

	<u>01-04-2021</u>	<u>For the Year</u>	<u>Reversing</u>	<u>(In Hundreds)</u>
				<u>31-03-2022</u>
<b>A. Deferred Tax Assets</b>				
a. Gratuity Provision	44,936	4,021	-	48,957
b. Prov. For Leave Encashment	11,510	1,801	2,140	11,171
c. Prov. For Bonus (Good work reward)	1,822	5,056	3,179	3,699
d. Unabsorbed Depreciation	178,573		87,253	91,320
e. Unabsorbed Business Losses	79,893	-	-	79,893
<b>Total (A)</b>	<u>316,734</u>	<u>10,878</u>	<u>92,572</u>	<u>235,041</u>
<b>B. Deferred Tax Liabilities</b>				
a. Depreciation	1,574,535	58,493	-	1,633,028
<b>Total (B)</b>	<u>1,574,535</u>	<u>58,493</u>	<u>-</u>	<u>1,633,028</u>
<b>Net Deferred Tax Liabilities (B-A)</b>	<u>1,257,801</u>	<u>47,615</u>	<u>(92,572)</u>	<u>1,397,988</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.

**6. OTHER LONG TERM LIABILITIES**

	31-03-2022	31-03-2021
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>Others</b>		
<b>Security Deposit</b>		
a. Security Deposits for space	911,310	908,810
	<u>911,310</u>	<u>908,810</u>

**7. LONG TERM PROVISIONS**

	31-03-2022	31-03-2021
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>Provision for Employee Benefits</b>		
a. Gratuity	122,917	120,958
b. Leave Encashment (Hotel)	35,856	37,020
	<u>158,773</u>	<u>157,978</u>

8. TRADE PAYABLE

	31-03-2022 Amount (Rs.) (In Hundreds)	31-03-2021 Amount (Rs.) (In Hundreds)
<b>Current</b>		
Trade payables of micro enterprises and small enterprises (Refer note no. 42)	-	-
Trade payables of related entities	-	-
Trade payables other than micro enterprises and small enterprises	151,709	66,816
<b>Total Trade payables</b>	<u>151,709</u>	<u>66,816</u>
<b>Current</b>	151,709	66,816
<b>Non current</b>		

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2022:</b>						
<b>a) Undisputed trade payable</b>						
- considered good	149,225	92	50	2,342	-	151,709
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>149,225</u>	<u>92</u>	<u>50</u>	<u>2,342</u>	<u>-</u>	<u>151,709</u>
<b>b) Disputed trade payable</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total:</b>	<u>149,225</u>	<u>92</u>	<u>50</u>	<u>2,342</u>	<u>-</u>	<u>151,709</u>
<b>As at 31 March 2021:</b>						
<b>a) Undisputed trade payable</b>						
- considered good	58,603	458	3,461	2,317	1,977	66,816
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>58,603</u>	<u>458</u>	<u>3,461</u>	<u>2,316.71</u>	<u>1,977</u>	<u>66,816</u>
<b>b) Disputed trade payable</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total:</b>	<u>58,603</u>	<u>458</u>	<u>3,461</u>	<u>2,317</u>	<u>1,977</u>	<u>66,816</u>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

**9. OTHER CURRENT LIABILITIES**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
a. Duties & Taxes Payables	51,931	25,891
b. Advance Sub-License fee	735,368	735,368
c. Other Payables	47,816	42,728
<b>Total</b>	<u>835,115</u>	<u>803,986</u>

**10. SHORT TERM PROVISIONS**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. Provision for Employee Benefits</b>		
a. Salary & Wages Payable	39,514	20,646
b. LTA payable	137	1,272
c. Good-work Reward payable	17,364	10,917
e. Provision for Gratuity	22,950	22,950
f. Provision for Leave Encashment	<u>5,653</u>	<u>5,653</u>
<b>Total</b>	<u>85,618</u>	<u>61,437</u>

12 Property, Plant & Equipments & Intangible Assets

DESCRIPTION OF ASSETS	(In Hundredrs)			(In Hundredrs)				(In Hundredrs)	
	Balance as on 1st April, 2021	Balance as on 31st Mar, 2022	Balance as on 1st April, 2021	Depreciation charge for the year	Disposals on CA Act	Adjustment on Disposals	Adjustment on CA Act	Balance as on 31st Mar, 2022	Balance as on 1st April, 2021
	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as on 1st April, 2021	Balance as on 31st Mar, 2022	Balance as on 1st April, 2021	Balance as on 31st Mar, 2022	Balance as on 1st April, 2021	Balance as on 31st Mar, 2022	Balance as on 1st April, 2021	Balance as on 31st Mar, 2022	Balance as on 1st April, 2021
<b>A. Tangible Assets (Not Under Lease)</b>									
a. Buildings									
Hotel	11,250,489	11,415,489	2,448,166	178,099	-	-	-	8,789,223	8,802,322
Commercial	141,358	141,358	47,915	2,160	-	-	-	91,283	93,443
b. <u>Plant &amp; Equipment</u>									
Hotel	5,055,779	5,056,499	4,187,651	82,311	-	-	-	786,536	868,130
Commercial	-	-	-	-	-	-	-	-	-
c. Furniture & Fixtures	2,843,997	2,843,997	2,472,563	63,394	-	-	-	308,041	371,434
d. Vehicles	201,647	170,632	58,577	23,129	17,601	-	-	106,527	143,070
e. Office Equipment	77,711	77,725	69,603	929	384	-	-	7,576	8,107
f. <u>Others</u>									
Computers & Accessories	429,199	429,199	393,871	6,142	-	-	-	29,186	35,328
Electrical Fittings & Installations	35,615	35,615	30,598	1,113	-	-	-	3,903	5,017
<b>Total (i)</b>	<b>20,035,795</b>	<b>20,170,514</b>	<b>9,708,945</b>	<b>357,277</b>	<b>17,985</b>	<b>-</b>	<b>-</b>	<b>10,122,275</b>	<b>10,326,851</b>
<b>B. Tangible Assets (Under Lease)</b>									
a. Land on License									
	2,100,000	2,100,000						2,100,000	2,100,000
<b>Total (A+B)</b>	<b>22,135,795</b>	<b>22,270,514</b>	<b>9,708,945</b>	<b>357,277</b>	<b>17,985</b>	<b>-</b>	<b>-</b>	<b>12,222,275</b>	<b>12,426,851</b>
	22,133,795	22,135,795	9,347,398	361,547	-	-	-	12,426,850	12,786,397

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 fixed asset 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.

## 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 2022	As on 1st April 2021			As on 31st March 2022	As on 1st April 2021	As on 31st March 2022	As on 31st March 2021	
<b>Investments in Equity Instruments</b>											
(i)	Sunairo Ltd.	Subsidiary	70,000	70,000	Unquoted	Fully paid	100%	100%	7,000	7,000	At Cost
			<b>Total 'a'</b>						<b>7,000</b>	<b>7,000</b>	
<b>Investment in Mutual Funds</b>											
(i)	Aditya Birla Sunlife Corporate Bond Fund -G-D	Others	665,834	469,704	Quoted	Fully paid	100%	100%	559,991	385,000	At Cost
(ii)	Aditya Birla Overnight Fund- Growth	Others	387	19,720	Quoted	Fully paid	100%	100%	4,425	219,213	At Cost
(iii)	Axis Overnight Fund Growth	Others	33	-	Quoted	Fully paid	100%	0%	367	-	At Cost
(iv)	Axis Short Term Fund- G	Others	812,471	814,812	Quoted	Fully paid	100%	100%	210,520	200,000	At Cost
(v)	HDFC Corporate Bond Fund-DP-G	Others	937,646	937,646	Quoted	Fully paid	100%	100%	227,000	227,000	At Cost
(vi)	HDFC Liquid Fund - Direct Plan	Others	3,389	2,497	Quoted	Fully paid	100%	100%	140,818	100,455	At Cost
(vii)	HDFC Overnight Fund-DP-G	Others	-	1,683	Quoted	Fully paid	0%	100%	-	51,181	At Cost
(viii)	HDFC Liquid Fund Growth	Others	1,709	6,367	Quoted	Fully paid	100%	100%	57,336	247,336	At Cost
(ix)	HDFC Money Market Fund - Direct Growth	Others	4,328	-	Quoted	Fully paid	100%	0%	199,990	-	At Cost
(x)	HDFC Ultra Short Term Fund - Regular Growth	Others	405,636	-	Quoted	Fully paid	100%	0%	49,998	-	At Cost
(xi)	ICICI Prudential Corporate Bond Fund a-DP-G	Others	2,763,110	2,763,823	Quoted	Fully paid	100%	100%	603,534	584,498	At Cost
(xii)	ICICI Prudential Liquid Fund - Direct Growth	Others	15,964	-	Quoted	Fully paid	100%	0%	50,291	-	At Cost
(xiii)	ICICI Prudential Overnight Fund-DP-G	Others	-	129,763	Quoted	Fully paid	0%	100%	-	140,081	At Cost
(xiv)	IDFC Corporate Bond Fund Direct Plan -G	Others	3,387,198	4,179,134	Quoted	Fully paid	100%	100%	487,071	581,000	At Cost
(xv)	IDFC Bond Fund - Short Term Plan-G	Others	879,982	569,268	Quoted	Fully paid	100%	100%	392,953	242,961	At Cost
(xvi)	IDFC Low Duration Fund - Growth	Others	556,260	-	Quoted	Fully paid	100%	0%	177,054	-	At Cost
(xvii)	IDFC Overnight Fund- G	Others	-	12,311	Quoted	Fully paid	0%	100%	-	135,000	At Cost
(xviii)	Kotak Bond Fund Growth	Others	423,248	-	Quoted	Fully paid	100%	0%	192,930	-	At Cost
(xix)	Kotak Corporate Bond Fund Direct Growth	Others	12,976	12,145	Quoted	Fully paid	100%	100%	359,849	334,850	At Cost
(xx)	Kotak Overnight Fund -Direct-G	Others	22,167	4,116	Quoted	Fully paid	100%	100%	249,989	45,057	At Cost
(xxi)	L&T Overnight Fund- Growth	Others	-	672	Quoted	Fully paid	0%	100%	-	10,495	At Cost
(xxii)	L & T Short Term Bond Fund-DP-G	Others	1,819,119	1,819,119	Quoted	Fully paid	100%	100%	365,000	365,000	At Cost
(xxiii)	SBI Corporate Bond Fund	Others	2,948,550	2,948,550	Quoted	Fully paid	100%	100%	350,000	350,000	At Cost
(xxiv)	SBI Overnight Fund	Others	-	1,502	Quoted	Fully paid	-	100%	-	50,095	At Cost
(xxv)	UTI Short Term Income- Fund-G	Others	-	724,707	Quoted	Fully paid	-	100%	-	175,000	At Cost
(xxvi)	UTI Overnight Fund- Direct-DD	Others	-	1,787	Quoted	Fully paid	-	100%	-	50,096	At Cost
			<b>Total 'b'</b>						<b>4,679,116</b>	<b>4,494,318</b>	
			<b>Total (a+b)</b>						<b>4,686,116</b>	<b>4,501,318</b>	

## Summary details of non-current investments:

A. Aggregate amount of Quoted Investments	At cost	4,679,116	4,494,318
	At market value	48,596,158	4,761,659
B. Aggregate amount of Unquoted Investments (At cost)		7,000	7,000
C. Value of Investment Property (Net Block)		Nil	Nil
D. Aggregate provision for diminution in value of investments		Nil	Nil

**13. LONG TERM LOANS AND ADVANCES**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Capital Advances</u></b>		
Unsecured, considered good		
a. Greater Noida Industrial Development Authority	5,500	5,500
<b>Total (A)</b>	<u>5,500</u>	<u>5,500</u>
<b>B. <u>Other Loans &amp; Advances</u></b>		
Unsecured, considered good		
a. Income Tax Refundable	215,273	229,723
b. Cash Seized by I.T. Department	30,000	30,000
c. Other Advances	38,350	38,350
<b>Total (B)</b>	<u>283,623</u>	<u>298,073</u>
<b>Total (A+C)</b>	<u>289,123</u>	<u>303,573</u>

**Details of loans & advances to directors or other officers, etc.**

Other Officers of the Company

<b>Total</b>	-	-
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**14. OTHER NON-CURRENT ASSETS**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Security Deposits</u></b>		
Unsecured, considered good		
a. Security deposit to service providers	24,060	24,060
b. Security deposit for let-out properties	31,200	31,200
c. Security deposit with Government Agencies for utilities	72,273	72,273
<b>B. <u>Others</u></b>		
a. Commitment Charges (Recoverable)	20,439	20,439
b. Financial Charges (Recoverable)	5,542	5,542
<b>Total</b>	<u>153,514</u>	<u>153,514</u>

**15. INVENTORIES**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Raw Materials &amp; Components (Valued at cost)</u></b>		
Food	7,023	4,353
Beverage	36,428	41,073
Tobacco	-	23
Operating Equipments	662,016	615,912
<b>Total (A)</b>	<u>705,467</u>	<u>661,361</u>

16. TRADE RECEIVABLES

	31-03-2022 Amount (Rs.) (In Hundreds)	31-03-2021 Amount (Rs.) (In Hundreds)
<b>a) Undisputed trade receivables</b>		
- considered good	162,039	57,210
- which have significant increase in credit risk	-	-
- which are credit impaired	-	-
<b>b) Disputed trade receivables</b>		
- considered good	-	-
- which have significant increase in credit risk	-	-
- which are credit impaired	-	-
	162,039	57,210

Below table represents the trade receivables ageing:

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2022:</b>						
<b>a) Undisputed trade receivables</b>						
- considered good	161,486	92	10	452	-	162,039
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	161,486	92	10	452	-	162,039
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total:</b>	161,486	92	10	452	-	162,039
<b>As at 31 March 2021:</b>						
<b>a) Undisputed trade receivables</b>						
- considered good	55,991	1,219	-	-	-	57,210
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	55,991	1,219	-	-	-	57,210
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
	55,991	1,219	-	-	-	57,210

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

**17. CASH AND BANK BALANCES**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Cash and cash equivalents</u></b>		
<b>a. <u>Balances with banks</u></b>		
Current Account with Scheduled Banks	290,742	207,652
There are no Earmarked Balances, Margin Money, Security against borrowings, Guarantees and Other Commitments included in the balances above (PY Nil)		
<b>b. <u>Cheques, drafts on hand</u></b>	-	-
<b>c. <u>Cash on hand (including Imprest)</u></b>	26,454	16,528
<b>Total(A)</b>	<u>317,196</u>	<u>224,180</u>
<b>B. <u>Other bank balances</u></b>		
a. Bank deposits with original maturity of more than 12 months but within 12 months from balance sheet date	8,313	10,216
b. Bank deposits with original maturity of more than 3 months but less than 12 months	-	-
<b>Total(B)</b>	<u>8,313</u>	<u>10,216</u>
<b>Total (A+B)</b>	<u>325,509</u>	<u>234,396</u>

**18. SHORT TERM LOANS AND ADVANCES**

unsecured, considered good

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b><u>Other Loans &amp; Advances</u></b>		
A. Advance License Fees (NDMC) (Prepaid)	163,547	155,759
B. Advance (Staff & Consultants)	8,050	8,000
C. Prepaid Expenses (Hotel) (Licence fee L3 & L5)	32,216	48,724
D. Advance for assets	585,594	526,535
	<u>789,406</u>	<u>739,018</u>

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

**19. OTHER CURRENT ASSETS**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Other Taxes Recoverable</u></b>		
i. GST Input	39,102	53,177
iii. Export Incentive	39,315	-
	<u>78,416</u>	<u>53,177</u>



**20. INCOME FROM OPERATIONS**

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. Sale of Services</b>				
<u>Facilities and Services Charges for Hotel Complex</u>				
Rooms	1,616,712		154,097	
<u>Food &amp; Beverage</u>				
Food	282,053		69,483	
Beverage	56,720		8,815	
Tobacco	50		39	
Banquet Fees	8,066		3,630	
Other Operating Departments	8,635		2,481	
Services Charges Received	21,629		4,368	
Sub License Fees	978,593	2,972,458	966,809	1,209,723
Income from Operations (Gross)		2,972,458		1,209,723
Less: Excise Duty		-		-
Income from Operations (Net)		<u>2,972,458</u>		<u>1,209,723</u>

**21. OTHER INCOME**

	31-03-2022	31-03-2021
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
A. Interest from Bank Deposits	1,456	1,121
B. Scrap sale	542	-
C. Income From Travel Desk	-	9,000
D. Guest Transport Charges & Tour	2,179	425
E. Capital Gain on Sale of Mutual Funds	96,739	121,439
F. Dividends received on share / Mutual Funds	874	21
G. Profit on Sale Of Fixed Assets	5,131	-
H. Gain / (Loss) on Foreign Exchange Curr. Fluctuation	54	3
I. Miscellaneous Income	99,645	73,421
J. Sale of Duty Credit	39,315	-
K. Interest on Income tax refund	8,205	-
L. Other Charges Recovered	3,940	56,706
<b>Total</b>	<u>258,081</u>	<u>262,135</u>

**22. COST OF MATERIALS CONSUMED**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>Materials Consumed</b>		
Inventory at the beginning of the year	45,449	71,843
Add : Purchases	135,355	21,772
	<u>180,805</u>	<u>93,615</u>
Less: Inventory at the end of the year	43,451	45,449
Cost of Raw Material Consumed	<u><u>137,354</u></u>	<u><u>48,165</u></u>

**Details of Materials Consumed**

A. Food	122,993	42,094
B. Beverages	14,338	6,063
C. Tabacoo	23	8
	<u>137,354</u>	<u>48,165</u>

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

**23. COST OF UTILITIES AND HOSPITALITY SERVICES**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
A. Telephone Cost	-	9
B. Laundry Cost	4,916	634
	<u>4,916</u>	<u>642</u>

**24. EMPLOYEE BENEFIT EXPENSES**

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
A. Salaries, wages and bonus		371,338		221,878
B. Directors Remuneration		69,000		63,000
C. Contributions to:				
a. Provident Fund	23,097		14,756	
b. ESI	4,396		2,708	
c. Other Funds	6,184	33,677	6,274	23,738
D. Gratuity Fund Contributions		13,808		17,317
E. Staff Welfare Expenses		15,088		3,654
F. Exgratia Paid		925		1,806
		<u>503,836</u>		<u>331,394</u>

25. OTHER EXPENSES

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
a. Power & Fuel		415,381		224,394
b. Rent		31,320		30,600
c. <u>Repairs &amp; Maintenance</u>				
i. Plant & Machinery	151,243		15,004	
ii. Buildings	135,925		109,128	
iii. Others	100,434	387,602	65,408	189,540
d. Insurance		23,695		26,077
e. Advertising & Sales Promotion		1,817		759
f. Communication Cost		4,925		4,689
g. Printing & Stationery		8,838		4,447
h. Legal & Professional Fees		561,483		317,575
i. Payment to Auditors		4,036		4,036
j. Licence fee		229,523		189,566
k. Internet Expense		8,904		3,702
l. Banquet Expenses		7,795		2,169
o. Guest Supply & Relation Expenses		45,505		696
p. Linen		2,493		8,787
q. Flowers & Decoration		60		-
r. Laundry & Dry Cleaning		1,224		158
s. Uniform		678		-
t. Guest Supplies		38,077		3,374
u. Commission on Rooms		166,134		16,290
v. Cleaning Supply		7,304		2,164
w. Guest News Paper & Magazines		-		17
x. Music & Entertainment		3,125		350
y. Kitchen Utensils		7		11
z. Local Transportation & Vehicle Maintenance		5,972		3,863
aa. Guests Entertainment & Business Promotion		2,171		2,114
ab. Credit Card Charges		7,150		789
ac. Security Services		33,891		33,644
ad. STT Paid		136		-
ae. AGM & Conference Charges		131		80
af. Membership Fees & Subscription		643		583
ag. Misc Expenses		5,091		3,657
ag. Director Traveling		28,223		-
ah. R.O.C. Fee		341		140
ai. Manpower Outsourced		24,282		10,755
aj. Sitting Fees		1,700		1,900
ak. Postage/Courier/Telegram		521		362
al. Rate & Taxes		7,627		2,206
<b>Total</b>		<b>2,067,807</b>		<b>1,089,496</b>

Details of Payment to AuditorsAs Auditor:

- Audit Fee		3,250		3,250
- Tax Audit Fee		786		786
<b>Total</b>		<b>4,036</b>		<b>4,036</b>

26. <u>FINANCE COST</u>	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
		31-03-2022		31-03-2021
		<u>Amount (Rs.)</u>		<u>Amount (Rs.)</u>
		<u>(In Hundreds)</u>		<u>(In Hundreds)</u>
a. Interest on Taxes		836		515
b. Bank Charges		595		261
<b>Total</b>		<u>1,432</u>		<u>776</u>

27. DEPRECIATION AND AMORTIZATION EXPENSES

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
		<u>(In Hundreds)</u>		<u>(In Hundreds)</u>
Depreciation on Assets		357,277		361,547
<b>Total</b>		<u>357,277</u>		<u>361,547</u>

28. DETAILS OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
		<u>(In Hundreds)</u>		<u>(In Hundreds)</u>
(a) Gross Amount required to be spent by the company during the year		16,833		24,717
(b) Amount spent during the year on:	<u>In Cash</u>	<u>Yet to be paid</u>		<u>Total</u>
(i) Construction / acquisition of any assets	Nil	Nil		Nil
	(PY Nil)	(PY Nil)		(PY Nil)
(ii) <u>On purposes other than (i) above</u>				
- Donation to Abhinandan Jan Kalyan Society	16,833	Nil		16,833
- Donation to Abhinandan Jan Kalyan Society	(PY 24,717)	(PY Nil)		(PY 24,717)
(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, 2022 (Contd...)

29. EARNING PER SHARE (EPS)

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>Total operations for the year</b>		
Profit / (loss) after tax	(35)	235,124
Less: Dividends & dividend tax on other than equity shares	-	-
<b>Net profit / (loss) for calculation of Basic EPS</b>	<u>(35)</u>	<u>235,124</u>
Net profit as above	(35)	235,124
Add : Dividends & dividend tax on other than equity shares	-	-
Add : Adjustments for the effects of dilutive potential equity shares	-	-
<b>Net profit / (loss) for calculation of Diluted EPS</b>	<u>(35)</u>	<u>235,124</u>
Weighted average number of equity shares in calculating Basic EF	39,750,000	39,750,000
<b>Effect of dilution:</b>		
Convertible preference shares (numbers)	-	-
Convertible bonds (numbers)	-	-
Stock option granted under ESOP	-	-
<b>Weighted average number of equity shares in calculating Dilu</b>	<u>39,750,000</u>	<u>39,750,000</u>
	<u>(In Rs. )</u>	<u>(In Rs. )</u>
(a) Basic	(0.000)	0.59
(b) Diluted	(0.000)	0.59

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

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</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	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

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

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Expenditure in foreign currency during the financial year on account of:</u>		
A. Royalty, know-how, professional and consulation fees	-	-
B. Interest	-	-
C. Traveling Expenses	10,499	-
D. Commission Expenses	11,550	10,494
<b>Total</b>	<u>22,049</u>	<u>10,494</u>

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

	31-03-2022		31-03-2021	
	<u>Pege (%)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Pege (%)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Total value of indigenous materials consumed:</u>				
A. <u>Raw materials</u>				
Food & Beverages	100	137,354	100	48,165
B. Other Supplies	100	47,623	100	7,642
C. Spare parts	100	117,495	100	62,930
D. Components	100	4,893	100	700
<b>Total</b>		<u>307,365</u>		<u>119,437</u>

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

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

	31-03-2022	31-03-2021
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</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	3,099	10,878
	<u>3,099</u>	<u>10,878</u>

35. 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

	31-03-2022	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>1. <u>Change in present value of obligation</u></b>			
a) Present value of obligation as at the beginning of the period	1,439	128,380	124,757
b) Acquisition adjustment	-	-	-
c) Interest cost	9,635	8,788	9,627
d) Past service cost	-	-	-
e) Current service cost	12,790	13,342	16,936
f) Curtailment cost / (Credit)	-	-	-
g) Settelement cost / (Credit)	-	-	-
h) Benefit paid	-	(1,789)	(6,651)
i) Actuarial (gain) / Loss on obligation	(20,466)	(4,813)	(16,288)
j) Present value of obligation as at the end of the period	<u>3,398</u>	<u>143,908</u>	<u>128,380</u>
<b>2. <u>Changes in fair value of plan assets</u></b>			
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>
<b>3. <u>Fair value of plan assets</u></b>			
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	(3,398)	(143,908)	(128,380)
h) Excess of actual over estimated return on plan assets	-	-	-
<b>4. <u>Actuarial gain / losses recognized</u></b>			
a) Actuarial gain / (loss) for the period- obligation	20,466	4,813	16,288
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	(20,466)	(4,813)	(16,288)
d) Actuarial (gain) / loss recognized in the period	(20,466)	(4,813)	(16,288)

e) Unrecognized actuarial (gains) losses at the end of the per	-	-	-
f) Experience Adjustment on Present Value of Obligation-Lo:	(15,548)	(8,900)	98
<b>5. <u>The amounts to be recognized in the balance sheet and related analysis</u></b>			
a) Present value of obligation as at the end of the period	3,398	143,908	128,380
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(3,398)	(143,908)	(128,380)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-
f) Net assets / (liability) recognized in balance sheet	(3,398)	(143,908)	(128,380)
<b>6. <u>Expense recognized in the statement of profit and loss</u></b>			
a) Current service cost	12,790	13,342	16,936
b) Past service cost	-	-	-
c) Interest cost	9,635	8,788	9,627
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-
f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(20,466)	(4,813)	(16,288)
h) Expenses recognized in the statement of profit & losses	1,959	17,317	10,274
<b>7. <u>Reconciliation statement of expenses in the statement of profit &amp; loss</u></b>			
a) Present value of obligation as at the end of the period	3,398	143,908	128,380
b) Present value of obligation as at the beginning of the perio	1,439	128,380	124,757
c) Benefit paid	-	1,789	6,651
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	1,959	17,317	10,274
<b>8. <u>Amount for the current period</u></b>			
a) Present value of obligation as at the end of the period	3,398	143,908	128,380
b) Fair value of plan assets	-	-	-
c) Surplus / (Deficit)	(3,398)	(143,908)	(128,380)
d) Experience adjustment on plan liabilities (loss) / gain	20,466	4,813	16,288
e) Experience adjustment on plan assets (loss) / gain	-	-	-
<b>9. <u>Movement in the liability recognized in the balance sheet</u></b>			
a) Opening net liability	130,012	114,484	110,861
b) Expense as above	1,959	17,317	10,274
c) Benefits paid	-	(1,789)	(6,651)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability	131,971	130,012	114,484
<b>10. <u>Major categories of plan assets (as percentage of total plan assets)</u></b>			
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:**

	31-03-2022	31-03-2021	31-03-2020
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
a) Discount rate	7.15	6.70	6.85
b) Rate of return on Plan Assets	0.00	0.00	0.00

c) Salary Escalation	2%**	0%*	4.00
*--0% P.A. for FY 2021-22, 2% P.A. for FY 2022-23 and 4% P.A. thereafter			
**--2% P.A. for FY 2022-23 and 4% P.A. thereafter			

## II. Leave Encashment

	31-03-2022	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>1. <u>Change in present value of obligation</u></b>			
a) Present value of obligation as at the beginning of the period	42,673	37,847	42,254
b) Acquisition adjustment	-	-	-
c) Interest cost	2,857	2,591	3,261
d) Past service cost	-	-	-
e) Current service cost	7,679	8,355	6,073
f) Curtailment cost / (Credit)	-	-	-
g) Settlelement cost / (Credit)	-	-	-
h) Benefit paid	-	(1,448)	(4,978)
i) Actuarial (gain) / Loss on obligation	(11,699)	(4,672)	(8,763)
j) Present value of obligation as at the end of the period	<u>41,509</u>	<u>42,673</u>	<u>37,847</u>
<b>2. <u>Changes in fair value of plan assets</u></b>			
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>
<b>3. <u>Fair value of plan assets</u></b>			
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	(41,509)	(42,673)	(37,847)
h) Excess of actual over estimated return on plan assets	-	-	-
<b>4. <u>Actuarial gain / losses recognized</u></b>			
a) Actuarial gain / (loss) for the period- obligation	(11,699)	(4,672)	(8,763)
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	(11,699)	(4,672)	(8,763)
d) Actuarial (gain) / loss recognized in the period	(11,699)	(4,672)	(8,763)
e) Unrecognized actuarial (gains) losses at the end of the per	-	-	-
f) Experience Adjustment on Present Value of Obligation-Los	(11,699)	(7,328)	(3,523)
<b>5. <u>The amounts to be recognized in the balance sheet and related analysis</u></b>			
a) Present value of obligation as at the end of the period	41,509	42,673	(42,254)
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(41,509)	(42,673)	(42,254)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-
f) Net assets / (liability) recognized in balance sheet	41,509	42,673	(42,254)
<b>6. <u>Expense recognized in the statement of profit and loss</u></b>			
a) Current service cost	7,679	8,355	6,073
b) Past service cost	-	-	-
c) Interest cost	2,857	2,591	3,261
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-



f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(11,699)	(4,672)	(8,763)
h) Expenses recognized in the statement of profit & losses	(1,164)	6,274	570
<b>7. Reconciliation statement of expenses in the statement of profit &amp; loss</b>			
a) Present value of obligation as at the end of the period	41,509	42,673	(42,254)
b) Present value of obligation as at the beginning of the period	42,673	37,847	42,254
c) Benefit paid	-	(1,448)	(4,978)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	(1,164)	6,274	570
<b>8. Amount for the current period</b>			
a) Present value of obligation as at the end of the period	41,509	42,673	(42,254)
b) Fair value of plan assets as at the end of the period	-	-	-
c) Surplus / (Deficit)	(41,509)	(42,673)	42,254
d) Experience adjustment on plan liabilities (loss) / gain	11,699	4,672	8,763
e) Experience adjustment on plan assets (loss) / gain	-	-	-
<b>9. Movement in the liability recognized in the balance sheet</b>			
a) Opening net liability	42,673	37,847	42,254
b) Expense as above	(1,164)	6,274	570
c) Benefits paid	-	(1,448)	(4,978)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability	41,509	42,673	37,847
<b>10. Major categories of plan assets (as percentage of total plan assets)</b>			
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)	-	-	-
<b>11. The principal assumption used in determining leave encashment obligation for the Company's plans are shown below:</b>			
	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
a) Discount rate	7.15	6.70	6.85
b) Rate of return on Plan Assets	-	-	-
c) Salary Escalation	2%**	0%*	4%
*-- 0% P.A. for FY 2021-22, 2% P.A. for FY 2022-23 and 4% P.A. thereafter			
**-- 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.

36. 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 (In Hundreds)</u>	<u>Commercial Business (In Hundreds)</u>	<u>Portfolio Management (In Hundreds)</u>	<u>Total Amount (Rs) (In Hundreds)</u>
<b><u>Segment Revenue</u></b>				
- Revenue including other income	2,154,333	978,593	97,613	3,230,539
Net Sales / Income from Operations	(A) 2,154,333	978,593	97,613	3,230,539
<b><u>Segment Expenses</u></b>				
<b><u>Allocable Expenses</u></b>				
-Consumption of Stores, Provisions & Beverages and Purchase of Mutual Funds	142,270	-	-	142,270
-Employee benefit expenses	503,836	-	-	503,836
-Operating / Administration Expenses	2,067,807	-	-	2,067,807
-Finance Cost	1,432	-	-	1,432
-Expenditure on CSR Activity	16,833	-	-	16,833
	(B) 2,732,178	-	-	2,732,178
<b>Segment Result</b>	(A - B) (577,846)	978,593	97,613	498,360
Less : Depreciation				357,277
Profit before Taxation				141,083
Less : Tax Expense for the year				141,118
Profit after Taxation				(35)
<b>Segment Assets (including Misc. expenditure and debit balance of Profit &amp; Loss A/c)</b>				
	10,283,559	9,128,305	-	19,411,864
<b>Segment Liabilities (including long term liabilities)</b>				
	2,679,212	861,300	-	3,540,512
<b>Total Carrying Amount of fixed assets</b>	12,222,275	-	-	12,222,275
<b>Total Depreciation on fixed assets</b>	355,117	2,160	-	357,277

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.

**37. 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 Pvt. 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
  
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)	4.32 (P.Y. 30.60)	4.32 (P.Y. 30.60)
Sub License Fees Received	Nil (P.Y. Nil)	- (P.Y. NIL)	- (P.Y. NIL)
Directors' Remuneration	Nil (P.Y. Nil)	69.00 (P.Y. 69.30)	69.00 (P.Y. 69.30)
<b>c) Balance outstanding on March 31, 2022</b>	Nil	Nil	Nil
Advances	(P.Y. 400.38)	(P.Y. Nil)	(P.Y. 400.38)

38. Following are the ratios applicable to the Company:

Ratio	Numerator (Rs.) (In Hundreds)	Denominator (Rs.) (In Hundreds)	'Ratio	% Variance	Reason for Variance
<b>(i) Current ratio</b>					
31/03/2022	2,060,837	1,072,442	1.92	3%	Repayment Of Liabilities
31/03/2021	1,745,162	932,239	1.87		
<b>(ii) Debt-equity ratio</b>					
31/03/2022	-	11,800,397	N.A.	N.A.	No Debt In Books of Accounts
31/03/2021	-	15,873,590	N.A.		
<b>(iii) Return on equity</b>					
31/03/2022	(35)	15,871,352	-0.00	-100%	Decrease in Profit
31/03/2021	235,124	15,873,590	0.01		
<b>(iv) Return on capital employed</b>					
31/03/2022	139,652	18,339,422	0.01	-136%	Increase in Earnings before Interest & Taxes
31/03/2021	(385,655)	18,198,179	(0.02)		
<b>(v) Trade receivables turnover ratio</b>					
31/03/2022	2,972,458	109,625	27.11	157%	Increase in Credit Sales
31/03/2021	1,209,723	114,817	10.54		
<b>(vi) Net capital turnover ratio</b>					
31/03/2022	2,972,458	988,395	3.01	102%	Increase in Sales
31/03/2021	1,209,723	812,923	1.49		
<b>(vii) Net profit ratio</b>					
31/03/2022	(35)	2,972,458	(0.00)	-100%	Increase in loss
31/03/2021	235,124	1,209,723	0.19		
<b>(viii) Inventory turnover ratio</b>					
31/03/2022	137,354	683,414	0.20	184%	Decrease in Average Inventory
31/03/2021	48,165	680,464	0.07		
<b>(ix) Return on investment</b>					
31/03/2022	2,330	4,686,116	0.05%	96%	Increase in Return
31/03/2021	1,142	4,501,318	0.03%		
<b>(x) Debt service coverage ratio</b>					
31/03/2022	-	-	N.A.	N.A.	No Debt In Books of Accounts
31/03/2021	-	-	N.A.		

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. In terms of Schedule III of the Companies Act, 2013 and notification number GSR 719(e), the company had requested its various suppliers, who may be registered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act and confirmation regards them being under the said category. From the date of receipt of confirmed details and information from the said parties the outstanding on account purchase made/services obtained from such suppliers including the disputed amounts due to them, were ascertained and reflected in the financials as due to Micro & Small Enterprises. The details in respect of the parties that could be identified as Micro and Small enterprises as per the MSMED Act on the basis of the information available with the management are given below:

	<u>31/03/2022</u> <u>Amount (Rs.)</u> (In Hundreds)	<u>31/03/2021</u> <u>Amount (Rs.)</u> (In Hundreds)
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
-Principal amount due to micro and small enterprises	34,850	14,161
-Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

#### **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. The next date of hearing is 04/11/2022.

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An execution petition for the said award filed by VLS Finance Ltd. VLS Finance Limited was dismissed by Hon'ble High Court vide order dated 16/08/2017. Now again ENF. (COMM.) 113/2022 against the above award has been filed by VLS Finance Limited which is pending adjudication. Affidavits as required vide order dated 30.5.2022 have been filed by the company and its Directors and the next date of hearing in

the matter is 18.8.2022. The award was against the company and its directors to refund the amount of forfeited security deposit of Rs. 8 crores with interest which was forfeited due to failure of VLS Finance Limited to perform its obligation under the MOU dated 11/03/1995 and in the opinion of the company the amount is not at all refundable.

The 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 8.9.2022. And in the SFIO matter in ASJ ( Spl Court) Dwarka the next date of hearing is 2.9.2022.

It is also to be noted that in the FIRs which were filed by VLS Finance Limited against company and others, charges have been framed by the Court vide order dated 10.12.2021

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

	<u>31-03-2022</u>	<u>31-03-2021</u>
	<u>Amount (Crores)</u>	<u>Amount (Crores)</u>
<b>(i) <u>Contingent Liabilities</u></b>		
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
E. Others (*)	8 (*)	Nil
(*) The amount represents forfeitable security deposit, which is not due as per the legal opinion received by the Company. OMP and Enf(c) have been filed in the matter. Refer to Note No. 43 as above.		
<b>(ii) <u>Commitments</u></b>		
A. Estimated amount of contracts remaining to be executed on capital accounts and not provided for	-	0.39
B. Uncalled liability on shares and other investments partly paid	Nil	Nil
C. Other commitments	Nil	Nil

45. The Code on Social Security, 2020, (Code) relating to employees benefits during employment and post-employment benefits received President assent in September, 2020. The Code has been published in the Gazette of India. However, the data on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

46. Figures have been rounded off to the nearest Hundreds.

**47. PREVIOUS YEAR FIGURES**

Previous figures have been regrouped / recast wherever considered necessary.

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

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

Sd/-  
(KAVEEN GUPTA)  
Executive Director  
(DIN-00204605)

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)

Place : New Delhi  
Dated: 03/08/2022  
UDIN : 22083939APEYJM6848

# 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 29th Annual Report of the Company and its financial accounts for the year ended on 31st March, 2022.

### 1. FINANCIAL RESULTS

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

	Curr.Year in hundreds <u>31/03/2022</u>	Prev.Year in hundreds <u>31/03/2021</u>
<u>Net Sales / Income from:</u>		
a) Business Operations	56,784	596,554
b) Other Income	2,278	47
Total Income	<u>59,062</u>	<u>596,601</u>
Profit / (Loss) before Interest & Depreciation	(4,403)	(1,542)
Less: Finance cost (Interest)	37	4
Profit / (Loss) before Depreciation	<u>(4,440)</u>	<u>(1,546)</u>
Less: Depreciation	3,740	3,681
Profit / (Loss) after Depreciation but before Tax	<u>(8,180)</u>	<u>(5,226)</u>
Less: <u>Tax Saving / (Expense)</u>		
a) Current Income-tax	-	-
b) Earlier year(s) Adjustment of Income-tax	-	-
c) Deferred Tax	(75)	(1,358)
Net Profit/ (Loss) after Tax	<u>(8,106)</u>	<u>(3,868)</u>
Dividend (including Interim, if any, and Final)	-	-
Net Profit/ (Loss) after Dividend & Tax	<u>(8,106)</u>	<u>/ (3,868)</u>
Amount transferred to General Reserve	-	-
Balance carried to Balance Sheet	<u>(8,106)</u>	<u>(3,868)</u>
Earning per share (Basic)	(11.58)	(5.53)
Earning per share (Diluted)	(11.58)	(5.53)

### 2. DIVIDENDS

With a view to conserve funds, the Directors do not recommend any dividend for the financial year 2021-22

### 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 Decreased from Rs. 596,554/- to Rs.56,784/-
- b) Loss before Tax for the year has increased from Rs.-5,226/- to Rs. -8,180/-
- c) Earning per share have decreased from Rs. -5.53/- to Rs. -11.58/-.

The year 2021-22 was yet another challenging year for Company. The severe second wave of the Covid-19 pandemic had a significant humanitarian and economic impact. We witnessed socio-political unrest in several parts of the World, resulting in the disruption of global supply chains. In this uncertain operating environment, our focus remained on the uninterrupted Business of our Company, and protecting our business model. Against this challenging backdrop, our robust results for the financial year 2021-22 demonstrate strategic clarity, strength of our Company. the company have reported Revenue from operations of Rs.56,78,399.- as compare to Rs.5,96,55,383/- further loss before tax for the year has increased from Rs.--8,18,039/- to Rs.-5,22,641./-. urther the severe second wave of the Covid-19 pandemic had a significant humanitarian and economic impact and In 2021, due to the largest wave of infection in the country, several state governments like Uttar Pradesh, Delhi etc. have announced complete lockdowns in April 2021. Cases started to rise by March 2021, resulting in state-wide lockdowns from 05th April 2021 to 15th June 2021.

Credit Rating agency ICRA has slashed its 2022-23 growth forecast for India's GDP to 7.2% from 8%, citing elevated commodity prices and supply chain challenges arising from the Russia-Ukraine conflict, as well as higher prices of fuels and edible oils denting demand due to squeezed household incomes. Protracted geopolitical tensions, the renewed lockdowns in parts of China and high commodity prices pose downside risks to the growth outlook, ICRA warned, with firms facing compressed margins that could hurt the growth of gross value added (GVA) in the economy. Moreover, as per ICRA the K-shaped recovery appears likely to continue with the formal sector gaining market share in the coming year. Apart from this the company has done reasonably good to

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. due to the coronavirus pandemic the financial position of the company has badly affected.

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 been 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 is 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 having 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 28/06/2021, 28/08/2021, 03/11/2021 and 14/02/2022 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 have been followed along with proper explanation relating to material departures;
- b) the directors have 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 have 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 have 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.

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. Satya Pal Gupta retire at this Annual General Meeting and being eligible offer himself for re-election. Further Mrs. Sheel Gupta Director of the company has resigned from the Directorship of the Company w.e.f. 04.05.2022.

23. **STATUTORY AUDITORS**

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 , as recommended from the Board of Directors, M/s Anil Sood & Associates chartered Accountant (firm registration no. 004985 N) having Registered office at S-316, Greater Kailash-1, New Delhi-110048 has been recommended for reappointment by BOD as statutory auditors of the company, to hold for a second term of five consecutive years from the conclusion of the 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting , at such remuneration and out of pocket expenses, as may be decided by the board of directors of the company.

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.

27. **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 2021-22.

28. **DETAIL OF Extra Ordinary General Meeting**

There is no Extra Ordinary General meeting held during the financial year under review.

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

Company has complied with the Secretarial Standard issued by ICSI.

30. **CORPORATE GOVERNANCE CERTIFICATE**

Not Applicable.

31. **SECRETARIAL AUDIT REPORT**

Not applicable.

32. **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.

33. **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.

34. **Disclosure under the Insolvency and Bankruptcy Code (IBC), 2016**

There is no proceeding which is pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the financial year under review.

35. **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)  
Director

Sd/-  
(KAVEEN GUPTA)  
(DIN-00204605)  
Director

Place: New Delhi  
Dated : 02/08/2022

# 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, 2022

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>31<sup>st</sup> March 2022</u>	<u>Year Ended</u> <u>31<sup>st</sup> March 2021</u>
Earnings	NIL	NIL
Outgo / Expenses	NIL	NIL

For and on behalf of the Board of Directors

Sd/-

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

Sd/-

(KAVEEN GUPTA)  
(DIN-00204605)  
Director

Place: New Delhi  
Dated : 02/08/2022

# SUN AERO LIMITED

CIN : U74899DL1993PLC055759

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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 31/03/2022

### 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 :	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)	Date of approval by the Board :	N.A
(f)	Amount paid as advances, if any :	N.A

For and on behalf of the Board of Directors

Sd/-  
(S.P.GUPTA)  
Director

Sd/-  
(KAVEENGUPTA)  
Director

Place: New Delhi  
Dated : 02/08/2022

( DIN-00204504)

( DIN-00204605)

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# 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, 2022

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022

[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 : N.A.  
Transfer Agent, if any

### 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	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	
<b>A. Promoters</b>									
(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
<b>Total shareholding of Promoter (A)(1)</b>	-	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	-	-	-	-	-	-	-	-	
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	
<b>Total Shareholding (A) = (A)(1)+(A)(2)</b>	-	70,000	70,000	100.00%	-	70,000	70,000	100.00%	NIL
<b>B. Public Shareholding</b>									
(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)	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	
(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)	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	-	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
	<b>Total</b>	<b>70000</b>	<b>100.00%</b>	<b>NIL</b>	<b>70000</b>	<b>100.00%</b>	<b>NIL</b>	<b>NIL</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)  
for the year ended 31/03/2022

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	At the beginning of the year	70000	100.00%
	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):		
	At the End of the year	70000	100.00%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):for the year ended 31/03/2022

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	01/04/2021	N.A	N.A	01/04/2021	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	31/03/2022	N.A	N.A	31/03/2022	N.A	N.A

(v) Shareholding of Directors and Key Managerial Personnel:  
for the year ended 31/03/2022

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	Date of Change 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%
2.	VIPUL GUPTA (hold share as a Nominee of Sunair Hotels Ltd.)	No Change during the year	
		500	0.71%
3.	KAVEEN GUPTA (hold share as a Nominee of Sunair Hotels Ltd.)	No Change during the year	
		500	0.71%
4.	*SHEEL GUPTA (hold share as a Nominee of Sunair Hotels Ltd.)	No Change during the year	
		500	0.71%
	<b>Total</b>	<b>2000</b>	<b>2.84%</b>

\*Mrs. Sheel Gupta Director of the company has resigned from the Directorship of the Company w.e.f. 04.05.2022



V. INDEBTEDNESS

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

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

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	-	-
	<b>Total (1)</b>	-	-
2.	<u>Other Non-Executive Directors</u>		
	- Fee for attending board / committee meetings	-	-
	- Commission	-	-
	- Others, please specify	-	-
	<b>Total (2)</b>	-	-
3.	<b>Total (B)=(1+2)</b>	-	-
4.	Total Managerial Remuneration	90	-
	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)
<b>A. COMPANY</b>					
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>B. DIRECTORS</b>					
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>C. OTHER OFFICERS IN DEFAULT</b>					
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/-  
(KAVEEN GUPTA)  
Director  
(DIN-00204605)

Place: New Delhi  
Dated : 02/08/2022

## 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, 2022, 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 (herein referred as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the (Accounting Standards) Rules 2021("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 ethical requirements that are relevant to our audit of the 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 Financial Statements.

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

The Company's Board of Directors is responsible for the preparation and presentation of its report (hereinafter called as "Board Report") which comprises various informations required under section 134(3) of the Companies Act 2013 but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the financial statement does not cover the Board Report 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 Board Report and in doing so, consider whether the Board Report 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 Board Report, 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 AS and other accounting principles generally accepted in India. 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. 92

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 Responsibilities for the Audit of the Financial Statements**

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

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the operative effectiveness of Company's internal control systems.
- 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
- 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.

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

## Report on Other Legal and Regulatory Requirements

1. This report as annexure A include a statement on the matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of sub-section (11) of section 143 of the Act, to the extent applicable to the company
2. 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 flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules,
  - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 did not have pending litigations on its financial position in its financial statements.
    - (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, **whether recorded in writing or otherwise, that the Intermediary shall** whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b), contain any material misstatement.
- (v) a) The Company has neither declared nor paid any dividend during the year.
- b) The Board of Directors of the Company have not proposed dividend for the year.

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

S-316, Greater kailash-1  
New Delhi -110 048  
Dated: 02/08/2022

*Sd/-*  
(ANIL SOOD)  
Partner  
Membership No. 83939  
UDIN:- 22083939APEZAD5859

## 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)

- (i) In respect of the Company's Property, Plant and Equipment:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. There is no Intangible assets during the year ended 31/03/2022
  - (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us, we report that, the title deeds, comprising all the immovable properties are held in the name of the Company.
  - (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year.
  - (e) According to the information and explanations given to us, no proceedings have been initiated during the year or pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory includes Shares, Mutual Funds and other securities were physically verified by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- (b) The Company has not availed /been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, from Banks on the basis of security of current assets, therefore no requirement to file quarterly returns/statements by the Company with such banks .
- (iii) The Company has not granted loans, provided guarantee(s) or security(ies) to companies, firms, limited liability partnerships, and granted unsecured loans to its subsidiaries and associates, covered in the register maintained under section 189 of the Act, in respect of which:
- (a) During the year, the Company has not provided loans to companies, firms, limited liability partnerships or any other parties during the year.  
The Company has not made any investments, provided any guarantee or security to companies, firms, limited liability partnerships or other parties during the year.
  - (b) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.



- (v) According to the information and explanations given to us, the Company has neither accepted any amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) 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.
- (vii) 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 goods and service tax, provident fund, employees' state insurance, income tax, duty of customs, duty of excise, cess and other statutory dues applicable to it with the appropriate authorities except for a few instances of delay in deposits.

According to the information and explanations given, no undisputed amounts payable in respect of above statutory dues were outstanding as at March 31, 2022, for a period of more than six months from the date they become payable.

- (b) There are dues in respect of service tax, value added tax, income tax and excise duty which have not been deposited as at March 31, 2022, on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs.) (in Crore)	Period to which the amount relates	Forum where dispute is pending	Present status as on the date of this Report
Income-tax Act,	Income-tax	14.67	FY 1995-2000	High Court, Delhi	Pending With High Court

\* Amounts are net of payments made and without considering interest for the overdue period, if any, as may be levied if demand as raised is upheld.

# Excluding interest and additional tax

- (viii) According to the information and explanations given to us, the company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under Income Tax Act as income during the year.
- (ix) (a) The company has not taken any term loan /borrowed money during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) 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.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in the subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the requirement to report on clause 3(x) (a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of fully or partially or convertible debentures during the year under audit.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the
- (b) According to the information and explanations given to us, no report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government.
- (c) According to the information and explanations given to us, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clauses 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) 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 Ind AS financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of the audit report ,for the period under audit.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) 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. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of Rs. 4,65,796/- (P.Y. Rs. 1,54,565/-) during the financial year under our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation by the statutory auditors during the year and accordingly, requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) is not applicable for the year.
- (b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of Section 135(6) of the Act.

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

S-316, Greater kailash-1  
New Delhi -110 048  
Dated: 02/08/2022

*Sd/-*  
(ANIL SOOD)  
Partner  
Membership No. 83939  
UDIN:- 22083939APEZAD5859

## 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, 2022, in conjunction with our audit of the 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.

**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, 2022, 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.

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, 2022, 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

S-316, Greater kailash-1  
New Delhi -110 048  
Dated: 02/08/2022

*Sd/-*  
(ANIL SOOD)  
Partner  
Membership No. 83939  
UDIN:- 22083939APEZAD5859

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

**BALANCE SHEET AS AT 31st MARCH, 2022**

Sl. No. <u>Particulars</u>	Note No.	31/03/2022 <u>Amount (Rs.)</u> (In Hundreds)	31/03/2021 <u>Amount (Rs.)</u> (In Hundreds)
<b>I. <u>EQUITY AND LIABILITIES</u></b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	3	7,000	7,000
(b) Reserves and surplus	4	<u>2,758,679</u>	<u>2,766,785</u>
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	5	1,210	9,142
<b>TOTAL</b>		<u>2,766,889</u>	<u>2,782,926</u>
<b>II. <u>ASSETS</u></b>			
<b>(1) Non-current Assets</b>			
<b>(a) <u>Property, Plant and Equipment</u></b>			
Tangible assets, not under lease	6	1,168,752	1,108,962
(b) Non Current Investment	7	50,081	50,081
(c) Long-term loans and advances	8	1,034,030	1,088,555
(d) Deferred tax assets	9	5,800	5,725
(e) Other non-current assets	10	<u>1,750</u>	<u>1,968</u>
<b>(2) Current Assets</b>			
(a) Inventories	11	477,534	382,715
(b) Cash and cash equivalents	12	<u>28,942</u>	<u>144,920</u>
<b>TOTAL</b>		<u>2,766,889</u>	<u>2,782,926</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

Sd/-  
(KAVEEN GUPTA)  
Director  
(DIN-00204605)

Place: New Delhi  
Dated: 02/08/2022

Membership No. 83939  
**UDIN:- 22083939APEZAD5859**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022**

Sl. No. <u>Particulars</u>	Note No.	31/03/2022 <u>Amount (Rs.)</u> (In Hundreds)	31/03/2021 <u>Amount (Rs.)</u> (In Hundreds)
<b>I. Revenue</b>			
(a) Income from operations	13	56,784	596,554
(b) Other Income	14	2,278	47
<b>II. Total Revenue</b>		59,062	596,601
<b>III. Expenses</b>			
(b) Purchases of stock-in-trade	15	151,024	465,000
(c) Changes in inventories of Stock-in-trade	16	(94,819)	126,137
(d) Employee benefit expenses	17	3,737	3,725
(e) Other expenses	18	3,522	3,281
(f) Finance costs	19	37	4
(g) Depreciation	20	3,740	3,681
<b>IV. Total Expenses</b>		67,242	601,827
<b>V. Profit / (loss) before tax (II - IV)</b>		(8,180)	(5,226)
<b>VI. Tax expense</b>			
(a) Current tax		-	-
(b) Earlier years' tax		-	-
(c) Deferred Tax		(75)	(1,358)
<b>VII. Profit / (loss) transferred to Balance Sheet (V - VI)</b>		(8,106)	(3,868)
<b>VIII Earnings per equity share (EPS)</b>			
(a) Basic	21	(In Rs.) (11.58)	(In Rs.) (5.53)
(b) Diluted		(11.58)	(5.53)
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

*Sd/-*  
(KAVEEN GUPTA)  
Director  
(DIN-00204605)

Place: New Delhi  
Dated: 02/08/2022

Membership No. 83939  
**UDIN:- 22083939APEZAD5859**

SUN AERO LIMITED

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Sl. No.	Particulars	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net profit /(loss) before tax and after prior period expenses	(8,180)	(5,226)
	<b>Operating (loss) before working capital changes</b>	(8,180)	(5,226)
	- Depreciation	3,740	3,681
	- Interest Paid	37	4
	- Profit on Sale of Car	(2,278)	-
	<u>Movement in working capital:</u>		
	- (Increase) / decrease in inventories	(94,819)	126,137
	- (Increase) / decrease in loans and advances	54,525	1,150,398
	- (Increase) / decrease in other Non Current Assets	218	(218)
	- Increase / (decrease) in current liabilities and provisions	(7,932)	7,932
	<b>Cash (used in) operations</b>	(54,688)	1,282,707
	Direct taxes (paid)	-	-
	<b>Net cash (used in) operating activities</b>	<b>(A) (54,688)</b>	<b>1,282,707</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	- Land Purchase	(14,160)	(1,101,115)
	- Car Purchase	(57,192)	-
	- Car Sold	10,100	-
	- Investment Purchase	-	(50,081)
	<b>Net cash (used in) investing activities</b>	<b>(B) (61,252)</b>	<b>(1,151,196)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	- Interest paid	(37)	(4)
	<b>Net cash from financing activities</b>	<b>(C) (37)</b>	<b>(4)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(115,978)</b>	<b>131,508</b>
	Cash and cash equivalents at the beginning of the year (D)	144,920	13,413
	Cash and cash equivalents at the end of the year (E)	28,942	144,920
	<b>Net increase / (decrease) in cash and cash equivalents (E-D)</b>	<b>(115,978)</b>	<b>131,508</b>
	<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
	Cash in hand	7,903	9,846
	With Banks - On current accounts	21,040	135,074
		<b>28,942</b>	<b>144,920</b>

Significant Accounting Policies: Note No. 2

**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)

104 Sd/-  
(ANIL SOOD)

Partner

Membership No. 83939

Sd/-  
(KAVEEN GUPTA)

Director

(DIN-00204605)

Place: New Delhi

Dated: 02/08/2022



SUN AERO LIMITED

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

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**  
**FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2022**

**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 the Companies (Accounting Standards) Rules, 2021 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.
- (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  
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 Laon)' 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.

**3. SHARE CAPITAL**

	31/03/2022		31/03/2021	
	<u>Number</u>	<u>Amount (Rs.)</u>	<u>Number</u>	<u>Amount (Rs.)</u>
<b>Authorised share capital:</b>				
Equity shares of Rs. 10/- (PY Rs. 10/-) each	1,000,000	10,000,000	1,000,000	10,000,000
<b>Issued, subscribed and paid-up share capital:</b>				
Equity shares of Rs. 10/- each fully paid-up	70,000	700,000	70,000	700,000
<b>Total</b>	<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:**

	31/03/2022		31/03/2021	
	<u>Number</u>	<u>Amount (Rs.)</u> (In Hundreds)	<u>Number</u>	<u>Amount (Rs.)</u> (In Hundreds)
Shares outstanding at the beginning of the year	70,000	7,000	70,000	7,000
Shares outstanding at the end of the year	<u>70,000</u>	<u>7,000</u>	<u>70,000</u>	<u>7,000</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 31<sup>st</sup> March, 2022 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:**

	31/03/2022	31/03/2021
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<b>M/s Sunair Hotels Limited, the holding company</b>		
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:**

	31/03/2022		31/03/2021	
	<u>No. of Shares held</u>	<u>% of Holding</u>	<u>No. of Shares held</u>	<u>% of Holding</u>
<b>Equity shares of Rs. 10/- each fully paid-up</b>				
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

**Details of shares held by promoters in the Company**

	31/03/2022		31/03/2021	
	<u>No. of Shares held</u>	<u>% of Holding</u>	<u>No. of Shares held</u>	<u>% of Holding</u>
<b>Name of the shareholder</b>				
Sunair Hotels Limited <span style="margin-left: 100px;">109</span> (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%
<b>Total</b>	<u>70,000</u>	<u>100%</u>	<u>70,000</u>	<u>100%</u>

4. RESERVES & SURPLUS

	<u>31/03/2022</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>31/03/2021</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Surplus / (deficit) in the statement of profit and loss</u>		
Opening Balance	2,766,785	2,770,653
Add : Net Profit / (Net Loss) for the current year	<u>(8,106)</u>	<u>(3,868)</u>
Closing Balance	<u>2,758,679</u>	<u>2,766,785</u>
Total	<u>2,758,679</u>	<u>2,766,785</u>

5. OTHER CURRENT LIABILITIES

a. Audit fee payable	1,089	1,089
b. TDS Payable	<u>121</u>	<u>8,053</u>
Total	<u>1,210</u>	<u>9,142</u>

## 6. PROPERTY, PLANT AND EQUIPMENT &amp; INTANGIBLE ASSETS

(In Hundreds)

DESCRIPTION OF ASSET:	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as on 1st April, 2021	Additions/ (Disposals)	Balance as on 31st Mar, 2022	Balance as on 1st April, 2021	Depreciation charge for the year	Adjustment on Disposals	Balance as on 31st Mar, 2022	Balance as on 31st March, 2022	Balance as on 31st March, 2021
A. Tangible Assets (Not Under Lease)									
a. Land	0	1,101,115	1,101,115	-	-	-	-	1,101,115	1,101,115
b. Car (Audi A4 )	8	30,996	-	23,174	-	(23,174)	-	-	7,822
c. Car (BMW)	8	-	57,192	-	3,740	-	3,740	53,452	-
d. Mobile Phone	5	500	500	475	-	-	475	25	25
B. Capital Work In Progress									
a. CWIP of Project Develop	-	14,160	14,160	-	-	-	-	14,160	-
<b>Current Year Total</b>		<b>1,132,611</b>	<b>1,172,967</b>	<b>23,649</b>	<b>3,740</b>	<b>(23,174)</b>	<b>4,215</b>	<b>1,168,752</b>	<b>1,108,962</b>
<b>Previous Year Total</b>		<b>31,496</b>	<b>1,132,611</b>	<b>19,968</b>	<b>3,681</b>	<b>-</b>	<b>23,649</b>	<b>1,108,962</b>	<b>11,528</b>

**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, 2022 (Contd...)

7. <u>NON CURRENT INVESMENT</u>	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
Muthoot Fincorp Limited (Non Convertible Market Linked Debentures)	50,081	50,081
	<u>50,081</u>	<u>50,081</u>

8. <u>LONG TERM LOANS AND ADVANCES</u>	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
<b>A. <u>Capital Advances</u></b>		
a. Unsecured, considered good	1,022,232	1,077,232
<b>B. <u>Others</u></b>		
a. Unsecured, considered good		
-Income Tax Refundable	11,799	11,324
<b>Total</b>	<u>1,034,030</u>	<u>1,088,555</u>

9. DEFERRED TAX ASSETS

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, 2021 and 31st March, 2022. However components of deferred tax liabilities as on those dates are given as under:

A. <u>Deferred Tax Assets</u>	01/04/2021 (In Hundreds)	For the Year (In Hundreds)	Reversing (In Hundreds)	31/03/2022 (In Hundreds)
Depreciation	531	-	48	483
Business Loss c/f	4,095	123	-	4,218
Unabsorbed Depreciation c/f	1,099	-	-	1,099
<b>Total</b>	<u>5,725</u>	<u>123</u>	<u>48</u>	<u>5,800</u>
<b>Net Deferred Tax Assets</b>	<u>5,725</u>	<u>123</u>	<u>(48)</u>	<u>5,800</u>

10. OTHER NON-CURRENT ASSETS

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
A. Staff Advance	1,750	1,750
B. Gst Input	-	218
<b>Total</b>	<u>1,750</u>	<u>1,968</u>

11. INVENTORIES

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
A. <b>Stock-in-trade (Valued at Cost or NRV whichever is Less)</b>		
- Mutual Fund Units	477,534	382,715
<b>Total (A)</b>	<u>477,534</u>	<u>382,715</u>

12. CASH AND CASH EQUIVALENTS

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
a. <b>Balances with banks</b>		
In current accounts with Scheduled Banks (There are no earmarked balances, margin money, security against borrowings, guarantees and other commitments included)	21,040	135,074
b. <b>Cash on hand</b>	7,903	9,846
	<u>28,942</u>	<u>144,920</u>



**13. INCOME FROM OPERATIONS**

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
<b>A. Sale of Products</b>		
Traded Goods	56,784	596,554
Income from Operations (Gross)	56,784	596,554
Less: Excise Duty	-	-
Income from Operations (Net)	<b>Total</b> 56,784	596,554
<b>Details of Goods Sold</b>		
a. Shares & Mutual Funds	56,784	596,554
	56,784	596,554
	56,784	596,554

**14. OTHER INCOME**

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
<b>A. Interest Income</b>		
- Others	-	47
<b>B. Profit on Sale of Assets</b>	2,278	-
<b>C. Misc Income</b>	0	-
<b>Total</b>	2,278	47

**15. PURCHASE OF STOCK-IN-TRADE**

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
-Mutual Funds	151,024	465,000
<b>Total</b>	151,024	465,000

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

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)	(Increase) / Decrease (Rs.) 31/03/2022 (In Hundreds)
<b>Inventories at the end of the year</b>			
a. Mutual Funds	477,534	382,715	(94,819)
	477,534	382,715	(94,819)
<b>Inventories at the beginning of the year</b>			31/03/2021
a. Mutual Funds	382,715	508,852	126,137
	382,715	508,852	126,137
<b>(Increase) / Decrease in Inventories</b>	94,819	(126,137)	

**17. EMPLOYEE BENEFIT EXPENSES**

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
A. Salaries, wages and bonus	3,696	3,684
B. Staff Welfare Expenses	41	41
<b>Total</b>	3,737	3,725

18. OTHER EXPENSES

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
A. Travelling & Conveyance	33	34
B. Communication Cost	40	40
C. Printing & Stationery	34	35
D. Payment to Auditors	1,646	1,210
E. ROC Filing Fees	36	37
F. Insurance Paid	-	283
G. Vehicle Running & Maintenance Charges	1,574	1,584
H. Misc. Expenses	4	56
I. Property Tax	156	-
<b>Total</b>	<b>3,522</b>	<b>3,281</b>

Details of Payment to AuditorsAs Auditor:

Statutory Audit Fee	605	605
Tax Audit Fee	605	605
GST including previous year	436	-
<b>Total</b>	<b>1,646</b>	<b>1,210</b>

19. FINANCE COST

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
a. Interest Paid on TDS	37	4
<b>Total</b>	<b>37</b>	<b>4</b>

20. DEPRECIATION AND AMORTIZATION EXPENSES

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
Depreciation on Assets	3,740	3,681
<b>Total</b>	<b>3,740</b>	<b>3,681</b>

21. EARNING PER SHARE (EPS)

	31/03/2022 Amount (Rs.) (In Hundreds)	31/03/2021 Amount (Rs.) (In Hundreds)
<b>Total operations for the year</b>		
Profit / (loss) after tax	(8,106)	(3,868)
Less: Dividends & dividend tax on other than equity shares	-	-
<b>Net profit / (loss) for calculation of Basic EPS</b>	<b>(8,106)</b>	<b>(3,868)</b>
Net profit as above	(8,106)	(3,868)
Add : Dividends & dividend tax on other than equity shares	-	-
Add : Adjustments for the effects of dilutive potential equity shares	-	-
<b>Net profit / (loss) for calculation of Diluted EPS</b>	<b>(8,106)</b>	<b>(3,868)</b>
Weighted average number of equity shares in calculating Basic EPS	70,000	70,000
<b>Effect of dilution:</b>		
Convertible preference shares (numbers)	-	-
Convertible bonds (numbers)	-	-
Stock option granted under ESOP	-	-
<b>Weighted average number of equity shares in calculating Diluted EPS</b>	<b>70,000</b>	<b>70,000</b>

	in Rs.	in Rs.
(a) Basic	(11.58)	(5.53)
(b) Diluted	(11.58)	(5.53)

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 which significant influence exercised by Key Management Personnel	Key Management Personnel (including relatives)	Total
a) Purchase of Property	Nil PY 10.57 (Crores)	Nil Nil	Nil PY 10.57 (Crores)
<b>c) <u>Balance outstanding on March 31, 2022</u></b>			
<u>Particulars</u>	Enterprises over which significant influence exercised by Key Management Personnel <u>(Rs. In Lakhs)</u>	Key Management Personnel (including relatives) <u>(Rs. In Lakhs)</u>	Total <u>(Rs. In Lakhs)</u>
Advances given	345.38 (P.Y. 400.38)	Nil (P.Y. Nil)	345.38 (P.Y. 400.38)
Advances Recover	Nil (P.Y. 1,149.62)	Nil (P.Y. Nil)	Nil (P.Y. 1,149.62)

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**

In terms of Schedule III of the Companies Act, 2013 and notification number GSR 719(e), the company had requested its various suppliers, who may be registered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act and confirmation regards them being under the said category. From the date of receipt of confirmed details and information from the said parties the outstanding on account purchase made/services obtained from such suppliers including the disputed amounts due to them, were ascertained and reflected in the financials as due to Micro & Small Enterprises. The details in respect of the parties that could be identified as Micro and Small enterprises as per the MSMED Act on the basis of the information available with the management are given below:

	<u>31/03/2022</u> <u>Amount</u> <u>(Rs.)</u>	<u>31/03/2021</u> <u>Amount</u> <u>(Rs.)</u>
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
-Principal amount due to micro and small enterprises	-	-
-Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the	-	-

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
	(In Hundreds)	(In Hundreds)	(In Hundreds)	(In Hundreds)	(In Hundreds)	(In Hundreds)	(In Hundreds)	(In Hundreds)
<b>Segment Revenue</b>								
- Revenue	59,062	596,554	-	-	-	47	59,062	596,601
Net Sales / Income from Operations (A)	<u>59,062</u>	<u>596,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>59,062</u>	<u>596,601</u>
<b>Segment Expenses</b>								
<b>Allocable Expenses</b>								
- Operating / Administration Expenses	56,206	591,137	-	-	10,999	10,687	63,502	598,146
(B)	<u>56,206</u>	<u>591,137</u>	<u>-</u>	<u>-</u>	<u>10,999</u>	<u>10,687</u>	<u>63,502</u>	<u>598,146</u>
<b>Segment Result</b> A - B	<u>2,856</u>	<u>5,417</u>	<u>-</u>	<u>-</u>	<u>(10,999)</u>	<u>(10,640)</u>	<u>(4,440)</u>	<u>(1,546)</u>
Less : Depreciation							3,740	3,681
Profit before Taxation							(8,180)	(5,226)
Less : Tax Expense for the year							(75)	(1,358)
Profit after Taxation							<u>(8,105)</u>	<u>(3,888)</u>
<b>Segment Assets (including Misc. expenditure and debit balance of Profit &amp; Loss A/c)</b>	477,534	382,715	-	-	2,289,355	2,400,211	2,766,889	2,782,926
<b>Segment Liabilities (including long term liabilities)</b>	-	-	-	-	-	-	-	-
<b>Total Carrying Amount of fixed assets</b>	-	-	1,101,115	1,101,115	67,637	7,847	1,168,752	1,108,962
<b>Total Depreciation on fixed assets</b>	-	-	-	-	3,740	3,681	3,740	3,681

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.

SUN AERO LIMITED  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd...)

32. Following are the ratios applicable to the Company:

Ratio	Numerator (Rs.) (In Hundreds)	Denominator (Rs.) (In Hundreds)	'Ratio	% Variance	Reason for Variance
(i) Current ratio					
31/03/2022	506,476	1,210	418.58	625%	Repayment Of Liabilities
31/03/2021	527,635	9,142	57.72		
(ii) Debt-equity ratio					
31/03/2022	-	-	N.A.	N.A.	No Debt In Books of Accounts
31/03/2021	-	-	N.A.		
(iii) Return on equity					
31/03/2022	(8,106)	2,765,679	(0.0029)	110%	Decrease in Profit
31/03/2021	(3,868)	2,773,785	(0.0014)		
(iv) Return on capital employed					
31/03/2022	(8,143)	2,765,679	(0.0029)	56%	No investment Redeemed During the year
31/03/2021	(5,223)	2,773,785	(0.0019)		
(v) Trade receivables turnover ratio					
31/03/2022	-	-	N.A	N.A	No Trade Receivable in Books of Accounts
31/03/2021	-	-	N.A		
(vi) Net capital turnover ratio					
31/03/2022	56,784	505,266	0.11	-90%	Repayment Of Liabilities
31/03/2021	596,554	518,493	1.15		
(vii) Net profit ratio					
31/03/2022	(8,106)	56,784	(0.14)	2101%	No investment Redeemed During the year
31/03/2021	(3,868)	596,554	(0.01)		
(viii) Inventory turnover ratio					
31/03/2022	56,206	430,125	0.13	-90%	No investment Redeemed During the year
31/03/2021	591,137	445,784	1.33		
(ix) Return on investment					
31/03/2022	-	50,081	NIL	NIL	No investment Redeemed During the year
31/03/2021	-	50,081	NIL		
(x) Debt service coverage ratio					
31/03/2022	-	-	N.A.	N.A.	No Debt In Books of Accounts
31/03/2021	-	-	N.A.		

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

	31/03/2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31/03/2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>(i) <u>Contingent Liabilities</u></b>		
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	1,466,514	1,466,514
<b>(ii) <u>Commitments</u></b>		
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

**34. 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.

35. Figures have been rounded off to the nearest Hundreds.

**36. PREVIOUS YEAR FIGURES**

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

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

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

*Sd/-*  
(ANIL SOOD)  
Partner

*Sd/-*  
(KAVEEN GUPTA)  
Director  
(DIN-00204605)

Place: New Delhi  
Dated: 02/08/2022

Membership No. 83939  
UDIN:- 22083939APEZAD5859

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## Independent Auditor's Report

To the Members of Sunair Hotels Limited

### Report on the Audit of 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 subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, 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, 2021("AS") and other accounting principles generally accepted in India, of their consolidated statement of affairs of the Company as at March 31, 2022, of consolidated loss 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 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary incorporated in India we give in the "Annexure-A" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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 of the aforesaid consolidated financial statements.
  - (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.
  - (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 Companies (Accounting Standards) Rules, 2021
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, 2022 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-B 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 45 and 46.
- (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, 2022.
- (iv) a) The respective managements of the Holding Company and its subsidiary companies, which are incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or in kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective managements of the Holding Company and its subsidiary company, which are incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any other person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b), contain any material misstatement.
- (v) a) The Company has neither declared nor paid any dividend during the year.  
b) The Board of Directors of the Company have not proposed any dividend for the year.

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

*Sd/-*  
(ANIL SOOD)  
Partner

Membership No. 83939  
UDIN : 22083939APEZAD5859

S-316, Greater Kailash-1  
New Delhi -110 048  
Dated: 03/08/2022

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sunair Limited

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In Terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

There has been no such qualifications or adverse remarks by any auditor in their respective reports, hence the aforesaid clause 3(xxi) is not applicable in the case of the Company

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**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")**

**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 2022, 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 2022, 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.

**Auditor's 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

Sd/-  
(ANIL SOOD)  
Partner

Membership No. 83939  
UDIN : 22083939APEZAD5859

S-316, Greater Kailash-1  
New Delhi -110 048  
Dated: 03/08/2022

**SUNAIR HOTELS LIMITED**

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

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022**

Sl. No. Particulars	Note No.	AS AT 31/03/2022 Amount (Rs.) (In Hundreds)		AS AT 31/03/2021 Amount (Rs.) (In Hundreds)
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share capital	3	3,975,000	3,975,000	
(b) Reserves and surplus	4	<u>14,655,030</u>	<u>18,630,030</u>	<u>14,665,375</u>
				18,640,375
<b>(2) Non-current Liabilities</b>				
(a) Deferred tax liabilities (net)	5	1,397,988	1,257,801	
(b) Other long-term liabilities	6	911,310	908,810	
(c) Long-term provisions	7	<u>158,773</u>	<u>2,468,071</u>	<u>157,978</u>
				2,324,589
<b>(3) Current Liabilities</b>				
(a) Trade payables	8	151,709	66,816	
(b) Other Current Liabilities	9	836,325	813,128	
(c) Short-term provisions	10	<u>85,618</u>	<u>1,073,652</u>	<u>61,437</u>
				941,381
<b>TOTAL</b>			<u><u>22,171,753</u></u>	<u><u>21,906,345</u></u>
<b>II. ASSETS</b>				
<b>(1) Non-current Assets</b>				
(a) Property, Plant and Equipment				
(i) Tangible assets	11		13,391,029	13,535,813
(b) Non-current investments	12		4,729,196	4,544,399
(c) Deferred tax liabilities (net)			5,799	5,725
(d) Long-term loans and advances	13	1,323,153	1,392,128	
(e) Other non-current assets	14	<u>155,264</u>	<u>1,478,417</u>	<u>155,482</u>
				1,547,610
<b>(2) Current Assets</b>				
(a) Inventories	15	1,183,001	1,044,076	
(b) Trade receivables	16	162,039	57,210	
(c) Cash and bank balances	17	354,449	379,316	
(d) Short-term loans and advances	18	789,406	739,018	
(e) Other current assets	19	<u>78,416</u>	<u>2,567,311</u>	<u>53,177</u>
				2,272,798
<b>TOTAL</b>			<u><u>22,171,753</u></u>	<u><u>21,906,345</u></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/-*  
(KAVEEN GUPTA)  
Executive Director  
(DIN-00204605)

*Sd/-*  
(ANIL SOOD)  
Partner

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

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

Place-New Delhi  
Dated: 03/08/2022

Membership No. 83939 *127*  
UDIN : 22083939APEZAD5859

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022**

Sl. No. Particulars	Note No.	YEAR ENDED 31-03-2022 <u>Amount (Rs.)</u> (In Hundreds)	YEAR ENDED 31-03-2021 <u>Amount (Rs.)</u> (In Hundreds)
<b>I. Revenue</b>			
(a) Income from operations	20	3,029,242	1,806,277
(b) Other Income	21	260,359	262,182
<b>II. Total Revenue</b>		3,289,601	2,068,459
<b>III. Expenses</b>			
(a) Cost of materials consumed	22	137,354	48,165
(b) Cost of utilities and hospitality services	23	4,916	642
(c) Purchases of stock-in-trade	24	151,024	465,000
(d) Change in inventory of Stock-in-trade	25	(94,819)	126,137
(e) Employee benefit expenses	26	507,573	335,119
(f) Other expenses	27	2,071,330	1,092,777
(g) Finance costs	28	1,469	780
(h) Depreciation and amortization expenses	29	361,017	365,228
(i) Expenditure on CSR Activity	30	16,833	24,717
<b>IV. Total Expenses</b>		3,156,698	2,458,564
<b>V. Profit / (loss) before tax (II - IV)</b>		132,903	(390,105)
<b>VI. Tax expense/(saving)</b>			
(a) Current tax		-	-
(b) Deferred tax	140,112		(609,880)
(c) Previous Year	931	141,044	(11,482)
<b>VII. Profit / (loss) for the year (V - VI)</b>		(8,141)	231,256
<b>VIII. Prior period adjustments</b>			
		-	-
<b>IX. Profit / (loss) transferred to Balance Sheet (VII - VIII)</b>		(8,141)	231,256
<b>X. Earnings per equity share (EPS)</b>			
(a) Basic	31	(In Rs.) (0.02)	(In Rs.) 0.58
(b) Diluted		(0.02)	0.58

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/-*  
(KAVEEN GUPTA)  
Executive Director  
(DIN-00204605)

*Sd/-*  
(ANIL SOOD)  
Partner

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

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

Place-New Delhi  
Dated: 03/08/2022

Membership No. 83939  
UDIN : 22083939APEZAD5859



## 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, 2022

Sl. No.	Particulars	YEAR ENDED	YEAR ENDED
		31-03-2022	31-03-2021
		Amount (Rs.)	Amount (Rs.)
		(In Hundreds)	(In Hundreds)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net profit /(loss) before tax and after prior period expenses	130,699	(435,382)
	<u>Adjustments for:</u>		
	- Interest Income	(1,456)	(1,121)
	- Dividend Received	(874)	(21)
	- Depreciation	361,017	365,228
	- Profit on sale of Assets	(7,408)	-
	- Interest Expense	874	519
	<b>Operating (loss) before working capital changes</b>	<b>482,851</b>	<b>(70,777)</b>
	<u>Movement in working capital:</u>		
	-Increase / (Decrease) in inventories	(138,925)	164,341
	-Increase / (Decrease) in Debtors	(104,829)	113,213
	-Increase / (Decrease) in Short Term Loans & Advances	(50,388)	2,039
	-Increase / (Decrease) in Other Current assets	(25,239)	16,043
	-Increase / (Decrease) in Trade payables	84,893	(172,272)
	-Increase / (Decrease) in Other long-term liabilities	2,500	-
	-Increase / (Decrease) in Long-term provisions	795	3,686
	-Increase / (Decrease) in Long-term loans and advances	68,975	1,138,193
	-Increase / (Decrease) in Other non-current assets	218	(1,968)
	-Increase / (Decrease) in Sundry Liabilities	23,197	(26,206)
	-Increase / (Decrease) in Other Provisions	24,181	(12,102)
	<b>Cash (used in) operations</b>	<b>368,229</b>	<b>1,154,190</b>
	Direct taxes (paid)	(931)	11,482
	Adjustment for indirect taxes	-	-
	<b>Net cash (used in) operating activities</b>	<b>(A) 367,298</b>	<b>1,165,671</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Investments	(184,798)	(70,519)
	Purchase of Fixed Assets	(237,745)	(1,103,115)
	Sale of Assets	28,920	-
	Dividend received	874	21
	<b>Net cash (used in) investing activities</b>	<b>(B) (392,748)</b>	<b>(1,173,613)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Income	1,456	1,121
	Interest Expense	(874)	(519)
	Increase / (Repayment) of Term Loan	-	-
	<b>Net cash from financing activities</b>	<b>(C) 582</b>	<b>602</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(24,868)</b>	<b>(7,340)</b>

Sl. No.	Particulars		31-03-2022 Amount (Rs.)	31-03-2021 Amount (Rs.)
		:2:		
	Cash and cash equivalents at the beginning of the year	(D)	379,316	386,657
	Cash and cash equivalents at the end of the year	(E)	354,449	379,316
	Net increase / (decrease) in cash and cash equivalents (E-D)		<u>(24,868)</u>	<u>(7,340)</u>

COMPONENTS OF CASH AND CASH EQUIVALENTS	31-03-2022	31-03-2021
Cash in Hand	34,355	26,374
FDRs with Banks	8,313	10,216
Balances with Banks	311,781	342,726
	<u>354,449</u>	<u>379,316</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/-*  
(KAVEEN GUPTA)  
Executive Director  
(DIN-00204605)

*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)

Place-New Delhi  
Dated: 03/08/2022

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**  
**FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH, 2022**

**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:**

- 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.

(Contd...)

**3. SHARE CAPITAL**

	31-03-2022		31-03-2021	
	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>
<b><u>Authorised and issued share capital:</u></b>				
Equity shares of Rs. 10/- each	40,000,000	4,000,000	40,000,000	4,000,000
<b><u>Subscribed and paid-up share capital:</u></b>				
Equity shares of Rs. 10/- each fully paid-up	39,750,000	3,975,000	39,750,000	3,975,000
<b>Total</b>	<b>39,750,000</b>	<b>3,975,000</b>	<b>39,750,000</b>	<b>3,975,000</b>

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

	31-03-2022		31-03-2021	
	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>	<u>Number</u>	<u>Amount (Rs.) (In Hundreds)</u>
Shares outstanding at the beginning of the year	39,750,000	3,975,000	39,750,000	3,975,000
Shares outstanding at the end of the year	39,750,000	3,975,000	39,750,000	3,975,000

**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 31<sup>st</sup> 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:**

	31-03-2022		31-03-2021	
	<u>No. of Shares held</u>	<u>% of Holding</u>	<u>No. of Shares held</u>	<u>% of Holding</u>
<b>Equity shares of Rs. 10/- each fully paid-up</b>				
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)				



## Details of shares held by promoters in the Company

<u>Name of the shareholder</u>	31st March, 2022		31st March, 2021	
	<u>Shares held</u>	<u>% of Holding</u>	<u>Shares held</u>	<u>% of Holding</u>
Ananya Gupta & Kaveen Gupta	480,000	1.21%	480,000	1.21%
Mrs. Babita Gupta	1,730,000	4.35%	1,730,000	4.35%
Mr. Kaveen Gupta	3,241,000	8.15%	3,241,000	8.15%
Kaveen Gupta (HUF)	465,000	1.17%	465,000	1.17%
Mrs. Monisha Gupta	1,340,000	3.37%	1,340,000	3.37%
Mr. S.P. Gupta	6,140,020	15.45%	6,140,020	15.45%
Mrs. Sheel Gupta	1,617,500	4.07%	1,617,500	4.07%
S.P. Gupta (HUF)	1,631,600	4.10%	1,631,600	4.10%
Mr. S.P. Gupta & Sheel Gupta	522,600	1.32%	522,600	1.32%
Mr. Vipul Gupta	2,916,000	7.34%	2,916,000	7.34%
Columbia Trading Co. Ltd.	2,280,176	5.73%	2,280,176	5.73%

4. RESERVES & SURPLUS

	<u>31-03-2022</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>31-03-2021</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Capital Reserves</u></b>		
Opening Balance	800,000	800,000
Closing Balance (A)	<u>800,000</u>	<u>800,000</u>
<b>B. <u>Other Reserves</u></b>		
<b>General Reserve</b>		
Opening Balance	300	300
Closing Balance (B)	<u>300</u>	<u>300</u>
<b>C. <u>Surplus / (deficit) in the statement of profit and loss</u></b>		
Opening Balance	13,865,075	13,679,096
Add : Net Profit / (Net Loss) for the current year	(7,931)	231,256
Amount available for Appropriations	<u>13,857,144</u>	<u>13,910,351</u>
Less: Appropriations	2,204	45,277
Closing Balance (C)	<u>13,854,940</u>	<u>13,865,075</u>
<b>Total (A+B+C)</b>	<u>14,655,240</u>	<u>14,665,375</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, 2021 and 31st March, 2022 are given as under:

	<u>31-03-2021</u> <u>(In Hundreds)</u>	<u>For the Year</u> <u>(In Hundreds)</u>	<u>Reversing</u> <u>(In Hundreds)</u>	<u>31-03-2022</u> <u>(In Hundreds)</u>
<b>A. <u>Deferred Tax Assets</u></b>				
a. Gratuity Provision	44,936	4,021	-	48,957
b. Prov. For Leave Encashment	11,510	1,801	2,140	11,172
c. Prov. For Bonus (Good work reward)	1,822	5,056	3,179	3,699
d. Depreciation	531	-	87,302	(86,771)
e. Business Loss c/f	182,668	123	-	182,791
f. Unabsorbed Depreciation c/f	80,992	-	-	80,992
<b>Total (A)</b>	<u>322,459</u>	<u>11,001</u>	<u>92,620</u>	<u>240,840</u>
<b>B. <u>Deferred Tax Liabilities</u></b>				
a. Depreciation	1,574,535	58,493	-	1,633,028
<b>Total (B)</b>	<u>1,574,535</u>	<u>58,493</u>	<u>-</u>	<u>1,633,028</u>
<b>Net Deferred Tax Liabilities (B-A)</b>	<u>1,252,076</u>	<u>47,492</u>	<u>(92,620)</u>	<u>1,392,188</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.

6. OTHER LONG TERM LIABILITIES

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Others</u>		
<u>Security Deposit</u>		
a. Security Deposits for space	911,310	908,810
	<u>911,310</u>	<u>908,810</u>

7. LONG TERM PROVISIONS

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Provision for Employee Benefits</u>		
a. Gratuity	122,917	120,958
b. Leave Encashment (Hotel)	35,856	37,020
	<u>158,773</u>	<u>157,978</u>

8. TRADE PAYABLE

	31-03-2022 Amount (Rs.) (In Hundreds)	31-03-2021 Amount (Rs.) (In Hundreds)
<b>Current</b>		
Trade payables of micro enterprises and small enterprises (Refer note no. 43)	-	-
Trade payables of related entities	-	-
Trade payables other than micro enterprises and small enterprises	151,709	66,816
<b>Total Trade payables</b>	<u>151,709</u>	<u>66,816</u>
<b>Current</b>	151,709	66,816
<b>Non current</b>		

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2022:</b>						
<b>a) Undisputed trade payable</b>						
- considered good	149,225	92	50	2,342	-	151,709
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>149,225</u>	<u>92</u>	<u>50</u>	<u>2,342</u>	<u>-</u>	<u>151,709</u>
<b>b) Disputed trade payable</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total:</b>	<u>149,225</u>	<u>92</u>	<u>50</u>	<u>2,342</u>	<u>-</u>	<u>151,709</u>
<b>As at 31 March 2021:</b>						
<b>a) Undisputed trade payable</b>						
- considered good	58,603	458	3,461	2,317	1,977	66,816
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>58,603</u>	<u>458</u>	<u>3,461</u>	<u>2,316.71</u>	<u>1,977</u>	<u>66,816</u>
<b>b) Disputed trade payable</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total:</b>	<u>58,603</u>	<u>458</u>	<u>3,461</u>	<u>2,317</u>	<u>1,977</u>	<u>66,816</u>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

9. OTHER CURRENT LIABILITIES

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u>		<u>Amount (Rs.)</u>	
	<u>(In Hundreds)</u>		<u>(In Hundreds)</u>	
a. Duties & Taxes Payables		52,052		33,943
b. Advance Rent		735,368		735,368
c. Other payables		48,905		43,817
<b>Total</b>		<u>836,325</u>		<u>813,128</u>

10 SHORT TERM PROVISIONS

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>A. <u>Provision for Employee Benefits</u></b>				
a. Salary & Wages Payable	39,514		20,646	
b. LTA payable	137		1,272	
c. Good-work Reward payable	17,364		10,917	
e. Provision for Gratuity	22,950		22,950	
f. Provision for Leave Encashment	<u>5,653</u>	85,618	<u>5,653</u>	61,437
<b>B. <u>Others</u></b>				
a. Provision for Tax		-		-
<b>Total</b>		<u>85,618</u>		<u>61,437</u>

SUNAIR HOTELS LIMITED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd...)

11 Property, Plant and Equipment & Intangible Assets:

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK		
	Balance as on 1st April 2021	Additions	(Disposals)	Balance as on 31st Mar, 2022	Balance as on 1st April 2021	Depreciation charge for the year	Adjustment for Disposals	Adjustment due to assets life span	Balance as on 31st Mar, 2022	Balance as on 31st Mar, 2022	Balance as on 31st Mar, 2021
	(In Hundreds)			(In Hundreds)					(In Hundreds)	(In Hundreds)	
<b>A. Tangible Assets (Not Under Lease)</b>											
a. Land	1,101,115	-	-	1,101,115	-	-	-	-	-	1,101,115	1,101,115.00
b. Buildings											
Hotel	11,250,489	165,000	-	11,415,488.75	2,448,166	178,099	-	-	2,626,265	8,789,224	8,802,322
Commercial	141,358	-	-	141,358	47,915	2,160	-	-	50,075	91,283	93,443
c. Plant & Equipment											
Hotel	5,055,779	720	-	5,056,499.08	4,187,651	82,311	-	-	4,269,962	786,537	868,129
Commercial											
d. Furniture & Fixtures	2,843,997	-	-	2,843,997.38	2,472,563	63,394	-	-	2,535,957	308,041	371,434
e. Vehicles	232,643	57,192	62,011	227,823.81	81,751	26,869	40,775	-	67,845	159,979	150,692
f. Office Equipment	78,214	673	659	78,224.64	70,078	929	384	-	70,624	7,601	8,132
g. Others											
Computers & Accessories	429,199	-	-	429,198.75	393,871	6,142	-	-	400,013	29,186	35,328
Electrical Fittings & Installations	35,615	-	-	35,615.30	30,598	1,113	-	-	31,711.98	3,903	5,017
<b>Total (a)</b>	<b>21,168,406</b>	<b>223,585</b>	<b>62,670</b>	<b>21,329,321</b>	<b>9,732,594</b>	<b>361,017</b>	<b>41,158</b>	<b>-</b>	<b>10,052,452</b>	<b>11,276,869</b>	<b>11,435,812</b>
<b>B. Tangible Assets (Under License)</b>											
a. Land on License	2,100,000	-	-	2,100,000	-	-	-	-	-	2,100,000	2,100,000
<b>Total (b)</b>	<b>2,100,000</b>	<b>-</b>	<b>-</b>	<b>2,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,100,000</b>	<b>2,100,000</b>
<b>B. CWIP</b>											
CWIP of Project development		14,160	-	14,160	-	-	-	-	-	14,160	-
<b>Total (A+B+C)</b>	<b>23,268,406</b>	<b>237,745</b>	<b>62,670</b>	<b>23,443,481</b>	<b>9,732,594</b>	<b>361,017</b>	<b>41,158</b>	<b>-</b>	<b>10,052,452</b>	<b>13,391,029</b>	<b>13,535,812</b>
<b>Previous Year</b>	<b>22,165,291</b>	<b>1,103,115</b>	<b>-</b>	<b>23,268,406</b>	<b>9,367,366</b>	<b>365,228</b>	<b>-</b>	<b>-</b>	<b>9,732,594</b>	<b>13,535,812</b>	<b>12,977,925</b>

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.

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12. NON-CURRENT INVESTMENTS

Sl. No.	Particulars	31st March		Quoted / Unquoted	Party Paid / Fully Paid	Extent of Holding (%)		Amount (Rs.)		Basis of Valuation	
		Subsidiary / Associate / JV / Controlled / Special Entity / Others	No. of Shares / Units			As on 31st March 2022	As on 31st March 2021	As on 31st March 2022	As on 31st March 2021		As on 31st March 2022
<b>Investments in Equity Instruments</b>											
(i)	Sunero Ltd.	Subsidiary	700	700	Unquoted	Fully paid	100%	100%	7,000	7,000	At Cost
		Total 'a'						7,000		7,000	
<b>Investment in Mutual Funds</b>											
(i)	Aditya Birla Sunlife Corporate Bond Fund -G-D	Others	665,834	469,704	Quoted	Fully paid	100%	100%	559,991	385,000	At Cost
(ii)	Aditya Birla Sunlife Overnight Fund - Growth	Others	387	19,720	Quoted	Fully paid	100%	100%	4,425	219,213	At Cost
(iii)	Axis Overnight Fund Growth	Others	33	-	Quoted	Fully paid	100%	0%	367	-	At Cost
(iv)	Axis Short Term Fund- G	Others	812,471	814,812	Quoted	Fully paid	100%	100%	210,520	200,000	At Cost
(v)	HDFC Corporate Bond Fund-DP-G	Others	937,646	937,646	Quoted	Fully paid	100%	100%	227,000	227,000	At Cost
(vi)	HDFC Liquid Fund - Direct Plan	Others	3,389	2,497	Quoted	Fully paid	100%	100%	140,818	100,455	At Cost
(vii)	HDFC Overnight Fund-DP-G	Others	-	1,683	Quoted	Fully paid	0%	100%	-	51,181	At Cost
(viii)	HDFC Liquid Fund Growth	Others	1,709	6,367	Quoted	Fully paid	100%	100%	57,336	247,336	At Cost
(ix)	HDFC Money Market Fund - Direct Growth	Others	4,328	-	Quoted	Fully paid	100%	0%	199,990	-	At Cost
(x)	HDFC Ultra Short Term Fund - Regular Growth	Others	405,636	-	Quoted	Fully paid	100%	0%	49,998	-	At Cost
(xi)	ICICI Prudential Corporate Bond Fund a-DP-G	Others	2,763,110	2,763,823	Quoted	Fully paid	100%	100%	603,534	564,498	At Cost
(xii)	ICICI Prudential Liquid Fund - Direct Growth	Others	15,964	-	Quoted	Fully paid	100%	0%	50,291	-	At Cost
(xiii)	ICICI Prudential Overnight Fund-DP-G	Others	-	129,763	Quoted	Fully paid	0%	100%	-	140,081	At Cost
(xiv)	IDFC Corporate Bond Fund Direct Plan -G	Others	3,387,198	4,179,134	Quoted	Fully paid	100%	100%	487,071	581,000	At Cost
(xv)	IDFC Bond Fund - Short Term Plan-G	Others	879,982	569,268	Quoted	Fully paid	100%	100%	392,953	242,961	At Cost
(xvi)	IDFC Low Duration Fund - Growth	Others	556,260	-	Quoted	Fully paid	100%	0%	177,054	-	At Cost
(xvii)	IDFC Overnight Fund - G	Others	-	12,311	Quoted	Fully paid	0%	100%	-	135,000	At Cost
(xviii)	Kotak Bond Fund Growth	Others	423,248	-	Quoted	Fully paid	100%	0%	192,930	-	At Cost
(xix)	Kotak Corporate Bond Fund Direct Growth	Others	12,976	12,145	Quoted	Fully paid	100%	100%	359,849	334,850	At Cost
(xx)	Kotak Overnight Fund -Direct-G	Others	22,167	4,116	Quoted	Fully paid	100%	100%	249,989	45,057	At Cost
(xxi)	L&T Overnight Fund- Growth	Others	-	672	Quoted	Fully paid	0%	100%	-	10,495	At Cost
(xxii)	L & T Short Term Bond Fund-DP-G	Others	1,819,119	1,819,119	Quoted	Fully paid	100%	100%	355,000	365,000	At Cost
(xxiii)	SBI Corporate Bond Fund	Others	2,948,550	2,948,550	Quoted	Fully paid	100%	100%	350,000	350,000	At Cost
(xxiv)	SBI Overnight Fund	Others	-	1,502	Quoted	Fully paid	100%	100%	-	50,095	At Cost
(xxv)	UTI Short Term Income- Fund-G	Others	-	724,707	Quoted	Fully paid	-	100%	-	175,000	At Cost
(xxvi)	UTI Overnight Fund- Direct-DD	Others	-	1,787	Quoted	Fully paid	-	100%	-	50,096	At Cost
		Total 'b'						4,679,116		4,494,318	
<b>Investment of Sunero</b>											
(i)	Investment in Muthooth Finance Corp.							50,081		50,081	
		Total (a+b)						4,729,196		4,544,399	

Summary details of non-current investments:

A. Aggregate amount of Quoted Investments	At cost	4,679,116	4,494,318
B. Aggregate amount of Unquoted Investments (At cost)	At market value	4,859,616	4,761,659
C. Value of Investment Property (Net Block)		Nil	Nil
D. Aggregate provision for diminution in value of investments		Nil	Nil

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**13. LONG TERM LOANS AND ADVANCES**

	31-03-2022 Amount (Rs.) (In Hundreds)	31-03-2021 Amount (Rs.) (In Hundreds)
<b>A. Capital Advances</b>		
Unsecured, considered good		
a. Greater Noida Industrial Development Authority	5,500	5,500
b. Advances against Capital Goods	-	-
<b>Total (A)</b>	<b>5,500</b>	<b>5,500</b>
<b>B. Other Loans &amp; Advances</b>		
Unsecured, considered good		
a. Income Tax Refundable	227,072	241,047
b. Cash Seized by I.T. Department	30,000	30,000
c. Other Advances	1,060,582	1,115,582
d. Other Loans	-	-
<b>Total (B)</b>	<b>1,317,653</b>	<b>1,386,628</b>
<b>Total (A+B)</b>	<b>1,323,153</b>	<b>1,392,128</b>
<b>Details of loans &amp; advances to directors or other officers, etc.</b>		
Other Officers of the Company	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**14. OTHER NON-CURRENT ASSETS**

	31-03-2022 Amount (Rs.) (In Hundreds)	31-03-2021 Amount (Rs.) (In Hundreds)
<b>B. Security Deposits</b>		
Unsecured, considered good		
a. Security deposit from service providers	24,060	24,060
b. Security deposit for let-out properties	31,200	31,200
c. Security deposit with Government Agencies for utilities	72,273	72,273
<b>Others</b>		
a. Commitment Charges (Recoverable)	20,439	20,439
b. Financial Charges (Recoverable)	5,542	5,542
c. Staff Advance	1,750	1,750
d. Gst Input	0	218
<b>Total</b>	<b>155,264</b>	<b>155,482</b>

**15. INVENTORIES**

<b>A. Raw Materials &amp; Components (Valued at cost)</b>		
Food	7,023	4,353
Beverage	36,428	41,073
Tobacco	0	23
Operating Equipments	662,016	615,912
<b>Total (A)</b>	<b>705,467</b>	<b>661,361</b>
<b>B. Stock-in-trade (Valued at Lower of Cost &amp; NRV)</b>		
Debt Funds	477,534	382,715
<b>Total (B)</b>	<b>477,534</b>	<b>382,715</b>
<b>Total (A+B)</b>	<b>1,183,001</b>	<b>1,044,077</b>

16. TRADE RECEIVABLES

	31-03-2022 Amount (Rs.) (In Hundreds)	31-03-2021 Amount (Rs.) (In Hundreds)
<b>a) Undisputed trade receivables</b>		
- considered good	162,039	57,210
- which have significant increase in credit risk	-	-
- which are credit impaired	-	-
<b>b) Disputed trade receivables</b>		
- considered good	-	-
- which have significant increase in credit risk	-	-
- which are credit impaired	-	-
	162,039	57,210

Below table represents the trade receivables ageing:

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2022:</b>						
<b>a) Undisputed trade receivables</b>						
- considered good	161,486	92	10	452	-	162,039
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	161,486	92	10	452	-	162,039
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total:</b>	161,486	92	10	452	-	162,039
<b>As at 31 March 2021:</b>						
<b>a) Undisputed trade receivables</b>						
- considered good	55,991	1,219	-	-	-	57,210
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	55,991	1,219	-	-	-	57,210
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
	55,991	1,219	-	-	-	57,210

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

(Contd...)

**17. CASH AND BANK BALANCES**

	<u>31-03-2022</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>31-03-2021</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Cash and cash equivalents</u></b>		
<b>a. <u>Balances with banks</u></b>		
Current Account with Scheduled Banks	311,781	342,726
There are no Earmarked Balances, Margin Money, Security against borrowings, Guarantees and Other Commitments included		
<b>b. <u>Cheques, drafts on hand</u></b>	-	-
<b>c. <u>Cash on hand (including Imprest)</u></b>	34,355	26,374
<b>Total(A)</b>	<u>346,136</u>	<u>369,100</u>
<b>B. <u>Other bank balances</u></b>		
<b>a. Bank deposits with original maturity of more than 12 months but less than 12 months from balance sheet</b>	8,313	-
<b>b. Bank deposits with original maturity of more than 3 months but less than 12 months</b>	-	10,216
<b>Total(B)</b>	<u>8,313</u>	<u>10,216</u>
<b>Total (A+B)</b>	<u>354,449</u>	<u>379,316</u>

**18. SHORT TERM LOANS AND ADVANCES**

	<u>31-03-2022</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>31-03-2021</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Unsecured, considered good</u>		
<b><u>Other Loans &amp; Advances</u></b>		
A. Advance License Fees (NDMC)	155,759	155,759
B. Advance (Staff & Consultants)	8,050	8,000
C. Prepaid Expenses (Hotel) (Licence fee L3 & L5)	40,004	48,724
D. Advance for assets	585,594	526,535
<b>Total</b>	<u>789,406</u>	<u>739,018</u>

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

**19. OTHER CURRENT ASSETS**

	<u>31-03-2022</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>31-03-2021</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Unsecured, considered good</u>		
A. Staff recovery	-	-
B. Other Taxes Recievable	78,416	53,177
<b>Total</b>	<u>78,416</u>	<u>53,177</u>

20. INCOME FROM OPERATIONS

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>A. <u>Sale of Products</u></b>				
Traded Goods				
Debt Funds		56,784		596,554
<b>B. <u>Sale of Services</u></b>				
<u>Facilities and Services Charges for Hotel Complex</u>				
Rooms	1,616,712		154,097	
<u>Food &amp; Beverage</u>				
Food	282,053		69,483	
Beverage	56,720		8,815	
Tobacco	50		39	
Banquet Fees	8,066		3,630	
Other Operating Departments	8,635		2,481	
Services Charges Received	21,629		4,368	
Sub License Fees	978,593	2,972,458	966,809	1,209,723
Income from Operations (Gross)		3,029,242		1,806,277
Less: Excise Duty		-		-
Income from Operations (Net)		<u>3,029,242</u>		<u>1,806,277</u>

21. OTHER INCOME

	31-03-2022		31-03-2021	
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
A. Interest from Bank Deposits	1,456		1,168	
B. Scrap sale	542		0	
C. Dividends received on Mutual Funds	874		21	
D. Gain / (Loss) on Foreign Exchange Curr. Fluctuation	54		3	
E. Income From Travel Desk	-		9,000	
G. Guest Transport Charges & Tour	2,179		425	
H. Short Term Capital Gain	96,739		121,439	
I. Profit/Loss on sale of Assets	7,408			
J. Sale of Duty Credit	39,315		0	
K. Miscellaneous Income	99,645		73,421	
L. Other Charges Recovered	3,940		56,706	
M. Interest from I - Tax	8,205			
<b>Total</b>		<u>260,359</u>		<u>262,182</u>

**22. COST OF MATERIALS CONSUMED**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>Materials Consumed</b>		
Inventory at the beginning of the year	72,509	72,509
Add: Purchases	136,688	47,499
	<u>209,197</u>	<u>120,008</u>
Less: Inventory at the end of the year	<u>71,843</u>	<u>71,843</u>
Cost of Raw Material Consumed	<u><u>137,354</u></u>	<u><u>48,165</u></u>

**Details of Materials Consumed**

A. Food	122,993	412,094
B. Beverages	14,338	6,064
C. Tabacoo	23	8
	<u>137,354</u>	<u>418,165</u>

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

**23. COST OF UTILITIES AND HOSPITALITY SERVICES**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
A. Telephone Cost	-	9
B. Laundry Cost	4,916	634
C. Health Club	-	0
	<u>4,916</u>	<u>642</u>

**24. PURCHASE OF STOCK-IN-TRADE**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
Debt Funds	151,024	465,000
	<u>151,024</u>	<u>465,000</u>

**25. (INCREASE) / DECREASE IN INVENTORIES OF TRADED GOODS**

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	(Increase) / Decrease (Rs.) <u>(In Hundreds)</u>
<b>Inventories at the end of the year</b>			31-03-2022
Debts Funds	477,534	382,715	(94,819)
	<u>477,534</u>	<u>382,715</u>	<u>(94,819)</u>
<b>Inventories at the beginning of the year</b>			31-03-2021
Debts Funds	382,715	508,852	126,137
	<u>382,715</u>	<u>508,852</u>	<u>126,137</u>
<b>Increase / (Decrease) in Inventories</b>	<u>94,819</u>	<u>(126,137)</u>	<u>220,955</u>

(INCREASE) / DECREASE IN INVENTORIES OF TRADED GOODS (SUNAIR)

<u>Inventories at the end of the year</u>			31-03-2022
Debts Funds	-	-	-
	-	-	-
	-	-	-
<u>Inventories at the beginning of the year</u>			31-03-2021
Debts Funds	-	-	-
	-	-	-
	-	-	-
Increase / (Decrease) in Inventories	-	-	

(INCREASE) / DECREASE IN INVENTORIES OF TRADED GOODS (SUN AERO)

<u>Inventories at the end of the year</u>			31-03-2022
Debts Funds	477,534	382,715	(94,819)
	-	-	-
	<u>477,534</u>	<u>382,715</u>	<u>(94,819)</u>
<u>Inventories at the beginning of the year</u>			31-03-2021
Debts Funds	382,715	508,852	126,137
	-	-	-
	<u>382,715</u>	<u>508,852</u>	<u>126,137</u>
Increase / (Decrease) in Inventories	<u>94,819</u>	<u>(126,137)</u>	

## SUNAIR HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd...)

## 26. EMPLOYEE BENEFIT EXPENSES

	31-03-2021		31-03-2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	(In Hundreds)	(In Hundreds)	(In Hundreds)	(In Hundreds)
A. Salaries, wages and bonus		375,034		225,562
B. Directors Remuneration		69,000		63,000
B. <u>Contributions to:</u>				
a. Provident Fund	23,097		14,756	
b. ESI	4,396		2,708	
c. Other Funds	6,184	33,677	6,274	23,738
C. Gratuity Fund Contributions		13,808		17,317
D. Staff Welfare Expenses		15,129		3,696
F. Exgratia Paid		925		1,806
		<u>507,573</u>		<u>335,119</u>

## 27. OTHER EXPENSES

	31-03-2021		31-03-2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	(In Hundreds)	(In Hundreds)	(In Hundreds)	(In Hundreds)
a. Power & Fuel		415,381		224,394
b. Rent		31,320		30,600
c. <u>Repairs &amp; Maintenance</u>				
i. Plant & Machinery	50,130		15,004	
ii. Buildings	237,037		109,128	
iii. Others	101,694	388,862	65,408	189,540
d. Insurance		23,695		26,360
e. Bad Debt written off		243		0
f. Advertising & Sales Promotion		1,817		759
g. Travelling & Conveyance		33		34
h. Communication Cost		4,965		4,729
i. Printing & Stationery		8,871		4,482
j. Legal & Professional Fees		561,483		317,575
k. Payment to Auditors		5,682		5,246
l. Licence fee		229,523		189,566
o. Loss On Sale of Assets		-		0
p. Internet Expense		8,904		3,702
q. Banquet Expenses		7,795		2,169
r. Guest Supply & Relation Expenses		45,505		696
s. Linen		2,493		8,787
t. Flowers & Decoration		60		0
u. Laundry & Dry Cleaning		1,224		158
v. Uniform		678		0
w. Guest Supplies		38,077		3,374
x. Commission on Rooms		166,134		16,290
y. Cleaning Supply		7,304		2,164
z. Guest News Paper & Magazines		0		17
aa. Music & Entertainment		3,125		350
ab. Kitchen Utensils		7		11
ac. Local Transportation & Vehicle Maintenance		6,423		5,447
ad. Guests Entertainment & Business Promotion		2,171		2,114
ae. Credit Card Charges		7,150		789
af. Security Services		33,891		33,644
ag. Traveling Expenses Foreign (incl.Directors)		28,223		200
ah. AGM & Conference Charges		131		80
ai. Membership Fees & Subscription		643		583
aj. Misc Expenses		4,853		3,513
ak. R.O.C. Fee		377		177
al. Manpower Outsourced		24,282		10,755
am. Sitting Fees		1,700		1,900
ap. Postage/Courier/Telegram		521		362
aq. Rate & Taxes		7,783		2,206
Total		<u>2,071,330</u>		<u>1,092,777</u>

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
<b><u>Details of Payment to Auditors</u></b>				
<b>As Auditor:</b>				
- Audit Fee		4,073		3,855
- Tax Audit Fee		1,609		1,392
<b>Total</b>		<u>5,682</u>		<u>5,247</u>

**28. FINANCE COST**

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
A. <u>Interest Paid on:</u>				
a. Interest on Taxes	<u>874</u>	874	<u>519</u>	519
B. Bank Charges		595		261
<b>Total</b>		<u>1,469</u>		<u>780</u>

**29. DEPRECIATION AND AMORTIZATION EXPENSES**

	31-03-2021		31-03-2020	
	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>Amount (Rs.)</u> <u>(In Hundreds)</u>
Depreciation on Assets		361,017		365,228
<b>Total</b>		<u>361,017</u>		<u>365,228</u>



30. DETAILS OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
(a) Gross Amount required to be spent by the company during the year	16,833	24,717
(b) Amount spent during the year on:	<u>In Cash</u>	<u>Yet to be paid in cash</u>
(i) Construction / acquisition of any assets	Nil (PY Nil)	Nil (PY Nil)
(ii) <u>On purposes other than (i) above</u>		<u>Total</u>
- Donation to Abhinandan Jan Kalyan Society	16,833 (PY 24,71,71)	Nil (PY Nil)
(c) Contribution paid to trust controlled by the related party	Nil	Nil (PY 24,71,71)

31. EARNING PER SHARE (EPS)

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<b>Total operations for the year</b>		
Profit / (loss) after tax	(7,931)	231,256
Less: Dividends & dividend tax on other than equity shares	-	-
<b>Net profit / (loss) for calculation of Basic EPS</b>	<u>(7,931)</u>	<u>231,256</u>
Net profit as above	(7,931)	231,256
Add : Dividends & dividend tax on other than equity shares	-	-
Add : Adjustments for the effects of dilutive potential equity shares	-	-
<b>Net profit / (loss) for calculation of Diluted EPS</b>	<u>(7,931)</u>	<u>231,256</u>
Weighted average number of equity shares in calculating Basic EPS	39,750,000	39,750,000
<b>Effect of dilution:</b>		
Convertible preference shares (numbers)	-	-
Convertible bonds (numbers)	-	-
Stock option granted under ESOP	-	-
<b>Weighted average number of equity shares in calculating Diluted EPS</b>	<u>39,750,000</u>	<u>39,750,000</u>
	<u>In Rs.</u>	<u>In Rs.</u>
(a) Basic	(0.02)	0.58
(b) Diluted	(0.02)	0.58

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

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<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	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

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

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Expenditure in foreign currency during the financial year on account of:</u>		
A. Traveling Expenses	10,499	-
B. Commission Expenses	11,550	10,494
<b>Total</b>	<u>22,049</u>	<u>10,494</u>

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

	31-03-2022 <u>Pege (%)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Pege (%)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
<u>Total value of indigenous materials consumed:</u>				
A. <u>Raw materials</u>				
Food & Beverages	100	137,354	100	48,165
B. Other Supplies	100	47,623	100	7,642
C. Spare parts	100	117,495	100	62,930
D. Components	100	4,893	100	700
<b>Total</b>		<u>307,365</u>		<u>119,437</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

	31-03-2022	31-03-2021
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</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	3,099	10,878
	<u>3,099</u>	<u>10,878</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**

	31-03-2022	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>1. <u>Change in present value of obligation</u></b>			
a) Present value of obligation as at the beginning of the period	1,439	128,380	124,757
b) Acquisition adjustment	-	-	-
c) Interest cost	9,635	8,788	9,627
d) Past service cost	-	-	-
e) Current service cost	12,790	13,342	16,936
f) Curtailment cost / (Credit)	-	-	-
g) Settlelement cost / (Credit)	-	-	-
h) Benefit paid	-	(1,789)	(6,651)
i) Actuarial (gain) / Loss on obligation	(20,466)	(4,813)	(16,288)
j) Present value of obligation as at the end of the period	<u>3,398</u>	<u>143,908</u>	<u>128,380</u>
<b>2. <u>Changes in fair value of plan assets</u></b>			
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>
<b>3. <u>Fair value of plan assets</u></b>			
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	(3,398)	(143,908)	(128,380)
h) Excess of actual over estimated return on plan assets	-	-	-
<b>4. <u>Actuarial gain / losses recognized</u></b>			
a) Actuarial gain / (loss) for the period- obligation	20,466	4,813	16,288
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	(20,466)	(4,813)	(16,288)
d) Actuarial (gain) / loss recognized in the period	(20,466)	(4,813)	(16,288)
e) Unrecognized actuarial (gains) losses at the end of the period	-	-	-
f) Experience Adjustment on Present Value of Obligation-Loss/(Gain)	(15,548)	(8,900)	98
<b>5. <u>The amounts to be recognized in the balance sheet and related analysis</u></b>			
a) Present value of obligation as at the end of the period	3,398	143,908	128,380
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(3,398)	(143,908)	(128,380)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-

f) Net assets / (liability) recognized in balance sheet	(3,398)	(143,908)	(128,380)
<b>6. Expense recognized in the statement of profit and loss</b>			
a) Current service cost	12,790	13342.03	16935.91
b) Past service cost	-	-	-
c) Interest cost	9,635	8787.8	9626.74
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-
f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(20,466)	(4,813)	(16,288)
h) Expenses recognized in the statement of profit & losses	1,959	17,317	10,274
<b>7. Reconciliation statement of expenses in the statement of profit &amp; loss</b>			
a) Present value of obligation as at the end of the period	3,398	143,908	128,380
b) Present value of obligation as at the beginning of the period	1,439	128,380	124,757
c) Benefit paid	-	1,789	6,651
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	1,959	17,317	10,274
<b>8. Amount for the current period</b>			
a) Present value of obligation as at the end of the period	3,398	143,908	128,380
b) Fair value of plan assets	-	-	-
c) Surplus / (Deficit)	(3,398)	(143,908)	(128,380)
d) Experience adjustment on plan liabilities (loss) / gain	20,466	4,813	16,288
e) Experience adjustment on plan assets (loss) / gain	-	-	-
<b>9. Movement in the liability recognized in the balance sheet</b>			
a) Opening net liability	130,012	114,484	110,861
b) Expense as above	1,959	17,317	10,274
c) Benefits paid	-	(1,789)	(6,651)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability	131,971	130,012	114,484
<b>10. Major categories of plan assets (as percentage of total plan assets)</b>			
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:**

	31-03-2022	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
a) Discount rate	7.15	6.70	6.85
b) Rate of return on Plan Assets	0.00	0.00	0.00
c) Salary Escalation	2%**	0%*	4.00

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

\*\*--2% P.A. for FY 2022-23 and 4% P.A. thereafter

**II. Leave Encashment**

	31-03-2022	31-03-2021	31-03-2020
	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>	<u>(In Hundreds)</u>
<b>1. Change in present value of obligation</b>			
a) Present value of obligation as at the beginning of the period	42,673	37,847	42,254
b) Acquisition adjustment	-	-	-
c) Interest cost	2,857	2,591	3,261
d) Past service cost	-	-	-
e) Current service cost	7,679	8,355	6,073
f) Curtailment cost / (Credit)	-	-	-
g) Settlement cost / (Credit)	-	-	-
h) Benefit paid	-	(1,448)	(4,978)
i) Actuarial (gain) / Loss on obligation	(11,699)	(4,672)	(8,763)
j) Present value of obligation as at the end of the period	41,509	42,673	37,847

<b>2. <u>Changes in fair value of plan assets</u></b>			
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	-	-	-
<b>3. <u>Fair value of plan assets</u></b>			
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	(41,509)	(42,673)	(37,847)
h) Excess of actual over estimated return on plan assets	-	-	-
<b>4. <u>Actuarial gain / losses recognized</u></b>			
a) Actuarial gain / (loss) for the period- obligation	(11,699)	(4,672)	(8,763)
b) Actuarial (gain) / loss for the period- plan assets	-	-	-
c) Total (gain) / loss for the period	(11,699)	(4,672)	(8,763)
d) Actuarial (gain) / loss recognized in the period	(11,699)	(4,672)	(8,763)
e) Unrecognized actuarial (gains) losses at the end of the period	-	-	-
f) Experience Adjustment on Present Value of Obligation-Loss/(Gain)	(11,699)	(7,328)	(3,523)
<b>5. <u>The amounts to be recognized in the balance sheet and related analysis</u></b>			
a) Present value of obligation as at the end of the period	41,509	42,673	(42,254)
b) Fair Value of plan assets at the end of the Period	-	-	-
c) Funded status / Difference	(41,509)	(42,673)	(42,254)
d) Excess of actual over estimated	-	-	-
e) Unrecognized actuarial (gains) / losses	-	-	-
f) Net assets / (liability) recognized in balance sheet	41,509	42,673	(42,254)
<b>6. <u>Expense recognized in the statement of profit and loss</u></b>			
a) Current service cost	7,679	8,355	6,073
b) Past service cost	-	-	-
c) Interest cost	2,857	2,591	3,261
d) Expected return on plan assets	-	-	-
e) Curtailment cost / (Credit)	-	-	-
f) Settlement cost / (credit)	-	-	-
g) Net actuarial (gain) / loss recognized in the period	(11,699)	(4,672)	(8,763)
h) Expenses recognized in the statement of profit & losses	(1,164)	6,274	570
<b>7. <u>Reconciliation statement of expenses in the statement of profit &amp; loss</u></b>			
a) Present value of obligation as at the end of the period	41,509	42,673	37,847
b) Present value of obligation as at the beginning of the period	42,673	37,847	42,254
c) Benefit paid	-	(1,448)	(4,978)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Expenses recognized in the statement of profit & losses	(1,164)	6,274	570
<b>8. <u>Amount for the current period</u></b>			
a) Present value of obligation as at the end of the period	41,509	42,673	37,847
b) Fair value of plan assets as at the end of the period	-	-	-
c) Surplus / (Deficit)	(41,509)	(42,673)	(37,847)
d) Experience adjustment on plan liabilities (loss) / gain	11,699	4,672	8,763
e) Experience adjustment on plan assets (loss) / gain	-	-	-
<b>9. <u>Movement in the liability recognized in the balance sheet</u></b>			
a) Opening net liability	42,673	37,847	42,254
b) Expense as above	(1,164)	6,274	570
c) Benefits paid	-	(1,448)	(4,978)
d) Actual return on plan assets	-	-	-
e) Acquisition adjustment	-	-	-
f) Closing net liability	41,509	42,673	37,847
<b>10. <u>Major categories of plan assets (as percentage of total plan assets)</u></b>			
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:

	31-03-2022 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2021 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	31-03-2020 <u>Amount (Rs.)</u> <u>(In Hundreds)</u>
a) Discount rate	7.15	6.70	6.85
b) Rate of return on Plan Assets	-	-	-
c) Salary Escalation	2%**	0%*	4%
*-- 0% P.A. for FY 2021-22, 2% P.A. for FY 2022-23 and 4% P.A. thereafter			
**-- 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.

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:

- Hotel Business
- Commercial Centre
- Portfolio Management

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

- 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".
- 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> (In Hundreds)	<u>Commercial Business</u> (In Hundreds)	<u>Portfolio Management</u> (In Hundreds)	<u>Total Amount</u> (Rs) (In Hundreds)
<b><u>Segment Revenue</u></b>				
- Revenue	2,213,395	978,593	97,613	3,289,601
Net Sales / Income from Operations (A)	<u>2,213,395</u>	<u>978,593</u>	<u>97,613</u>	<u>3,289,601</u>
<b><u>Segment Expenses</u></b>				
<b><u>Allocable Expenses</u></b>				
-Consumption of Stores, Provisions & Beverages and Purchase of Mutual Funds	47,451	-	151,024	198,476
-Employee benefit expenses	507,573	-	-	507,573
-Operating / Administration Expenses	2,071,330	-	-	2,071,330
-Finance Cost	1,469	-	-	1,469
-Expenditure on CSR Activity	16,833	-	-	16,833
(B)	<u>2,644,657</u>	<u>-</u>	<u>151,024</u>	<u>2,795,681</u>
<b>Segment Result (A - B)</b>	<u>(431,262)</u>	<u>978,593</u>	<u>(53,411)</u>	<u>493,920</u>
Less : Depreciation				361,017
Profit before Taxation				132,903
Less : Tax Expense for the year				141,044
Profit after Taxation				<u>(8,141)</u>
<b>Segment Assets (including Misc. expenditure and debit balance of Profit &amp; Loss A/c)</b>	12,565,914	9,128,305	477,534	22,171,753
<b>Segment Liabilities (including long term liabilities)</b>	2,680,423	861,300	-	3,541,723
<b>Total Carrying Amount of fixed assets</b>	12,222,277	1,168,752	-	13,391,029
<b>Total Depreciation on fixed assets</b>	358,857	2,160	-	361,017

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. 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
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>	<u>Subsidiary and Associate Concerns (Amount in Rs. Lacs)</u>	<u>Key Management Personnel (including relatives) (Rs.in Lacs)</u>	<u>Total (Rs.in Lacs)</u>
Rent Paid	Nil (P.Y. Nil)	4.32 (P.Y. 30.60)	4.32 (P.Y. 30.60)
Sub License Fees Received	Nil (P.Y. Nil)	Nil (P.Y. NIL)	Nil (P.Y. NIL)
Advances Recover	Nil (P.Y. 1149.62)	Nil (P.Y. Nil)	Nil (P.Y. 1149.62)
Directors' Remuneration	NIL (P.Y. Nil)	69.00 (P.Y. 69.30)	69.00 (P.Y. 69.30)
<b>c) Balance outstanding on March 31, 2022</b>			
Advances	345.38 (P.Y. 400.38)	Nil (P.Y. Nil)	345.38 (P.Y. 400.38)

## 40. Following are the ratios applicable to the Company:

Ratio	Numerator (Rs.)	Denominator (Rs.)	Ratio	% Variance	Reason for Variance
(i) Current ratio					
31/03/2022	2,567,311	1,073,652	2.39	-1%	Increase of Liabilities is more as compared to Assets
31/03/2021	2,272,798	941,381	2.41		
(ii) Debt-equity ratio					
31/03/2022	N.A.	18,630,240	N.A.	N.A.	No Debt In Books of Accounts
31/03/2021	N.A.	18,640,375	N.A.		
(iii) Return on equity					
31/03/2022	(7,931)	18,630,240	-0.00	-103%	Decrease In Profit by a considerable amount
31/03/2021	231,256	18,640,375	0.01		
(iv) Return on capital employed					
31/03/2022	131,434	21,098,101	0.01	-133%	No investment Redeemed During the year
31/03/2021	(390,885)	20,964,964	-0.02		
(v) Trade receivables turnover ratio					
31/03/2022	3,029,242	109,625	27.63	74%	Increase in credit sales
31/03/2021	1,806,277	113,817	15.87		
(vi) Net capital turnover ratio					
31/03/2022	3,029,242	1,493,659	2.03	49%	Increase in credit sales
31/03/2021	1,806,277	1,331,417	1.36		
(vii) Net profit ratio					
31/03/2022	(7,931)	3,029,242	-0.00	-102%	Decrease In Profit by a considerable amount
31/03/2021	231,256	1,806,277	0.13		
(viii) Inventory turnover ratio					
31/03/2022	42,535	1,113,539	0.04	-75%	Less cost of goods sold as compared to last years
31/03/2021	174,302	1,126,247	0.15		
(ix) Return on investment					
31/03/2022	2,330	4,729,196	0.0005	88%	Increase in the amount of dividend received on investment made and also increase in the amount of investment
31/03/2021	1,189	4,544,399	0.0003		
(x) Debt service coverage ratio					
31/03/2022	N.A.	N.A.	N.A.	N.A.	No Debt In Books of Accounts
31/03/2021	N.A.	N.A.	N.A.		



(Contd...)

41. 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.

42. 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.

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

In terms of Schedule III of the Companies Act, 2013 and notification number GSR 719(e), the company had requested its various suppliers, who may be registered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act and confirmation regards them being under the said category. From the date of receipt of confirmed details and information from the said parties the outstanding on account purchase made/services obtained from such suppliers including the disputed amounts due to them, were ascertained and reflected in the financials as due to Micro & Small Enterprises. The details in respect of the parties that could be identified as Micro and Small enterprises as per the MSMED Act on the basis of the information available with the management are given below:

	<u>31/03/2022</u> <u>Amount (Rs.)</u> <u>(In Hundreds)</u>	<u>31/03/2021</u> <u>Amount</u> <u>(In Hundreds)</u>
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
-Principal amount due to micro and small enterprises	34,850	14,161
-Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a	-	-

**44. 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.

45. 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. The next date of hearing is 04/11/2022.

An execution petition for the said award filed by VLS Finance Ltd. VLS Finance Limited was dismissed by Hon'ble High Court vide order dated 16/08/2017. Now again ENF. (COMM.) 113/2022 against the above award has been filed by VLS Finance Limited which is pending adjudication. Affidavits as required vide order dated 30.5.2022 have been filed by the company and its Directors and the next date of hearing in the matter is 18.8.2022. The award was against the company and its directors to refund the amount of forfeited security deposit of Rs. 8 crores with interest which was forfeited due to failure of VLS Finance Limited to perform its obligation under the MOU dated 11/03/1995 and in the opinion of the company the amount is not at all refundable

The 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 8.9.2022. And in the SFIO matter in ASJ ( Spl Court) Dwarka the next date of hearing is 2.9.2022.

It is also to be noted that in the FIRs which were filed by VLS Finance Limited against company and others, charges have been framed by the Court vide order dated 10.12.2021

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

	31-03-2022	31-03-2021
	<u>Amount</u> <u>(Crores)</u>	<u>Amount</u> <u>(Crores)</u>
<b>(i) <u>Contingent Liabilities</u></b>		
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	14.67	14.67
E. Others (*)	8 (*)	Nil
(*) The amount represents forfeitable security deposit, which is not due as per the legal opinion received by the Company. OMP and Enf(c) have been filed in the matter. Refer to Note No. 45 as above.		
<b>(ii) <u>Commitments</u></b>		
A. Estimated amount of contracts remaining to be executed on capital accounts and not provided	-	0.39
B. Uncalled liability on shares and other investments partly paid	Nil	Nil
C. Other commitments	Nil	Nil

**47. 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.

**48. PREVIOUS YEAR FIGURES**

Previous figures have been regrouped / recast wherever considered necessary.

**49. 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/-  
(KAVEEN GUPTA)  
Executive Director  
(DIN-00204605)

Place-New Delhi  
Dated: 03/08/2022

Sd/-  
(ANIL SOOD)  
Partner  
Membership No. 83939  
UDIN : 22083939APEZAD5859

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

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