

# R B S C & CO.

CHARTERED ACCOUNTANTS

(Formerly S. S. Kothari & Co.)

R.K. ROYCHOUDHURY  
T.K. SENGUPTA

B.Sc., B.Com., F.C.A.  
B.Com., LL.B., F.C.A.

R.N. BARDHAN  
P.K. BHATTACHARYA

B.Com., F.C.A.  
B.Com., F.C.A.

CENTRE POINT, ROOM NO. 314  
21, OLD COURT HOUSE STREET  
KOLKATA - 700 001

Phone : 2248-2758, 2248-0279

e-mail : rbsc.ca@gmail.com

sskotharico@gmail.com

## INDEPENDENT AUDITORS' REPORT

To the members of **SargaHotel Private Limited**

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Ind AS financial statements of Sarga Hotel Private Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the COVID-19 pandemic described here to be the key audit matters to be communicated in our report. Due to the COVID-19 pandemic, the Indian Government has imposed lock-downs across the country from 22 March, 2020 onwards. These lockdowns and restrictions due to the Novel Coronavirus (COVID-19) pandemic have impacted the economic and social consequences of the operation of the business. **Refer Note No. 28**



## **Management's and Board of Director's Responsibility for Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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. That Board of Directors is also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility for the audit of Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls regarding financial statements in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in financial statements made by the management.
- Conclude on the appropriateness of the management 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of Ind AS financial statements, including the disclosures, and whether Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for 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 (including other comprehensive income), the Statement of changes in equity 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder;



- (e) based on the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 regarding the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (B) 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 Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts that were required to be transferred to the investor Education and Protection Fund by the Company during the year ended 31st March 2020.
  - iv. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations are given to us, the remuneration is not paid by the Company to its directors during the current year under section 197 of the Act.

Place: Kolkata

Dated: 26<sup>th</sup> June 2020



For R B S C & Co.  
Chartered Accountants  
Firm Reg. No.302034E

(R. N. Bardhan)  
Partner  
Membership no.017270



**Annexure "A" to the Independent Auditors Report of even date on the Ind AS Financial Statements of Sarga Hotel Private limited.**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended 31<sup>st</sup> March, 2020:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant, and equipment).
- (b) The company has a regular program of physical verification of its fixed asset (Property, plant, and equipment) by which all the fixed assets (Property, plant, and equipment) are verified in a phased manner over three years. In accordance with this programme, certain fixed assets (Property, plant, and equipment) were verified by the management during the year. No material discrepancies between the book records and the physical fixed assets (Property, plant, and equipment) have been noticed.
- (c) According to the information and explanations are given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
2. Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.
3. According to the information and explanations are given to us the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b), and (c) of the order do not apply to the Company.
4. In our opinion and according to the information and explanation are given to us, the company has not granted loans or provided any guarantees or security to the parties covered u/s 185 of the Act. The company has complied with the provisions of section 186 of the Act in respect of the loans given, investment and guarantees made. The Company has not provided any security to the parties covered under section 186 of the Act.
5. In our opinion, and according to the information and explanations are given to us, The Company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for any services rendered by the company.
7. (a) According to information and explanations are given to us and on the basis of our examination of the books of account, and records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including





provident fund, employees state insurance, income-tax, duty of customs, value-added tax, goods, and services tax (GST) and any other statutory dues have generally been deposited during the year with the appropriate authorities.

According to the information and explanations are given to us, no undisputed amounts payable in respect of the above were in arrears as of 31<sup>st</sup> March 2020 for more than six months from the date on when they become payable.

- (b) According to the information and explanation are given to us, there are no dues of income tax, sales tax, service tax, the duty of customs, duty of excise, value-added tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations are given to us, the Company has not generally defaulted in the repayment of dues to banks, financial institutions except as enumerated in Note no. 30. The Company has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations are given by the management, the company has not raised money by way of an initial public offer or further public offer (including debt instruments) and term loans. Accordingly the provisions of clause 3(ix) of the order are not applicable to the company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations are given by the management, we report that no fraud by the Company or on the company its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations are given by the management, the company has not paid or provided any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the order are not applicable to the company and hence not commented upon.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order do not apply to the Company.
13. According to the information and explanations are 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 Companies Act, 2013 and the details of such related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standard (Ind AS) 24-Related Party Disclosures.
14. Based upon the audit procedures performed and the information and explanations are given by the management, the company has not made any preferential allotment or private placement of shares during the year under review. Accordingly/ the provisions of clause 3 (xiv) of the Order do not apply to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations are given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order do not apply to the Company and hence not commented upon.





16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934, and accordingly, the provisions of clause 3 (xvi) of the Order do not apply to the Company and hence not commented upon.

Place: Kolkata  
Dated: 26<sup>th</sup> June 2020



For R B S C & Co.  
Chartered Accountants  
Firm Reg. No. 302034E

(R. N. Bardhan)  
Partner  
Membership no.017270

**Annexure 'B' to the Independent Auditors Report of even date on Ind AS Financial Statements of Sarga Hotel Private Limited**

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

We have audited the internal financial controls over the financial reporting of **Sarga Hotel Private Limited** ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Managements Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 were 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 includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Place: Kolkata  
Dated: 26<sup>th</sup> June 2020



For R B S C & Co.  
Chartered Accountants  
Firm Reg. No. 302034E

(R. N. Bardhan)  
Partner  
Membership no. 017270

**SARGA HOTEL PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2020**

(Rs. In Lakhs)

	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I.	<b>ASSETS</b>			
(1)	<b>Non - current assets</b>			
	(a) Property, Plant and equipment	4.1	61,243.71	60,351.08
	(b) Capital work-in-progress	4.2	-	1,086.62
	(c) Intangible assets	4.3	98.90	140.29
	(d) Financial assets			
	(i) Other financial assets	5(i)	1,298.34	1,247.70
	(e) Deferred tax assets (net)		179.92	1,495.62
	(f) Current tax asset (net)	6	367.20	260.81
	(g) Other non-current assets	7	936.09	1,432.53
			64,124.17	66,014.65
(2)	<b>Current assets</b>			
	(c) Financial assets			
	(i) Inventory	8	109.94	97.88
	(ii) Trade and other receivables	9	761.36	605.91
	(iii) Cash and cash equivalents	10	227.01	296.89
	(iv) Bank balances other than cash and cash equivalents	11	211.10	379.01
	(v) Other financial assets	5(ii)		
	(d) Other current assets	12	159.17	96.20
			1,468.58	1,475.89
	<b>Total Assets</b>		<b>65,592.75</b>	<b>67,490.54</b>
II.	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share capital	13	9,230.77	9,230.77
	(b) Other Equity	14	(6,286.70)	2,899.22
			2,944.07	12,129.99
	<b>Liabilities</b>			
(2)	<b>Non - current liabilities</b>			
	(a) Financial liabilities			
	(i) Long Term Borrowings	15	54,578.73	50,553.56
	(ii) Deferred Tax Liabilities			
	(b) Provisions	16 (i)	65.00	90.20
			54,643.73	50,643.76
(3)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings			
	(i) Trade and other payables	17	3,561.68	3,486.75
	(ii) Other financial liabilities	18	3,935.54	823.16
	(b) Other current liabilities	19	503.42	401.35
	(c) Provisions	16(ii)	4.31	5.54
			8,004.96	4,716.79
	<b>Total Equity and Liabilities</b>		<b>65,592.75</b>	<b>67,490.54</b>
	Significant accounting policies	1-3		
	Other disclosures	26		
	The accompanying notes 1 to 25 are an integral part of the financial statements.			

As per our report of even date attached.

For and on behalf of the Board of Directors

For R B S C & Co. (formerly S.S.Kothari & Co.)

Firm Regn. No. 302034E

Chartered Accountants

R.N.Bardhan

Partner

Membership No.17270

Date: 26.06.2020

Place: Kolkata



*[Signature]*

Sunil Jha

Director

DIN: 00085667

*[Signature]*  
Shobhit Kumar Gupta  
Chief Financial Officer

*[Signature]*

Abhishek Bhardwaj

Director

DIN :03459739

*[Signature]*  
Navin Agarwal  
Company Secretary



**SARGA HOTEL PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH-2020**

(Rs. In Lakhs)

Particulars	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
I. Revenue from operations	20(i)	7,643.79	6,102.01
II. Other income	20(ii)	15.68	38.82
III. Total income (I+II)		7,659.47	6,140.82
IV. Expenses:			
Consumption of Provision, Wine and Others	21	1,200.13	961.73
Employee benefits expense	22	1,807.05	1,672.81
Finance costs	23	6,634.66	2,634.80
Depreciation and amortisation expense	4.4	1,539.35	1,703.43
Other expenses	24	4,348.50	2,731.68
Total expenses (IV)		15,529.69	9,704.45
V. Profit before exceptional and extra ordinary items and tax (III-IV)		(7,870.22)	(3,563.63)
VI. Exceptional items		-	-
VII. Profit before tax (VII-VIII)		(7,870.22)	(3,563.63)
VIII. Tax expense	25		
Current tax		-	-
Deferred tax		1,315.70	(1,480.27)
		1,315.70	(1,480.27)
IX. Profit for the Period (VII-VIII)		(9,185.92)	(2,083.36)
X. Other Comprehensive Income	26		
A. (i) Items that will not be reclassified to Profit or Loss			-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss			-
		-	-
B. (i) Items that will be reclassified to Profit or Loss			
(ii) Income tax relating to items that will be reclassified to Profit or Loss			
		-	-
Total Other Comprehensive Income		-	-
XI. Total Comprehensive Income for the Period (IX + X) (Comprising Profit and Other Comprehensive Income for the Period)		(9,185.92)	(2,083.36)
XII. Earnings per equity share (Nominal value per share` 10/-) - Basic & Diluted		(9.95)	(2.26)
Significant accounting policies	1-3		
Other disclosures	27-31		
The accompanying notes 1 to 25 are an integral part of the financial statements.			

As per our report of even date attached.

For R B S C & Co. (formerly S.S.Kothari & Co.)

Firm Regn. No. 302034E

Chartered Accountants

R.N.Bardhan

Partner

Membership No.17270

Date: 26.06.2020

Place: Kolkata



For and on behalf of the Board of Directors

Sunil Jha

Director

DIN: 00085667

Shobhit Kumar Gupta  
Chief Financial Officer

Abhishek Bhardwaj  
Director  
DIN :03459739

Navin Agarwal  
Company Secretary

**SARGA HOTEL PRIVATE LIMITED**  
**CASH FLOW STATEMENT For the year ended 31st March, 2020**

(Rs. In Lakhs)


	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	(7,870.22)	(3,563.63)
<b>Adjustments for:</b>		
Depreciation and Amortisation	1,539.35	1,703.43
Finance Costs	6,634.66	2,634.80
Interest Income	(10.20)	(15.83)
Miscellaneous Income	-	-
Loss on sale of Fixed Assets	0.06	0.39
<b>Operating Profit before Working Capital changes</b>	<b>293.64</b>	<b>759.17</b>
<b>Adjustments for:</b>		
Trade and Other Receivables	108.92	(523.53)
Trade Payables and Other Liabilities	1,252.60	(8,539.81)
<b>Cash Generated/ (used) in Operations</b>	<b>1,655.16</b>	<b>(8,304.17)</b>
Income Taxes Paid (Net)		
<b>Net Cash Generated/ (used) in Operating Activities (A)</b>	<b>1,655.16</b>	<b>(8,304.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure on Fixed Assets including Capital Advances	(1,304.03)	(4,309.23)
Proceeds from sale of fixed assets	-	4,429.00
Interest Received	10.20	15.83
Miscellaneous Income	-	-
<b>Net Cash (used in) Investing Activities (B)</b>	<b>(1,293.82)</b>	<b>135.60</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan Processing Fees		-
Finance Costs	(4,624.30)	(2,634.80)
Borrowing	4,025.17	13,629.39
Interest paid		(2,705.06)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>(599.13)</b>	<b>8,289.52</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>(237.79)</b>	<b>120.96</b>
Opening Cash and Cash Equivalents	675.90	554.94
<b>Closing Cash and Cash Equivalents</b>	<b>438.11</b>	<b>675.90</b>

**Notes:**

- The above cash flow statement has been prepared under the 'indirect method' as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Figures for the previous year have been re-arranged and re-grouped wherever necessary.


In terms of our Report attached  
**For R B S C & Co. (formerly S.S.Kothari & Co.)**  
Chartered Accountants  
Firm Regn. No. 302034E

On behalf of the Board of Directors

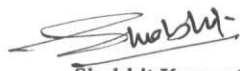
  
R.N. Bardhan  
Partner  
Membership No. 17270



  
Sunil Jha  
Director  
DIN: 00085667

  
Abhishek Bhardwaj  
Director  
DIN: 03459739

Date: 26.06.2020  
Place: Kolkata

  
Shobhit Kumar Gupta  
Chief Financial Officer

  
Navin Agarwal  
Company Secretary



**SARGA HOTEL PRIVATE LIMITED**

**Statement of Changes in Equity for the Year ended 31st March, 2020**

**(Rs. In Lakhs)**

**a) Equity Share capital**

Balance as on April 1, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
Rs. 9,230.77	Rs. -	Rs. 9,230.77

**(b) Other Equity**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Securities Premium</b>		
Balance as per last account	4,769.23	4,769.23
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at per last account	-1,879.40	203.96
Add: Profit for the year	-9,185.92	-2,514.77
Closing balance	-11,065.32	-2,310.81
<b>Other comprehensive reserve</b>		
Balance as at per last account	9.39	9.39
Add: OCI for the year	0.00	0.00
Closing balance	9.39	9.39
<b>Total</b>	<b>-6,286.70</b>	<b>2,467.81</b>

**For R B S C & Co. (formerly S.S.Kothari & Co.)**

Firm Regn. No. 302034E

Chartered Accountants



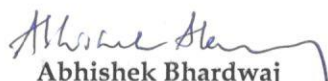
**R.N. Bardhan**

Partner

Membership No.17270

Date: 26.06.2020

Place: Kolkata



**Abhishek Bhardwaj**

Director

DIN :03459739



**Shobhit Kumar Gupta**

Chief Financial Officer

**On behalf of Board of Directors**



**Sunil Jha**

Director

DIN: 00085667



**Navin Kumar Agarwal**

Company Secretary

**SARGA HOTEL PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Note No.1 Background**

Sarga Hotel Private Limited (the "Company") (Formerly Shristi Hotel Pvt Ltd) (CIN U55101WB2004PTC098787) is incorporated under the Companies Act, 1956. The Company is operating a five star hotel under the name of Westin at New Town, Rajarhat, Kolkata since 24th September, 2017.

**Note No.2 Significant Accounting Policies**

**A) Basis of Preparation**

**i) Compliance With Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

**ii) Historical Cost Convention**

The financial statements have been prepared on the historical cost basis, except

- a) certain financial assets and liabilities and contingent consideration that is measured at fair value,
- b) defined benefit plans - plan assets measured at fair value

**B) Segment Reporting**

In line with Ind AS 108 –Operating Segments, taking into account the organizational structure, service type as well as the differing risks and returns criterion, there are no distinguishable Geographical or Business components on the basis of which segments can be identified.

**C) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of net of returns, trade allowances, rebates, value added taxes and amount collected on behalf of third parties.

Revenue is recognised when significant risk and rewards of ownership of the services is transferred to the buyer and it is reasonable to expect ultimate collection of sale consideration.

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the applicable rate.

**D) Income Tax**

**i) Current Tax**

Provision for Current tax is determined as the amount of tax payable in respect of taxable income for the year, computed in accordance with the provisions of the Income Tax Act, 1961.

**ii) Deferred Tax**

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are periodically reviewed to reassess realisation thereof.

**E) Impairment of Assets**

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use.

**F) Inventories**

Inventories are stated at lower of cost and net realisable amount.

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**G) Property, Plant and Equipment**

Property, plant and equipments are stated at historical cost less accumulated depreciation and impairment losses (if any). The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Depreciation on Tangible Assets (other than Leasehold Land) is charged on useful life as per straight line method of the assets as per Schedule II of the Companies Act 2013. Leasehold land is amortised over the primary lease period.

**H) Intangible Assets**  
**Computer Softwares**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. The amortisation is done as per straight line method.

**I) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. They are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest method.

**J) Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expenses in the period they are incurred.

**K) Provisions**

Provisions are recognised when there is a present obligation due to a past event resulting in the outflow of resources of the entity which can be reliably measured. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**L) Employee Benefits**

**i) Short-term Benefits**

Short term employee benefits (i.e. benefits payable within one year) is recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

**ii) Post-employment Benefits**

**Defined Contribution Plans**

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

**Defined Benefit Plans**

Defined benefit plans are arrangements that provide guaranteed benefits to employees, either by way of contractual obligations or through a collective agreement. This guarantee of benefits represents a future commitment of the Company and, as such, a liability is recognised. The present value of these defined benefit obligations are ascertained by year end actuarial valuation as per the requirement of Accounting Standards 15-Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Statement of Profit and Loss in full in the year in which they occur.



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**SARGA HOTEL PRIVATE LIMITED**

**Note No. 3 Critical Estimates and Judgements**

The areas involving critical estimates or judgements are:

- |    |   |               |
|----|---|---------------|
| a) | Estimation of current tax expense and payable - | Refer Note 2D |
| b) | Estimated useful life of intangible asset -     | Refer Note 2H |
| c) | Estimation of defined benefit obligation -      | Refer Note 2L |
| d) | Recognition of revenue -                        | Refer Note 2C |

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SARGA HOTEL PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No 4.1: Property, Plant and equipment

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1st April 2019	Additions during the Period 31st March 2020	Deletions during the period 31st March 2020	As at 31st March 2020	As at 1st April 2019	For the Period 31st March 2020	Deletions during the period 31st March 2020	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Leasehold Land (Refer Note below)	1,218.35			1,218.35	34.81	17.41	-	52.22	1,166.14	1,183.54
Building	40,384.35	416.83		40,801.18	990.32	638.99	-	1,629.31	39,171.87	39,394.03
Plant and Machinery	16,644.96	817.53		17,462.49	1,749.78	239.47	-	1,989.25	15,473.24	14,895.18
Electrical Fittings	1,847.15	239.21		2,086.37	105.57	153.43	-	259.00	1,827.37	1,741.58
Furniture and Fixtures	3,094.90	871.16		3,966.06	334.14	297.69	-	631.83	3,334.23	2,760.76
Office Equipments	109.98	2.24	0.22	112.00	36.67	22.83	0.11	59.39	52.61	73.31
Computers	457.03	10.53		467.56	154.36	94.95	-	249.31	218.25	302.67
	-			-	-			-	-	-
<b>Total</b>	<b>63,756.72</b>	<b>2,357.50</b>	<b>0.22</b>	<b>66,114.01</b>	<b>3,405.64</b>	<b>1,464.77</b>	<b>0.11</b>	<b>4,870.30</b>	<b>61,243.71</b>	<b>60,351.08</b>

Note: Land is taken on lease hold basis and lease rent payable as per the agreement entered with the lessor. The lease term is for 80 years and renewable for further 80 years at the option of the company as per the agreement. Lease rental payments in respect of leasehold land is recognized as an expense in the Statement of Profit and Loss on the straight-line basis over the primary lease term.

Particulars	As at 31st March 2020
Opening Capital Work In progress	1,086.62
Add : Addition During the year	2,354.53
<b>Total</b>	<b>3,441.15</b>
Less : Transfer to Assets as on 31.03.2020	3,441.15
<b>Closing Capital work in progress</b>	<b>-</b>

(Rs. In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Closing Capital work in progress	0.00	1,086.62
<b>Total</b>	<b>0.00</b>	<b>1,086.62</b>

\*Pre- Operative Expenses pending allocation:

(Rs. In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Depreciation and Amortisation	-	-
Employees Cost	-	-
Other Expenses	-	-
Interest	-	-
Security Charges	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(Rs. In Lakhs)

Particulars	Gross Block				Amortisation				Net Block	
	As at 1st April 2019	Additions during the Period 31st March 2020	Deletions during the period 31st March 2020	As at 31st March 2020	As at 1st April 2019	For the Period 31st March 2020	Deletions during the period 31st March 2020	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Computer Software (Acquired)	215.02	33.20	-	248.21	74.73	74.58	-	149.31	98.90	140.29
<b>Total</b>	<b>215.02</b>	<b>33.20</b>	<b>-</b>	<b>248.21</b>	<b>74.73</b>	<b>74.58</b>	<b>-</b>	<b>149.31</b>	<b>98.90</b>	<b>140.29</b>

4.4 Depreciation and Amortisation Expense:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation/ Amortisation on Property, plant and equipment/ Intangible Assets	1,539	1,777
Less: Transfer to Pre- Operative Expenses	-	(1,767)
<b>Net Depreciation charged to Statement of Profit and Loss</b>	<b>1,539</b>	<b>10.35</b>

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**SARGA HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**Note No: 5 Other Financial Asset**

**(i) Non- Current**

**(Rs. In Lakhs)**

Particulars	As at 31st March,2020	As at 31st March, 2019
Carried at amortised cost		
Security Deposits	1,298.34	1,247.70
<b>Total</b>	<b>1,298.34</b>	<b>1,247.70</b>

**(ii) Current**

Particulars	As at 31st March,2020	As at 31st March, 2019
Carried at amortized cost		
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No: 6 Current tax assets (net)**

Particulars	As at 31st March,2020	As at 31st March, 2019
Advance Income Tax [Net of Provision Rs. 61,43,162/- ]	367.20	260.81
<b>Total</b>	<b>367.20</b>	<b>260.81</b>

**Note No: 7 Other non- current assets**

Particulars	As at 31st March,2020	As at 31st March, 2019
<b>(Unsecured, considered good)</b>		
<b>Capital Advances</b>		
Advance to Suppliers	844.02	1,233.11
<b>Other advances</b>		
Service Tax GST Recoverable	92.06	199.41
Prepayments		
<b>Total</b>	<b>936.09</b>	<b>1,432.53</b>

**Note No: 8 Inventory**

Particulars	As at 31st March,2020	As at 31st March, 2019
<b>Inventory</b>		
a).Inventory - Food	42.71	31.72
b).Inventory - Liquor	67.24	66.16
<b>Total</b>	<b>109.94</b>	<b>97.88</b>



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**SARGA HOTEL PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**Note No: 9 Trade Receivable**

Particulars	As at 31st March,2020	As at 31st March, 2019
<b>TRADE RECEIVABLES</b>		
Over Six Months		
Unsecured, considered good	9.30	0.12
Under Six Months	9.30	0.12
Unsecured, considered good	752.06	605.79
<b>Total</b>	<b>761.36</b>	<b>605.91</b>

**Note No: 10 Cash and cash equivalents**

Particulars	As at 31st March,2020	As at 31st March, 2019
Balances with Banks		
In Current Accounts	210.35	271.78
Cash on hand	16.66	25.11
<b>Total</b>	<b>227.01</b>	<b>296.89</b>

**Note No: 11 Bank balances other than cash and cash equivalent**

Particulars	As at 31st March,2020	As at 31st March, 2019
Balances with Banks held as security against guarantees		
In Deposit Accounts (With maturity upto 12 months)	211.10	379.01
<b>Total</b>	<b>211.10</b>	<b>379.01</b>

**Note No: 12 Other Current Assets**

Particulars	As at 31st March,2020	As at 31st March, 2019
Unsecured, considered good		
Others		
Prepayments	123.45	70.20
Loans and advances to related parties	35.72	26.00
Advance for Expenses		
<b>Total</b>	<b>159.17</b>	<b>96.20</b>

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Note No: 13 Equity Share Capital

	As at 31st March, 2020	As at 31st March, 2019
<b>(a) Authorised:</b>		
32,465,000 (01.04.2016: 32,465,000) 'Class A' Equity Shares of Rs.10 each	3,246.50	3,246.50
60,435,000 (01.04.2016: 60,435,000) 'Class B' Equity Shares of Rs.10 each	6,043.50	6,043.50
100,000 (01.04.2016: 100,000) 'Class C' Equity Shares of Rs.10 each	10.00	10.00
<b>Total</b>	<b>9,300.00</b>	<b>9,300.00</b>
<b>(b) Issued, Subscribed and Fully Paid up:</b>		
32,272,692 (01.04.2016: 32,272,692) 'Class A' Equity Shares of Rs.10 each fully paid up	3,227.27	3,227.27
59,935,000 (01.04.2016: 59,935,000) 'Class B' Equity Shares of Rs. 10 each fully paid up	5,993.50	5,993.50
100,000 (01.04.2016: 100,000) 'Class C' Equity Shares of Rs.10 each fully paid up	10.00	10.00
<b>Total</b>	<b>9,230.77</b>	<b>9,230.77</b>

(c) Reconciliation of number of shares:

Particulars	Class A Equity Shares		Class B Equity Shares		Class C Equity Shares	
	No. of shares	Rs.	No. of shares	Rs.	No. of shares	Rs.
As at 01.04.2017	3,22,72,692	3,227	5,99,35,000	5,994	1,00,000	10
As at 31.03.2018	3,22,72,692	3,227	5,99,35,000	5,994	1,00,000	10
As at 01.04.2018	3,22,72,692	3,227	5,99,35,000	5,994	1,00,000	10
As at 31.03.2019	3,22,72,692	3,227	5,99,35,000	5,994	1,00,000	10

(d) Terms / rights attached to Equity Shares:

The Company has three classes of equity shares having a face value of Rs. 10/- each. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding. The Company in the General meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Following are the voting rights attached to each class of Equity Shares:

Class	Voting Right
Class A	With an aggregate voting right of 0.67% for all Equity Shares.
Class B	With an aggregate voting right of 1.33% for all Equity Shares.
Class C	With an aggregate voting right of 98% for all Equity Shares.

(e) Details of share holders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	Relationship	Nature of Equity Shares	31st March, 2020		31st March, 2019	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shristi Infrastructure Development Corporation Limited along with its nominees	Promoter	Class B	5,99,35,000	100.00	5,99,35,000	100.00
		Class C	65,000	65.00	65,000	65.00
Rishima SA Investments LLC	Investor	Class A	3,22,72,692	100.00	3,22,72,692	100.00
		Class C	35,000	35.00	35,000	35.00



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**SARGA HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**Note No: 14 Other Equity**

(Rs. In Lakhs)

Particulars	As at 31st March,2020	As at 31st March, 2019
<b>Securities Premium</b>		
Balance as per last account	4,769.23	4,769.23
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at per last account	(1,879.40)	203.96
Add: Profit for the Period	(9,185.92)	(2,083.36)
Closing balance	(11,065.32)	(1,879.40)
<b>Other comprehensive reserve</b>		
Balance as at per last account	9.39	9.39
Add: OCI for the Period	-	-
Closing balance	9.39	9.39
<b>Total</b>	<b>(6,286.70)</b>	<b>2,899.22</b>

**Note No: 15 Borrowings**

**(i) Non-Current**

Particulars	As at 31st March,2020	As at 31st March, 2019
<b>Secured</b>		
<b>Term Loans</b>		
(A) From Banks		
Yes Bank	25,208.73	26,724.22
(B) From Financial institution	29,370.00	23,829.34
	<b>54,578.73</b>	<b>50,553.56</b>

**Nature of Security and Terms of Repayment of Secured Borrowings:**

(A) Secured by exclusive first charge of the borrowers movable and immovable assets both present and future. Overall present and future current asset of the borrowers and on intangible asset and also unconditional an irrecoverable Corporate Guarantee Shristi Infrastructure Development Corporation Ltd.

The facility shall be repaid over 41 structural quarterly instalment repayment schedule started from September 2018.

(B) Second charge on all asset present and future of the company and by way of assignment or creation of security Interest on all the right, title, interest, benefits, claim and demand whatsoever of the borrower.

Charge on land admeasuring 10912.80 sq. meters out of total land of 32374.60 situated at premises AAI/CBD/2 Rajarhat, New town Kolkata owned by Shristi Infrastructure Development Corporation Ltd.

Mortgage of unencumbered commercial space of the project is 8099.366 sq. meter out of 64457.57 sq. meter at premises CBE/2 in Action Area II

Pledge of unencumbered shares of the company held by SIDCL and also Unconditional & Irrevocable Corporate Guarantee Shristi Infrastructure Development Corporation Ltd

The facility shall be repaid in 18 structured installment starting from 31st December 2028.



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**SARGA HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**Note No: 16 Provisions**

**(i) Non-current**

(Rs. In Lakhs)

Particulars	As at 31st March,2020	As at 31st March, 2019
Provision for Employee Benefits		
Gratuity	24.48	38.14
Compensated Absence	40.51	52.06
<b>Total</b>	<b>65.00</b>	<b>90.20</b>

**(ii) Current**

Particulars	As at 31st March,2020	As at 31st March, 2019
Provision for Employee Benefits		
Gratuity	1.54	1.20
Compensated Absence	2.78	4.34
<b>Total</b>	<b>4.31</b>	<b>5.54</b>

**Note No: 17 Trade and other payables**

Particulars	As at 31st March,2020	As at 31st March, 2019
Carried at amortized cost		
Trade Payables		
Total outstanding dues of Micro and Small Enterprises		
Total outstanding dues of other than Micro and Small Enterprises	494.85	389.67
Other Payables		
Total outstanding dues of Micro and Small Enterprises		
Total outstanding dues of other than Micro and Small Enterprises	3,066.83	3,097.07
<b>Total</b>	<b>3,561.68</b>	<b>3,486.75</b>

**Note No: 18 Other Financial Liability - Current**

Particulars	As at 31st March,2020	As at 31st March, 2019
Carried at amortized cost		
Loans and advances from related parties		
Current Maturities of Long Term Debts	1,653.04	551.01
Interest Accrued and due on Borrowings	1,477.98	272.14
Interest Accrued but not due on Borrowings	804.52	-
<b>Total</b>	<b>3,935.54</b>	<b>823.16</b>

**Note No: 19 Other Current Liabilities**

Particulars	As at 31st March,2020	As at 31st March, 2019
Other advances		
Advance from customers	302.62	296.68
Others		
Statutory Dues	200.80	104.67
<b>Total</b>	<b>503.42</b>	<b>401.35</b>



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**SARGA HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**Note No: 20 (i) Other Income**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue From Operation	7,643.79	6,102.01
<b>Total</b>	<b>7,643.79</b>	<b>6,102.01</b>

**Note No: 20 (ii) Other Income**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Income on Financial asset (amortized cost)	Rs.	Rs.
Fixed deposits with banks	10.20	15.83
Foreign Exchange Gains/Losses	1.33	1.68
Other Non Operating Income	4.15	21.31
<b>Total</b>	<b>15.68</b>	<b>38.82</b>

**Note No: 21 Consumption of Provision, Wine and others**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Stock	Rs. 97.88	Rs. 104.13
Add : Purchase	1,120.44	905.04
	1,218.32	1,009.17
Less : Closing Stock	109.94	97.88
Consumption of Provision, Wine & Others	1,108.37	911.30
Consumption of Other Services	91.76	50.43
	<b>1,200.13</b>	<b>961.73</b>

**Note No: 22 Employee Benefits Expense**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, Wages and Bonus	Rs. 1,669.02	Rs. 1,507.15
Contribution to Provident and Other Funds (Refer Note 21 A)	76.35	48.05
Staff Welfare Expenses	61.69	117.62
<b>Total</b>	<b>1,807.05</b>	<b>1,672.81</b>

**Note No: 23 Finance costs**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expense	Rs. 6,634.66	Rs. 2,634.80
On long term borrowing	6,634.66	2,634.80
Less: Amount transferred to Capital Work-in-Progress		
<b>Total</b>	<b>6,634.66</b>	<b>2,634.80</b>



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**SARGA HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**Note No: 24 Other Expenses**

Particulars	For the year ended 31st March,2020	For the year ended 31st March, 2019
	Rs.	Rs.
Repairs & Maintanance	76.05	141.72
Insurance	56.34	17.86
Miscellaneous Expenses	688.26	417.80
Rates and Taxes	353.01	43.99
Power & Fuel	1,077.97	730.43
Professional Charges	563.11	418.32
Travelling and Conveyance	148.46	78.56
Adverisement	82.60	86.63
Business Promotion	471.87	282.23
General Expenses	193.07	56.45
Telephone Expenses	36.23	26.63
IT Expenses	128.13	99.57
Credit Card Comm	56.24	41.94
Travel Agent Comm	72.44	56.57
Sundry Bal. W/off	1.08	-
Commission & Brokerage	20.81	-
Directors Sitting Fee	1.50	-
Printing and Stationery	27.38	21.78
Management Operation Fee	212.32	164.54
Reservation Exp	80.82	45.51
Loss on Sale Of Fixed Assets	0.06	0.39
Statutory Audit Fees	0.60	0.60
Tax Audit Fees	0.15	0.15
<b>Total</b>	<b>4,348.50</b>	<b>2,731.68</b>

**Note No: 25 Income Tax**

(Rs. In Lakhs)

Particulars	For the year ended 31st March,2020	For the year ended 31st March, 2019
	Rs.	Rs.
Current tax		-
Deferred taxes	1,315.70	(1,480.27)
	<b>1,315.70</b>	<b>(1,480.27)</b>



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**Note 26A: Employee Benefits****a) Defined Contribution Plan**

The Company has recognised, in the Statement of Profit and Loss for the current year an amount of Rs. 7,635,086/- (31.3.2018 : Rs. 4,804,574) as expenses under defined contribution plans towards payment of Provident Fund to its employees.

**b) Defined Benefit Plans**

The Company provides the following post retirement employee benefit plans:

Non funded

1. Gratuity : Liability towards Gratuity, covering eligible employees, is provided on the basis of year-end actuarial valuation. The most recent actuarial valuation was carried out as at 31st March 2020.
2. Compensated Absences: Accrued liability towards compensated absences, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognised as a charge in the Statement of Profit and Loss. The most recent actuarial valuation was carried out as at 31st March 2020.

**Note 26B: Following are the further particulars with respect to Defined Benefit Plans of the Company for the year ended 31st March 2020:**

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
(Rs. In Lakhs)				
<b>i. Reconciliation of Opening and closing balances of present value of defined benefit obligation:</b>				
a. Present Value of Obligation as at the beginning of the year				
b. Current Service Cost	39.34	51.89	56.39	54.07
c. Interest Cost	4.97	16.91	7.08	20.52
d. Actuarial (gains)/Losses	3.03	3.66	4.34	3.68
e. (Benefits Paid)	-16.67	-24.39	9.74	-9.29
f. Present Value Obligation as at the end of the year	-4.66	-8.72	-34.26	-12.60
	26.02	39.34	43.29	56.39
<b>ii. Reconciliation of the opening and closing balances of fair value of plan assets and defined benefit obligation:</b>				
a. Present value of obligation as at the end of the year	26.02	39.34	43.29	56.39
b. Fair value of plan assets as at the end of the year				
c. Net Deficit/(Surplus) recognised in the balance sheet	-26.02	-39.34	-43.29	-56.39
<b>iii. Expense recognised during the year in the Statement of Profit and Loss</b>				
a. Current Service Cost	4.97	16.91	7.08	20.52
b. Interest Cost	3.03	3.66	4.34	3.68
c. Expected return on plan assets				
d. Actuarial (gains)/Loss	-16.67	-24.39	9.74	-9.29
e. Total Expenses recognised during the year*	-8.66	-3.82	21.16	14.92
*The Expenses is disclosed in the line item - Employee Benefits Expenses - Salary, Wages and Bonus in Note 22				
<b>iv. Principal Actuarial Assumptions</b>				
a. Discount rate (per annum)	7.00%	7.70%	7.00%	7.70%
b. Estimated rate of return on plan assets	NA	NA	NA	NA
c. Average Future Service	19.77	29.29	29.26	29.5
d. Rate of escalation of salary	6.00%	6.00%	6.00%	6.00%
e. Method Used	Projected Unit Credit Method			
<b>v. Other Disclosures</b>				
a. Gratuity Scheme				

Experience History	For the year ended 31st March 2020	For the year ended 31st March 2019
1 Defined Benefit Obligation at end of the period	26.02	39.34
2 Plan Assets at end of the period	0.00	0.00
3 Funded Status	-26.02	-39.34
4 Experience Gain/(Loss) adjustments on plan liabilities	1.78	5.98
5 Experience Gain/(Loss) adjustments on plan assets	0.00	0.00
6 Actuarial Gain/(Loss) due to change on assumptions	0.00	0.00

**b. Compensated Absences**

Experience History	For the year ended 31st March 2020	For the year ended 31st March 2019
1 Defined Benefit Obligation at end of the period	43.29	56.39
2 Plan Assets at end of the period	0.00	0.00
3 Funded Status	-43.29	-56.39
4 Experience Gain/(Loss) adjustments on plan liabilities	2.86	0.28
5 Experience Gain/(Loss) adjustments on plan assets	0.00	0.00
6 Actuarial Gain/(Loss) due to change on assumptions	0.00	0.00



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**SARGA HOTEL PRIVATE LIMITED**

Note No. : 27 Other disclosures

A. The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2020 as micro, small and medium enterprises. Consequently, the amount due to micro and small enterprises as per requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (31st March 2020 - Nil) (1st April 2019 - Nil).

**B. Related party disclosures :****a) Name of the related parties and description of relationship :****a) List of Related Parties**

Promoter : Shristi Infrastructure Development Corporation Limited

**b) Transactions with Related parties :**

(Rs. In Lakhs)

	For the year ended 31st March,2020	For the year ended 31st March,2019
<b>i. With Shristi Infrastructure Development Corporation Limited</b>		
Transactions during the Year		
Construction Expenses	-	-
Loans and Advances	(35.72)	-
Year End Balances		
Security Deposit	1,226.00	1,226.00
<b>ii. With Key Management Personnel</b>		
Remuneration -Managing Director (Upto 31st October 2018)	0.00	72.38
-Chif Financial Officer	32.00	29.66
-Company Secretary	10.63	10.60

c) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in current year and previous year for bad or doubtful debts in respect of the amounts owed by related parties.



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**SARGA HOTEL PRIVATE LIMITED**

Note No. : 27 Other disclosures (contd)

**C (i) Financial instruments - Accounting, Classification and Fair value measurements**
**a. Financial instruments by category**

As at 31st March, 2020

(Rs. In Lakhs)

Sl. No.	Particulars	Carrying value		Fair Value	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
(1)	Financial assets				
a)	Inventory	109.94	97.88	109.94	97.88
b)	Trade and other receivables	761.36	605.91	761.36	605.91
c)	Cash and cash equivalents	227.01	296.89	227.01	296.89
d)	Bank balances other than cash and cash equivalents	211.10	379.01	211.10	379.01
f)	Other financial assets( Non-Current)	1,298.34	1,247.70	1,298.34	1,247.70
	<b>Total</b>	<b>2,607.76</b>	<b>2,627.39</b>	<b>2,607.76</b>	<b>2,627.39</b>
(2)	Financial liabilities				
(a)	Long-Term Borrowings	54,578.73	50,553.56	54,578.73	50,553.56
(b)	Trade payables	3,561.68	3,486.75	3,561.68	3,486.75
(c)	Other financial liabilities	3,935.54	823.16	3,935.54	823.16
	<b>Total</b>	<b>62,075.96</b>	<b>54,863.46</b>	<b>62,075.96</b>	<b>54,863.46</b>

**b. Fair value hierarchy**

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of cash and cash equivalents and other current financial assets, short term borrowings, trade payables and other current financial liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy.

No Financial assets and financial liabilities are measured at fair value on a recurring basis.

**C (ii). Expenditure in Foreign Currency**

	For the year ended 31st March 2020	For the year ended 31st March 2019
Professional & Technical Fees	708.66	240.18
Foreign Travel	57.07	52.00
Others	53.88	523.35
<b>Total</b>	<b>819.62</b>	<b>815.53</b>

**C (iii). Income in Foreign Currency**

	For the year ended 31st March 2020	For the year ended 31st March 2019
Operational Income	848.82	958.40
<b>Total</b>	<b>848.82</b>	<b>958.40</b>

**D Financial risk management objectives and policies**

The Company's activities are exposed to liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**a. Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company has only given security deposit and the company is exposed to credit risk to that extent.

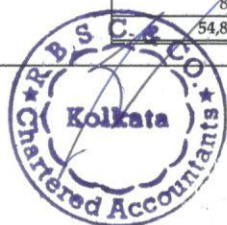
**b. Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash. The company is exposed to liquidity risk due to short term borrowings and other current liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities:

Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 years	Total
<b>31st March, 2020</b>					
Borrowings	54,578.73	0.00		54,578.73	54,578.73
Trade payables	3,561.68	3,561.68			3,561.68
Other financial liabilities	3,935.54	3,935.54			3,935.54
<b>Total</b>	<b>62,075.96</b>	<b>7,497.22</b>	<b>0.00</b>	<b>54,578.73</b>	<b>62,075.96</b>
<b>31st March, 2019</b>					
Borrowings	50,553.56	0.00	0.00	50,553.56	50,553.56
Trade payables	3,486.75	3,486.75	0.00	0.00	3,486.75
Other financial liabilities	823.16	823.16		0.00	823.16
<b>Total</b>	<b>54,863.46</b>	<b>4,309.90</b>	<b>0.00</b>	<b>0.00</b>	<b>54,863.46</b>



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**E. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserve attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

**F. Contingent Liability -**

In respect of share of Electricity Charges Rs. 234.45 lac under subjudice.

**G. A Reconciliation of total comprehensive income for the year ended 31st March, 2020. Not applicable.**

**Note No. : 28 Impact of COVID-19 pandemic:**

On March 11, 2020, the WORLD HEALTH ORGANISATION declared COVID-19 outbreak as a pandemic. Indian Government has taken a series of measures ,which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. This lockdown has resulted in partly low occupancies / shutdowns of hotels operations.

The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the IND AS financial statements.



## SARGA HOTEL PRIVATE LIMITED

## Note No. : 29 Earning Per Share

Particulars	March 31, 2020	March 31, 2019
Net Profit/Loss after tax (Rs. in lakhs)	-9185.92	-2083.36
Weighted average number of Equity Shares	92307692	92307692
<b>Earnings per share</b>		
Basic & Diluted	-9.95	-2.26
Face Value per Equity Share	10	10

## Note No. : 30

In terms of Loan agreement, the installment payment of Yes Bank Ltd. for the Quarter ending 31st December 2019 was due on 1st January 2020 for an amount of Rs. 137.75 Lakhs could not be made in due time due to financial stringencies (delay of 90 days). Further, the interest payable to Yes Bank Ltd for the month of November 2019 to February 2020 total amounting to Rs.1121.61 Lakhs also could not be paid in due date due to financial stringencies (Rs.272.30 Lakhs due on 1 December 2019, Rs.282.86 Lakhs due on 1 January 2020, Rs.281.45 due on 1st February 2020 & Rs.285 Lakhs due on 1st March 2020). However, the Company has submitted a restructuring proposal to the lender which is still under consideration.

## Note No. : 31

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary and practicable.

As per our report of even date attached.

For and on behalf of the Board of Directors

For R B S C & Co. (formerly S.S.Kothari & Co.)

Firm Regn. No. 302034E

Chartered Accountants

R.N.Bardhan

Partner

Membership No.17270

Date: 26.06.2020

Place: Kolkata



*Abhishek Bharadwaj*  
Abhishek Bharadwaj  
Director  
DIN :03459739

*Shobhit Kumar Gupta*  
Shobhit Kumar Gupta  
Chief Financial Officer

*Sunil Jha*  
Sunil Jha  
Director  
DIN: 00085667

*Navin Kumar Agarwal*  
Navin Kumar Agarwal  
Company Secretary