

## INDEPENDENT AUDITOR'S REPORT

To The Members of Denovo Hospitality Private Limited

Report on the Audit of the Special purpose Ind As converged financial statements

### Opinion

We have audited the accompanying Special purpose Ind As converged financial statements of Denovo Hospitality Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Special purpose Ind As converged financial statements, including material accounting policies and other explanatory information.

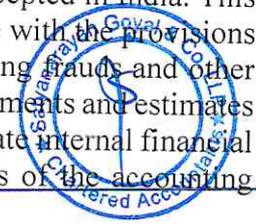
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Ind As converged financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit 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 of the Special purpose Ind As converged financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special purpose Ind As converged financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Special purpose Ind As converged financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special purpose Ind As converged financial statements.

### Management's Responsibility for the Special purpose Ind As converged 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 Special purpose Ind As converged financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows in accordance with the IndAS 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



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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Special purpose Ind As converged financial statements**

Our objectives are to obtain reasonable assurance about whether the Special purpose Ind As converged 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 Special purpose Ind As converged financial statements.

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

- Identify and assess the risks of material misstatement of the Special purpose Ind As converged 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special purpose Ind As converged financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Special purpose Ind As converged financial statements, including the disclosures, and whether the Special purpose Ind As converged financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special purpose Ind As converged financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special purpose Ind As converged 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 Special purpose Ind As converged 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. 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 (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 Special purpose Ind As converged financial statements comply with the Ind AS specified under Section 133 of the Act.
  - E. On the basis of the written representations received from the directors as on April 1, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - F. Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India read with general circular No. 08/2017 dated 25 July 2017 as the company was a private limited company



during the financial year ended March 31, 2023 and falling under the exemption limits as per the aforesaid notification.

- G. In our opinion and to best of our information and according to the explanations given to us, the company being a private company during the financial year ended March 31, 2023, section 197 of the act related to managerial remuneration is not applicable.
- 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:
- a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone special purpose IndAS converged financial statements. (Refer to Note 23 to the Standalone special purpose IndAS converged financial statements)
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d)
    - i. 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 persons or entities, including foreign entities ("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 ("Ultimate Beneficiaries") by or on behalf of the Company.
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
      - a. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - b. provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
    - iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material misstatement.
  - e) The Company has not paid any dividend during the year and hence, compliance with Section 123 of the Act is not applicable.



2. In our opinion and best of our information and according to the explanations given to us, Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act is not applicable to the special purpose Ind As converged financial statements.

For Satyanarayan Goyal & Co. LLP  
Chartered Accountants  
(Firm's Registration No. – 00663666/0400333)

*Sair*



CA Shubham Jain  
(Partner)  
(M. No. - 441604)  
(UDIN -24441604BKFJVV2092)

Place: Mumbai  
Date: September 28, 2024

**DENOVO HOSPITALITY PRIVATE LIMITED**

**CIN: U55101MH2021PTC367795**

**STATEMENT OF BALANCE SHEET AS AT MARCH 31, 2023**

(Rs. in Lakhs)

Particulars	Note No.	As At	
		31.03.2023	31.03.2022
<b>A. Assets</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment	3	61.86	69.58
(b) Financial Assets			
(i) Other Financial Assets	4	7.25	13.90
(c) Deferred Tax Assets (Net)	5	18.32	20.78
<b>Total Non- Current Assets</b>		<b>87.43</b>	<b>104.26</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	6	10.25	0.25
(ii) Cash and cash equivalents	7	16.92	15.84
(iii) Loans	8	0.20	-
(b) Other current assets	9	0.68	0.44
(c) Current tax Assets (net)	10	0.12	-
<b>Total Current Assets</b>		<b>28.17</b>	<b>16.53</b>
<b>Total Assets</b>		<b>115.60</b>	<b>120.79</b>
<b>B. Equity and Liabilities</b>			
<b>1 Shareholders' Funds</b>			
(a) Equity Share Capital	11	1.00	1.00
(b) Other Equity	12	(57.10)	(59.12)
<b>Total Shareholders' Funds</b>		<b>(56.10)</b>	<b>(58.12)</b>
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	117.47	142.83
(ii) Trade payables	14		
-total outstanding dues of micro enterprises and small enterprises		2.77	0.66
-total outstanding dues of creditors other than micro enterprises and small enterprises		39.88	27.14
(b) Other current liabilities	15	10.68	6.53
(c) Provisions	16	0.90	1.75
<b>Total Current Liabilities</b>		<b>171.70</b>	<b>178.91</b>
<b>Total Equity &amp; Liabilities</b>		<b>115.60</b>	<b>120.79</b>

See accompanying notes forming integral part of the special purpose IndAS converged financial statements.

As per our report of even date.

**For Satyanarayan Goyal & Co LLP**

Chartered Accountants

ICAI FRN: 006636C/C400333

CA Shubham Jain  
Partner  
Mem. No. 441604  
UDIN:24441604BKFJWW2092  
Place: Mumbai  
Date: September 28, 2024

**For and on behalf of the board of directors**

*Ranjan*  
Ranjan Sahu  
(Director)  
(DIN: 101106900)

*Shatru*  
Shatrughan Shivmoorat Tiwari  
(Director)  
(DIN: 10671211)



## DENOVO HOSPITALITY PRIVATE LIMITED

CIN: U55101MH2021PTC367795

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	For the year ended	
		31.03.2023	31.03.2022
<b>I Revenue:</b>			
Revenue from operations (net)	17	647.43	127.41
<b>Total revenue</b>		<b>647.43</b>	<b>127.41</b>
<b>II Expenses:</b>			
Cost of material Consumed	18	181.52	44.39
Employee benefit expenses	19	176.50	66.52
Finance costs	20	10.71	3.94
Depreciation and amortization expense	3	19.96	7.01
Other expenses	21	254.26	85.45
<b>Total Expenses</b>		<b>642.95</b>	<b>207.31</b>
<b>III Profit/(loss) before exceptional items &amp; tax (I-II)</b>		<b>4.48</b>	<b>(79.90)</b>
<b>IV Exceptional Items</b>		<b>-</b>	<b>-</b>
<b>V Profit/(loss) before tax (III-IV)</b>		<b>4.48</b>	<b>(79.90)</b>
<b>VI Tax Expense :</b>	22		
(i) Current tax		-	-
(ii) Deferred Tax		2.46	(20.78)
<b>Total Tax Expense</b>		<b>2.46</b>	<b>(20.78)</b>
<b>VII Profit/(loss) For the year (V-VI)</b>		<b>2.02</b>	<b>(59.12)</b>
<b>VIII Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit or loss			
(i) Gain/(Loss) on Remeasurement of Defined Benefit Plans		-	-
(ii) Income tax relating to above items		-	-
<b>IX Other Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>X Total Comprehensive Income for the year (VII+IX)</b>		<b>2.02</b>	<b>(59.12)</b>
<b>XI Earning per equity share (in Rs.):</b>	28		
(1) Basic (Face Value of Rs. 10 each)		20.20	(591.20)
(2) Diluted (Face Value of Rs. 10 each)		20.20	(591.20)

See accompanying notes forming integral part of the special purpose IndAS converged financial statements.  
As per our report of even date.

For Satyanarayan Goyal & Co LLP  
Chartered Accountants  
ICAI FRN: 006636C/C400333

(Partner) CA. Shubham Jain

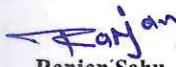
Mem. No. 441604

UDIN:24441604BKFJW2092

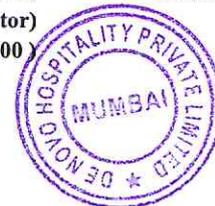
Place: Mumbai

Date: September 28, 2024

For and on behalf of the board of directors of

  
Ranjan Sahu  
(Director)  
(DIN: 101106900)

  
Shatrughan Shivmoorat Tiwari  
(Director)  
(DIN: 10671211)



**DENOVO HOSPITALITY PRIVATE LIMITED**  
**CIN: U55101MH2021PTC367795**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023**

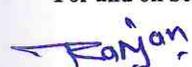
(Rs. in Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	4.48	(79.90)
Adjustments for:		
Depreciation and amortization expenses	19.96	7.01
Interest Paid	10.71	3.94
<b>Operating Profit before working capital changes</b>	<b>35.15</b>	<b>(68.95)</b>
<b>Adjustments for Changes in working capital:</b>		
Trade receivables	(10.00)	(0.25)
Other financial assets	6.65	(13.90)
Other current assets	(0.24)	(0.44)
Trade payables	14.85	27.80
Other liabilities & provisions	3.31	8.28
<b>Cash generated from operations</b>	<b>49.72</b>	<b>(47.46)</b>
Net Income tax paid	(0.12)	-
<b>Net cash flows used in operating activities (A)</b>	<b>49.60</b>	<b>(47.46)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(12.25)	(76.59)
Repayment of Loan/(Loans Given) to others	(0.20)	-
<b>Net cash flow from investing activities (B)</b>	<b>(12.45)</b>	<b>(76.59)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	(25.36)	142.83
Interest paid	(10.71)	(3.94)
<b>Net cash flow from financing activities (C)</b>	<b>(36.07)</b>	<b>139.89</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1.08</b>	<b>15.84</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15.84</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16.92</b>	<b>15.84</b>

**a. Cash and cash equivalents in cash flow statement comprise of folowings:** (Rs. in Lakhs)

Particulars	As at	
	31.03.2023	31.03.2022
Balance with Banks	15.94	12.04
Balances with Banks - in Credit Cards	0.81	1.26
Cash on hand	0.17	2.54
	<b>16.92</b>	<b>15.84</b>

See accompanying notes forming integral part of the special purpose IndAS converged financial statements.  
 As per our report of even date.  
**For Satyanarayan Goyal & Co LLP**  
 Chartered Accountants  
 ICAI FRN: 006636C/C400333  
  
  
 (Partner) CA. Shubham Jain  
 Mem. No. 441604  
 UDIN:24441604BKEJVV2092  
 Place: Mumbai  
 Date: September 28, 2024

**For and on behalf of the board of directors of**  
  
**Ranjan Sahu**  
 (Director)  
 (DIN: 101106900)

  
**Shatrughan Shivmoorat Tiwari**  
 (Director)  
 (DIN: 10671211)



**DENOVO HOSPITALITY PRIVATE LIMITED**

CIN: U55101MH2021PTC367795

**STATEMENT OF CHANGES IN EQUITY**

(Rs. in Lakhs)		
<b>A. Equity Share Capital</b>		
	No. of Shares	Amount
As at March 31, 2021	-	-
Changes during the year	10,000	1.00
As at March 31, 2022	10,000	1.00
Changes during the period	-	-
As at March 31, 2023	10,000	1.00

(Rs. in Lakhs)			
Particulars	Reserve and surplus		
	Retained earnings	Other Comprehensive Income	Total
Balance as at March 31, 2021	-	-	-
Profit for the year	(59.12)	-	(59.12)
Balance as at March 31, 2022	(59.12)	-	(59.12)
Profit for the year	2.02	-	2.02
Balance as at March 31, 2023	(57.10)	-	(57.10)

See accompanying notes forming integral part of the special purpose IndAS converged financial statements.

As per our report of even date.

For Satyanarayan Goyal &amp; Co LLP

Chartered Accountants

ICAI FRN: 006636C/C400333



CA Shubham Jain

Partner

Mem. No. 441604

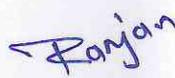
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Place: Mumbai

Date: September 28, 2024



For and on behalf of the board of directors of



Ranjan Sahu

(Director)

(DIN: 101106900)



Shatrughan Shivmoorat Tiwari

(Director)

(DIN: 10671211)



**DENOVO HOSPITALITY PRIVATE LIMITED**  
**CIN: U55101MH2021PTC367795**

**CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**1 Corporate Information**

Denovo Hospitality Private Limited (the "Company") is a private limited company domiciled in India and was incorporated as Denovo Hospitality Private Limited on September 20, 2021 under the provisions of the Companies Act, 1956 applicable in India. Its registered office is located at A/102, 1st Floor, Bharat Ark, Azad Nagar, Veera Desai Road, Andheri West, Mumbai - 400053. The Company is primarily engaged in the business of restaurants and selling related products.

**2 Significant accounting policies**

**(a) Basis of Preparation of Financial Statements**

**(i) Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The financial statements for the year ended March 31, 2024 are the first financials with comparatives, prepared under Ind AS and hence, these financials are being prepared to ensure the compliance of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 since the shareholder company - Sunshine Pictures Limited is going for public issue. For all previous periods including the period ended March 31, 2022, the Company had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2021 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India. The accounting policies are applied consistently to all the periods presented in the financial statements. These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

**(ii) Basis of Preparation**

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes. All the values are rounded to the nearest Lakhs (₹ 00,000) except when otherwise indicated.



**DENOVO HOSPITALITY PRIVATE LIMITED**  
**CIN: U55101MH2021PTC367795**

**CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**(b) Use of estimates**

The preparation of Financial Statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the Financial Statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

**(c) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

**Depreciation methods, estimated useful lives**

The Company depreciates property, plant and equipment over their estimated useful lives using the written-down value method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

**(d) Borrowing cost**

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

**(e) Foreign Currency Transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.



**DENOVO HOSPITALITY PRIVATE LIMITED**  
**CIN: U55101MH2021PTC367795**

**CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**(f) Financial instruments**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. In accordance with Ind AS 101, the Company has irrevocably designated its investment in equity instruments as FVTPL on the date of transition to Ind AS.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments: The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

**(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach as per Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iv) Derecognition of financial assets**

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



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**CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**(v) Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL.

**Financial liabilities through fair value through profit or loss (FVTPL)**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

**Financial liabilities at amortised cost**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

**(vi) Fair value of financial instruments**

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

**(vii) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(g) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



*Ranjan*

*[Signature]*

**DENOVO HOSPITALITY PRIVATE LIMITED**  
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**CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**(h) Revenue Recognition**

**(i) Revenue from Operations:** The Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from the sale of service is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- Revenue from sale of restaurant services and other related services are recognised when items/services are delivered to customers.

**(ii) Other income:** Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. Dividend income from investments is recognised when the company's rights to receive payment have been established. Income other than Interest and Dividend Income is recognised when the right to receive is established.

**(i) Taxes**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

**(i) Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

**(ii) Deferred tax**

Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

At each balance sheet, the company re-assesses unrecognised deferred tax assets, if any, and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.



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**CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**(j) Inventories**

Inventories (comprising of food, beverages, condiments, paper & packing materials) are valued at lower of cost (determined on first in first out basis) and net realisable value. However, materials and other items held for use the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(k) Impairment of non-financial assets**

The carrying value of assets / cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised for such excess amount.

**(l) Provisions and contingent liabilities**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(m) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

**(n) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables, shall be initially measured at their transaction price unless those contain a significant financing component determined.

**(o) Trade payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



**DENOVO HOSPITALITY PRIVATE LIMITED**  
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**CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**(p) Employee Benefits**

**(I) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.

**(II) Other long-term employee benefit obligations**

**(i) Defined contribution plan**

Since, the company has no. of employees lower than to which act for provident fund, super-annuation etc. applies and hence, no such expense is recognised.

**(ii) Defined benefit plans**

Since, the company has no. of employees lower than to which act for provident fund, super-annuation etc. applies and hence, no such expense is recognised.

**(q) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.





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**NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS**

(Rs. In Lakhs)

4	Other Non-current Financial assets	As At	
		31.03.2023	31.03.2022
	Particulars		
	(Unsecured and considered good, At Amortised Cost)		
	Security Deposits	7.25	13.90
	<b>TOTAL</b>	<b>7.25</b>	<b>13.90</b>

(Rs. In Lakhs)

5	Deferred tax Assets (Net)	As At	
		31.03.2023	31.03.2022
	Particulars		
	Deferred Tax Asset:		
	Fixed Assets: Impact of difference between tax depreciation and depreciation charges to financial reporting.	3.23	0.66
	Brought Forward Losses under Income Tax Act, 1961	15.09	20.12
	<b>TOTAL (A+B)</b>	<b>18.32</b>	<b>20.78</b>

*Ranjana**[Signature]*

DENOVO HOSPITALITY PRIVATE LIMITED

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NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS

(Rs. In Lakhs)

6	Trade Receivables	As at	
		31.03.2023	31.03.2022
	Particulars		
	Unsecured - Considered good	10.25	0.25
	Unsecured- Considered Doubtful	-	-
		10.25	0.25
	Less: Allowance for expected credit loss	-	-
	<b>TOTAL</b>	<b>10.25</b>	<b>0.25</b>
	<b>The following table summarises the changes in impairment allowance measured using the expected credit loss model:</b>		
	At the beginning of the period /year	-	-
	Provision made during the period /year	-	-
	Utilised / reversed during the period/year	-	-
	<b>At the end of the period/ year</b>	<b>-</b>	<b>-</b>

**Ageing of Trade Receivables As at March 31, 2023:**

Particulars	Less than 6 months	6 months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed-considered good	10.25	-	-	-	-	10.25
(ii) Undisputed-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed-Credit Impaired	-	-	-	-	-	-
(iv) Disputed- considered doubtful	-	-	-	-	-	-
(v) Disputed-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed-Credit Impaired	-	-	-	-	-	-

**Ageing of Trade Receivables As at March 31, 2022:**

Particulars	Less than 6 months	6 months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed-considered good	0.25	-	-	-	-	0.25
(ii) Undisputed-which have significant increase in	-	-	-	-	-	-
(iii) Undisputed-Credit Impaired	-	-	-	-	-	-
(iv) Disputed- considered doubtful	-	-	-	-	-	-
(v) Disputed-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed-Credit Impaired	-	-	-	-	-	-



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**DENOVO HOSPITALITY PRIVATE LIMITED**

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**NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS**

(Rs. In Lakhs)

7	Cash and Cash equivalents	As At	
		31.03.2023	31.03.2022
	Particulars		
	Balances with Banks - in current accounts	15.94	12.04
	Cash in hand	0.17	2.54
	Balances with Banks - in Credit Cards	0.81	1.26
	<b>TOTAL</b>	<b>16.92</b>	<b>15.84</b>

(Rs. In Lakhs)

8	Loans	As At	
		31.03.2023	31.03.2022
	Particulars		
	(Unsecured and considered good, At Amortised Cost)		
	Loans to Staff	0.20	-
	<b>TOTAL</b>	<b>0.20</b>	<b>-</b>

9	Other current assets	As At	
		31.03.2023	31.03.2022
	Particulars		
	Prepaid Expenses	0.53	-
	Advance to suppliers	0.02	0.40
	Staff Advances (Imprest)	0.13	0.04
	<b>TOTAL</b>	<b>0.68</b>	<b>0.44</b>

(Rs. In Lakhs)

10	Current tax Assets (net)	As At	
		31.03.2023	31.03.2022
	Particulars		
	Advance Tax paid (including TDS & TCS)	0.12	-
	Less: Current tax provision for the year	-	-
	<b>TOTAL</b>	<b>0.12</b>	<b>-</b>



*Rajam*

*[Signature]*

**DENOVO HOSPITALITY PRIVATE LIMITED**

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**NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS**

(Rs. in Lakhs except no. of shares data)

11	Equity Share Capital				
	Particulars	As at			
		March 31, 2023	March 31, 2022		
	(a) Authorized Share Capital Equity Shares of Rs. 10 each : 1,00,000 (March 31, 2022: 1,00,000)	1.00	1.00		
	<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>		
	(b) Issued, Subscribed and fully paid up share Equity Shares of Rs. 10 each : 1,00,000 (March 31, 2022: 1,00,000)	1.00	1.00		
	<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>		
<b>(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>					
	Particulars	As at March 31, 2023		As at March 31, 2022	
		No of shares	Amount	No of shares	Amount
	Equity Shares	10,000	1,00,000.00	-	-
	Balance at the beginning of the year	-	-	10,000	1,00,000.00
	Issue during the year	10,000	1,00,000.00	10,000	1,00,000.00
	<b>Balance at the end of the period/ year</b>				



*Ranjana*



*[Signature]*

(d) Rights, preferences and restrictions attached to shares  
 The Company has only one class of equity shares having a par value of Re.10 per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. However, no such preferential amounts exist currently.

**(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of share holder	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Sunshine Pictures Private Limited	5,000	50.00%	5,000	50.00%
Deepak Bassi	5,000	50.00%	5,000	50.00%

**(g) Details of shares held by promoters**

Name of Promoters	As at March 31, 2023		As at March 31, 2022		% Change in Shareholding
	No of shares	Amount	No of shares	Amount	
Sunshine Pictures Private Limited	5,000	50.00%	5,000	50.00%	0.00%
Deepak Bassi	5,000	50.00%	5,000	50.00%	0.00%



*Signature*



*Signature*

(Rs. In Lakhs)

12	Other Equity	As At	
		31.03.2023	31.03.2022
	Particulars		
(A)	Retained Earnings		
	Balance at the beginning of the period/ year	(59.12)	-
	Add: Net profit for the year	2.02	(59.12)
	Balance at the end of the period/ year	(57.10)	(59.12)
	TOTAL	(57.10)	(59.12)

(Rs. In Lakhs)

13	Non- Current Borrowings	As At	
		31.03.2023	31.03.2022
	Particulars		
	Unsecured Loans		
	From Related Party	117.47	142.83
	TOTAL	117.47	142.83

Nature of Securities and terms of repayment for Long Term Borrowings:

Term Loans:

1 Unsecured loan from holding company is at a interest rate of 10% and repayable on demand.

(Rs. In Lakhs)

14	Trade Payables	As At	
		31.03.2023	31.03.2022
	Particulars		
	i) Total outstanding dues of micro enterprises and small enterprises	2.77	0.66
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	39.88	27.14
	TOTAL	42.65	27.80

Ageing of Trade Payables As at March 31, 2023:

Particulars	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	2.77	-	-	-	2.77
(ii) Others	39.88	-	-	-	39.88
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing of Trade Payables As at March 31, 2022:

Particulars	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	0.66	-	-	-	0.66
(ii) Others	27.14	-	-	-	27.14
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

(Rs. In Lakhs)

15	Other current Liabilities	As At	
		31.03.2023	31.03.2022
	Particulars		
	Statutory Duties & Taxes	9.99	6.53
	Advances from Customers	0.69	-
	TOTAL	10.68	6.53



Ranjan



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DENOVO HOSPITALITY PRIVATE LIMITED  
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NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS

(Rs. In Lakhs)

16	Current provisions	As At	
		31.03.2023	31.03.2022
	Particulars		
	Provision for Audit fees	0.90	0.90
	Provision for expenses	-	0.85
	<b>TOTAL (A+B)</b>	<b>0.90</b>	<b>1.75</b>

(Rs. In Lakhs)

17	Revenue from operations	For the year ended	
		31.03.2023	31.03.2022
	Particulars		
	Sale of Restaurant Services	647.43	127.41
	<b>TOTAL</b>	<b>647.43</b>	<b>127.41</b>

(Rs. In Lakhs)

18	Cost of Material Consumed	For the year ended	
		31.03.2023	31.03.2022
	Particulars		
	Groceries and related expenses	181.52	44.39
	<b>Total</b>	<b>181.52</b>	<b>44.39</b>

(Rs. In Lakhs)

19	Employee benefit expenses	For the year ended	
		31.03.2023	31.03.2022
	Particulars		
	Salaries, wages, bonus and other allowances	165.56	64.34
	Contribution to Provident Fund and ESI	10.94	2.18
	<b>TOTAL</b>	<b>176.50</b>	<b>66.52</b>

(Rs. In Lakhs)

20	Finance costs	For the year ended	
		31.03.2023	31.03.2022
	Particulars		
	Interest on related party borrowings measured at amortised cost	10.71	3.94
	<b>TOTAL</b>	<b>10.71</b>	<b>3.94</b>

(Rs. In Lakhs)

21	Other expenses	For the year ended	
		31.03.2023	31.03.2022
	Particulars		
	Telecommunication Expenses	0.11	0.09
	Advertisement & Marketing Expenses	9.63	8.66
	Audit Fees	1.00	1.00
	Office expenses	17.76	3.38
	Legal, Consulting and Professional Fees	30.25	12.35
	Rent Charges	115.88	18.75
	Rates and Taxes	12.20	4.30
	Repairs & Maintenance Expenses	4.88	9.47
	Travelling Expenses	14.13	16.05
	Electricity/Gas expenses	48.42	11.40
	<b>TOTAL</b>	<b>254.26</b>	<b>85.45</b>
	Note:		
	Remuneration to Auditors:		
	-Statutory Audit Fees	0.75	0.75
	-Tax Audit Fees	0.25	0.25
	-Others	-	-
	<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>



*[Handwritten signature]*

22 Income Tax (Rs. In Lakhs)

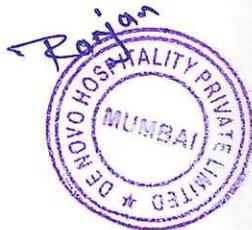
(A) Deferred tax liability to the following:		
Particulars	As at 31-03-2023	As at 31-03-2022
Deferred tax liabilities		
- On Difference between book depreciation and tax depreciation	-	-
<b>Total Deferred tax liabilities</b>	<b>-</b>	<b>-</b>
Deferred tax assets		
On Expenses provided but allowable in Income Tax on payment basis -		
- On Difference between book depreciation and tax depreciation	3.23	0.66
- On brought forward losses	15.09	20.12
<b>Total Deferred tax assets</b>	<b>18.32</b>	<b>20.78</b>
<b>Deferred tax Liabilities (Net)</b>	<b>(18.32)</b>	<b>(20.78)</b>

(B) Reconciliation of deferred tax (assets)/liabilities (net):		
Particulars	As at 31-03-2023	As at 31-03-2022
Opening balance	(20.78)	-
Tax liability recognized in Statement of Profit and Loss	-	-
Tax liability recognized in OCI	-	-
On re-measurements gain/(losses) of post-employment benefit obligations	-	-
Tax asset recognized/(reversed) in Statement of Profit and Loss	2.46	(20.78)
<b>Closing balance</b>	<b>(18.32)</b>	<b>(20.78)</b>

(C) Movement in deferred tax assets/ liabilities recognized in Statement of Profit and Loss		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Deferred tax liability on account of difference between book depreciation and tax depreciation	-	-
ii) Deferred tax asset on		
- On Difference between book depreciation and tax depreciation	(2.57)	(0.66)
- On brought forward losses	5.03	(20.12)
<b>Deferred tax charge / (income)</b>	<b>2.46</b>	<b>(20.78)</b>

(D) Tax expense charged to Profit & Loss A/c		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax expense	-	-
Deferred tax charge / (income)	2.46	(20.78)
<b>Tax expense reported in the statement of profit or loss</b>	<b>2.46</b>	<b>(20.78)</b>

(E) Tax expense charged to Other Comprehensive Income (OCI)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred Tax Expense on Net loss/(gain) on remeasurements of defined benefit plans	-	-
<b>Tax Expense charged to OCI</b>	<b>-</b>	<b>-</b>



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DENOVO HOSPITALITY PRIVATE LIMITED

CIN: U55101MH2021PTC367795

NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS

(Rs. In Lakhs)

(F) Reconciliation of Income tax charge

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	4.48	(79.90)
Income tax expense at tax rates applicable	1.13	(20.77)
Add/(Less): Tax effects of:		
Item not deductible for tax	(2.57)	(0.66)
Others	1.44	21.43
<b>Income tax expense</b>	-	-

23 Contingent Liabilities and Commitments

The details of Contingent Liabilities and Commitments (to the extent not provided for):

(Rs. In Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Contingent Liabilities:</b>		
(a) claims against the company not acknowledged as debt	-	-
(b) guarantees excluding financial guarantees; and	-	-
(c) other money for which the company is contingently liable.	-	-
<b>Total</b>	-	-
<b>Capital Commitments outstanding to be executed:</b>		
Estimated amount of capital contacts (including covered by Letter of Credit remaining to be executed on capital account not provided for (Net of Advances)	-	-
<b>Total</b>	-	-

24 Disclosure pursuant to Indian Accounting Standard-108 "Operating Segments":

During the year under consideration, the company operated only one segment i.e., providing restaurant and related services.

25 (a) Financial Instruments by Category

(a) The carrying values and fair values of financial instruments at the end of each reporting periods is as follows:

Particulars	As at 31-03-2023		As at 31-03-2022	
	At FVTPL	Amortised Cost	At FVTPL	Amortised Cost
<b>Assets:</b>				
Other Non-current Financial assets	-	7.25	-	13.90
Trade Receivables	-	10.25	-	0.25
Cash & Cash Equivalents	-	16.92	-	15.84
Loans	-	0.20	-	-
<b>Total</b>	-	<b>34.62</b>	-	<b>29.99</b>
<b>Liabilities:</b>				
Current Borrowings	-	117.47	-	142.83
Trade Payables	-	42.65	-	27.80
<b>Total</b>	-	<b>160.12</b>	-	<b>170.63</b>



*Rajam*



**DENOVO HOSPITALITY PRIVATE LIMITED**

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**NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS**

**(b) Fair Value Measurement**

**(i) Fair Value hierarchy**

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 assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3- Input based on unobservable market data

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2023:</b>				
<b>Financial Asset:</b>				
Total Financial Asset	-	-	-	-
<b>Financial Liabilities:</b>				
Total Financial Liabilities	-	-	-	-
<b>As at March 31, 2022:</b>				
<b>Financial Asset:</b>				
Total Financial Asset	-	-	-	-
<b>Financial Liabilities:</b>				
Total Financial Liabilities	-	-	-	-

**26 Financial Risk Management**

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

**(i) Foreign currency risk**

The company does not have any foreign currency risk exposure since the company does not import or export any of its goods or services and hence, reporting of foreign currency risk exposure and sensitivity analysis is not applicable.



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NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Exposure to Interest Rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Rs. In Lacs)	
	As At 31.03.2023	As At 31.03.2022
Long term debts from Banks and Financial Institutions	-	-
Current Maturities of long term debts	-	-
Unsecured Loan	-	-
- From Bank	-	-
- From Related Parties	117.47	142.83
- From Companies	-	-
Working Capital Loans from Banks	-	-
Overdraft from Bank	-	-
Total of the above borrowings bearing fixed rate of interest	117.47	142.83
Total of the above borrowings bearing variable rate of interest	-	-
% of Borrowings out of above bearing variable rate of interest	0.00%	0.00%

Interest rate sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	(Rs. In Lacs)	
	As At 31.03.2023	As At 31.03.2022
50 bps increase would decrease the profit before tax by	-	-
50 bps decrease would increase the profit before tax by	-	-



*Ranjan*

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**DENOVO HOSPITALITY PRIVATE LIMITED**  
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**NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS**

**(iii) Investment Risk**

The company is not exposed to price risk from investments since the company does not have any investments.

**Liquidity Risk**

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

(Rs. In Laacs)

Particulars	(Rs. In Laacs)	
	As At 31.03.2023	As At 31.03.2022
<b>Borrowings</b>		
expiring within one year	117.47	142.83
expiring beyond one year	-	-
	117.47	142.83
<b>Trade Payables</b>		
expiring within one year	42.65	27.80
expiring beyond one year	-	-
	42.65	27.80
<b>Other Financial liabilities</b>		
expiring within one year	-	-
expiring beyond one year	-	-
	-	-

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Customer credit risk is managed by the Entity's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The following table summarises the changes in impairment allowance measured using the expected credit loss model:

(Rs. In Laacs)

Particulars	(Rs. In Laacs)	
	As At 31.03.2023	As At 31.03.2022
At the beginning of the period /year	-	-
Provision made during the period /year	-	-
Utilised / reversed during the period/year	-	-
<b>At the end of the period/ year</b>	<b>-</b>	<b>-</b>

The impairment analysis is performed on client to client basis at each reporting date for major customers. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

**Write off policy**

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

**Capital Management**

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company monitors capital using a gearing ratio.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

The Company's gearing ratio was as follows:

(Rs. In Laacs)

Particulars	(Rs. In Laacs)	
	As At 31.03.2023	As At 31.03.2022
Total Borrowings	117.47	142.83
Less: Cash and cash equivalents	16.92	15.84
Net debt	100.55	126.99
Total equity	(56.10)	(58.12)
Gearing ratio	(1.79)	(2.18)

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the period ended 31st March, 2023



*Ranjana*



*[Signature]*

DENOVO HOSPITALITY PRIVATE LIMITED  
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NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS

27 Related party disclosures

A. Names of related parties and nature of relationship :

a) Company and Key managerial personnel:

S.No.	Relationship	Name
(i)	Director	Ranjan zabu
(ii)	Director	Shafali shah
(iii)	Shareholder of the company	Sunshine pictures private limited
(iv)	KMP	Deepak bussu

b) Relatives of Key Managerial Personnel:

S.No.	Relationship	Name
(i)	Relative of KMP	Ncha Bassi

d) Transactions with related parties are as follows:

(Rs in Lakhs)

S.No.	Nature of transaction	Year ended/Period ended	Shareholder of the company	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Director remuneration	March 31, 2023	-	33.08	-	33.08
		March 31, 2022	-	15.01	-	15.01
(ii)	Professional fees	March 31, 2023	-	1.94	24.00	25.94
		March 31, 2022	-	-	10.00	10.00
(iii)	Interest Expense	March 31, 2023	10.71	-	-	10.71
		March 31, 2022	3.15	-	-	3.15
(iv)	Borrowings taken	March 31, 2023	-	-	-	-
		March 31, 2022	140.00	-	-	140.00
(v)	Borrowings Repayment	March 31, 2023	35.00	-	-	35.00
		March 31, 2022	-	-	-	-
(vii)	Reimbursements	March 31, 2023	-	0.43	1.20	1.63

e) Balances outstanding are as follows:

S.No.	Nature of transaction	As at	Shareholder of the company	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Borrowings	March 31, 2023	117.47	-	-	117.47
		March 31, 2022	142.83	-	-	142.83
(ii)	Payables	March 31, 2023	-	5.13	1.80	6.93
		March 31, 2022	-	-	1.80	1.80



*Shafali*

**DENOVO HOSPITALITY PRIVATE LIMITED**

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**NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS**

**28 Earnings per share**

(Rs. In Lakhs except share and ratios data)

Particulars	For the year ended March 31,	
	2023	2022
Restated Profit for the period/year(A)	2.02	(59.12)
Weighted Average Number of Equity Shares at the end of the period/year (B)	10,000	10,000
<b>Earnings Per Share - Basic &amp; Diluted</b>	<b>20.20</b>	<b>(591.20)</b>

**Notes -**

1. Ratios have been calculated as below:

Earnings Per Share (₹) :

$$\frac{A}{B} \times 100000$$



*Ranjan*



*SPATE*

DENOVO HOSPITALITY PRIVATE LIMITED

CIN: U55101MH2021PTC367795

NOTES TO SPECIAL PURPOSE INDAS CONVERGED FINANCIAL STATEMENTS

29

DETAILS OF ACCOUNTING RATIOS AS PER SCHEDULE III DIVISION II AS RESTATED

Ratios	Ratios		Variance (%) For the year ended 31.03.2023
	For the year ended		
	31.03.2023	31.03.2022	
(a) Current Ratio	0.16	0.09	77.57%
(b) Debt-Equity Ratio	(2.09)	(2.46)	(14.79%)
(c) Debt Service Coverage Ratio	0.12	(0.52)	(122.90%)
(d) Return on Equity Ratio	(0.88%)	101.72%	(100.87%)
(e) Inventory turnover ratio	-	-	-
(f) Trade Receivables turnover ratio	123.32	509.64	(75.80%)
(g) Trade payables turnover ratio	12.80	5.28	142.27%
(h) Net capital turnover ratio	(4.23)	(0.78)	439.46%
(i) Net profit ratio	0.31%	(46.40%)	(100.67%)
(j) Return on Capital employed	7.30%	(94.32%)	(107.74%)
(k) Return on investment	N.A.	N.A.	-

Notes:

- Current Ratio - Ratios has increased due to decrease in borrowings
- Debt service coverage Ratio - Ratio has increased due to increase in earnings of the company
- Return on equity Ratio - Ratio has increased due to increase in net profit after taxes
- Trade receivable turnover Ratio - Ratio has decreased due to increase in average trade receivables
- Trade payable turnover Ratio - Ratio was increased mainly due to increase in turnover their expenses and cost of material consumed as compared to increase in trade payables
- Net capital turnover Ratio - Ratio has decreased due to increase in average working capital
- Net Profit Ratio - Ratio has increased due to increase in profits.
- Return on capital employed Ratio - Ratio has increased due to increase in profits.



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**DENOVO HOSPITALITY PRIVATE LIMITED****CIN: U55101MH2021PTC367795****NOTES TO THE STANDALONE FINANCIAL STATEMENTS****30 Value of imports calculated on C.I.F basis by the company during the financial year in respect of:**

(₹ In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	₹	₹
(a) Raw Material	-	-
(b) Components and spare parts	-	-
(c) Capital goods	-	-

**31 Expenditure in foreign currency during the financial year:**

(₹ In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	₹	₹
(a) Royalty	-	-
(b) Know-How	-	-
(c) Professional and consultation fees	-	-
(d) Interest	-	-
(e) Purchase of Components and spare parts	-	-
(f) Others	-	-

**32 Earnings in foreign exchange as :**

(₹ In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	₹	₹
(a) Export of goods calculated on F.O.B. basis	-	-
(b) Royalty, know-how, professional and consultation fees	-	-
(c) Interest and dividend	-	-
(d) Other income	-	-



*Ranjan*

**DENOVO HOSPITALITY PRIVATE LIMITED****CIN: U55101MH2021PTC367795****NOTES TO THE STANDALONE FINANCIAL STATEMENTS****33 Dues of small enterprises and micro enterprises as restated as:**

(₹ In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	₹	₹
(a) Dues remaining unpaid to any supplier at the end of each accounting year		
-Principal	2.77	0.66
-Interest on the above	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) 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 Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



Ranjan

## DENOVO HOSPITALITY PRIVATE LIMITED

CIN: U55101MH2021PTC367795

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

#### 34 Additional Regulatory Information as per Para Y of Schedule III to Companies Act, 2013:

- i. The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- ii. The Company has not revalued its Property, Plant and Equipment.
- iii. The Company has not granted loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
  - (a) repayable on demand or
  - (b) without specifying any terms or period of repayment
- iv. The Company does not have any capital work-in-progress.
- v. The Company does not have any intangible assets under development.
- vi. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- vii. The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.
- viii. The company is not declared as wilful defaulter by any bank or financial institution or other lender.
- ix. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- x. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
- xi. The company does not have any investments and hence, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.



**DENOVO HOSPITALITY PRIVATE LIMITED**  
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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

- xii. Significant Accounting Ratios: Refer Note 29 above.
- xiii. The Company does not have any scheme of arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- xiv. A. 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 persons or entities, including foreign entities ("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 ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
B. No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

For and on behalf of the board of directors

  
Ranjan Sahu  
(Director)  
(DIN: 101106900)



Place: Mumbai  
Date: September 28, 2024

  
Shatrughan Shivmoorat Tiwari  
(Director)  
(DIN: 10671211)

