



Independent Auditor's Report

To the Members of Sky Gate Hospitality Private Limited

Report on the Standalone financial statements

Opinion

We have audited the accompanying Standalone financial statements of **Sky Gate Hospitality Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the statement of Cash Flows for the year ended 31 March, 2026 and a summary of the significant accounting policies and other explanatory information (here after referred to as "Standalone financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2026, and statement of its profit and loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended 31 March, 2026.

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 Standalone 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 the ethical requirements that are relevant to our audit of the Standalone 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.

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Director's report and Management Discussion and Analysis of Annual report, but does not include the Standalone financial statements and our report thereon. The Directors report and Management Discussion and Analysis of Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.



When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

1. Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error audit procedures, design and perform 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.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonable ness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2025 and the transition date opening Balance Sheet as at April 01, 2024 included in these Standalone financial statements, are based on the previously issued statutory Standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021 as amended, audited by S.R. Batliboi and Associates LLP, who have expressed an unmodified opinion vide audit report dated July 18, 2025 and has been relied upon by us for the purpose of the audit of the Standalone financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the 'Companies (Auditor's Report) Order, 2020', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the Annexure 'T' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Standalone financial statements dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) The provision of section 197 read with schedule V of the act are not applicable to the company for the year ended March 31, 2026.



(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company, as detailed in note 36 to the Standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2026.
- ii. according to the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which have feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled in respect of subsystem which records revenue as described in Note 46 of the Standalone financial statement. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software where such feature is enabled for the year ended March 31, 2026 and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Place : Gurugram
Date : 13-05-2026



For O P Bagla & Co LLP
Chartered Accountants
FRN : 000018N/N500091

Kripa Shankar Shukla
Partner

M. No. . 515763
UDIN: 26515763MSRVX7501

Annexure- I to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Sky Gate Hospitality Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) In respect of the Company's Property, plant and equipment and intangible assets:
 - a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) Property, Plant and Equipment and right-of-use assets have been physically verified by the management in a phased manner over a period of three, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii)
 - a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.
 - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The Company has not provided any security or granted any advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. The Company has granted loans to subsidiary during the year, details of the loan is given in sub-clause (a) below.
 - a. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to subsidiary and director is as below:

Particulars	INR in million		
	Subsidiary	Director	Total
Aggregate amount provided/granted during the year	40.00	50.00	90.00
Balance outstanding as at balance sheet date in respect of above cases	Nil	50.00	50.00



- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investment made, guarantee provided and the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) The Company has not granted any loan which had fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii) In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2026 for a year from the date they became payable.
- b) The dues of goods and services tax, provident fund, employees' state insurance, income tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount* (INR. In million)	Period to which the amount relates	Forum was the dispute pending
Income Tax Act, 1961	Income tax demand	2.91	A.Y. 2018-19	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income tax demand	1,830.95	A.Y. 2022-23	Commissioner of Income-tax (Appeals)

*During the year ended March 31, 2024, the Company has deposited Rs. 0.58 million under protest in connection with a dispute with Income tax authorities for the assessment year 2018-19.



- viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including confirmations received from other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the Standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us, the Company has complied with provision of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. The amount raised, have been used for the purposes for which the funds were raised.
- xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year covered by our audit.
- b) No report under section 143(12) of the Act has been filed with the Central Government for the year covered by our audit.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv) The Company has an internal audit system commensurate with the size and nature of its business. The Internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and doesn't have any CIC as part of the Group. Hence, reporting under clause 3(xvi) of the Order is not applicable.



- xvii) The Company has incurred cash loss of Rs. 342.66 million in the current year and Rs. 671.02 million in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the plans of the Board of Directors and management and considering the financial position of the company, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.
- xxi) The reporting under clause (xxi) is not applicable in respect of audit of Standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

Place : Gurugram
Date : 13-05-2026



For O P Bagla & Co LLP
Chartered Accountants
FRN : 000018N/N500091

Kripa Shankar Shukla
Partner

M. No. 515763
UDIN: 26515763SMSRVX7501

Annexure II to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Sky Gate Hospitality Private Limited** of even date)

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

In conjunction with our audit of the Standalone financial statements of **Sky Gate Hospitality Private Limited** (hereinafter referred to as "Company") as at and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

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 Standalone 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 Standalone 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 Standalone financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026, 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.

Place: Gurugram
Date: 13-05-2026

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No: 000018N/N500091



Kripa Shankar Shukla
Partner
Membership No. 515763
UDIN: 26515763SMSRVX7501

Sky Gate Hospitality Private Limited
Balance Sheet as at 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Assets				
Non-current assets				
Property, plant and equipment	3A	187.98	308.61	343.21
Capital work in progress	3B	-	11.04	5.37
Right-of-use assets	3C	350.26	473.05	358.76
Other Intangible assets	4	1.97	3.90	7.09
Intangible assets under development	3D	-	-	12.12
Financial assets				
(i) Investments	5	429.84	320.31	379.66
(ii) Loan	6	37.37	-	-
(iii) Other financial assets	7	40.05	37.69	162.23
Income tax assets (net)	7A	23.45	47.03	46.10
Other non-current assets	8	2.84	4.85	5.69
Total non-current assets		1,073.76	1,206.48	1,320.23
Current assets				
Inventories	9	120.73	99.41	79.81
Financial assets				
(i) Investment	10	0.01	0.01	0.01
(ii) Trade receivables	11	167.00	140.64	125.58
(iii) Cash and cash equivalents	12	6.90	26.49	251.31
(iv) Bank balances other than cash and cash equivalents above	13	-	207.68	586.35
(v) Other financial assets	7	9.39	6.19	3.69
Other current assets	8	34.02	29.75	29.93
Total current assets		338.05	510.17	1,076.68
Total assets		1,411.81	1,716.65	2,396.91
Equity and liabilities				
Equity				
Equity share capital	14	2.33	0.57	0.57
Other equity	15	640.84	540.02	1,145.80
Total equity		643.17	540.59	1,146.37
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16	-	175.01	320.15
(ii) Lease liabilities	17	359.56	470.11	369.53
Provisions	19	44.02	32.35	24.98
Total non-current liabilities		403.58	677.47	714.66
Current liabilities				
Financial liabilities				
(i) Borrowings	20	-	29.81	163.76
(ii) Lease liabilities	17	76.71	89.79	58.55
(iii) Trade payables	22			
(a) total outstanding dues of micro and small enterprises		21.70	49.60	37.08
(b) total outstanding dues other than (iii) (a) above		158.12	188.04	169.47
(iv) Other financial liabilities	18	74.92	96.13	70.93
Other current liabilities	21	21.74	17.27	16.25
Provisions	19	8.96	25.04	16.93
Current Tax liabilities (net)	21A	2.91	2.91	2.91
Total current liabilities		365.06	498.59	535.88
Total equity and liabilities		1,411.81	1,716.65	2,396.91

As per our report of even date attached
For O P Bagla & Co LLP
Chartered Accountants

ICAI Firm Registration No.: 000018N/N500091

Kripa Shankar Shukla
Partner

Membership No.: 515763

Place: Gurugram

Date: 13 May 2026

For and on behalf of the Board of Directors
Sky Gate Hospitality Private Limited
Kaushik Kumar Roy
Director

DIN: 01228972

Manish Dawar
Director

DIN: 00319476



Sky Gate Hospitality Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2026

(₹ in millions, except for share data and if otherwise stated)

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	23	2,433.17	2,673.70
Other income	24	25.88	29.67
Total income		2,459.05	2,703.37
Expenses			
Cost of materials consumed	25	1,044.39	1,180.60
Employee benefits expense	26	597.98	663.31
Finance costs	27	58.05	96.39
Depreciation and amortisation expense	28	228.38	225.93
Other expenses	29	1,051.17	1,370.69
Total expenses		2,979.97	3,536.92
Loss before exceptional items and tax		(520.92)	(833.55)
Exceptional items	30	(5.00)	63.40
Loss before tax		(515.92)	(896.95)
Tax expense			
Current tax		-	-
Total tax expense		-	-
Loss for the year from continuing operations		(515.92)	(896.95)
Loss for the year from discontinued operations	31	(55.12)	-
Loss for the year		(571.04)	(896.95)
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		6.12	0.45
Other comprehensive income for the year		6.12	0.45
Total comprehensive income for the year		(564.92)	(896.50)
Loss per equity share of face value of ₹ 10 each	32		
Basic (₹)		(2,751.96)	(15,716.66)
Diluted (₹)		(2,751.96)	(15,716.66)

As per our report of even date attached

For **O P Bagla & Co LLP**

Chartered Accountants

ICAI Firm Registration No.: 000018N/N500091

Kripa Shankar Shukla

Partner

Membership No.: 515763



Place: Gurugram

Date: 13 May 2026

For and on behalf of the Board of Directors
Sky Gate Hospitality Private Limited

Kaushik Kumar Roy

Director

DIN: 01228972

Manish Dawar

Director

DIN: 00319476



Sky Gate Hospitality Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

A. Equity share capital

	As at 31 March 2026		As at 31 March 2025		As at 01 April 2024	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	57,070	0.57	57,070	0.57	57,070	0.57
Add: Shares issued during the year ^	28,700	0.17	-	-	-	-
Add: Shares issued pursuant to conversion of CCPS	159,304	1.59	-	-	-	-
Balance at the end of the year	245,074	2.33	57,070	0.57	57,070	0.57

^ Partly paid up share @ Rs. 6 each

B. Other equity

Particulars	Equity portion of compounded financials instruments	Employee stock options outstanding account	Security premium	Retained earnings	Total
Balance as at 01 April 2024	-	0.51	3,676.57	(2,349.96)	1,327.12
Ind AS transition impact	3,378.16	-	(3,501.78)	(57.70)	(181.32)
Balance as at 01 April 2024	3,378.16	0.51	174.79	(2,407.66)	1,145.80
Loss for the year	-	-	-	(896.95)	(896.95)
Employee stock options expense	-	0.26	-	-	0.26
Other comprehensive income for the year	-	-	-	0.45	0.45
Contribution during the year	290.46	-	-	-	290.46
Balance as at 31 March 2025	3,668.62	0.77	174.79	(3,304.16)	540.02
Loss for the year	-	-	-	(571.04)	(571.04)
Other comprehensive income for the year	-	-	-	6.12	6.12
Employee stock options expense	-	(0.77)	-	-	(0.77)
Adjustment on account of conversion of CCPS	(3,668.62)	-	3,813.30	-	144.68
Securities premium received during the year	-	-	521.83	-	521.83
Balance as at 31 March 2026	-	-	4,509.92	(3,869.08)	640.84

As per our report of even date attached

For **O P Bagla & Co LLP**

Chartered Accountants

ICAI Firm Registration No.: 000018N/N500091

Kripa Shankar Shukla

Partner

Membership No.: 515763

Place: Gurugram

Date: 13 May 2026

For and on behalf of the Board of Directors
Sky Gate Hospitality Private Limited

Kaushik Kumar Roy

Director

DIN: 01228972

Manish Datar

Director

DIN: 00319476



Sky Gate Hospitality Private Limited
Cash Flow Statement for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash flows from operating activities		
Loss before tax from continuing operations	(515.92)	(896.95)
Loss for the year from discontinued operations	(55.12)	-
Adjustments for:		
Depreciation and amortisation expense	229.53	225.93
(Reversal of impairment)/Impairment of Investment in Subsidiary	(10.95)	63.40
Provision for asset retirement obligation	-	7.07
Loss on disposal of property plant and equipment (net)	35.79	32.94
Loss on write-off of intangible assets under developments	-	12.12
Employee stock option expenses	(0.77)	0.26
Loss allowance	5.09	0.91
Finance costs	58.05	96.39
Gain on termination of leases	(13.70)	-
Interest income from bank deposits and others	7.13	(25.69)
Gain on sale of current investment (net)	(0.53)	-
Interest income from financial assets at amortized cost	(4.52)	(3.04)
Operating loss before working capital changes	(265.92)	(486.66)
Adjustments for:		
- trade receivables	(31.45)	(6.30)
- inventories	(21.32)	(19.60)
- loans, other financial assets, and other assets	(45.69)	16.31
- trade payables, other financial liabilities and other liabilities	(67.11)	65.93
Cash used in operating activities	(431.49)	(430.32)
Income tax refund/paid(net)	23.58	(33.10)
Net cash used in operating activities	(407.91)	(463.42)
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(59.59)	(137.89)
Proceeds from sale of property, plant and equipment	11.04	1.98
Gain on sale of current investment (net)	0.53	-
Investment in subsidiaries	(188.58)	(4.05)
Proceeds from sale of non current investment	90.00	-
Deposits made with banks (net)	207.68	492.28
Interest received	7.00	37.32
Net cash generated from investing activities	68.08	389.64
C. Cash flows from financing activities		
Proceeds from issue of preference share capital including security premium	-	290.47
Proceeds from issue of equity share capital including security premium	522.00	-
Repayment of long term borrowings	(58.55)	(238.14)
Repayment of short borrowings	-	(62.52)
Interest paid	(3.02)	(20.33)
Payment of lease liability - principal	(85.16)	(54.49)
Payment of lease liability - interest	(55.03)	(66.03)
Net cash generated from/(used in) financing activities	320.24	(151.04)
Net decrease in cash and cash equivalents during the year (A+B+C)	(19.59)	(224.82)
D. Cash and cash equivalents at the beginning of the year	26.49	251.31
E. Cash and cash equivalents as at the end of the year (refer note 12)	6.90	26.49

Notes:

1. The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Cash Flow Statements', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For O P Bagla & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 000018N/500091

Kripa Shankar Shukla

Partner

Membership No.: 515763

Place: Gurugram

Date: 13 May 2026

For and on behalf of the Board of Directors
Sky Gate Hospitality Private Limited

Kaushik Kumar Roy

Director

DIN: 01228972

Manish Dawar

Director

DIN: 00319476



Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

1. Company Information / Overview

Sky Gate Hospitality Private Limited ("the Company") (CIN : U15122HR2015PTC056192) was incorporated in India as a private limited Company under the Companies Act, 2013 on July 28, 2015. The Company has been setup to run quick service restaurant under the brand name of "Biryani by Kilo".

2.1 Basis of preparation

(a) Statement of compliance

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 10 June 2025, with transition date of 1 April 2024, pursuant to notification issued by the Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2021, as amended. Accordingly, the financial statements comply with Ind AS as prescribed under section 133 of the Companies Act, 2013 (the 'Act'), relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements upto and for the year ended 31 March 2025 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), notified under section 133 of the Act ('Previous Indian GAAP') and other relevant provisions of the Act. The financial statements for the year ended 31 March 2026 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is included in Note 48.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest million as per the requirement of schedule III to the act, except for share data and if otherwise stated.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or amortised cost.

2.2 Material accounting policies

a. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, are capitalised and disclosed separately under leasehold improvement.

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

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other subsequent cost are charged to the Statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is available for use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Head	Useful life of asset (in years)
Plant and equipment	5
Furniture and fixtures	5
Office equipments	5
Computers	3
Vehicles	10
Leasehold improvements	5

Leasehold improvements are depreciated on a straight-line basis over the period of the initial lease term or 10 years, whichever is lower. Any refurbishment of structure is depreciated over a period of 5 years.

Depreciation is calculated on a pro rata basis for assets purchased/sold during the year.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

b. Other intangible assets

Intangible assets that are acquired are recognized only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortization and impairment losses, if any.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the Statement of profit and loss when the asset is derecognized.

i. Subsequent cost

Subsequent costs is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognized in Statement of profit and loss, as incurred.

ii. Amortisation

Identified intangible assets with indefinite life are tested for impairment on annual basis and hence not amortised.

Amortisation of intangible assets (with definite life) is calculated over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year.

Asset description	Useful life (in years)
License fee	5
Computer software	5

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.



c. Inventories

Inventories consist of raw materials which are of a perishable nature and traded goods. Inventories for traded goods are valued at lower of cost and net realizable value ('NRV'). Raw materials are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their NRV. Cost of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting nonrefundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV is made on at item group level basis at each reporting date.

d. Leases

The Company as a lessee

The Company enters into an arrangement for lease of buildings and office equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the standalone financial statements of the Company.

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

As a lessee, the Company determines the lease term as the noncancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Company as a lessor

When the Company acts as an intermediate lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.



e. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU'). Goodwill arising from the recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the Statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are as under:

- Gross Margins
- Discount Rates
- Material Price inflation
- Growth rate
- Rent expense
- Salaries and wages
- Royalty and marketing fees

The management believes that no reasonably possible change in any of the key assumptions used in value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Gross Margins - Gross margins are based on average values achieved in the preceding years and is expected to remain constant during the budget period. These have not increased over the budget period for anticipated efficiency improvements as the increase, if any, is expected to be marginal.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC). The cost of equity is derived from the expected return on investment by the Company's investors.

Materials price inflation - Past actual material price movements are used as an indicator of future price movements.

Growth rate estimates - Rates are based on management's estimate through internal and published industry research.

Rent expense, Salaries and wages, Royalty and Marketing expenses - Past actual rate movements are used as an indicator of future rate movements. Any subsequent changes in the above factors could impact the recoverable value

f. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

g. Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

h. Employee benefits

Short term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined Contribution Plans

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

The liability recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefits expense in the Statement of profit and loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income and transferred to retained earnings.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Statement of profit and loss as past service cost.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.



Other long term employee benefits

Compensated absences

The Company's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in Statement of profit and loss in the period in which they arise.

i. Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

(j) Financial instruments

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

Financial assets

Recognition and initial measurement

Trade receivables and debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are attributable to its acquisition or use.

Classification and subsequent measurement:

Classification

For the purpose of initial recognition, the Company classifies financial assets in following categories:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the profit or loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the profit or loss.

Impairment of financial assets (other than at fair value)

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the profit or loss.



Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, for an item not at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

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

A financial liability is classified as 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 the profit or loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the profit or loss.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(k) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise share options granted to employees.

(l) Current–non-current classification

All assets and liabilities are classified into current and non-current.

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

(m) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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Sky Gate Hospitality Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

(₹ in millions, except for share data and if otherwise stated)

3A Property, plant and equipment

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Computer equipment	Total (A)
Gross Block							
Balance as at 1 April 2024	237.63	339.41	16.76	56.65	9.84	27.16	687.45
Additions during the year*	44.83	81.14	0.84	6.55	-	0.87	134.23
Disposals during the year	25.96	32.14	2.04	5.77	-	0.88	66.79
Balance as at 31 March 2025	256.50	388.41	15.56	57.43	9.84	27.15	754.89
Additions during the year*	32.53	26.83	0.02	2.82	-	0.07	62.27
Disposals during the year	42.28	69.33	1.11	2.30	8.17	0.24	123.43
Balance as at 31 March 2026	246.75	345.91	14.47	57.95	1.67	26.98	693.73
Accumulated depreciation							
Balance as at 1 April 2024	117.36	167.10	9.55	27.27	3.26	19.70	344.24
Depreciation for the year	52.49	63.07	2.52	9.73	0.93	5.35	134.09
Disposals during the year	10.44	16.80	1.07	2.97	-	0.77	32.05
Balance as at 31 March 2025	159.41	213.37	11.00	34.03	4.19	24.28	446.28
Depreciation for the year	60.82	55.79	1.87	8.88	0.45	1.19	129.00
Disposals during the year	32.79	30.30	0.90	1.94	3.38	0.22	69.53
Balance as at 31 March 2026	187.44	238.86	11.97	40.97	1.26	25.25	505.75
Carrying amount (net)							
Net carrying value as at 31 March 2026	59.31	107.05	2.50	16.98	0.41	1.73	187.98
Net carrying value as at 31 March 2025	97.09	175.04	4.56	23.40	5.65	2.87	308.61
Net carrying value as at 01 April 2024	120.27	172.31	7.21	29.38	6.58	7.46	343.21

*There are no pre-operative expenses capitalised during current year and previous year.

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)
3B Capital work-in-progress (CWIP)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
At the beginning of the year	11.04	5.37	5.37
Additions	-	11.04	-
Transfers to property, plant and equipment	(11.04)	(5.37)	-
At the end of the year	-	11.04	5.37

The capital work-in-progress ageing schedule for the years ended 31 March 2026, 31 March 2025 and 01 April 2024 is as follows :-

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 2 years	
Projects in progress				
As at 31 March 2026	-	-	-	-
As at 31 March 2025	11.04	-	-	11.04
As at 01 April 2024	5.37	-	-	5.37

Note :

There are no projects as on each reporting period end where activity has been suspended. Also there are no projects as on the reporting period end which has exceeded cost as compared to its original plan or where completion is overdue.

3C Right-of- use assets

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Leasehold property	729.88	754.11	551.82
Accumulated depreciation	379.62	281.06	193.06
Net carrying value	350.26	473.05	358.76

3D Intangible assets under development

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Intangible assets under development	-	-	12.12
	-	-	12.12

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Sky Gate Hospitality Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

(₹ in millions, except for share data and if otherwise stated)

4. Other Intangible assets

Particulars	Software	Licenses fee	Total
Balance as at 1 April 2024	8.96	8.54	17.50
Additions during the year	0.83	-	0.83
Disposals during the year	0.31	-	0.31
Balance as at 31 March 2025	9.48	8.54	18.02
Additions during the year	0.09	-	0.09
Disposals during the year	0.19	-	0.19
Balance as at 31 March 2026	9.38	8.54	17.92
Accumulated amortisation			
Balance as at 1 April 2024	6.05	4.36	10.41
Amortisation for the year	1.14	2.70	3.84
Disposals during the year	0.13	-	0.13
Balance as at 31 March 2025	7.06	7.06	14.12
Amortisation for the year	0.91	1.06	1.97
Disposals during the year	0.13	0.01	0.14
Balance as at 31 March 2026	7.84	8.11	15.95
Carrying amount (net)			
Net carrying value as at 31 March 2026	1.54	0.43	1.97
Net carrying value as at 31 March 2025	2.42	1.48	3.90
Net carrying value as at 01 April 2024	2.91	4.18	7.09

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data or if otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
5. Investments (non-current)			
Investments in subsidiaries			
Investment in unquoted equity shares (valued at cost)			
Blackvelvet Hospitality Private Limited *			
1,487,873 (31 March 2025: 1,204,369 and 01 April 2024: 1,188,862) equity shares of ₹ 10/- each fully paid-up	268.29	206.26	202.21
Peanutbutter & Jelly Private Limited #			
Nil (31 March 2025: 2,367 and 01 April 2024: 2,367) equity shares of INR10/- each fully paid-up	-	42.51	42.51
Nil (31 March 2025: 5,577 and 01 April 2024: 5,577) compulsorily convertible preference shares of INR10/- each fully paid-up	-	99.94	99.94
Less: Provision for diminution in value of investment	-	(63.40)	-
Say Chefs Eatery Private Limited **			
10,000 (31 March 2025: 7,100 and 01 April 2024: 7,100) equity shares of ₹ 10/- each full paid-up	161.55	35.00	35.00
Aggregate value of unquoted investments in subsidiary (valued at cost)	429.84	320.31	379.66

* During the financial year ended 31 March 2026, the Company has entered into Share Purchase agreement ("SHA") and acquired remaining 19% stake from minority shareholders and consequently Blackvelvet Hospitality Private Limited become wholly owned subsidiary of the company.

During the financial year ended March 31, 2025, the Company conducted an assessment of the carrying value of its investment in Peanutbutter & Jelly Private Limited (PBJ). This assessment was prompted by a significant decline in the subsidiary's value due to significant losses and revenue growth is not as per the expectations at the time of investment. As a result of this assessment, the Company recognised a provision for diminution in the value of Investment of INR. 63.40 in relation to its investment in Peanutbutter & Jelly Private Limited. This provision has been recorded in the statement of profit or loss as "Exceptional items". The carrying amount of the investment in PBJ after the provision was INR 79.05. During the year ended March 31, 2026, the Company has sold its entire stake in Peanutbutter & Jelly Private Limited for an amount of INR 90.00 and consequently the reversal of impairment to the extent of difference between realised value and carrying value of investment has been accounted in statement of profit and loss under exceptional items as reversal.

** During the financial year ended 31 March 2026, the Company has entered into Share Purchase agreement ("SHA") and acquired remaining 29% stake from minority shareholders and consequently Say Chefs Eatery Private Limited become wholly owned subsidiary of the Company.

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

6. Loan

- Loan given to director (unsecured) (refer note below)

Current		
As at	As at	As at
31 March 2026	31 March 2025	01 April 2024
37.37	-	-
37.37	-	-

Note : During the year ended 31 March 2026, the Company has granted interest free loan of INR 50 million to a Director. The loan has been recognised at amortised cost using the effective interest rate method and notional interest income has been recognised in the statement of profit and loss.

7. Other Financial assets

(Unsecured considered good, unless otherwise stated)

	Non-current			Current		
	As at	As at	As at	As at	As at	As at
	31 March 2026	31 March 2025	01 April 2024	31 March 2026	31 March 2025	01 April 2024
Bank deposits (due for maturity after 12 months from the reporting date)^	18.31	2.00	127.24	-	-	-
Security deposits	21.74	35.69	34.99	9.39	6.19	3.69
	40.05	37.69	162.23	9.39	6.19	3.69

^ Includes bank deposits pledged with banks against bank guarantees, bank overdraft and credit card facility.

7A. Income tax assets (net)

(Unsecured considered good, unless otherwise stated)

	Non-current			Current		
	As at	As at	As at	As at	As at	As at
	31 March 2026	31 March 2025	01 April 2024	31 March 2026	31 March 2025	01 April 2024
Income tax assets (net)*	23.45	47.03	46.10	-	-	-
	23.45	47.03	46.10	-	-	-

*Includes INR 0.58 (31 March 2025: 0.58 and 01 April 2024: 0.58) amount paid under protest with income tax authorities

8. Other assets

(Unsecured considered good, unless otherwise stated)

	Non-current			Current		
	As at	As at	As at	As at	As at	As at
	31 March 2026	31 March 2025	01 April 2024	31 March 2026	31 March 2025	01 April 2024
Capital advances	2.57	3.08	5.69	-	-	-
Prepaid expenses	0.27	0.22	-	5.30	5.72	11.22
Balance with statutory/government authorities	-	-	-	25.09	14.27	8.53
Advances to employees	-	-	-	1.38	4.11	3.26
Advance to suppliers	-	1.55	-	13.72	5.65	6.92
Less: Impairment allowances for credit losses	-	-	-	(11.47)	-	-
	2.84	4.85	5.69	34.02	29.75	29.93

9. Inventories

(Valued at lower of cost and net realisable value)

Raw materials including packaging materials

As at	As at	As at
31 March 2026	31 March 2025	01 April 2024
120.73	99.41	79.81
120.73	99.41	79.81

Note : This include provision for obsolete inventory amounting to INR 19.99 mn ((31 March 2025: Nil and 01 April 2024: Nil). These amount is recognised as an expense under the head 'Cost of Material Consumed'

10. Current Investments

(valued at lower of cost and fair market value, unless stated otherwise)

Quoted Mutual fund
1.384 units of SBI Overnight Fund Direct-Growth

As at	As at	As at
31 March 2026	31 March 2025	01 April 2024
0.01	0.01	0.01
0.01	0.01	0.01

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)
11. Trade receivables
Trade receivables

- Considered good- unsecured
- Credit impaired

Less: loss allowance

As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
169.18	140.64	125.58
2.18	0.91	0.32
171.36	141.55	125.90
(2.18)	(0.91)	(0.32)
169.18	140.64	125.58

Trade Receivables ageing schedule on 31 March 2026

	Outstanding for following periods					Total
	Less than 6 month	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	
(i) Undisputed Trade receivables-considered good	87.85	21.64	29.80	29.89	-	169.18
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	1.39	0.79	-	-	-	2.18
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total	89.24	22.43	29.80	29.89	-	171.36

Trade Receivables ageing schedule on 31 March 2025

	Outstanding for following periods					Total
	Less than 6 month	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	
(i) Undisputed Trade receivables-considered good	76.89	0.05	29.89	33.81	-	140.64
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	0.91	-	-	-	-	0.91
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total	77.80	0.05	29.89	33.81	-	141.55

Trade Receivables ageing schedule on 01 April 2024

	Outstanding for following periods					Total
	Less than 6 month	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	
(i) Undisputed Trade receivables-considered good	86.91	14.53	24.14	-	-	125.58
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	0.15	0.17	0.32
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total	86.91	14.53	24.14	0.15	0.17	125.90

12. Cash and cash equivalents
Balance with banks :

- On current accounts
- Deposits with original maturity for less than 3 months

Cash on hand

As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
6.81	5.80	249.76
-	20.00	-
0.09	0.69	1.55
6.90	26.49	251.31

13. Bank balances other than cash and cash equivalents
Other bank balances

- On deposit account

As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
-	207.68	586.35
-	207.68	586.35

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)
14. Share capital

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Authorised			
500,000 (31 March 2025: 200,000 and 01 April 2024 - 200,000) equity shares of ₹ 10 each	5.00	2.00	2.00
200,000 (31 March 2025: 200,000 and 01 April 2024 - 150,000) compulsorily convertible preference shares ("CCPS") of	2.00	2.00	1.50
	7.00	4.00	3.50
Equity issued, subscribed and paid -up			
216,374 (31 March 2025: 57,070 and 01 April 2024 - 57,070) equity shares of ₹ 10 each fully paid up	2.16	0.57	0.57
28,700 (31 March 2025: Nil and 01 April 2024 - Nil) partly paid up equity shares of ₹ 6 each paid up	0.17	-	-
	2.33	0.57	0.57

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at 31 March 2026		As at 31 March 2025		As at 01 April 2024	
	No. of share	Amount	No. of share	Amount	No. of share	Amount
Equity shares issued, subscribed and paid up						
At the beginning of the year	57,070	0.57	57,070	0.57	57,070	0.57
Shares issued pursuant to conversion of CCPS	159,304	1.59	-	-	-	-
Shares issued during the year	28,700	0.17	-	-	-	-
At the end of the year	245,074	2.33	57,070	0.57	57,070	0.57

b) Rights, preferences and restrictions attached to equity shares
Equity Shares

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

c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2026		As at 31 March 2025		As at 01 April 2024	
	Number of shares held	Holding %	Number of shares held	Holding %	Number of shares held	Holding %
Equity shares fully paid-up/partly paid up held by:						
Kaushik Kumar Roy	-	-	20,642	36.17%	20,642	36.17%
Vishal Jindal	-	-	10,935	19.16%	10,935	19.16%
Alpha Wave Ventures, LP	-	-	10,485	18.37%	10,485	18.37%
IvyCap Ventures Trust - Fund II	-	-	3,813	6.68%	3,813	6.68%
State Bank of India	-	-	3,744	6.56%	3,744	6.56%
Devyani International Limited	245,074	100%	-	-	-	-

d) Particulars of shareholders holding more than 5% shares in the Company

	As at 31 March 2026		As at 31 March 2025		As at 01 April 2024	
	Number of shares held	Number of shares held	Holding %	Number of shares held	Number of shares held	Holding %
Equity shares fully paid-up/partly paid up held by:						
Kaushik Kumar Roy	-	-	20,642	36.17%	20,642	36.17%
Vishal Jindal	-	-	10,935	19.16%	10,935	19.16%
Alpha Wave Ventures, LP	-	-	10,485	18.37%	10,485	18.37%
IvyCap Ventures Trust - Fund II	-	-	3,813	6.68%	3,813	6.68%
State Bank of India	-	-	3,744	6.56%	3,744	6.56%
Devyani International Limited	245,074	100%	-	-	-	-

e) Equity shareholding of promoters

	31 March 2026			As at 31 March 2025		
	Number of shares held	Holding %	% Change in holding during the	Number of shares held	Holding %	% Change in holding during the year
Kaushik Kumar Roy	-	0.00%	100.00%	20,642	36.17%	0.00%
Vishal Jindal	-	0.00%	100.00%	10,935	19.16%	0.00%
Devyani International Limited	245,074	100.00%	100.00%	-	-	-

f) The Company has not issued any shares for consideration other than cash or bonus shares during the last preceding five years.

g) The Company has not issued any bonus shares, shares issued for consideration other than cash and shares bought back since incorporation.

h) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 42.

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)
15. Other equity

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Retained earnings	(3,869.08)	(3,304.16)	(2,407.66)
Security premium account	4,509.92	174.79	174.79
Employee stock options outstanding account	-	0.77	0.51
Equity portion of compounded financial instruments	-	3,668.62	3,378.16
	640.84	540.02	1,145.80

16. Borrowings

	Non-current portion			Current portion		
	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Debentures *						
Nil (31 March 2025 : 100 and 01 April 2024 : 350) 14%	-	28.29	193.46	-	28.57	100.00
Non-convertible debentures of INR 1 million each						
Term loans from banks (secured) ^	-	0.45	1.69	-	1.24	1.24
Debt portion of compounded financial instruments #	-	146.27	125.00	-	-	-
	-	175.01	320.15	-	29.81	101.24

Debentures*

The Company has issued 350 secured, redeemable, non-cumulative, non-convertible debentures ("NCD") of face value of INR 1 million each. These NCD's carries a coupon rate @14% per annum and the same are redeemable at par in 42 equal instalments starting from 6 months from the date of issue. These NCD's are secured by way of an exclusive first charge over the present and future fixed and current assets (including all intellectual property, brand etc).

During the year ended 31 March 2025, the company has made prepayment of Tranche-1 of the secured debentures consisting of 250 secured, redeemable, non-cumulative, non-convertible debentures ("NCD") of face value of INR 1 million each and during the year ended 31 March 2026, the company has made prepayment of Tranche-2 of the secured debentures consisting of 100 secured, redeemable, non-cumulative, non-convertible debentures ("NCD") of face value of INR 1 million each.

As per the provisions of Companies (Share Capital and Debenture) Rules, 2014, Companies that issue debentures were required to create debenture redemption reserve from the annual profits of the company (available for payment of dividends) until such debentures are redeemed. In the absence of profits the Company has not created any debenture redemption reserve during the year ended 31 March 2025 and 31 March 2026.

^Term Loan from Bank:

Secured Loan from Banks: Represents vehicle loan which is secured against hypothecation of vehicle financed. The loan carries interest @ 7.6% to 9% per annum. The loan is repayable in 60 equal instalments, from the date of loan and the same was fully repaid during the year ended 31 March 2026.

#Compulsorily Convertible Preference Shares (CCPS)

During the year ended 31 March 2025, the Company has issued 145,191 Compulsorily Convertible Preference Shares (CCPS) of face value Rs. 10 each, fully paid-up and 735 Compulsorily Convertible Preference Shares (CCPS) of face value Rs. 10 each, partly paid-up. Each Series A CCPS shall be compulsorily convertible into 1.05 equity shares, while each Pre-Series B, Series B, Pre-Series C1, C3, and C4 CCPS shall be compulsorily convertible into 1 equity share. The conversion shall take place upon the earlier of (i) completion of 19 years and 11 months from the closing date or (ii) the occurrence of an Initial Public Offering (IPO) of the Company. However, holders shall have the option to convert their CCPS prior to the aforementioned events, at the respective conversion ratios.

The CCPS shall carry a minimum preferential dividend of 0.01% per annum on an "as if converted" basis. If equity shareholders are paid dividends in excess of 0.01% per annum, the CCPS holders shall also be entitled to such higher dividend rate on a pari passu basis. In addition to the preferential dividend, the Pre-Series A, Pre-Series B, Series B, and Pre-Series C1, C3, and C4 CCPS shall be entitled to participate, on a pro rata "as if converted" basis, in any further cash or non-cash dividends declared for any other class of shares, including equity shares.

In the event of liquidation of the Company prior to conversion, the CCPS holders shall have priority over equity shareholders in respect of both the payment of dividend and return of capital. During the year ended 31 March 2026, the company has converted these CCPS into equity shares.

17. Lease liabilities

	Non-current portion			Current portion		
	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Lease liabilities	359.56	470.11	369.53	76.71	89.79	58.55
	359.56	470.11	369.53	76.71	89.79	58.55

18. Other financial liabilities

	Non-current portion			Current portion		
	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Employee related payables	-	-	-	61.36	84.84	66.91
Capital creditors	-	-	-	13.56	11.29	4.02
	-	-	-	74.92	96.13	70.93

19. Provisions

	Non-current portion			Current portion		
	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Provision for employee benefits						
Gratuity	35.12	32.35	24.98	6.39	5.06	4.34
Compensated absences	8.90	-	-	2.57	12.91	12.59
Provision for asset retirement obligation	-	-	-	-	7.07	-
	44.02	32.35	24.98	8.96	25.04	16.93



Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)
20. Short Term Borrowing

Current portion of long term borrowings (refer note 16)

Cash credit facilities from bank (secured) (repayable on demand) (note i)

As at	As at	As at
31 March 2026	31 March 2025	01 April 2024
-	29.81	101.24
-	-	62.52
-	29.81	163.76

Note i. The bank overdraft is secured against fixed deposits and carried interest rate ranging from 7% to 10.05% per annum.

21. Other liabilities

Advances from customers

Statutory dues payable

Non-current portion			Current portion		
As at	As at	As at	As at	As at	As at
31 March 2026	31 March 2025	01 April 2024	31 March 2026	31 March 2025	01 April 2024
-	-	-	8.52	0.24	2.19
-	-	-	13.22	17.03	14.06
-	-	-	21.74	17.27	16.25

21A. Current Tax liabilities (net)

Provision for Tax

Non-current portion			Current portion		
As at	As at	As at	As at	As at	As at
31 March 2026	31 March 2025	01 April 2024	31 March 2026	31 March 2025	01 April 2024
-	-	-	2.91	2.91	2.91
-	-	-	2.91	2.91	2.91

22. Trade payables

Micro enterprises and small enterprises (refer note below)

Other than micro enterprises and small enterprises

As at	As at	As at
31 March 2026	31 March 2025	01 April 2024
21.70	49.60	37.08
158.12	188.04	169.47
179.82	237.64	206.55

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed

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Trade Payables ageing schedule on 31 March 2026

Trade Payables ageing schedule on 31 March 2025

Trade Payables ageing schedule on 01 April 2024

23. Revenue from operations

24. Other income

25. Cost of materials consumed

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)
26. Employee benefits expense

Salaries, wages and bonus
Contribution to provident and other funds
Gratuity
Staff welfare expenses

For the year ended 31 March 2026	For the year ended 31 March 2025
548.33	599.93
32.74	44.23
12.57	9.86
4.34	9.29
597.98	663.31

27. Finance costs

Interest expenses
Interest on borrowings measured at amortised cost
Interest accretion on lease liabilities measured at amortised cost
Others

For the year ended 31 March 2026	For the year ended 31 March 2025
2.82	20.33
55.03	54.49
0.20	21.57
58.05	96.39

28. Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer to note 3A) *
Depreciation on right of use assets
Amortisation of intangible assets (refer to note 4)

For the year ended 31 March 2026	For the year ended 31 March 2025
127.85	134.09
98.56	88.00
1.97	3.84
228.38	225.93

* INR 1.15 included in loss from discontinued operations

29. Other expenses

Stores and spares consumed
Power and fuel
Rent
Repairs and maintenance
- Buildings
-Others
Rates and taxes
Travelling and conveyance
Legal and professional
Director Sitting fees
Auditor's remuneration (refer to note below)
Water charges
Insurance
Provision for asset retirement obligation
Loss on write-off of intangible assets under developments
Loss on disposal of property, plant and equipments (net)
Printing and stationery
Communication
Security and services
Bank charges
Advertisement and sales promotion
Commission and brokerage
Freight including delivery charges
Bad debts and advances written off
Loss allowance
Miscellaneous expenses

For the year ended 31 March 2026	For the year ended 31 March 2025
13.38	27.40
131.00	168.96
59.76	84.47
11.33	13.40
46.06	70.09
2.94	5.27
12.72	21.93
49.01	23.86
2.44	-
2.63	3.89
4.56	7.07
7.38	7.43
-	7.07
-	12.12
16.07	32.94
4.60	7.87
6.96	5.92
29.72	35.82
1.59	8.21
163.60	288.09
407.99	424.40
68.19	104.43
1.08	-
5.09	0.91
3.05	9.14
1,051.15	1,370.69

Note - Auditor's remuneration

As auditor
Statutory audit and reviews*
Tax matters

For the year ended 31 March 2026	For the year ended 31 March 2025
2.36	3.89
0.27	-
2.63	3.89

*Inclusive of applicable taxes

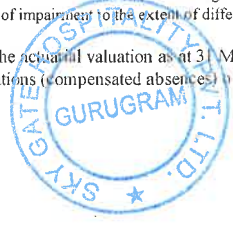
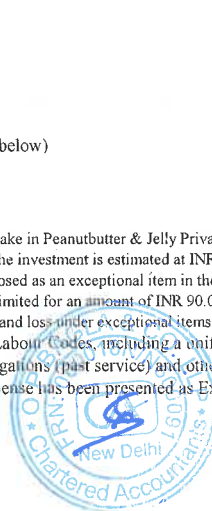
30. Exceptional items

(Reversal of impairment)/Impairment of Investment in Subsidiary (refer note i below)
Past service cost gratuity (refer note ii below)

For the year ended 31 March 2026	For the year ended 31 March 2025
(10.95)	63.40
5.95	-
(5.00)	63.40

(i) As of April 1, 2024, the Company had invested INR 142.45 and held a 51% equity stake in Peanutbutter & Jelly Private Limited. Based on a valuation report obtained from a registered valuer, along with the Company's assessment of the investee's future projections, the recoverable amount of the investment is estimated at INR 79.05 as at March 31, 2025. Accordingly, an impairment provision of INR 63.40 has been recognized against the carrying value of the investment as on March 31, 2025 and disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2025. During the year ended March 31, 2026, the company has sold its entire stake in Peanutbutter & Jelly Private Limited for an amount of INR 90.00 million and consequently the reversal of impairment to the extent of difference between realised value and carrying value of investment has been credited to statement of profit and loss under exceptional items.

(ii) On 21 November 2025, the Government notified certain provisions of the Labour Codes, including a uniform definition of wages. Based on the actuarial valuation as at 31 March 2026, the Company have recognised an increase in post-employment defined benefit obligations (past service) and other long-term employee benefit obligations (compensated absences) of INR 5.95 million respectively, arising from this legislative change. Hence, the related expense has been presented as Exceptional items.



Sky Gate Hospitality Private Limited**Notes forming part of the financial statements for the year ended 31 March 2026***(₹ in millions, except for share data and if otherwise stated)***31. Discontinued Operations.**

The Company operates restaurant businesses under the brand names KKC (Krazy Kebab Company) and GAW (Get-A- Way) through stores located in Maharashtra, India. On 1 April 2025, the management has decided to discontinue these businesses and accordingly, the results pertaining to these operations have been classified as “losses from discontinued operations” in the financial statement to the period 01 April 2025 to the date of disposal as set out as below :-

Loss for the Period from Discontinued Operations

Revenue from operations

Total income

Cost of materials consumed

Employee benefits expense

Depreciation and amortisation expense

Loss on disposal of property plant and equipment (net)

Other expenses

Total expenses**Loss from discontinued operations****For the year ended****31 March 2026**

108.75

108.75

52.16

23.82

1.15

19.72

67.02

163.87**-55.12**

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Sky Gate Hospitality Private Limited**Notes forming part of the financial statements for the year ended 31 March 2026***(₹ in millions, except for share data and if otherwise stated)***32. Loss per share (EPS)**

Loss attributable to equity shareholders for calculation of basic and diluted EPS

Weighted average number of equity shares for the calculation of basic and diluted EPS

Basic/diluted Loss per share (₹)

Nominal value per share (₹)

	For the year ended 31 March 2026	For the year ended 31 March 2025
	(571.04)	(896.95)
	207,502	57,070
	(2,751.96)	(15,716.66)
	10	10

* In view of losses during current and previous year, the options which are anti-dilutive have been ignored in the calculation of diluted earnings per share. Accordingly there is no variation between basic and diluted loss per share.



Sky Gate Hospitality Private Limited
Notes forming part of the standalone financial statements for the year ended 31 March 2026
(₹ in millions, except for share data or if otherwise stated)
33. Fair value measurement and financial instruments
a. Financial instruments – by category and fair values hierarchy

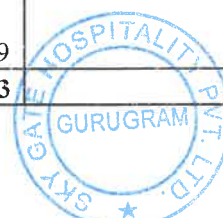
The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2026

Particulars	Carrying value	
	Amortised cost	Total
Financial assets		
Non - current		
(i) Investments @	429.84	429.84
(ii) Loans*	37.37	37.37
(iii) Other financial assets*	40.05	40.05
Current		
(i) Investments @	0.01	0.01
(ii) Trade receivables*	167.00	167.00
(iii) Cash and cash equivalents*	6.90	6.90
(iv) Bank balances other than cash and cash equivalents, above *	-	-
(v) Other financial assets*	9.39	9.39
Total	690.56	690.56
Financial liabilities		
Non - current		
(i) Lease liabilities#	359.56	359.56
(ii) Borrowings#	-	-
Current		
(i) Lease liabilities*	76.71	76.71
(ii) Borrowings#	-	-
(iii) Trade payables*	179.82	179.82
(iv) Other financial liabilities*	74.92	74.92
Total	691.01	691.01

(i) As on 31 March 2025

Particulars	Carrying value	
	Amortised cost	Total
Financial assets		
Non - current		
(i) Investments @	320.31	320.31
(ii) Loans*	-	-
(iii) Other financial assets*	37.69	37.69
Current		
(i) Investments @	0.01	0.01
(ii) Loans *	140.64	140.64
(iii) Trade receivables*	26.49	26.49
(iv) Cash and cash equivalents*	207.68	207.68
(v) Other financial assets*	6.19	6.19
Total	897.13	739.01



Sky Gate Hospitality Private Limited
Notes forming part of the standalone financial statements for the year ended 31 March 2026
(₹ in millions, except for share data or if otherwise stated)

Financial liabilities		
Non - current		
(i) Lease liabilities#	470.11	470.11
(ii) Borrowings#	175.01	175.01
Current		
(i) Lease liabilities#	89.79	89.79
(ii) Borrowings#	29.81	29.81
(iii) Trade payables*	237.64	237.64
(iv) Other financial liabilities*	96.13	96.13
Total	1,098.49	1,098.49

(i) As on 01 April 2024

Particulars	Carrying value	
	Amortised cost	Total
Financial assets		
Non - current		
(i) Investments @	379.66	379.66
(ii) Loans*	-	-
(iii) Other financial assets*	162.23	162.23
Current		
(i) Investments @	0.01	0.01
(ii) Trade receivables*	125.58	125.58
(iii) Cash and cash equivalents*	251.31	251.31
(iv) Bank balances other than cash and cash equivalents, above *	586.35	586.35
(v) Other financial assets*	3.69	3.69
Total	1,508.83	1,508.83
Financial liabilities		
Non - current		
(i) Lease liabilities#	369.53	369.53
(ii) Borrowings#	320.15	320.15
Current		
(i) Lease liabilities#	58.55	58.55
(ii) Borrowings#	163.76	163.76
(iii) Trade payables*	206.55	206.55
(iv) Other financial liabilities*	70.93	70.93
Total	1,189.47	1,189.47

* The carrying amounts of loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables and Other financial liabilities represents employee related payables, capital creditors approximates the fair values, and due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

The Company's lease liabilities and borrowings have fair values that approximate to their carrying amounts as they are based on the net present value of the anticipated future cash flows.



(₹ in millions, except for share data or if otherwise stated)

There has been no transfer from level 3 to level 1 and level 2 for the year ended 31 March 2026 and 31 March 2025 and 01 April 2024.

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- It maintains adequate source of financing through the use of short term bank deposits and cash credit facility.
- The Company assessed the concentration of risk with respect to its financial liabilities and concluded it to be low.



Sky Gate Hospitality Private Limited
Notes forming part of the standalone financial statements for the year ended 31 March 2026
(₹ in millions, except for share data or if otherwise stated)

As on 31 March 2026, the Company has undrawn credit facility for INR 2,348.30 (31 March 2025: INR 533.60)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2026	Contractual cash flows				
Financial liabilities	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Lease liabilities	436.27	116.32	359.32	111.88	587.52
Trade payables	179.82	179.82	-	-	179.82
Capital creditors	13.56	13.56	-	-	13.56
Others	61.36	61.36	-	-	61.36
	691.01	371.06	359.32	111.88	842.26

As at 31 March 2025	Contractual cash flows				
Financial liabilities	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Borrowings	204.82	29.81	175.01	-	204.82
Lease liabilities	559.90	145.71	468.25	149.92	763.88
Trade payables	237.64	237.64	-	-	237.64
Capital creditors	11.29	11.29	-	-	11.29
Others	84.84	84.84	-	-	84.84
	1,098.49	509.29	643.26	149.92	1,302.47

As at 01 April 2024	Contractual cash flows				
Financial liabilities	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Borrowings	421.39	101.24	320.15	-	421.39
Lease liabilities	428.08	101.93	354.19	138.76	594.88
Trade payables	206.55	206.55	-	-	206.55
Short term borrowings	62.52	62.52	-	-	62.52
Capital creditors	4.02	4.02	-	-	4.02
Others	66.91	66.91	-	-	66.91
	1,189.47	543.17	674.34	138.76	1,356.27

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the 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 borrowings with floating interest rates.

A. Exposure to interest rate risk

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

Variable - rate instruments	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Debentures	-	56.87	293.46
Indian rupee term loan	-	1.69	2.92
Short term borrowings	-	-	62.52
	-	58.56	358.90

Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

Change in interest rate on loans from Financial institutions (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2026	-	-
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2025	(0.59)	0.59

The Company is exposed to interest rate risk on account of variable rate borrowings. The Company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time.

B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.



Sky Gate Hospitality Private Limited
Notes forming part of the standalone financial statements for the year ended 31 March 2026
(₹ in millions, except for share data or if otherwise stated)
34. Leases
A. Leases where the Company is a lessee

The Company leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with or without minimum guarantee and lease term ranges 0.1 to 30 years.

i. Lease liabilities
Lease liability included in balance sheet

	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Current	76.71	89.79	58.55
Non-current	359.56	470.11	369.53

Note: Refer note 33 for maturity analysis of lease liabilities.

ii. Amounts recognised in the statement of profit and loss

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Gain on termination/modification of lease liabilities	24	(13.70)	-
Depreciation on right-of-use assets	28	98.56	88.00
Interest on lease liabilities	27	55.03	54.49
Expense relating to variable lease payments, short term leases and low value assets not included in the measurement of the lease liability	29	59.76	84.47
Net impact on statement of profit and loss		227.05	226.96

iii. Amounts recognised in the statement of cash flows

	For the year ended 31 March 2026	For the year ended 31 March 2025
Payment of lease liabilities- principal	85.16	54.49
Payment of lease liabilities- interest	55.03	66.03
Total cash outflows	140.19	120.52

iv. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in standalone statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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35. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

Ultimate Controlling Party:

RJ Corp Limited (w.e.f. June 10, 2025)

Parent Company

Devyani International Limited (w.e.f. June 10, 2025)

Subsidiary company

Peanut Butter and Jelly Pvt Ltd (Subsidiary) (till January 6, 2026)

Say Chef Eatery Pvt Ltd (Subsidiary)

Black Velvet Hospitality Pvt Ltd (Subsidiary)

Entity controlled by parent company

Devyani PVR Inox Pvt Ltd (w.e.f. June 10, 2025)

Key management personnel:

Kaushik Kumar Roy - Director

Vishal Jindal - Director till March 31, 2026

Mr. Virag Joshi- Director wef June 10, 2025

Mr. Manish Dawar Director wef June 10, 2025

Saurabh Agarwal -Additional Director wef June 10, 2025

Raj Pal Gandhi - Additional Director wef June 10, 2025

Rashmi Dhariwal - Additional Director wef June 23, 2025

Pradeep Khushalchand Sardana - Additional Director wef June 23, 2025

Sohal Yadav- Company Secretary till 30 September 2025

Transactions during the current and previous year

Description	Holding company		158.12		KMP	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
<u>Royalty Received</u>						
Devyani International Limited	1.57	-	-	-	-	-
Black Velvet Hospitality Pvt Ltd	-	-	-	10.27	-	-
Devyani PVR Inox Pvt Ltd	-	-	0.03	-	-	-
<u>Sale of goods</u>						
Devyani International Limited	15.85	-	-	-	-	-
Black Velvet Hospitality Pvt Ltd	-	-	39.32	35.27	-	-
Say Chef Eatery Pvt Ltd	-	-	-	0.02	-	-
Devyani PVR Inox Pvt Ltd	-	-	1.04	-	-	-
<u>Rent paid</u>						
Devyani International Limited	1.18	-	-	-	-	-
<u>Purchase of goods</u>						
Devyani International Limited	1.16	-	-	-	-	-
Black Velvet Hospitality Pvt Ltd	-	-	3.47	0.22	-	-
Peanut Butter and Jelly Pvt Ltd	-	-	6.84	39.83	-	-
<u>Salaries, Wages and bonus</u>						
Kaushik Kumar Roy	-	-	-	-	28.04	10.34
Vishal Jindal	-	-	-	-	89.23	10.42
Sohal Yadav	-	-	-	-	1.97	2.95
<u>Expenses incurred by other party on behalf of us</u>						
Black Velvet Hospitality Pvt Ltd	-	-	1.66	2.58	-	-
Peanut Butter and Jelly Pvt Ltd	-	-	0.76	16.62	-	-
Say Chef Eatery Pvt Ltd	-	-	-	0.35	-	-
<u>Interest received</u>						
Black Velvet Hospitality Pvt Ltd	-	-	0.13	-	-	-
<u>Loan given</u>						
Black Velvet Hospitality Pvt Ltd	-	-	40.00	-	-	-
<u>Loan received back</u>						
Black Velvet Hospitality Pvt Ltd	-	-	40.00	-	-	-
<u>Purchase of property, plant and equipment (PPE) including intangibles</u>						
Black Velvet Hospitality Pvt Ltd	-	-	1.72	-	-	-
<u>Sale of property, plant & equipment's</u>						
Devyani International Limited	8.90	-	-	-	-	-
Black Velvet Hospitality Pvt Ltd	-	-	-	1.99	-	-
Peanut Butter and Jelly Pvt Ltd	-	-	0.01	-	-	-

Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

Balances outstanding as at the year end:

Description	Holding company		Subsidiary/Fellow Subsidiary Company		KMP	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Trade Receivables						
Devyani International Limited	-	-	19.38	-	-	-
Say Chef Eatery Pvt Ltd	-	-	0.98	1.55	-	-
Black Velvet Hospitality Pvt Ltd	-	-	103.69	82.07	-	-
Peanut Butter and Jelly Pvt Ltd	-	-	-	0.32	-	-
Devyani PVR Inox Pvt Ltd	-	-	1.07	-	-	-
Loan receivables						
Kaushik Kumar Roy	-	-	-	-	50.00	-
Trade Payables						
Kaushik Kumar Roy	-	-	-	-	-	0.71
Vishal Jindal	-	-	-	-	0.04	0.87
Sohal Yadav	-	-	-	-	-	0.20

36. Contingent liabilities and commitments
(to the extent not provided for)

	As at 31 March 2026	As at 31 March 2025
Contingent liabilities:		
(a) Claims against the Company not acknowledged as debts:-		
-Claims made by Income tax authorities #	-	-
-Claims made by Sales tax authorities	-	-
- Others (miscellaneous claims in relation to companies operations)#	-	-
# In respect of assessment year 2023-24, Income-tax authorities has made an addition to income as unexplained credit of Rs. 6.74 along with the disallowance of Rs. 24.18 for which disallowance appeal has been filed with Income-tax authorities. Further, no demand has been issued against the above disallowances by the Income-tax authorities The management based on internal assessment and legal opinion obtained, believes that no material liability is likely to arise on account of such claims/law suits.		
(b) Capital Commitments:	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.13	17.26

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

37. Employee benefits

A. Defined contribution plans

An amount of ₹32.74 (31 March 2025: ₹ 44.22) has been recognised as an expense in respect of the Company's contribution to Employee's Provident Fund and other funds deposited with the relevant authorities and has been charged to the Statement of Profit and Loss.

B. Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, Septemberation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The following table sets out the status of the gratuity plan as required under Ind AS 20 - Employee Benefits

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligation as at beginning of the year	37.43	29.32
Interest cost	2.43	2.10
Current service cost	7.35	7.77
Past service cost	8.74	-
Benefits paid	(8.31)	(1.31)
Actuarial (Gain)/Loss recognised in other comprehensive income	(6.12)	(0.45)
Present value of obligation as at end of year	41.52	37.43

ii. Actuarial assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows:

Particulars	31 March 2026	31 March 2025
Discounting rate	6.85%	6.50%
Future salary increase	10.00%	10.00%

B. Demographic assumptions

Particulars	31 March 2026	31 March 2025
i) Retirement age (years)	60	60
ii) Mortality table	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Ages	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)
Up to 30 years	30	30
From 31 to 44 years	20	20
Above 44 years	10	10

Assumption regarding future mortality have been based on published statistics and mortality tables

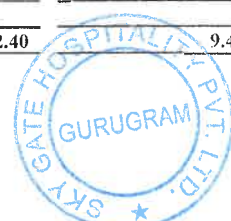
iii. (a) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Employee benefit expenses:		
(a) Current service cost	7.35	7.77
(b) Interest cost	2.43	2.10
(c) Past service cost *	158.12	-
	18.52	9.87

* Include INR 5.95 shown under exception items (refer note 30)

(b) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Actuarial gain/(loss) on defined benefit obligation	6.12	0.45
	6.12	0.45
Expense recognised in the Statement of Profit and Loss	12.40	9.42



Sky Gate Hospitality Private Limited**Notes forming part of the financial statements for the year ended 31 March 2026***(₹ in millions, except for share data and if otherwise stated)***iv. Reconciliation statement of expense in the Statement of Profit and Loss**

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Present value of obligation as at the end of the year	41.52	37.43
Present value of obligation as at the beginning of the year	(37.43)	(29.32)
Benefits paid	8.31	1.31
Expenses recognised in the statement of Profit or Loss	<u>12.40</u>	<u>9.42</u>

vi. Bifurcation of closing net liability at the end of year

Particulars	As at 31 March 2026	As at 31 March 2025
Current liability (amount due within one year)	6.39	5.06
Non-current liability (amount due over one year)	35.12	32.35
	<u>41.51</u>	<u>37.41</u>

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Sky Gate Hospitality Private Limited**Notes forming part of the financial statements for the year ended 31 March 2026***(₹ in millions, except for share data and if otherwise stated)***38. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

As the Company's business activity primarily falls within a single business and geographical segment i.e. food and beverages, thus there are no additional disclosures to be provided under Ind AS 108 – 'Operating Segments'. The CODM considers that the various goods and services provided by the Company constitutes single business segment.

Segment wise information for the Period ended 31 March 26 and 31 March 2025 are as follows:

Information about geographical area - Income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
a. Food and Beverage Segment		
(i) Domestic	2,426.80	2,657.57
(ii) International	-	-
b. Other operating revenue	6.37	16.13
Total	2,433.17	2,673.70

No single external customer amounts to 10% or more of the Company's revenue. Accordingly, information about major customer is not provided.

39. Going Concern: The accounts of the Company are prepared on a going concern basis irrespective to the fact that as at 31 March 2026, the Company has accumulated losses and the Company's current liabilities exceeded its current assets. Based on the future projections and profitability of the Company provided by the management it is evident that the Company will be able to finance its operations and that the realization of assets and settlement of liabilities will occur in the ordinary course of business. Further the parent Company have given the undertaking to continue to fund the company whenever required.

40. Exemption from preparing consolidated financial statement

The Company holds investments in subsidiaries and is required to prepare consolidated financial statements. However, the Company is exempt from the requirement to present consolidated financial statements in accordance with Ind AS 110 'Consolidated Financial Statement', as its ultimate parent company prepares consolidated financial statements for Public use that comply with Ind AS.

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Description of the share based payment arrangements

On June 20, 2022, the board of directors approved the Sky Gate Hospitality ESOP 2022 (ESOP Scheme) for issue of stock options to the key employees and directors of the Company.

According to the ESOP Scheme, the employee selected by the ESOP Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions.

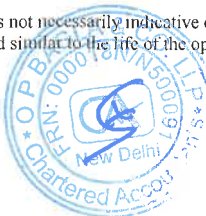
The other relevant terms of the grant are as below:

The Company calculates the compensation cost based on the intrinsic value method wherein the excess of the value of underlying equity shares as of the date of the grant of options over the exercise price of the options given to employees under the ESOP schemes of the Company, is recognised as compensation cost and amortised over the vesting period.

The weighted average fair value of stock options granted during the year was INR 562.75 per option.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs: The grant date fair value of the options granted to employees was measured based on the Black-Scholes option-pricing model. Expected volatility, an input in this formula, is estimated by considering historic average share price volatility. The inputs used in the measurement of grant-date fair value are as follows:

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.



43. Disclosure pursuant to Section 186(4) of the Companies Act, 2013

Nature of the transaction (loans given/investments made/ guarantees given)	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
(A) Investments #			
Investments in equity shares ##			
Blackvelvet Hospitality Private Limited	268.29	206.26	202.21
Peanutbutter & Jelly Private Limited	-	79.05	142.45
Say Chefs Eatery Private Limited	161.55	35.00	35.00

refer note 5 for full particulars of the investments made.

the above investments are shown at cost (net of impairment) as per financial reporting requirements.

44. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders of the Company and combination of both long-term and short-term borrowings. The Company's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. The Company raises long term loans mostly for its expansion requirements and based on the working capital requirement utilise the working capital facilities. The Company monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026 and 31 March 2025.

45. Additional regulatory information not disclosed elsewhere in the standalone financial information

- The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 during the current and previous year.
- The Company does not have any charge which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- The Company has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund during the year ended 31 March 2026 from any person(s) or entity(ies), including foreign entities (Funding Party) 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 by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31 March 2026 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) (31 March 2025: Nil).
- The Company has not been declared a 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 during the year ended 31 March 2026 (31 March 2025: Nil).

46. Audit Trail

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled in respect of subsystem for sales recording.

Further, no instance of audit trail feature being tampered with was noted in respect of accounting software where the audit trail has been enabled.

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47. First-time adoption of Ind ASs

1. These financial statements, for the year ended 31 March 2026, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2025, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Company's (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on 31 March 2026, together with the comparative period data as at and for the year ended 31 March 2025 and in the preparation of opening Ind AS balance sheet as at 01 April 2024, as described in the summary of significant accounting policies. Further to explanations in Note 2, this Note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 01 April 2024 and the financial statements as at and for the year ended 31 March 2025. (Also refer Note 48 for reconciliations)

2. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A. Ind AS optional exemptions

I. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value except where the adjustments to carrying value are only consequential and arising because of application of the transition requirements of Ind AS 101.

II. Investments in subsidiaries and associates

Ind AS 101 permits the first time adopter to measure investment in subsidiaries and associates in accordance with Ind AS 27 "Separate Financial Statements". The Company has elected to consider Indian GAAP carrying amount of its investments in subsidiaries and associates on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with the principles of Ind AS 27.

III. Share based payment transactions

The Company has availed exemption under Ind AS 101 in respect of share-based payments that had been vested before the transition date and accordingly, vested options at the transition date have been measured at intrinsic value. For unvested options at the transition date, the Company has applied the requirements of Ind AS 102 retrospectively.

IV. Leases

The Company has also been applied the transitional provision in Appendix C of Ind AS 17 "Determining whether an arrangement contains a Lease" and has assessed all arrangements based upon the conditions in place as at the date of transition

A. Ind AS mandatory exemptions

I. Estimates

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS are consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies) except for impairment of financial assets based on lifetime expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31 March 2025.

Ind AS 101 treats the information received after the date of transition to Ind AS as non-adjusting events. The entity shall not reflect that new information in its opening Ind AS Balance Sheet (unless the estimates need adjustment for any differences in accounting policies or there is objective evidence that the estimates were in error).

II. Classification of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

The presentation requirements under Indian GAAP differs from Ind AS, and hence, Indian GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Indian GAAP information is derived from the Audited Financial Statements of the Company prepared in accordance with Indian GAAP

48. Reconciliation of equity

A. Equity at the date of transition to Ind AS, i.e., 01 April 2024 can be reconciled with the amounts reported under previous Indian GAAP as follows

Particulars	As at 01 April 2024	Adjustments	As at 01 April 2024
Assets			
Non-current assets			
Property, plant and equipment	343.21	-	343.21
Capital work in progress	5.37	-	5.37
Right-of-use assets	-	358.76	358.76
Intangible assets under development	12.12	-	12.12
Intangible assets	7.09	-	7.09
Financial assets			
(i) Investments	379.67	-	379.66
(ii) Other financial assets	160.88	1.34	162.23
Income tax assets (net)	-	46.10	46.10
Other non-current assets	5.69	-	5.69
Total non-current assets	914.03	406.20	1,320.23
Current assets			
Inventories	79.81	-	79.81
Financial assets			
(i) Investment	0.01	-	0.01
(ii) Trade receivables	101.44	24.14	125.58
(iii) Cash and cash equivalents	810.25	(558.94)	251.31
(iv) Bank balances other than cash and cash equivalents, above	-	586.35	586.35
(v) Other financial assets	39.37	(35.68)	3.69
Other current assets	103.43	(73.50)	29.93
Total current assets	1,134.32	(57.63)	1,076.68
Total assets	2,048.34	348.57	2,396.91
Equity and liabilities			
Equity			
Equity share capital	1.96	(1.38)	0.57
Other equity	1,327.11	(181.32)	1,145.80
Total equity	1,329.07	(182.70)	1,146.37
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	195.73	124.42	320.15
(ii) Lease liabilities	-	369.53	369.53
Provisions	40.35	(15.37)	24.98
Total non-current liabilities	236.08	478.58	714.66
Current liabilities			
Financial liabilities			
(i) Borrowings	163.76	-	163.76
(ii) Lease liabilities	-	58.55	58.55
(iii) Trade payables	-	-	-
(a) total outstanding dues of micro and small enterprises	37.08	-	37.08
(b) total outstanding dues other than (iii) (a) above	169.47	-	169.47
(iv) Other financial liabilities	70.93	-	70.93
Other current liabilities	16.25	-	16.25
Provisions	22.79	(5.86)	16.93
Current Tax liabilities (net)	2.91	-	2.91
Total current liabilities	483.19	52.69	535.88
Total equity and liabilities	2,048.34	348.57	2,396.91



Sky Gate Hospitality Private Limited
Notes to Standalone financial statements for the year ended March 31, 2026
(₹ in millions, except for share data and if otherwise stated)

B. Equity as at 31 March 2025 can be reconciled with the amounts reported under previous Indian GAAP as follows:

Particulars	As at 31 March 2025	Adjustments	As at 31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	308.61	-	308.61
Capital work in progress	11.04	-	11.04
Right-of-use assets	-	473.05	473.05
Intangible assets	3.89	0.01	3.90
Financial assets			
(i) Investments	320.31	-	320.31
(ii) Other financial assets	46.63	(8.94)	37.69
Income tax assets (net)	-	47.03	47.03
Other non-current assets	4.85	-	4.85
Total non-current assets	695.33	511.15	1,206.48
Current assets			
Inventories	99.41	-	99.41
Financial assets			
(i) Investment	0.01	-	0.01
(ii) Trade receivables	106.83	33.81	140.64
(iii) Cash and cash equivalents	218.39	(191.90)	26.49
(iv) Bank balances other than cash and cash equivalents, above	-	207.68	207.68
(v) Other financial assets	42.66	(36.47)	6.19
Other current assets	92.55	(62.80)	29.75
Total current assets	559.85	(49.68)	510.17
Total assets	1,255.18	461.47	1,716.65
Equity and liabilities			
Equity			
Equity share capital	2.02	(1.45)	0.57
Other equity	759.12	(219.10)	540.02
Total equity	761.14	(220.55)	540.59
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	29.02	145.99	175.01
(ii) Lease liabilities	-	470.11	470.11
Provisions	49.30	(16.95)	32.35
Total non-current liabilities	78.32	599.15	677.47
Current liabilities			
Financial liabilities			
(i) Borrowings	29.81	-	29.81
(ii) Lease liabilities	-	89.79	89.79
(iii) Trade payables			
(a) total outstanding dues of micro and small enterprises	49.60	-	49.60
(b) total outstanding dues other than (iii) (a) above	188.00	0.04	188.04
(iv) Other financial liabilities	96.13	-	96.13
Other current liabilities	17.27	-	17.27
Provisions	31.99	(6.95)	25.04
Current Tax liabilities (net)	2.91	-	2.91
Total current liabilities	415.71	82.87	498.58
Total equity and liabilities	1,255.18	461.47	1,716.65

C. Reconciliation of Total Comprehensive Income for the year ended 31 March 2025

Particulars	For the year ended 31 March 2025	Adjustments	For the year ended 31 March 2025
Income			
Revenue from operations	2,657.57	16.13	2,673.70
Other income	42.76	(13.09)	29.67
Total income	2,700.33	3.04	2,703.37
Expenses			
Cost of materials consumed	1,180.59	-	1,180.59
Employee benefits expense	660.40	2.91	663.31
Finance costs	28.54	67.85	96.39
Depreciation and amortisation expense	137.92	88.01	225.93
Other expenses	1,488.12	(117.43)	1,370.69
Total expenses	3,495.58	41.34	3,536.92
Loss before exceptional items and tax	(795.25)	(38.30)	(833.55)
Exceptional items	63.40	-	63.40
Loss before tax	(858.65)	(38.30)	(896.95)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	-	0.45	0.45
Other comprehensive income for the year	-	0.45	0.45
Total comprehensive income for the year	(858.65)	(37.85)	(896.50)

D. Reconciliation of total equity as at 31 March 2025 and 01 April 2024

Particulars	As at 31 March 2025	As at 01 April 2024
Reserves as per Indian GAAP	759.12	1,327.11
Effects of transition to Ind AS:		
Effect of measuring financial instruments at fair value through profit and loss/amortised cost	(0.82)	(0.72)
Effect of accounting of transaction costs on borrowings as per effective interest rate	0.28	0.59
Effect of accounting of debt portion of compounded financial instruments under borrowings	(144.88)	(123.62)
Effect of accounting of Ind AS 116	(73.68)	(57.56)
Other equity under Ind AS	540.02	1,145.80



E. Reconciliation of total comprehensive income for the year ended 31 March 2025

Particulars	For the year ended 31 March 2025
Loss as per Indian GAAP	(858.65)
Effects of transition to Ind AS	
Effect of measuring financials instruments at fair value through profit and loss/amortised cost	3.04
Effect of accounting of transaction costs on borrowings as per effective interest rate	(21.57)
Depreciation on Right of use assets	(88.00)
Interest on Lease liability	(54.49)
Payment of Rent	123.17
Total Comprehensive Income under Ind AS as reported	(896.50)

Footnotes to the reconciliation of equity as at 01 April 2024 and 31 March 2025 and profit or loss for the year ended 31 March 2025

I. Right of Use assets and Lease Liabilities

On transition to Ind AS, the Company recognized Right-of-Use assets and corresponding lease liabilities for leases previously classified as operating leases under IGAAP in accordance with Ind AS 116. The impact of such recognition has been adjusted to retained earnings as at the date of transition.

II. Security deposits

Under Indian GAAP, the security deposits paid for leases were recorded at the transaction value, whereas, under Ind AS, these are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid for leases is recognised as deferred lease expense of ₹ 31.13 and is amortised over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for leases.

III. cash and cash equivalent and Bank balances other than cash and cash equivalents.

In accordance with the definition of cash equivalents under Ind AS 7, fixed deposits with original maturity exceeding three months from the date of acquisition have been presented under "Other Bank Balances" instead of "Cash and Cash Equivalents." The previous GAAP presentation has been aligned accordingly on transition. The change represents a presentation reclassification and does not affect profit, equity, or cash flows. Further, Interest accrued on Fixed deposits earlier disclosed under "Other Assets" have been reclassified to "Bank Balances other than Cash and Cash Equivalents" in accordance with Ind AS presentation requirements. The change is a presentation reclassification and has no impact on profit or equity.

IV. Borrowing

Debentures have been measured at amortised cost using the effective interest rate method as required under Ind AS 109. The impact of recalculation of interest and amortisation of transaction costs has been adjusted to retained earnings on transition.

V. Lease Equalisation reserve

Lease Equalisation Reserve recognised under previous GAAP has been reversed on transition to Ind AS, as Ind AS 116 does not permit such accounting. The impact has been adjusted to retained earnings.

VI. Other liability and other financials liability

Certain balances previously presented under "Other Liabilities" have been reclassified to "Other Financial Liabilities" in accordance with Ind AS presentation requirements. The change is presentation in nature and has no impact on profit or equity.

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Sky Gate Hospitality Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(' in millions, except for share data and if otherwise stated)
49. Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	0.93	1.02	-9.50%	Variance less than 25%
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	-	0.38	-100.00%	Due to repayment of borrowings

Ratio	Measurement unit	Numerator	Denominator	For the year ended 31 March 2026	For the year ended 31 March 2025	Change	Remarks
				Ratio	Ratio		
Debt service coverage ratio	Times	Earnings available for debt service [Profit/(loss) after tax + Depreciation and amortisation+impairment+interest- profit on sale of fixed assets]	Debt Service (Interest and lease payments+ Principal repayments.)	Not applicable			Refer Note A
Return on equity ratio	Percentage	Net profit after tax	Average shareholder's equity	Not applicable			Refer Note A
Inventory turnover ratio	Times	Costs of materials consumed	Average inventories [(opening inventories +closing inventories)/2]	9.49	13.18	-27.98%	Due to increase in inventory
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables [(opening trade receivables +closing trade receivables)/2]	15.82	20.09	-21.25%	Variance less than 25%
Trade payables turnover ratio	Times	Purchases + other expenses (excluding non cash expenses)	Average trade payables [(opening trade payables +closing trade payables)/2]	10.12	11.57	-12.57%	Variance less than 25%
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	Not applicable			Refer Note A
Net profit ratio	Percentage	Profit after tax	Revenue from operations	Not applicable			Refer Note A
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed [Total assets - Current liabilities]	Not applicable			Refer Note A
Return on investment	Percentage	Not applicable	Not applicable	Not applicable			Refer Note A

Notes:

A. Due to Net loss, negative EBITDA, negative EBIT and Negative working capital, ratios is not calculated.

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Sky Gate Hospitality Private Limited
Notes to Standalone financial statements for the year ended March 31, 2026
(INR in millions, except for share data or if otherwise stated)

50. The Board of Directors of the Company at its meetings held on 10 March 2026, had approved the scheme for amalgamation with the Parent Company ("Devyani International Limited"). The Scheme was filed with Hon'ble National Company Law Tribunal (NCLT), Chandigarh on March 31, 2026. The Appointed Date of the Scheme is April 1, 2025.

51. The previous year numbers have been regrouped/reclassified wherever necessary to confirm the current year presentation. The impact of such reclassification/regrouping is not material.

As per our report of even date attached

For O P Bagla & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 000018N/N500091

Kripa Shankar Shukla

Partner

Membership No.: 515763

Place: Gurugram

Date: 13 May 2026



For and on behalf of the Board of Directors of
Sky Gate Hospitality Private Limited

Kaushik Kumar Roy

Director

DIN: 01228972

Manish Dwar

Director

DIN: 00319476

