

# S. S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

S.S. KOTHARI B.Com., C.T.A. (LOND), F.C.A. R.N. BARDHAN B.Com., F.C.A.  
R.K. ROYCHOUDHURY B.Sc., B.Com., F.C.A.  
T.K. SENGUPTA B.Com., LL.B., F.C.A. P.K. BHATTACHARYA B.Com., F.C.A.

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## INDEPENDENT AUDITORS' REPORT

To the Members of **Shristi Hotel Private Limited**

### Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of **Shristi Hotel Private Limited** ("the Company"), which comprises the balance sheet as at 31<sup>st</sup> March 2017, and the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

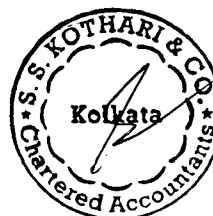
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its profit and its cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

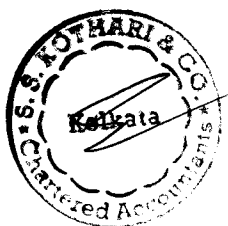
As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure- A**, a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable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

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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as at 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors as on 31<sup>st</sup> March 2017 are disqualified from being appointed as a director in terms of Section 164(2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure- B**"; and
- (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact the financial position;
  - ii. 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. The company has provided requisite disclosure in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on auditing procedures and relying on management representations, we report that the disclosure is in accordance with the books of accounts maintained by the company as provided to us by the management. (Refer note 23).

Kolkata

Dated: 23<sup>rd</sup> May, 2017



For S S Kothari & Co.

Chartered Accountants

Firm's Registration No.302034E

R N Bardhan

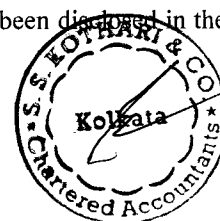
Partner

Membership No. 017270

**Annexure - A to the Independent Auditor's Report**

**(Refer to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements of our report of even date to the members of Shristi Hotel Private Limited on the standalone financial statements for the year ended 31<sup>st</sup> March,2017)**

1. a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a phased program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with such program, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the Company.
2. There are no inventories at the beginning and close of the year.
3. According to the information and explanation given to us and on the basis of our examination of books of account, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act,2013.
4. In our opinion and according to the information and explanations given to us, the company has not given loan and guarantee, made investment and provide securities in terms of provisions of section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits, thus the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act rules framed there under is not applicable. Accordingly, clause (v) of Paragraph 3 of the order is not applicable to the Company.
6. According to the information and explanations given by the management, maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund and employees' state insurance. No dues in respect of income tax, sales tax, service tax, value added tax, cess and any other statutory dues arose during the year ended 31st March, 2017. As explained to us, the company did not have any dues on account of investor education and protection fund, duty of customs and duty of excise arise during the year.
- b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, sales tax, service tax, value added tax, cess which were outstanding at the yearend for a period of more than 6 months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, cess and Service tax which have not been deposited on account of any dispute.
8. The Company has taken term loans from banks during the year. The repayment of such loans are yet to commence, hence no default in repayment of such loans has occurred.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loans taken during the year have been applied for the purposes for which they were raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration paid or provided by the Company is in accordance with the provisions section 197 read with Schedule V to the Act, during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.



14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India.

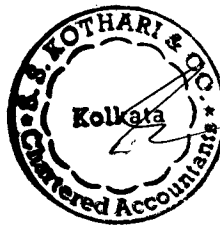
Kolkata  
Dated: 23<sup>rd</sup> May, 2017

For S S Kothari & Co.  
*Chartered Accountants*  
Firm's Registration No.302034E



**R N Bardhan**  
*Partner*

Membership No. 017270



## **Annexure - B to the Independent Auditors' Report**

**(Referrer to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements of our report of even date to the members of Shristi Hotel Private Limited on the standalone financial statements for the year ended 31<sup>st</sup> March,2017)**

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

We have audited the internal financial controls over financial reporting of **Shristi Hotel Private Limited** Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

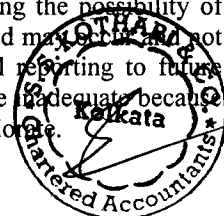
#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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 31 March 2017, 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.

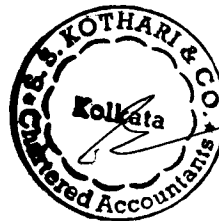
Kolkata  
Dated: 23<sup>rd</sup> May, 2017

For S S Kothari & Co.  
*Chartered Accountants*  
Firm's Registration No.302034E



**R N Bardhan**  
*Partner*

Membership No. 017270



**SHRISTI HOTEL PRIVATE LIMITED**
**BALANCE SHEET as at 31st March, 2017**
**(Rs.)**

	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	923,076,920	923,076,920
(b) Reserves and Surplus	4	498,784,383	498,062,945
<b>2 Non-Current Liabilities</b>			
(a) Long- Term Borrowings	5	3,589,368,478	2,172,409,735
(b) Long- Term Provisions	6	6,018,175	5,177,301
<b>3 Current Liabilities</b>			
(a) Trade Payables	7	200,549,696	175,700,965
(b) Other Current Liabilities	8	326,974,141	158,527,137
<b>Total</b>		<b>5,544,771,793</b>	<b>3,932,955,003</b>
<b>II. ASSETS</b>			
<b>1 Non- Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	124,775,426	126,733,020
(ii) Intangible Assets		167,464	322,599
(iii) Capital Work-in-Progress		4,711,029,228	3,453,077,633
(b) Deferred Tax Assets (net)	10	256,894	135,703
(c) Long- Term Loans and Advances	11	250,319,275	212,457,569
<b>2 Current Assets</b>			
(a) Cash and Cash Equivalents	12	367,808,433	58,363,483
(b) Short- Term Loans and Advances	13	90,415,073	81,864,995
<b>Total</b>		<b>5,544,771,793</b>	<b>3,932,955,003</b>

The accompanying Notes form an integral part of these Financial Statements.

In terms of our Report attached  
 For S.S.Kothari & Co.  
 Firm Regn. No. 302034E  
 Chartered Accountants

On behalf of the Board of Directors



R.N. Bardhan  
 Partner  
 Membership No.17270

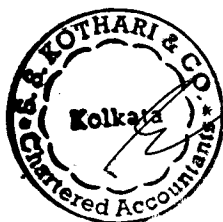


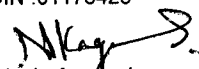
Sujit Kanoria  
 Managing Director  
 DIN :01175425



Sunil Jha  
 Director  
 DIN: 00085667

Date: 23/5/2017  
 Place: Kolkata



  
 Navin Agarwal  
 Company Secretary

**SHRISTI HOTEL PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2017**

**(Rs.)**

	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>INCOME</b>			
I. Other Income	14	10,321,978	3,202,061
<b>II. Total Revenue</b>		<b>10,321,978</b>	<b>3,202,061</b>
<b>III. EXPENSES</b>			
Employee Benefits Expense	15	6,085,287	1,531,909
Finance Costs	17	-	-
Depreciation and Amortisation Expense	9.2	1,225,052	1,078,952
Other Expenses	18	2,122,391	397,960
<b>Total Expenses</b>		<b>9,432,730</b>	<b>3,008,821</b>
<b>IV. Profit before Tax (II-III)</b>		<b>889,248</b>	<b>193,240</b>
<b>V. Tax Expense:</b>			
(1) Current tax		289,000	63,000
(2) Current tax relating to earlier year		-	-
(3) Deferred Tax Credit		(121,190)	349,233
<b>VI. Profit for the year (IV-V)</b>		<b>721,438</b>	<b>(218,993)</b>
<b>VII. Earning per Equity Share:</b>			
(1) Basic	19	0.01	0.00
(2) Diluted	19	0.01	0.00


The accompanying Notes form an integral part of these Financial Statements.

In terms of our Report attached  
For **S.S.Kothari & Co.**  
Firm Regn. No. 302034E  
Chartered Accountants

On behalf of the Board of Directors



R.N. Bardhan  
Partner  
Membership No. 17270



Sujit Kanoria  
Managing Director  
DIN : 01175425



Sunil Jha  
Director  
DIN: 00085667

Date: 23/5/2017  
Place: Kolkata

  
Navin Agarwal  
Company Secretary




**SHRISTI HOTEL PRIVATE LIMITED**  
**CASH FLOW STATEMENT For the year ended 31st March, 2017**

	(Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	889,248	193,240
<b>Adjustments for:</b>		
Depreciation and Amortisation	1,225,052	1,078,952
Finance Costs	-	-
Interest Income	(8,129,430)	-
Miscellaneous Income	-	(91,999)
Profit on sale of Fixed Assets	-	(44,484)
<b>Operating Loss before Working Capital changes</b>	<b>(6,015,131)</b>	<b>1,135,709</b>
<b>Adjustments for:</b>		
Trade and Other Receivables	(45,869,635)	246,202,800
Trade Payables and Other Liabilities	194,136,609	184,063,742
<b>Cash Generated/ (used) in Operations</b>	<b>142,251,843</b>	<b>431,402,251</b>
Income Taxes Paid (Net)	(831,149)	(1,272,290)
<b>Net Cash Generated/ (used) in Operating Activities (A)</b>	<b>141,420,694</b>	<b>430,129,961</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure on Fixed Assets including Capital Advances	(928,190,234)	(970,929,884)
Proceeds from sale of fixed assets	-	(595,314)
Interest Received	8,129,430	1,627,154
Miscellaneous Income	-	91,999
<b>Net Cash (used in) Investing Activities (B)</b>	<b>(920,060,804)</b>	<b>(969,806,045)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan Processing Fees	-	-
Finance Costs	-	-
Repayment of Borrowing	1,416,958,744	771,033,324
Interest paid	(328,873,684)	(268,562,441)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>1,088,085,060</b>	<b>502,470,883</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>309,444,950</b>	<b>(37,205,201)</b>
Opening Cash and Cash Equivalents	58,363,483	95,568,684
<b>Closing Cash and Cash Equivalents</b>	<b>367,808,433</b>	<b>58,363,483</b>

**Notes:**

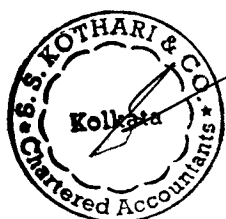
- The above cash flow statement has been prepared under the 'indirect method' as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Figures for the previous year have been re-arranged and re-grouped wherever necessary.

In terms of our Report attached  
**For S.S.Kothari & Co.**  
Chartered Accountants  
Firm Regn. No. 302034E

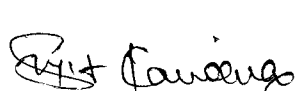



R.N. Bardhan  
Partner  
Membership No.17270

Date: 23/5/2017  
Place: Kolkata



**On behalf of the Board of Directors**

Sujit Kanoria  
Managing Director  
DIN :01175425

Sunil Jha  
Director  
DIN: 00085667

  
Navin Agarwal  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Shristi Hotel Private Limited (the "Company") is incorporated under the Companies Act, 1956. The Company is setting up of a Greenfield project of a five star hotel at New Town, Rajarjat, Kolkata.

## 2. Summary of Significant Accounting Policies

## 2.1 Basis of Preparation

These financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956 (the "Act") and other relevant provisions of the Act.

## 2.2 Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires Management to make estimates and assumptions considered in reporting amounts of Assets and Liabilities (including Contingent Liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

## 2.3 Fixed Assets (including intangible assets)

Fixed Assets are stated at historical cost less accumulated depreciation (including amortisation) and impairment losses if any. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. An impairment loss is recognised wherever the carrying value of the fixed assets exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

## 2.4 Depreciation and Amortisation

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

## 2.5 Revenue Recognition

Revenue is recognised when significant risk and rewards of ownership of the services is transferred to the buyer and the revenue is measurable at the time of sale and it is reasonable to expect estimate collection of sale consideration.

## i). Interest

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

## 2.6 Borrowing Costs

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

## 2.7 Foreign Currency Transactions

## i). Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency on the date of the transaction.

## ii). Conversion

Monetary assets and liabilities in currencies other than the reporting currency remaining unsettled are remeasured at the rates of exchange prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

## iii). Exchange Difference

Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit or loss for the year.

## 2.8 Employee Benefits

## i). Short term benefits

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

ii). Post employment benefits  
Defined Contribution plans

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

## Defined Benefit Plans

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

## 2.9 Income taxes

## i). Current Taxes

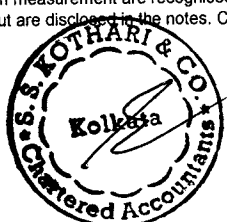
Provision for Current tax is determined as the amount of tax payable in respect of taxable income for the year, computed in accordance with the provisions of the Income Tax Act, 1961.

## ii). Deferred Taxes

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

## 2.10 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



NK

For & on Behalf of

SR

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

(Rs.)

3. Share Capital	As at 31st March 2017	As at 31st March 2016
<b>Authorised:</b>		
32,465,000 (31.03.2016: 32,465,000) 'Class A' Equity Shares of Rs.10 each	324,650,000	324,650,000
60,435,000 (31.3.2016: 60,435,000) 'Class B' Equity Shares of Rs.10 each	604,350,000	604,350,000
100,000 (31.3.2016: 100,000) 'Class C' Equity Shares of Rs.10 each	1,000,000	1,000,000
<b>Total</b>	<b>930,000,000</b>	<b>930,000,000</b>
<b>Issued, Subscribed and Fully Paid up:</b>		
32,272,692 (31.3.2016: 32,272,692) 'Class A' Equity Shares of Rs.10 each fully paid up	322,726,920	322,726,920
59,935,000 (31.3.2016: 59,935,000) 'Class B' Equity Shares of Rs.10 each fully paid up	599,350,000	599,350,000
100,000 (31.3.2016: 100,000) 'Class C' Equity Shares of Rs.10 each fully paid up	1,000,000	1,000,000
<b>Total</b>	<b>923,076,920</b>	<b>923,076,920</b>

**3.1 Reconciliation of number of shares:**

Particulars	Class A Equity Shares		Class B Equity Shares		Class C Equity Shares	
	No. of shares	Rs.	No. of shares	Rs.	No. of shares	Rs.
Shares outstanding on 01.04.2016	32,272,692	322,726,920	59,935,000	599,350,000	100,000	1,000,000
Shares outstanding on 30.09.2016	32,272,692	322,726,920	59,935,000	599,350,000	100,000	1,000,000

**3.2 Terms / rights attached to Equity Shares:**

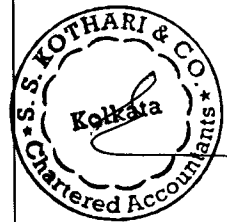
The Company has three classes of equity shares having a face value of Rs. 10/- each. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding. The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

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

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

**3.3 Details of share holders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	Relationship	Nature of Equity Shares	31st March 2017		31st March 2016	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shristi Infrastructure Development Corporation Limited along with its nominees	Promoter	Class B	59,935,000	100.00	46,103,846	76.92
		Class C	65,000	65.00	50,000	50.00
Rama INN (International) Private Limited	Promoter	Class B	-	-	13,831,154	23.08
		Class C	-	-	15,000	15.00
Rishima SA Investments LLC	Investor	Class A	32,272,692	100.00	32,272,692	100.00
		Class C	35,000	35.00	35,000	35.00



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

(Rs.)

4. Reserves and Surplus	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Securities Premium as at the beginning and end of the year		476,923,080		476,923,080
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	21,139,865		21,358,858	
Add: Profit for the year	721,438		(218,993)	
Adjustment for Depreciation	-	21,861,303	-	21,139,865
<b>Total</b>		<b>498,784,383</b>		<b>498,062,945</b>

5. Long- Term Borrowings	As at 31st March 2017	As at 31st March 2016
<b>Secured</b>		
<b>Term Loans</b>		
<b>From Banks</b>		
From Corporation Bank	-	499,911,290
Term Loan-Yes Bank	2,839,368,478	-
Term Loan - Srei	750,000,000	-
Term Loan-Central Bank of India	-	500,000,000
From Axis Bank	-	1,172,498,444
	<b>3,589,368,478</b>	<b>2,172,409,736</b>

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

The Term Loan is secured by a first pari passu mortgage on land and building of the hotel project at Kolkata, first pari passu charge on all present and future moveable fixed assets and entire current assets including cash together with 3.5 acre of leasehold land. It is carrying Corporate Guarantee of Shristi Infrastructure Development Corporation Limited. The loan carries interest at Base Rate +2.40%, effective rate being 12.65%p.a. payable at monthly rest.

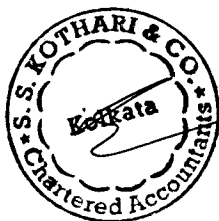
6. Long- Term Provisions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
<b>Provision for Employee Benefits</b>				
Gratuity	3,186,070		2,560,123	
Compensated Absence	2,832,105	6,018,175	2,617,178	5,177,301
<b>Total</b>		<b>6,018,175</b>		<b>5,177,301</b>

7. Trade Payables	As at 31st March 2017	As at 31st March 2016
Creditor for Supplies/ Services (Refer Note 7.1 below)	200,549,695	175,700,965
<b>Total</b>	<b>200,549,695</b>	<b>175,700,965</b>

**7.1 Dues to The Micro, Small and Medium Enterprises:**

The Company has not received any intimation from its vendors regarding their status under The Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures relating to their outstanding amount and interest have not been made.

8. Other Current Liabilities	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Interest Accrued and due on Borrowings	-		-	
Loans and Advances from related parties	307,672,813		142,318,470	
<b>Other Payables:</b>				
Statutory Dues	19,301,328		15,248,974	
Income Received in Advance	-		959,693	
Bank Overdraft		326,974,141		158,527,137
<b>Total</b>		<b>326,974,141</b>		<b>158,527,137</b>



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

9: Tangible Assets (Rs.)

9. Tangible Assets										
Own Assets	Gross Block - At Cost				Depreciation/Amortisation				Net Block	
	As at 1st April 2016	Additions during the year	Deletions during the year	As at 31st Mar 2017	Upto 1st April 2016	For the year	Adjusted with Retained Earnings	Deletions during the year	As at 31st Mar 2017	As at 31st Mar 2016
Tangible assets										
Leasehold Land (Refer Note 9.1 below)	137,500,000	-	-	137,500,000	13,924,048	1,740,506		-	121,835,446	123,575,952
Furniture and Fixtures	1,793,015	212,200	-	2,005,215	692,148	245,366		-	1,067,701	1,100,867
Office Equipments	1,835,272	376,092	-	2,211,364	839,437	315,771		-	1,056,156	995,835
Computers	2,885,513	264,537	-	3,150,050	1,825,147	508,780		-	816,123	1,060,366
Total Tangible Assets	144,013,800	852,829	-	144,866,629	17,280,780	2,810,423	-	-	124,775,426	126,733,020
Previous Year Total	143,439,464	1,389,650	815,314	144,013,800	15,208,980	2,711,598	-	639,798	126,733,020	
Intangible assets										
Computer Software (Acquired)	696,840	-	-	696,840	374,241	155,135		-	167,464	322,599
Total Intangible Assets	696,840	-	-	696,840	374,241	155,135		-	167,464	322,599
Previous Year Total	665,392	31,448	-	696,840	266,381	107,860		-	322,599	-

Capital Work-in-Progress (Refer Note 9.3)

4,711,029,228 3,453,077,633

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

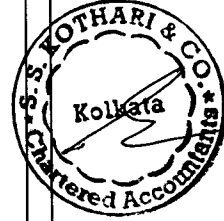
9.2 Depreciation and Amortisation Expense:

	For the year ended 31st March 2017	For the year ended 31st March 2016
Depreciation/ Amortisation on Tangible/ Intangible Assets	2,965,558	2,819,458
Less: Transfer to Pre-Operative Expenses	(1,740,506)	(1,740,506)
<b>Net Depreciation charged to Statement of Profit and Loss</b>	<b>1,225,052</b>	<b>1,078,952</b>

9.3 Capital Work-in-Progress includes:

Pre-Operative Expenses pending allocation:

Particulars	For the year ended 31st March 2017	Year ended 31st March 2016
Depreciation and Amortisation	13,974,946	12,234,440
Employees Cost	240,374,904	125,374,904
Professional and Consultancy Fees	413,977,634	219,588,083
Rent	1,041,000	1,041,000
Security Charges	16,456,772	16,456,772
<b>Total</b>	<b>685,825,256</b>	<b>374,695,199</b>



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

	(Rs.)			
10. Deferred Tax Assets / (Liabilities) (Net)	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
Tax Impact of- <b>Assets:</b> Accrues expenses deductible when paid	272,822		253,208	
<b>Liabilities:</b> Difference between Tax Depreciation and Book Depreciation	15,928	256,894	117,505	135,703
<b>Net Assets</b>		<b>256,894</b>		<b>135,703</b>
11. Long- Term Loans and Advances	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
<b>Unsecured, Considered Good</b> Security Deposits	135,494,750	135,494,750	133,512,620	133,512,620
Loans and Advances to related parties (Project Advance)				
<b>Other Loans and Advances:</b> Service Tax Recoverable	104,401,349	114,824,525	69,063,922	78,944,949
Advance Income Tax [Net of Provision Rs. 58,54,162/- (31.03.2016: Rs. 57,91,162)]	10,423,176		9,881,027	
<b>Total</b>		<b>250,319,275</b>		<b>212,457,569</b>
12. Cash and Cash Equivalents	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
<b>Balances with Banks</b> a) In Current Accounts	242,462,149	367,808,433	4,145,708	58,363,483
b) In Deposit Accounts (With original maturity of less than 3 months)	125,278,843		53,885,822	
c) Deposits with original maturity of more than 3 months but less than 12 months	-		-	
<b>Cash on hand</b>	67,441		331,953	
<b>Total</b>		<b>367,808,433</b>		<b>58,363,483</b>
13. Short- Term Loans and Advances	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
<b>Unsecured, Considered Good</b> Advance to Suppliers	90,139,883	90,415,073	81,478,987	81,864,995
Advance for Expenses	275,190		386,008	
<b>Total</b>		<b>90,415,073</b>		<b>81,864,995</b>
14. Other Income	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Interest Income (On Bank Deposits)	8,129,430		3,065,578	
Income on Mutual Fund	1,154,670			
Other Non Operating Income	1,037,877			
-Liabilities/ Provisions no longer required written back	-	10,321,978	91,999	3,202,061
-Profit on sale of Fixed Assets	-		44,484	
-Interest on Staff advances	-		-	
<b>Total</b>		<b>10,321,978</b>		<b>3,202,061</b>
15. Employee Benefits Expense	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Salaries, Wages and Bonus	112,094,743	6,085,287	67,990,081	1,531,909
Contribution to Provident and Other Funds (Refer Note 16.1)	5,353,544		2,642,772	
Staff Welfare Expenses	3,637,000		1,449,056	
Less: Expense Capitalised	(115,000,000)		(70,550,000)	
<b>Total</b>		<b>6,085,287</b>		<b>1,531,909</b>

**16.1 Employee Benefits**

**a) Defined Contribution Plan**

The Company has recognised, in the Statement of Profit and Loss for the current year an amount of Rs. 51,92,213/- (31.3.2015 : Rs. 26,42,772) as expenses under defined contribution plans towards payment of Provident Fund to its employees.

**b) Defined Benefit Plans**

The Company provides the following post retirement employee benefit plans:

**Non funded**

1. Gratuity: Liability towards Gratuity, covering eligible employees, is provided on the basis of year-end actuarial valuation. The most recent actuarial valuation was carried out as at 31st March 2017.

2. Compensated Absences: Accrued liability towards compensated absences, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognised as a charge in the Statement of Profit and Loss. The most recent actuarial valuation was carried out as at 31st March 2017.



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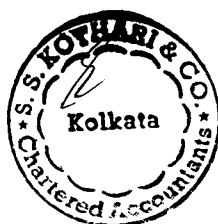
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**SHRISTI HOTEL PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**16.2: Following are the further particulars with respect to Defined Benefit Plans of the Company for the year ended 31st March 2017:**

(Rs.)

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>i. Reconciliation of Opening and closing balances of present value of defined benefit obligation:</b>				
a. Present Value of Obligation as at the beginning of the year	2,560,123	1,983,676	2,617,178	2,413,202
b. Current Service Cost	1,435,133	786,282	305,786	444,047
c. Interest Cost	215,482	182,250	204,348	201,766
d. Actuarial (gains)/Losses	(1,007,026)	(392,085)	(118,043)	(441,837)
e. (Benefits Paid)	(17,642)	-	(177,164)	-
f. Present Value Obligation as at the end of the year	3,186,070	2,560,123	2,832,105	2,617,178
<b>ii. Reconciliation of the opening and closing balances of fair value of plan assets and defined benefit obligation:</b>				
a. Present value of obligation as at the end of the year	3,186,070	2,560,123	2,832,105	2,617,178
b. Fair value of plan assets as at the end of the year	-	-	-	-
c. Net Deficit/(Surplus) recognised in the balance sheet	(3,186,070)	(2,560,123)	(2,832,105)	(2,617,178)
<b>iii. Expense recognised during the year in the Statement of Profit and Loss</b>				
a. Current Service Cost	1,435,133	786,282	305,786	444,047
b. Interest Cost	215,482	182,250	204,348	201,766
c. Expected return on plan assets	-	-	-	-
d. Actuarial (gains)/Loss	(1,007,026)	(392,085)	(118,043)	(441,837)
e. Total Expenses recognised during the year*	643,589	576,447	392,091	203,976
*The Expenses is disclosed in the line item - Employee Benefits Expenses - Salary, Wages and Bonus in Note 16				
<b>iv. Principal Actuarial Assumptions</b>				
a. Discount rate (per annum)	7.50%	8.00%	7.50%	8.00%
b. Estimated rate of return on plan assets	NA	NA	NA	NA
c. Average Future Service	26.48	18.26	26.48	18.26
d. Rate of escalation of salary	5.00%	5.00%	6.00%	6.00%
e. Method Used	Projected Unit Credit Method			
<b>v. Other Disclosures</b>				
<b>a. Gratuity Scheme</b>				
Experience History	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014
1 Defined Benefit Obligation at end of the period	3,186,070	2,560,123	1,983,676	1,405,554
2 Plan Assets at end of the period	-	-	-	-
3 Funded Status	(3,186,070)	(2,560,123)	(1,983,676)	(1,405,554)
4 Experience Gain/(Loss) adjustments on plan liabilities	188,723	216,759	50,224	(48,770)
5 Experience Gain/(Loss) adjustments on plan assets	-	-	-	-
6 Actuarial Gain/(Loss) due to change on assumptions	-	-	-	-
<b>b. Compensated Absences</b>				
Experience History	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014
1 Defined Benefit Obligation at end of the period	2,832,105	2,617,178	2,413,202	1,464,668
2 Plan Assets at end of the period	-	-	-	-
3 Funded Status	(2,832,105)	(2,413,202)	(1,464,668)	(1,119,815)
4 Experience Gain/(Loss) adjustments on plan liabilities	155,653	257,000	61,211	(32,019)
5 Experience Gain/(Loss) adjustments on plan assets	-	-	-	-
6 Actuarial Gain/(Loss) due to change on assumptions	-	-	-	-
<b>17. Finance Costs</b>	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Interest (Gross)	328,873,684	-	268,562,441	-
Less: Amount transferred to Capital Work-in-Progress	328,873,684	-	268,562,441	-
Less: Amount transferred to Long- Term Loans and Advances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>18. Other Expenses</b>	For the year ended 31st March 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2016
Rent	-	2,091,915	-	2,150,936
Repairs- Others	-	1,787,866	-	1,425,665
Insurance	-	544,481	-	5,116,087
Rates and Taxes	-	29,582	-	90,000
Professional Charges	-	103,251,830	-	90,986,442
Travelling and Conveyance	-	53,907,760	-	22,068,959
Business Promotion	-	6,835,649	-	4,014,484
General Expenses	-	23,906,559	-	10,143,100
Guest House Expenses	-	1,255,913	-	682,073
Printing and Stationery	-	1,040,506	-	858,496
Payment to Auditors (including service tax):	-	-	-	-
Statutory Audit Fees	69,000	-	68,700	-
Tax Audit Fees	17,250	86,250	17,175	85,875
Security Charges	-	-	-	7,540,466
Telephone Expenses	-	1,773,631	-	1,104,622
Less: Expense Capitalised	-	(194,389,551)	-	(145,869,245)
<b>Total</b>	-	<b>2,122,391</b>	-	<b>397,960</b>



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

**19. Earnings Per Share (EPS)- The numerators and denominators used to calculate Basic and Diluted EPS**

	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit after Tax (A)	721,438	130,240
Weighted average number of Outstanding Equity Shares (In Numbers) (B)	92,307,692	92,307,692
Nominal Value of Equity Shares (In Rs.)	10	10
Earnings per Share- Basic and Diluted (In Rs.) (A/B)	0.01	0.00

**20. Expenditure in Foreign Currency**

	For the year ended 31st March 2017	For the year ended 31st March 2016
Professional Fees	2,968,573	6,485,401
Foreign Travel	3,815,064	5,082,989
<b>Total</b>	<b>6,783,637</b>	<b>11,568,390</b>

**21. Related Party Disclosures**

Related Party Disclosures in keeping with Accounting Standard- 18 prescribed under 'the Act'.

a) List of Related Parties

Promoter

Investor

Key Management Personnel

Shristi Infrastructure Development Corporation Limited  
Rishima SA Investments LLC  
Mr. Sujit Kanoria, Managing Director

b) Particulars of Transactions during the year and year end balances

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>i. With Shristi Infrastructure Development Corporation Limited</b>		
Transactions during the Year		
Construction Expenses	7,129,340	200,823,624
Year End Balances		
Mobilisation Advances	(307,672,813)	(142,318,470)
Security Deposit	120,000,000	120,000,000
Trade Payables	-	-
	<b>(187,672,813)</b>	<b>(22,318,470)</b>
<b>ii. With Key Management Personnel</b>		
Remuneration (Managing Director)	12,073,747	11,447,527

**22. Contingent Liabilities**

i) Letter of Credit given by Bank on behalf of the Company Rs. 81.82 Lacs ( Previous Year Rs. 458 Lacs).

ii) Bank Guarantees given by Bank on behalf of the Company for import of capital goods under Export Promotion Capital Goods (EPCG Scheme) to the extent of Rs. 2492.25 Lacs  
*The Company has imported certain capital goods under EPCG Scheme with NIL custom duty. Under the Scheme, the Company is required to fulfill certain export obligations, failing with it it liable for payment*

iii) Interest payable to Shristi Infrastructure Development Corporation Ltd.

*The Company from time to time has take loans/advances from Shristi Infrastructure Development Corporation Ltd (lending company) in order to meet its funds requirements. The interest on such*

**23. Disclosure Regarding Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below:-**

	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	400,000	697,120	1,097,120
(+) Permitted receipts	-	522,340	522,340
(-) Permitted payments	-	1,171,897	1,171,897
(-) Amount deposited in Banks	400,000	-	400,000
Closing cash in hand as on 30.12.2016	-	47,563	47,563

**24. Previous Year Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Signatures to Note '1' to '24'**

On behalf of the Board of Directors

*Sujit Kanoria*  
Sujit Kanoria  
Managing Director  
DIN : 01175425

*Navin Agarwal*  
Navin Agarwal  
Company Secretary

Sunil Jha  
Director  
DIN: 00085667

Date: 23/05/2017  
Place: Kolkata

