

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourth Annual Report and Audited Accounts for the financial year ended March 31, 2011.

PERFORMANCE & OPERATIONS

The Company was incorporated on 2nd February, 2007. The financial accounts are drawn for the duration starting from 01.04.2010 till 31st March, 2011. No Profit & Loss Account has been prepared since the Company has not commenced commercial operations. However, the Company has incurred a sum of Rs. 53,733,453/- as Capital Work in Progress during the Financial Year 2010-11 while Cumulative Capital Work in Progress as on 31st March, 2011 is Rs. 158,570,432/-.

The Company has been developing a Hotel-Mall-Multiplex Project at Udaipur, Rajasthan.

YEAR IN RETROSPECT

As the Company has not commenced any commercial operation till 31st March, 2011, it has not been able to earn any profits. However, your directors are hopeful that after successful completion of its project in the coming years, the prospect of Company's earning and profitability is going to be one of the best in the industry.

DIVIDEND

The Company being in the initial years of its existence, no dividend is recommended by the management of your Company.

TRANSFER TO RESERVES

There is no transfer to General Reserve as it is not required as per the provisions of The Companies (Transfer of Profits to Reserves) Rules, 1975.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956.



Shristi Udaipur Hotels & Resorts Pvt. Ltd.

Corporate Office: D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi-110 017, India Ph: +91-11-6602 5600 Fax: +91-11-6602 5883/5818
Registered Office: Plot No. X-1,2 & 3, Block EP, Sector - V, Salt Lake City, Kolkata-700 091, India Ph. : +91-33-40202020, 40154646 Fax: +91-33-40202099
www.shristicorp.com

DIRECTORS

There has been no change in the Directors during the financial year 2010-11.

TRANSFER OF SHARES OF THE COMPANY IN PURSUANCE OF SCHEME OF ARRANGEMENT UNDER SECTION 391 AND 394 OF THE COMPANIES ACT, 1956

Stake in the Equity Share Capital of the Company held by M/s Shristi Infrastructure Development Corporation Limited (SIDCL, one of the two members of the Company) has been transferred to M/s Shristi Housing Development Private Limited (a wholly owned subsidiary of SIDCL) in pursuance of scheme of arrangement under Sections 391 and 394 of The Companies Act, 1956 for transferring the Infrastructure Development division from M/s Shristi Infrastructure Development Corporation Limited to M/s Shristi Housing Development Private Limited as approved by the approved by the Hon'ble High Court at Calcutta vide their order dated 01.03.2010, w.e.f. the appointed date i.e. 31.03.2009.

MATERIAL CHANGES SINCE THE CONCLUSION OF THE FINANCIAL YEAR

There has been no material change since the conclusion of the Financial Year.

AUDITORS

The Statutory Auditors of the Company, M/s S.S. Kothari Mehta & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. A certificate has been received from them confirming therein that their appointment, if made, will be within the limits prescribed under 224(1B) of the Companies Act, 1956.

Yours directors recommend their re-appointment as Statutory Auditors.

AUDITORS' REPORT

Comments of the Auditors in their Report and the Notes forming part of the Accounts, are self explanatory and need no comments.

COMPLIANCE CERTIFICATE

The Compliance Certificate as required in case of your Company u/s 383A of The Companies Act, 1956 is being attached to this Report.

INSURANCE

The assets of the Company are adequately insured against the loss of fire and other risks which were considered necessary by the management.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of your Company, to the best of their knowledge and belief, confirm the following :

- i) That the applicable Accounting Standards have been followed in the preparation of the Annual Accounts for the year ended on 31st March, 2011.
- ii) That the accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2011.
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Annual Accounts of the Company for the year ended 31st March, 2011 have been prepared on a going concern basis.

HUMAN RESOURCE

Your Company places great importance on development of its human resources for their evolution. Special developmental efforts have been initiated to sharpen the knowledge / skills and customer focus of its committed team of employees at all levels.

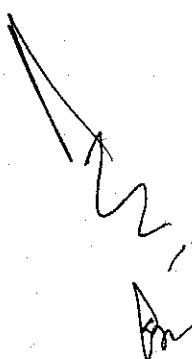
Besides, your Company is committed to facilitate the development of a vibrant and proactive work environment where individual needs and aspirations are not only met but exceed beyond that. Your Company's core strength as emerged, is innovation by human resource in the competitive market.

PARTICULARS OF EMPLOYEES

There was no employee in the Company, in receipt of remuneration in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1988 as amended.

PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO :

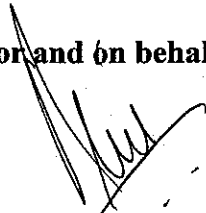
The Company has no activity relating to conservation of energy and technology absorption during the year under review.




ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Bankers, various agencies / departments of Government and the employees for their continued co-operation and support.

For and on behalf of the Board of Directors



(ATUL BHALLA)
Director



(RAJINDER PAUL)
Director

Place : New Delhi
Date : 03.05.2011



CIN : U55101WB2007PTC112974

Nominal Capital : Rs. 1000 Lacs.

[PURSUANT TO SUB RULE 2 OF RULE 3]

COMPLIANCE CERTIFICATE

To,
The Members
Shristi Udaipur Hotels & Resorts Private Limited

We have examined the registers, records, books and papers of SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers, and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in **Annexure – 'A'** to this certificate, as per the provisions and the rules made under the Companies Act, 1956
2. The Company has filed the forms and returns as stated in **Annexure – 'B'** to this certificate, with the Registrar of Companies as prescribed under the Act and the rules made there under.
3. The Company being private limited Company has the minimum prescribed paid-up capital and its maximum number of members during the financial year, excluding present and past employees, did not exceed the prescribed limit and it :
 - i. has not invited public to subscribe for its Shares or Debentures ; and
 - ii. has not invited or accepted any deposits

It may be noted that the Company is a subsidiary of a public company because of which it becomes a public company as per the provision of section 3(1)(iv) though the name of the Company contains the words 'private limited'. According the company has minimum prescribed paid-up capital of Rs. 5 lacs.

4. The Board of Directors duly met Four times on 28th April 2010, 17st August 2010, 11th November 2010 and 9th March 2011 in respect of which proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 13th September 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.

Contd..2



(2)

9. The Company has not entered into any contracts falling within the purview of section 297 of the Act. It may be noted that the Company is a subsidiary of a public company because of which it becomes a public company as per the provision of section 3(1)(iv) though the name of the Company contains the words 'private limited'.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As per the information and explanation given and records shown to us as there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members and the Central Government as the case may be.
12. The Board of Directors of the Company has not issued any duplicate share certificate during the year.
13. The Company :
 - (I) has delivered all certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
 - (II) was not required to deposit any amount in a separate Bank account as no dividend was declared during the financial year.
 - (III) was not required to post warrant to any members of the Company as no dividend was declared during the financial year.
 - (IV) was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed for a period of seven years to Investor Education and Protection Fund.
 - (V) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and re- appointed of Director/s of the Company was duly made. However there was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year under review.
15. The Company has not appointed any Managing Director/Whole Time Director/Manager during the financial year.
16. The Company has not appointed sole-selling agent during the financial year.
17. As per the information and explanation given and records shown to us the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar, or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. As per the information and explanation given and records shown to us the Company has not bought back any shares during the financial year.



(3)

21. There was no redemption of preference shares/ debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares, and bonus shares pending registration of transfer of shares.
23. As per the information and explanation given and records shown to us the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A of the Companies Act during the financial year.
24. The Company has not made any borrowings during the financial year under review.
25. The Company has not made loans and investments or given guarantees or provide securities to other bodies corporate and consequently no entries have been made in the register of kept for this purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As per the information and explanation given and records shown to us there was no prosecution initiated against or show cause notice received by the company, during the financial year, for offences under the Act.
32. As per the information and explanation given and records shown to us the Company has not received security from its employees during the financial year.
33. As per the information and explanation given and records shown to us the Company has not constituted a separate Provident Fund trust for its employees as contemplated under section 418 of the Act.

For **SKP & Co.**

Company Secretaries,



[Signature]
Sundeep K. Parashar)
Prop.
CP No.6575

Dated: 03.05.2011
Place: Delhi.

(4)

ANNEXURE – 'A'**Registers as maintained by Shristi Udaipur Hotels & Resorts Private Limited:
Statutory Registers:**

S. No.	Name of Register(s)	Under Section
1.	Register of Members	150
2.	Register and Returns	163
3.	Minutes Book of Board Meetings and General Meeting.	193
4.	Register of Directors, Managing Director, Manager & Secretary.	303
5.	Register of particulars of contracts in which Directors are interested.	301
6.	Register of Directors' Shareholding.	307

Other Registers:

1.	Share Transfer Register.	108
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ANNEXURE- 'B'**Forms and Returns as filed by Shristi Udaipur Hotels & Resorts Private Limited with the Registrar of Companies, during the financial year ending on 31st March, 2011**

S. No.	Form No./Return	Filed under section	For	Date of filing
1.	Annual Accounts (Form 23AC & 23ACA)	220 (1)	F. Y. 2009-10	01/10/2010
2.	Annual Return (Form 20B)	159	13.09.2010	26/10/2010
3.	Compliance Certificate(Form-66)	Pursuant to rule 3(2) of Companies(CC) Rules, 2001, Section 383A	F. Y. 2009-10	30/09/2010
4.	Form 18	146	10.06.2010	08/07/2010
5.	Form 23	293(1)(a), 293(1)(d), 81(1A)	13.09.2010	16/11/2010

For **SKP & Co.**
Company Secretaries,(CS Sundeep K. Parashar)
Prop.
CP No.6575Dated: 03.05.2011
Place: Delhi.

AUDITOR'S REPORT

To,

The Members,
Shristi Udaipur Hotels and Resorts Private Limited,
New Delhi

1. We have audited the attached Balance Sheet of **Shristi Udaipur Hotels and Resorts Private Limited**, as at 31st March 2011 and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. No profit and loss Account has been prepared since the Company is yet to commence its commercial operations and necessary details as per part II of Schedule VI of Companies Act, 1956 have been disclosed in Note Number 6 of Schedule – 10C of the Balance Sheet
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004] issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- (iii) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
- (v) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
- (b) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal

Naveen Aggarwal
Partner

Membership No. 94380



Place : New Delhi

Date : 30th May 2011

ANNEXURE TO THE AUDITOR'S REPORT

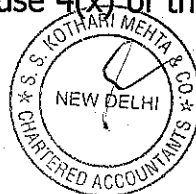
(As referred in paragraph 3 of our report to the members of **Shristi Udaipur Hotels & Resorts Private Limited** on the accounts for the year ended 31st March 2011)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the management has carried out physical verification of its fixed assets during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification as compared to the books of account.
- (c) There was no disposal of fixed assets during the year.
- (ii) The company does not hold any inventory. Hence, the provisions of Clause 4(ii) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004] (hereinafter referred as 'Order') are not applicable to the company.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of Clause 4(iii) (a), (b), (c) & (d) of Order are not applicable to the Company.
- (b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore provisions of Clause 4(iii) (e), (f), (g) & (h) of Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to rendering of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of



the company.

- (v) In our opinion and according to the information and explanations given to us, there is no contract or arrangement that needs to be entered into the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(v)(b) of the order are not applicable to the company.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the company.
- (vii) In our opinion, the company has an inhouse internal audit system commensurate with the size and nature of its business and activities.
- (viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the company. Therefore, provisions of Clause 4 (viii) of the order are not applicable to the company.
- (ix)
 - (a) The Company, has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it.
 - (b) According to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March 2011 for a period of more than six 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, Wealth Tax, Service Tax, Custom duty, Excise duty and Cess, which have not been deposited on account of any dispute.
- (x) Since the company has not started the commercial operation till March 31st, 2011. Hence, the provisions of Clause 4(x) of the Order are not applicable to the company.



- (xi) In our opinion and according to the information & explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The company has not issued any debentures.
- (xii) In our opinion and according to the information & explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Hence, the provisions of Clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As per information and explanations given to us, the company has not given any guarantee for any loan taken by others from banks or financial institutions.
- (xvi) On the basis of records made available and according to information and explanations given to us, the company has applied its term loans for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company
- (xx) The company is a Private Limited Company, hence could not raise any money by way of public issue. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.



(xxi) Based upon the audit procedure performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. 000756N

Naveen



Naveen Aggarwal
Partner

Membership No. 94380

Place : New Delhi

Date : 3rd May 2011

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
Balance Sheet as at March 31, 2011

	Schedules	As at 31.03.2011 Amount (In Rs.)	As at 31.03.2010 Amount (In Rs.)
Sources of Funds			
Shareholders' Fund			
Share Capital	1	49,500,000	49,500,000
Share Application Money		100,408,000	49,208,000
Loan Funds			
Secured Loans	2	75,000,000	75,000,000
		224,908,000	173,708,000
Application of Funds			
Fixed Assets			
Gross Block	3	529,655	300,380
Less: Depreciation		156,549	50,808
Net Block		373,106	249,572
Capital Work in Progress	4	158,570,432	104,836,979
Current Assets, Loan & Advances			
Cash & Bank Balances	5	1,274,177	6,860,710
Loan & Advances	6	79,359,008	78,655,471
Other Current Assets	7	101,656	64,400
	(A)	80,734,841	85,580,581
Less: Current Liabilities & Provisions			
Current Liabilities	8	14,161,042	16,849,305
Provisions		609,337	350,787
	(B)	14,770,379	17,000,092
Net Current Assets	(A-B)	65,964,462	68,580,489
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses	9	-	40,960
		224,908,000	173,708,000

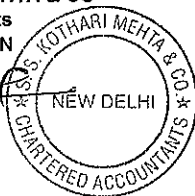
Significant Accounting Policies and Practices & Notes to Accounts 10

The schedules referred to above and notes to accounts form an integral part of the Accounts.

As per our report of even date attached

For S.S. KOTHARI MEHTA & CO
Chartered Accountants
Firm Regn. No. 000756N

Naveen Aggarwal
Partner
Membership No. 94380



Place: New Delhi

Date: 30th May 2011

For & on behalf of the Board

Atul Bhalla
(Director)

Rajinder Paul
(Director)

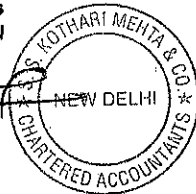
SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
Cash Flow Statement for the year ending March 31, 2011

Particulars	Amount (In Rs.) Current Year	Amount (In Rs.) Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation and Extraordinary activities	-	-
Adjustments for:		
Depreciation	105,741	50,808
Preliminary Expenses written off	40,980	-
Operating Profit Before Working Capital Changes	146,701	50,808
Adjustments for:		
(Increase) / Decrease in Trade and other Receivable	(740,793)	(71,142,062)
Increase / (Decrease) in Trade and other Payable	(2,229,713)	10,123,041
Net Cash From Operating Activities	(2,823,805)	(60,968,213)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(229,275)	(300,380)
Capital Work in Progress	(53,733,453)	(46,333,750)
	(53,962,728)	(46,634,130)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Secured Loan Received	-	75,000,000
Share Application Money	51,200,000	38,550,000
	51,200,000	113,550,000
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(5,586,533)	5,947,857
Opening Cash and cash equivalents	6,860,710	913,053
Closing Cash and cash equivalents	1,274,177	6,860,710

As per our report of even date attached

For **S.S. KOTHARI MEHTA & CO**
Chartered Accountants
Firm Regn. No. 000756N

Naveen
Naveen Aggarwal
Partner
Membership No. 94380



For & on behalf of the Board

Atul
Atul Bhalla
(Director)

Rajinder Paul
Rajinder Paul
(Director)

Place: New Delhi

Date: 3rd May 2011

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Schedules to the Accounts

As at 31.03.2011	As at 31.03.2010
Amount (In Rs.)	Amount (In Rs.)

Schedule - 1: Share Capital

Authorized

10,000,000 (Previous year 10,000,000) equity shares of Rs.10/- each	100,000,000	100,000,000
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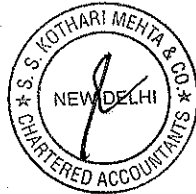
Issued, Subscribed & Paid up

4,950,000 equity shares of Rs.10/- each fully paid up (Out of above 30,00,000 shares are held by the holding Company Shristi Urban Infrastructure Development Ltd.) (Out of above 19,50,000 shares are held by the step up holding Company Shristi Housing Development Private Limited (formerly Shrivasa Infra Private Limited))	49,500,000	49,500,000
	49,500,000	49,500,000

Schedule-2 :Loan Funds

Secured Loan

Term Loan From Financial Institution (Secured by mortgage/hypothecations of the project immovable and moveable properties and personal guarantee of Promoter Director) Amount Repayable within one year Rs. NIL	75,000,000	75,000,000
	75,000,000	75,000,000



Rajinder Paul

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

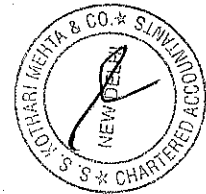
Schedule- 3 : Fixed Assets

Amount in Rs.

Particulars	Gross Block			Depreciation For the Year	Net Block	
	As at April 1, 2010	Additions during the year	As at March 31, 2011		As at March 31, 2011	As at March 31, 2010
Computers	92,090	119,781	211,871	61,115	140,400	81,734
Office Equipments	58,290	58,694	116,984	13,284	102,083	56,673
Plant & machinery	-	15,764	15,764	72	15,692	-
Motor Vehicle	150,000	-	150,000	28,781	82,384	111,165
Furniture & Fixtures	-	35,036	35,036	2,489	32,547	-
Total	300,380	229,275	529,655	105,741	373,106	249,572
As on 31.03.2010	-	300,380	300,380	50,808	50,808	-

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Rajinder Paul



SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Schedules to the Accounts

As at 31.03.2011	As at 31.03.2010
Amount (In Rs.)	Amount (In Rs.)

Schedule-4 :Capital Work In Progress (including pre-operative expenses pending allocation/charge off)

Land & Site Development	29,097,408	22,831,181
Approvals	5,851,909	5,851,909
Architectural Fee & Project Consultancy	22,303,219	16,312,047
Civil Work	27,691,790	19,766,606
Personnel Expenses	28,167,539	17,716,259
Administrative Expenses	21,192,728	14,193,614
Finance Cost	24,265,839	8,165,363
	158,570,432	104,836,979

Schedule -5 :Cash & Bank Balances

Cash in hand	21,278	439,018
Balances with Scheduled Banks:		
in Current accounts	842,249	6,011,042
in Fixed Deposit*	410,650	410,650
*Includes Rs. 1,10,650 (Previous Year: 1,10,650) pledged with bank as margin money		
	1,274,177	6,860,710

Schedule - 6 :Loan & Advances

Unsecured and Considered Good		
Advance recoverable in cash or in kind or for value to be received	7,975,958	6,380,921
Mobilization Advance to contractor	67,230,120	67,230,120
Security Deposits	4,152,930	5,044,430
	79,359,008	78,655,471

Schedule - 7 :Other Current assets

Interest accrued but not due	101,656	64,400
	101,656	64,400

Schedule- 8 :Current Liabilities & Provisions**Current Liabilities**

Sundry Creditors:

- Dues to Micro and Small Enterprises	-	-
- Dues to other than Micro and Small Enterprises	12,112,708	13,307,746
Deposits - Others	1,867,000	2,289,650
Other Liabilities	181,334	1,051,909
	14,161,042	16,649,305

Provisions

Provision for Leave Encashment	311,169	208,044
Provision for Gratuity	298,168	142,743
	609,337	350,787

Schedule- 9**Miscellaneous Expenditure**

(To the extent not written off or adjusted)

Preliminary Expenses	40,960	40,960
Less: Written off during the year	40,960	-
Total	-	40,960



Rajinder Paul

Schedule -10

Significant Accounting Policies & Practices and Notes to Accounts for the year ended on 31.03.2011

A. BACKGROUND AND NATURE OF OPERATION

The company was incorporated on 2nd February, 2007 as promoted by Shristi Urban Infrastructure Development Ltd. to carry on the business of hotels, motels, resorts, restaurants, shopping complex, commercial complex, multiplex etc. and related activities.

Pursuant to the Scheme of Arrangement under Section 391 and 394 of The Companies Act, 1956, approved by the Hon'ble High Court at Calcutta vide their order dated 01.03.2010, w.e.f. the appointed date i.e. 31.03.2009, the entire Infrastructure Development Division of M/s Shristi Infrastructure Development Corporation Limited (SIDCL) had been transferred to M/s Shristi Housing Development Private Limited (formerly Shrivasa Infra Pvt. Ltd.), which is a wholly owned subsidiary of SIDCL. By virtue of the aforesaid order, investments (19,50,000 Equity Shares) which were held by SIDCL directly in the Company would now be held through its wholly owned subsidiary, i.e., M/s Shristi Housing Development Private Limited (formerly Shrivasa Infra Pvt. Ltd.).

B. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1. ACCOUNTING CONVENTIONS

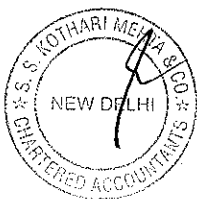
The accounts have been prepared under the historical cost convention as a going concern and in accordance with the relevant disclosure requirements of the Companies Act, 1956 and are consistent with the generally accepted accounting principles. Income and expenditure are accounted for on accrual basis. The financial statements have also been prepared to comply in all applicable respects of mandatory Accounting Standards as prescribed by Companies (Accounting Standards) Rules, 2006 under sub-section (3C) of the section 211 of the Companies Act, 1956.

2. USE OF ESTIMATES

The presentations of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. FIXED ASSETS

- a. Fixed Assets are stated at cost of acquisition/ purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the asset is ready for its intended use.
- b. Capital Work in Progress (CWIP) is carried at cost, comprising direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.



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Rajinder Paul

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

4. EMPLOYEE BENEFITS

a. Defined Benefit Plan

Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each financial year. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

b. Defined Contribution Plan

The Company's contribution to Employee Provident Fund and Family Pension Fund are deposited with the Regional Provident Fund Commissioner and is charged to Profit & Loss Account every year on due basis.

5. LEASES

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

6. TAXATION

a. **Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

b. **Deferred Tax**

i) Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.

ii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

7. CASH FLOW STATEMENT

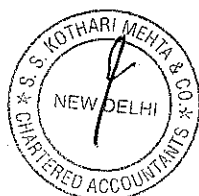
Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

8. BORROWING COST

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.

9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with



[Signature]
Rajinder Pant

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

C. NOTES TO THE ACCOUNTS:

1. No Profit & Loss A/c has been prepared since the company has not commenced commercial operations.

2. Capital Commitment

Estimated amount of Capital Commitments remaining to be executed (Net of advances) -Rs. 130.63 (Previous Year -131.35 Crores).

3. Contingent Liabilities:

Bank Guarantee: Guarantees given by bank on behalf of the company amounting to Rs. 1,10,650/- (Previous Year - 1,10,650/-)

4. As per the information available with the company, there are no dues to any Micro & Small enterprise as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2011. Further no interest has been paid during the year and payable as on 31st March, 2011 to such parties.

5. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

6. Detail of Capital work in progress (including pre-operative expenses) incurred during the year:-

Particulars	Amount (in Rs.)
Land & Site Development	6,266,227
Approvals	-
Architectural Fee & Project Consultancy	5,991,172
Civil Work	7,925,184
Personnel Expenses	10,451,280
Administrative Expenses	6,999,214
Finance Cost	16,100,476
Total	5,37,33,453

7. Operating Lease

The company has taken space for office and store on cancellable operating lease. Lease Payments of Rs.2,96,000/- are being included in CWIP.

8. Employee Benefits

The Company has a defined benefit of Gratuity plan. Every Employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has also provided for leave encashment which is unfunded.



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Rajinder Paul

Shruti Udaipur Hotels & Resorts Pvt. Ltd.

Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

a) Net expenses recognized during the year 2010-11

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2010-11	2009-10	2010-11	2009-10
- Current service cost	40,849	24,360	1,21,835	75,084
- Interest cost	20,769	14,599	17,636	16,942
- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--
- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	80,664	28,428	21,669	(2,30,106)
Total	1,42,282	67,387	1,61,141	(1,38,079)

b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2011:

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2010-11	2009-10	2010-11	2009-10
- Present value of Defined Benefit Obligation	3,11,169	2,08,044	2,98,168	1,42,743
- Fair value of plan assets	--	--	--	--
- Funded status [Surplus/(Deficit)]	(3,11,169)	(2,08,044)	(2,98,168)	(1,42,743)
- Unrecognized Past Service Costs	--	--	--	--
- Estimated Net asset/(liability) recognized in balance sheet	(3,11,169)	(2,08,044)	(2,98,168)	(1,42,743)

c) Change in the obligation for the year ended 31.03.2011

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2010-11	2009-10	2010-11	2009-10
- Present value of Defined Benefit Obligation as at the beginning of the year (01.04.2010)	2,08,044	1,56,928	1,42,743	2,80,822
- Interest cost	20,769	14,599	17,636	16,942
- Past service cost	--	--	--	--



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Rajinder Paul

Shruti Udaipur Hotels & Resorts Pvt. Ltd.

- Current service cost	40,849	24,360	1,21,835	75,084
- Curtailment cost/(Credit)	--	--	--	--
- Settlement cost/(Credit)	--	--	--	--
- Benefits paid	(39,157)	(16,271)	(5,716)	--
- Actuarial (gain)/loss on obligation	80,664	28,428	21,669	(2,30,106)
- Present value of Defined Benefit Obligation as at the end of the year (31.03.2011)	3,11,169	2,08,044	2,98,168	1,42,743

d) Changes in fair value of Plan Assets

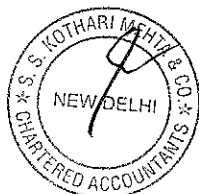
Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2010-11	2009-10	2010-11	2009-10
- Plan asset at the beginning of the year	--	--	--	--
- Expected return of plan assets	--	--	--	--
- Actual company contributions	39,157	16,271	5,716	--
- Employee contribution	--	--	--	--
- Actuarial Gain/Loss on Plan Assets	--	--	--	--
- Benefits paid	(39,157)	(16,271)	(5,716)	--
- Plan assets at the end of the year	--	--	--	--

e) Principal actuarial assumption

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2010-11	2009-10	2010-11	2009-10
- Discount rate per annum compound	8.00%	8.00%	8.00%	8.00%
- Rate of increase in Salaries	5.0%	5.0%	5.0%	5.0%
- Rate of return on plan assets	0%	0%	0%	0%
- Expected Average remaining working lives of employees (years)	23.22	19.64	23.22	19.64

9. Borrowing Cost

In Accordance with Accounting Standard 16 "Borrowing Cost", the company has capitalized the interest paid on the loan taken for the construction of hotel, mall and multiplex at Udaipur



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Rajinder Paul

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

(Rajasthan) amounting Rs. 1,37,53,252/- (Previous year Rs. 36,03,596) till 31st March 2011. This interest has been taken in Capital work in Progress.

10. Related Party Transaction

As per Accounting Standard 18, the company's related parties transactions are disclose below:

a. List of Related parties & relationships where control exists:

(1) Holding Company

Shristi Urban Infrastructure Development Limited

(2) Step-up Holding Company

Shristi Housing Development Private Limited (Formerly Shrivasa Infra Private Limited)
(w.e.f. 01.04.2010)

(3) Ultimate Holding Company

Shristi Infrastructure Development Corporation Limited

b. Related party & relationship with whom transactions have taken place during the year

(1) Investing party of the Holding Company of the reporting enterprise

Housing & Urban Development Corporation Limited

c. Transaction with Related Parties

S. No.	Name of the Party	Relationship	Nature of Transaction	Current year (Rs.)	Previous Year (Rs)
2	Shristi Housing Development Private Limited	Step up Holding Company	Share Application Money Reimbursement of Expenses Closing Balance: Share Application Money Reimbursement of Expenses	4,21,50,000/- 82,903/- 4,21,50,000/- 82,903/-	NIL NIL NIL NIL
2.	Shristi Infrastructure Development Corporation Ltd.	Ultimate Holding Company	Share Application Money Reimbursement of Expenses Reimbursement Received Payment for Contract Mobilization advance given Closing Balance: Share Application Money Mobilization Advance given Construction Work	90,50,000/- NIL NIL 1,30,16,166/- NIL 5,82,58,000/- 6,72,30,120/- 19,23,757/-	4,92,08,000/- 1,43,558/- 1,19,496/- 1,26,51,976/- 6,72,30,120/- 4,92,08,000/- 6,72,30,120/- 75,50,849/-
3.	Housing & Urban Development Corporation Limited	Investing Party	Front – End Fees Secured Loan Interest on Loan Closing Balance:- Secured Loan	NIL NIL 96,48,800/- 7,50,00,000/-	(46,555)/- 7,50,00,000/- 31,53,596/- 7,50,00,000/-



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Rajinder Paul

Shruti Udaipur Hotels & Resorts Pvt. Ltd.

11. Earning per Share:

In view of no profit & loss statement for the period the calculation of EPS is not applicable.

12. Since the company has not started the commercial operation till March 31st, 2011 hence the company cannot calculate deferred tax in accordance with Accounting Standard 22 "Accounting for Taxes on Income".

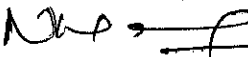
13. Additional information pursuant to the provisions of paras 3, 4 C and 4 D of Part II of Schedule VI to the companies Act, 1956 (to the extent applicable):

Particulars	Current Year	Previous Year
Expenditure in foreign currency (on accrual Basis)		
Consultancy	Nil	1,27,193/-
Travelling Expenses	12,35,350/-	4,47,950/-

14. Previous year figures have been regrouped/ rearranged wherever necessary to conform to this year's Classification.

Signatories to Schedules "1 to 10"

As per our report of even date attached
For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. 000756N


Naveen Aggarwal
Partner
Membership no: 94380



For and on behalf of the board of directors


Atul Bhalla
Director


Rajinder Paul
Director

Place: New Delhi
Dated: 3rd May 2011

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No.	U55101WB2007PTC112974	State Code	21
Balance Sheet Date	31.03.2011		

II. Capital raised during the year : (Amount in thousand Rs.)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Issue	NIL

III. Position of Mobilisation and deployment of Funds : (Amount in thousand Rs.)

Total Liabilities	239,678	Total Assets	239,678
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Sources of Funds

Paid up Capital	49,500	Reserves & Surplus	NIL
Share Application Money	100,408	Unsecured Loans	NIL
Secured Loans	75,000		
Deferred Tax Liability	NIL		

Application of Funds

Net Fixed Assets	373	Investments	NIL
CWIP	158,570	Misc. Exp.	NIL
Net Current Assets	65,964		
Deferred Tax Assets	NIL		

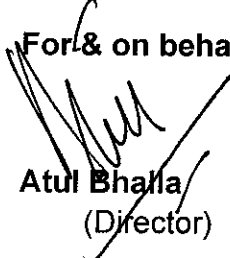
IV. Performance of the Company : (Amount in thousand Rs.)

Turn Over	NIL	Total Expenditure	NIL
Profit before Tax	NIL	Profit after Tax	NIL
Earning per Share	NIL	Dividend	NIL

V. Generic names of the three principal products of the Company

ITC Code	N.A
Product Description	Hospitality Activities

For & on behalf of the Board


Atul Bhalla
(Director)


Rajinder Paul
(Director)

Place: New Delhi
Date: 3rd May 2011