

## **DIRECTORS' REPORT**

**Dear Members,**

Your Directors have pleasure in presenting the Sixth Annual Report and Audited Accounts for the financial year ended March 31, 2013.

### **PERFORMANCE & OPERATIONS**

The Company was incorporated on 2<sup>nd</sup> February, 2007. The financial accounts are drawn for the duration starting from 01.04.2012 till 31.03.2013. No Profit & Loss Account has been prepared since the Company has not commenced commercial operations. However, as on 31<sup>st</sup> March, 2013, the Company has incurred a Cumulative Capital Work in Progress of Rs. 224,422,887/- (including Rs. 30,881,611/- during the Financial Year 2012-13).

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 31<sup>st</sup> March, 2013, 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**

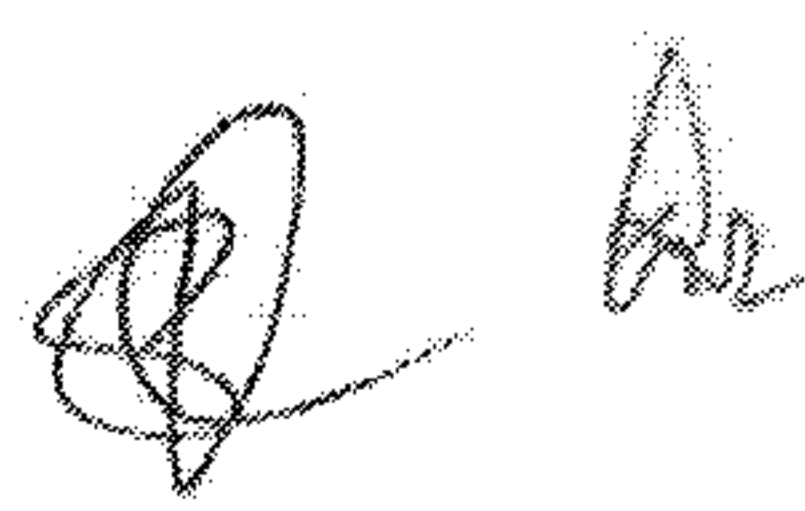
The Company being in the initial years of its existence, no dividend is recommended by the management of your Company.

### **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](http://www.shristicorp.com)

## **DIRECTORS**

During the year under review, Mr. Manoj Kumar Jain was appointed as Additional Director of the Company under Section 260 of the Companies Act, 1956.

## **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 (Firm Registration No. 000756N) 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.

Your 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 31<sup>st</sup> March, 2013.
- 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 31<sup>st</sup> March, 2013.



- 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 31<sup>st</sup> March, 2013 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

  
(SUJIT KANORIA)  
Director

  
(RAJINDER PAUL)  
Director

Place : New Delhi  
Date : 27.05.2013



CIN : U55101WB2007PTC112974

Nominal Capital : 1000 Lacs.

[PURSUANT TO SUB RULE 2 OF RULE 3]

**COMPLIANCE CERTIFICATE**

To,  
The Members  
Shristi Udaipur Hotels & Resorts Private Limited

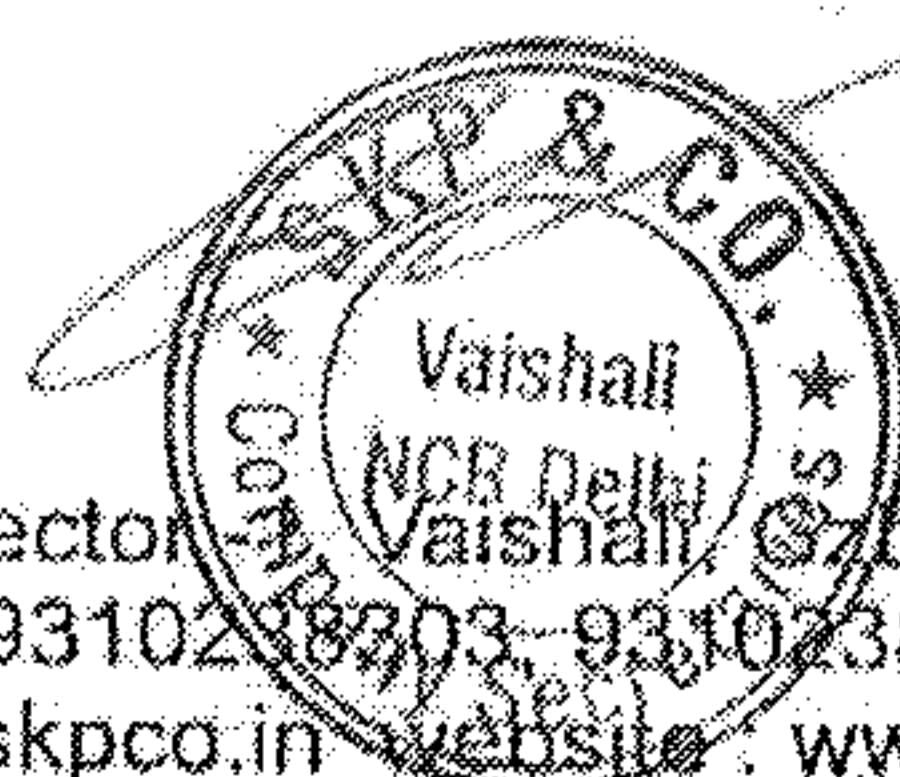
We have examined the registers, records, books and papers of SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2013 (financial year). 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 of the Act and the rules made thereunder.
2. The Company has duly 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 from persons other than its members, directors or their relatives.

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 and the company complies with other provisions applicable to a public company.

4. The Board of Directors duly met Four times on 09<sup>th</sup> May, 2012, 24<sup>th</sup> July, 2012, 10<sup>th</sup> December, 2012 and 26<sup>th</sup> February, 2013 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 or Debenture holders during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2012 was held on 20<sup>th</sup> August, 2012 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.

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(2)

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.
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 during the financial year under review.
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 not allotted/transferred/transmitted any securities during the financial year under scrutiny.
  - 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. The appointment of additional director was duly made. However there was no appointment of 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 under review.
16. The Company has not appointed sole-selling agent during the financial year under review.
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.

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(3)

21. There was no redemption of preference shares/ debentures during the financial year under review.
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 amount borrowed by the Company during the financial year is within the borrowing limits of the Company and necessary resolutions as per section 293 (1) (d) have been passed in duly convened Annual General Meeting of the Company.
25. The Company has not made loans and investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for this purpose.
26. As per the information and explanation given and records shown to us 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. As per the information and explanation given and records shown to us 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. As per the information and explanation given and records shown to us 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. As per the information and explanation given and records shown to us 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. As per the information and explanation given and records shown to us the Company has not altered its Articles of Association during the financial year under scrutiny.
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,



(CS Sundeep K. Parashar)

Prop.

C.P. No. : 6575

M. No. : FCS 6136

Dated: 27.05.2013  
Place: Vaishali

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**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 Meetings.	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
7.	Register of Charges	143

**Other Registers:**

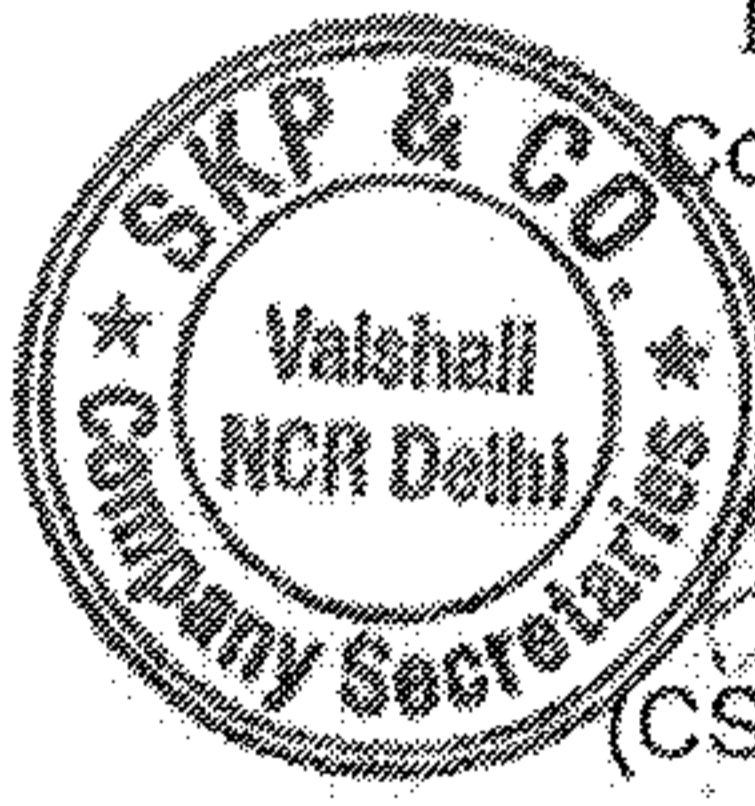
1.	Share Transfer Register.	108
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**ANNEXURE- 'B'**

Forms and Returns as filed by Shristi Udaipur Hotels & Resorts Private Limited with the Registrar of Companies, during the financial year ending on 31<sup>st</sup> March, 2013:

S. No.	Form No./Return	Filed under section	For	Date of filing
1.	Annual Accounts (Form 23AC XBRL & 23ACA XBRL)	220 (1)	F. Y. 2011-12	28.12.2012
2.	Annual Return (Form 20B)	159	20.08.2012	04.10.2012
3.	Compliance Certificate (Form-66)	Pursuant to rule 3(2) of Companies(CC) Rules, 2001, Section 383A	F. Y. 2011-12	13.09.2012
4.	Form 23	192	20.08.2012	14.09.2012
5.	Form 32	303(2)	31.08.2012	03.09.2012
6.	Form 32	303(2)	10.12.2012	14.12.2012

Note: Form 23B as filed by the statutory auditors of the company has not been included in the above stated information.

For **SKP & Co.**  
 Company Secretaries,  
  
 (CS Sundeep K. Parashar)  
 Prop.  
 CP No. : 6575  
 M. No. : FCS 6136

Dated: 27.05.2013  
 Place : Vaishali

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
Shristi Udaipur Hotels & Resorts Private Limited  
New Delhi

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Shristi Udaipur Hotels & Resorts Private Limited**, which comprise the Balance Sheet as at March 31, 2013 and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. No statement of profit and loss 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 No. 13 of the Financial Statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956( "the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also



includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to note no. 16 of the Financial Statements regarding amount incurred so far on the project considered good and fully recoverable, pending certain clearances from various authorities and non-provision for sub-lease rental for the reasons as explained in the said note. Our opinion is not qualified in respect of this matter.

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

- (1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by section 227(3) of the Act, we report that:
  - a) we have 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 appears from our examination of those books;
  - c) the Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- e) on the basis of written representations received from the directors as on March 31,2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No. 000756N

  
Yogesh K. Gupta

Partner

Membership No. 093214



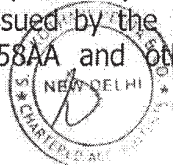
Place : New Delhi

Date : 27/5/2013

## ANNEXURE TO THE AUDITOR'S REPORT

(The Annexure referred to in our report to the member of **Shristi Udaipur Hotels & Resorts Private Limited** on the accounts for the year ended March 31, 2013)

- (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) In our opinion & according to information and explanations given to us, the company has not made 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 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 the 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 the 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. 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 in-house 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 as the company has not commenced operations. 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. There were no undisputed amounts payable in arrears as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable.  
  
(b) 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 31<sup>st</sup>, 2013. 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 is generally regular in repayment of dues to financial institutions *except in one case where the company has delayed in repayment of dues of Rs. 25,00,000 for 51 days upto April 20<sup>th</sup>, 2013.* 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. 000756

  
**Yogesh K. Gupta**

Partner

Membership No. 093214



Place : New Delhi

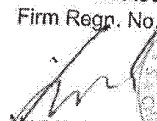
Date : 27/5/2013

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED  
Balance Sheet as at 31st March 2013

Particulars	Note No.	As at 31.03.2013 Amount (in Rs.)	As at 31.03.2012 Amount (in Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>			
(1) Shareholders' Funds			
Share Capital	2	49,500,000	49,500,000
(2) Non-Current Liabilities			
(a) Long term borrowings	3	297,337,048	281,517,086
(b) Long term Provisions	4	611,942	583,076
(3) Current Liabilities			
(a) Other Current liabilities	5	31,008,985	16,731,330
(b) Short term Provisions	6	176,255	201,852
<b>Total</b>		<b>378,634,230</b>	<b>348,533,344</b>
<b>II. Assets</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	406,144	527,573
(ii) Capital work-in-progress	8	224,422,887	193,541,276
(b) Long term loans and advances	9	153,385,285	153,037,944
(2) Current assets			
(a) Cash and Bank Balances	10	197,303	1,199,470
(b) Short term loans and advances	11	81,233	114,454
(c) Other current assets	12	141,378	112,627
<b>Total</b>		<b>378,634,230</b>	<b>348,533,344</b>


The Accompanying Notes are integral part of Financial Statements

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

  
YOGESH K. GUPTA  
Partner  
Membership No. 093214

For & on behalf of the board

  
(Sujit Kanoria)  
Director

  
(Rajinder Paul)  
Director

Place : New Delhi  
Date : 27/5/2013

**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**  
Cash Flow Statement for the year ending March 31, 2013

Particulars	Amount (in Rs.) Current Year	Amount (in Rs.) Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation and Extraordinary activities	-	-
Adjustments for:		
Depreciation	121,429	152,517
Interest Expenses	11,442,460	11,878,255
Interest Income	(28,751)	(35,577)
<b>Operating Profit Before Working Capital Changes</b>	<b>11,535,138</b>	<b>11,995,195</b>
Adjustments for:		
(Increase) / Decrease in Long Term Loans & Advances	(347,341)	(4,088,379)
(Increase) / Decrease in Short Term Loans & Advances	33,221	294,989
(Increase) / Decrease in Other Current assets	(28,751)	24,606
Increase / (Decrease) in Other Long Term Liabilities	-	(1,258,224)
Increase / (Decrease) in Other Current Liabilities	1,891,251	(3,755,735)
Increase / (Decrease) in Long Term Provisions	28,866	(26,261)
Increase / (Decrease) in Short Term Provisions	(25,597)	201,852
<b>Net Cash From Operating Activities</b>	<b>13,086,787</b>	<b>3,388,043</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(306,984)
Increase in Long term Loans & Advances	-	(70,000,000)
Capital Work in Progress	(30,852,860)	(34,970,844)
Change in Fixed Deposits	-	110,650
Interest received	-	-
<b>Net Cash From Investing Activities</b>	<b>(30,852,860)</b>	<b>(105,167,178)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Re-payment) from Long Term Secured Borrowings	(5,000,000)	-
Proceeds from Long Term Unsecured Loans	33,319,962	113,609,086
Interest Paid	(11,556,056)	(11,794,008)
	<b>16,763,906</b>	<b>101,815,078</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,002,167)</b>	<b>35,943</b>
Opening Cash and cash equivalents	899,470	863,527
Closing Cash and cash equivalents	(102,697)	899,470

Note:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statement" issued by the ICAI.
- 2 Figures in brackets denote cash outflow

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

*(Signature)*  
YOGESH K. GUPTA  
Partner  
Membership No. 095214  
Place: New Delhi  
Date: 27/5/2013

For Shristi Udaipur Hotels & Resorts Pvt.Ltd.

*(Signature)*  
(Sujit Kanoria)  
Director

*(Signature)*  
(Rajinder Paul)  
Director

**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**Notes to Financial Statement**

**Note no. 1: Significant Accounting Policies & Practices**

**A. BACKGROUND AND NATURE OF OPERATIONS**

The company was incorporated on 2<sup>nd</sup> 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.

**B. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES**

**i) ACCOUNTING CONVENTIONS**

The financial statements are 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 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.

ii) All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**iii) 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.

**iv) 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.

**v) DEPRECIATION**

- i) Depreciation on fixed assets is provided on Written Down Value Method as per the rates specified in Schedule XIV to the Companies Act, 1956.



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

- ii) Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.
- iii) Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

**vi) MISCELLANEOUS EXPENDITURE**

Preliminary Expenses shall be written off in the year, the company commences the commercial Operations.

**vii) EMPLOYEE BENEFITS**

Gratuity and Leave Encashment are provided for on accrual basis computed as per Actuarial Valuation made at the end of each financial year in accordance with AS-15 (Revised).

**viii) 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.

**ix) 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.

**x) 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 flow from operating, investing and financing activities of the Company are segregated.

**xi) 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.



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**xii) PROVISIONS, CONTINGENT LIABILITES 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 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.



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## Notes to Financial Statements:

As at 31.03.2013 As at 31.03.2012  
Amount (in Rs.) Amount (in Rs.)

## Note - 2: Share Capital

## Authorized

10,000,000 (Previous year 10,000,000) equity shares of Rs.10/- each

100,000,000 100,000,000

## Issued, Subscribed &amp; Paid up

4,950,000 (Previous year 4,950,000) equity shares of Rs.10/- each fully paid up

49,500,000 49,500,000  
49,500,000 49,500,000

Shares issued/boughtback during the year: NIL.

## Details of each shareholder holding more than 5% shares

Name of shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shristi Urban Infrastructure Development Ltd.-Holding Company	3,000,000	60.61	3,000,000	60.61
Shristi Housing Development Private Limited- Step up Holding Company	1,950,000	39.39	1,950,000	39.39

## Note-3 :Long term borrowings

## Secured Loan

Term Loan From Financial Institution

(Secured by mortgage/hypothecations of the project immovable and moveable properties and personal guarantee of Promoter Director)

70,000,000 75,000,000

## Unsecured Loan

Loan from Step up Holding Company (Interest free) (Refer note 18)

247,337,048 214,017,086

Less: Current maturities of Long term borrowings  
Total

317,337,048 289,017,086  
20,000,000 7,500,000  
297,337,048 281,517,086

Terms of Repayment for secured term loan:

Secured Term Loan from HUDCO is repayable in 43 unequal quarterly installments. Installment 1-4 of Rs. 25,00,000 each, Installment 5-8 of Rs. 50,00,000 each, Installment 9-12 of Rs. 75,00,000 each, Installment 13-16 of Rs. 100,00,000 each, Installment 17-28 of Rs. 150,00,000 each, Installment 29-32 of Rs. 175,00,000 each, Installment 33-43 of Rs. 3,09,81,000 each, payable at the end of each quarter starting from 31st August 2012 to 28th February 2023. Interest accrued is payable at the end each quarter. The current rate of interest of the same is 15.505% (Floating base rate +1%+5.25%,) per annum. Rs.25,00,000/- is payable as on Balance Sheet date.

## Note- 4 :Long term Provisions

## Provisions

Provision for Leave Encashment

Provision for Gratuity

219,329 232,430

392,613 350,646

611,942 583,076

(Previous year full figures has been shown as long term as bifurcation not made available by the Actuary)

## Note-5 :Other Current liabilities

Current Maturities of long term loan

20,000,000 7,500,000

Interest Accrued but not due on borrowings

921,507 1,035,103

Other Payables

- Sub-lease rental accrued but not due

- 1,258,224

- Sub-lease rental accrued &amp; due

4,013,224 2,755,000

- Expenses payables

4,108,332 1,790,242

- Deposits - Others

1,867,000 1,867,000

- Other Liabilities

98,922 525,761

31,008,985 16,731,330

## Note- 6 :Short term Provisions

## Provisions

Provision for Leave Encashment

Provision for Gratuity

49,558 88,988

126,697 112,864

176,255 201,852



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SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Note- 7: Tangible Assets

Amount (in Rs.)

Particulars	Gross Carrying Value		Depreciation			Net Carrying Value		
	As at March 31, 2012	Additions during the Period	As at March 31, 2013	Up to March 31, 2012	For the Period	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Computers	266,321	-	266,321	148,337	47,192	195,529	70,792	117,984
Office Equipments	126,784	-	126,784	29,290	13,562	42,852	83,932	97,494
Plant & machinery	15,764	-	15,764	2,261	1,878	4,139	11,625	13,503
Motor Vehicle	150,000	-	150,000	89,004	15,792	104,796	45,204	60,996
Furniture & Fixtures	277,770	-	277,770	40,174	43,005	83,179	194,591	237,596
<b>Total</b>	<b>836,639</b>	<b>-</b>	<b>836,639</b>	<b>309,066</b>	<b>121,429</b>	<b>430,495</b>	<b>406,144</b>	<b>527,573</b>
As on 31.03.2011	529,655	306,984	836,639	156,549	152,517	309,066	527,573	-

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As at 31.03.2013 As at 31.03.2012  
Amount (in Rs.) Amount (in Rs.)

**Note-8 :Capital Work In Progress (Including pre-operative expenses pending allocation/charge off)**

Land &amp; Site Development

Approvals

Architectural Fee &amp; Project Consultancy

Civil Work

Personnel Expenses

Administrative Expenses

Finance Cost (Net)

Depreciation

As at March 31, 2013	As at March 31, 2012
25,037,408	25,037,408
6,414,465	6,414,465
25,813,532	24,822,552
32,032,906	31,908,023
51,578,569	40,578,563
35,690,072	28,461,881
47,425,440	36,009,318
430,495	309,066
224,422,887	193,541,276

**Note-9: Long term loans and advances**

Unsecured and Considered Good

Capital Advance - Mobilization Advance to Civil Contractor (Shristi Infrastructure Development Corp.Ltd.-Ultimate Holding Company)

Security Deposits

Advance recoverable in cash or in kind or for value to be received

137,230,120 137,230,120

4,852,930 4,852,930

11,302,235 10,954,894

153,385,285 153,037,944

**Note -10 :Cash and Bank Balances****A- Cash & Cash Equivalent**

Cash in hand

Balances with Banks

9,130 81,622

(111,827) 817,848

**B- Other Bank Balances**

Fixed Deposit\*

300,000 300,000

\*includes Rs.3,00,000/- (Previous Year: 3,00,000) deposited with UIT Udaipur

197,303 1,199,470

**Note- 11 :Short term loans and advances**

Unsecured and Considered Good

Advance recoverable in cash or in kind or for value to be received

81,233 114,454

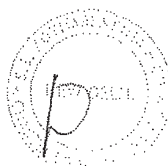
81,233 114,454

**Note - 12 :Other Current assets**

Interest accrued but not due

141,378 112,627

141,378 112,627



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

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

**14. Capital Commitment**

Estimated amount of Capital Commitments remaining to be executed (Net of advances) – Rs.1,23,22,84,433/- (Previous Year – 1,23,22,84,433/-).

**15. Contingent Liabilities:**

Bank Guarantee: Guarantees given by bank on behalf of the company amounting to Rs. NIL (Previous Year – NIL)

16. During the financial year progress of the project has been slow due to the fact that certain clearances from various authorities are awaited by the sub-lessors. The management is of the view that the disruption is temporary in nature, the matters will get resolved soon and it will be able to complete the project at much faster pace; accordingly the full amount incurred so far on the project has been considered good and fully recoverable. Consequent upon that no provision has been considered necessary for sub lease rental w.e.f. 01.09.2010 aggregating to Rs. 1,80,61,200/-, as management does not consider it as payable. The management is confident that there will be no liability on this account.

17. 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, 2013. Further no interest has been paid during the year and payable as on 31st March, 2013 to such parties.

18. 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.

**19. Detail of Capital Work in Progress (including pre-operative expenses) incurred:-**

<u>Particulars</u>	<u>Current year Amount (Rs.)</u>	<u>Previous year Amount (Rs.)</u>
a. Land & Site Development	--	--
Land & Site Development written back	--	(40,60,000/-)
b. Approvals	--	5,62,556/-
c. Architectural Fee & Project Consultancy	9,90,980/-	25,19,333/-
d. Civil Work	1,24,883/-	42,16,233/-
e. Personnel Expenses	1,10,00,006/-	1,24,11,024/-
f. Administrative Expenses*	72,28,191/-	73,24,046/-
g. Finance cost (Net)	1,14,16,122/-	1,18,45,135/-
h. Depreciation	1,21,429/-	1,52,517/-
Total	3,08,81,611/-	3,49,70,844/-

\* Include Audit Fee Rs. 25000/- (Previous Year Rs. 25000/-); and Certification & Other Charges Rs. NIL (Previous Year Rs. 15000/-).



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**20. Operating Lease**

The company has taken office space on cancelable operating lease for a period of 11 months (renewed for a period of next 11 months), Rs.21,94,143/- for the year has been included in CWIP. (Previous Year Rs.20,68,450/-). Amount payable during next one year is Rs. 18,12,351/- (Previous year 17,23,708/-).

**21. Employee Benefits**

The Company has defined retirement benefit for the benefit of its employees. The provisions made as per Actuarial valuation.

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 2012-13**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2012-13	2011-12	2012-13	2011-12
- Current service cost	7,851	14,390	1,13,977	1,32,476
- Interest cost	26,564	25,303	44,227	30,467
- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--
- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	(53,408)	1,09,797	(68,069)	2,399
<b>Total</b>	<b>(18,993)</b>	<b>1,49,490</b>	<b>90,135</b>	<b>1,65,342</b>

**b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2013:**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2012-13	2011-12	2012-13	2011-12
- Present value of Defined Benefit Obligation	2,68,887	3,21,418	5,19,310	4,63,510
- Fair value of plan assets	--	--	--	--
- Funded status [Surplus/(Deficit)]	(2,68,887)	(3,21,418)	(5,19,310)	(4,63,510)
- Unrecognized Past Service Costs	--	--	--	--
- Estimated Net asset/(liability) recognized in balance sheet	(2,68,887)	(3,21,418)	(5,19,310)	(4,63,510)



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**c) Change in the obligation for the year ended 31.03.2013**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2012-13	2011-12	2012-13	2011-12
- Present value of Defined Benefit Obligation as at the beginning of the year (01.04.2012)	3,21,418	3,11,169	4,63,510	2,98,168
- Interest cost	26,564	25,303	44,227	30,467
- Past service cost	--	--	--	--
- Current service cost	7,851	14,390	1,13,977	1,32,476
- Curtailment cost/(Credit)	--	--	--	--
- Settlement cost/(Credit)	--	--	--	--
- Benefits paid	33,538	(1,39,241)	34,335	-
- Actuarial (gain)/loss on obligation	(53,408)	1,09,797	(68,069)	2,399
- Present value of Defined Benefit Obligation as at the end of the year (31.03.2013)	2,68,887	3,21,418	5,19,310	4,63,510

**d) Changes in fair value of Plan Assets**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2012-13	2011-12	2012-13	2011-12
- Plan asset at the beginning of the year	--	--	--	--
- Expected return of plan assets	--	--	--	--
- Actual company contributions	33,538	1,39,241	34,335	-
- Employee contribution	--	--	--	--
- Actuarial Gain/Loss on Plan Assets	--	--	--	--
- Benefits paid	(33,538)	(1,39,241)	(34,335)	-
- Plan assets at the end of the year	--	--	--	--



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

**e) Principal actuarial assumption**

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2012-13	2011-12	2012-13	2011-12
- Discount rate per annum compound	8.25%	8.00%	8.25%	8.00%
- Rate of increase in Salaries	5.00%	5.00%	5.00%	5.00%
- Rate of return on plan assets	0%	0%	0%	0%
- Expected Average remaining working lives of employees (years)	17.58	17.20	17.58	17.20

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

**22. Related Party Transaction**

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

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

**(1) Holding Company**

Shristi Urban Infrastructure Development Limited (since incorporation)

**(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 (since incorporation)

**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 (since incorporation)

**c. Transaction with Related Parties**

S. No.	Name of the Party	Relationship	Nature of Expenses Amount	Current year (Rs.)	Previous Year (Rs)
1	Shristi Urban Infrastructure Development Ltd,	Holding Company	Reimbursement of Expenses	7,53,657/-	NIL
			<b>Closing Balance:</b> Reimbursement of Expenses	7,53,657/-	NIL
2.	Shristi Housing Development	Step up Holding	Long Term unsecured loan Reimbursement of Expenses	3,81,19,962/- NIL	17,18,67,086/- NIL



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**Shristi Udaipur Hotels & Resorts Pvt. Ltd.**

	Private Limited	Company	<b>Closing Balance:</b> Long Term unsecured loan Reimbursement of Expenses	24,73,37,048/- NIL	21,40,17,086/- NIL
3.	Shristi Infrastructure Development Corporation Ltd.	Ultimate Holding Company	Payment for Contract Mobilization advance given	NIL NIL	59,59,125/- 7,00,00,000/-
			<b>Closing Balance:</b> Long Term unsecured loan Mobilization Advance given Construction Work	- 13,72,30,120/- NIL	- 13,72,30,120/- NIL
4.	Housing & Urban Development Corporation Limited	Investing Party	Interest on Loan <b>Closing Balance:-</b> Secured Loan	1,14,42,460/- 7,00,00,000/-	1,18,78,255/- 7,50,00,000/-

**23. Earning per Share**

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

24. Since the company has not started the commercial operation till March 31, 2013; hence the company cannot calculate deferred tax in accordance with Accounting Standard 22 "Accounting for Taxes on Income." and Segment Reporting in accordance with Accounting Standard 17 is not applicable.

25. 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**

Travelling Expenses

**Current Year**  
Rs.4,69,169/-

**Previous Year**  
Rs.37,266/-

26. These Financial Statements comprising the Balance Sheet and Notes have been prepared in accordance with Revised Schedule VI which has been made applicable for the financial year commencing on or after 1<sup>st</sup> April 2011, vide MCA's notification no.S.O 653(E) dated 30<sup>th</sup> March 2011.

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

28. Note no. 1 to 28 form an integral part of the financial statements.

As per our report of even date attached

**For S.S. Kothari Mehta & Co.**

**Chartered Accountants**

Firm Reg. No. 000756N

*Yash K. Gupta*  
**Partner**

Membership No. 073214

Place: New Delhi

Dated: 27/5/2013

**For & on behalf of the board**

*Sujit Kanoria*  
**(Sujit Kanoria)**  
**Director**

*Rajinder Paul*  
**(Rajinder Paul)**  
**Director**