

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** ('the company'), which comprise the Balance Sheet as at March 31, 2015 and the Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Reference is invited to note.17 of the Financial Statements regarding the amount incurred so far on the project amounting to Rs. 26.80 crores being considered good and fully recoverable, pending certain clearances from various authorities and non-provision of sub-lease rental amounting to Rs. 3.30 crores for the reasons as explained in the said note. We cannot comment on the recoverability and non-provisioning of such amounts as the matter is sub-judice.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2015 issued by the Central government of India in the terms of Section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in Paragraph 3 & 4 of the order, to the extent applicable.
- (ii) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the balance sheet & Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on functioning of the company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 17 & 16 (ii) to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The Company is an unlisted enterprise and therefore the requirement of Clause (c) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 regarding opinion on delay in transferring amounts to Investor Education & Protection Fund is not applicable to the company.

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

Chartered Accountants

Firm Reg. No. 000756N


Yogesh K. Gupta

Partner

Membership No. 093214



Place : New Delhi

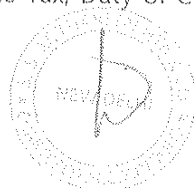
Date : May 25, 2015

ANNEXURE TO THE AUDITOR'S REPORT

(As referred in paragraph 'Report on Other legal and regulatory Requirements' of our report to the members of **Shristi Udaipur Hotels & Resorts Private Limited** on the accounts for the year ended March 31, 2015)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the company during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of such verification is reasonable having regard to the size of the company and the nature of its assets.
- (ii) The company does not hold any inventory. Hence, provisions of Clause 3 (ii) (a), (b) & (c) of the order are not applicable to the company.
- (iii) (a) As per the information and explanations provided to us, the company has not granted any loans, secured or unsecured to companies, firms or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clauses 3(iii) (a) & (b) 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 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, 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 73 to 76 or any other provision of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of services carried out by the company. Therefore, provisions of Clause 3 (vi) of the order are not applicable to the company.
- (vii) (a) The Company, has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it.

According to information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and



Cess were in arrears as at March 31, 2015 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, Duty of Customs, Duty of Excise Value Added Tax, and Cess, which have not been deposited on account of any dispute.
- (c) No amounts were required to be transferred to investor education and protection fund. Hence, clause 3 (vii) (c) of the order is not applicable to the company.
- (viii) Since Company has not started its commercial operations till March 31, 2015, Hence, provisions of Clause 3(viii) of the order are not applicable to the company.
- (ix) *In our opinion and according to the information & explanations given to us, in the previous year, the financial institution has recalled the entire loan amount (outstanding Rs. 5,00,00,000 as on 31st March 2015) citing 'Event of Default' as outlined in loan agreement executed by the company for its failure to pay rental to sub-lessor in respect of the property mortgaged in favour of the financial institution pending adjudication on the title of a portion of land by High Court of Jodhpur. The company has preferred writ petition challenging such recall before the Hon'ble High Court of Jaipur Bench. Since the matter is sub-judice, the amount of default, if any, is unascertainable. Also, the company has not paid the interest amounting to Rs. 88,61,370 due on such loan for the entire year. The company has not issued any debentures.*
- (x) As per information and explanations given to us, the company has not given any corporate guarantee for loan taken by others from banks or financial institutions which are not prejudicial to the interest of the company, hence clause (3) (x) of the Order is not applicable to the company.
- (xi) 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.
- (xii) 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


Yogesh K. Gupta

Partner

Membership No. 093214



Place : New Delhi

Date : May 25, 2015

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
Balance Sheet as at 31st March, 2015

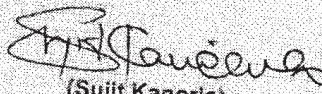
Particulars	Note No.	As at 31.03.2015 Amount (in Rs.)	As at 31.03.2014 Amount (in Rs.)
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	49,500,000	49,500,000
(2) Non-Current Liabilities			
(a) Long term borrowings	3	308,460,216	311,425,150
(b) Other Long term liabilities	4	1,867,000	1,867,000
(c) Long term Provisions	5	23,152	746,020
(3) Current Liabilities			
(a) Other Current liabilities	6	65,020,531	42,167,049
(b) Short term Provisions	7	87,529	64,929
Total		422,958,428	405,770,148
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	144,228	317,612
(ii) Capital work-in-progress	9	267,965,124	250,414,117
(b) Long term loans and advances	10	153,973,778	153,772,545
(2) Current assets			
(a) Cash and Bank Balances	11	656,601	803,149
(b) Short term loans and advances	12	5,000	289,198
(c) Other current assets	13	213,697	173,527
Total		422,958,428	405,770,148

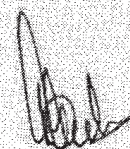
The Accompanying Notes are integral part of Financial Statements


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

For & on behalf of the board

Yogesh Kumar Gupta
Partner
Membership No.093214


(Sujit Kanoria)
Director
DIN-01175425


(Duraiswamy Guhan)
Director
DIN-06757569


(Punita Sahal)
Company Secretary
Membership No. A36258

Place : New Delhi
Date :

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
Cash Flow Statement for the year ending March 31, 2015

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	150,338	88,532
Interest Expenses	8,113,973	10,390,626
Interest Income	(40,170)	(32,149)
Loss on sale of Fixed Assets	13,046	-
Operating Profit Before Working Capital Changes	8,237,187	10,447,009
Adjustments for:		
(Increase) / Decrease in Long Term Loans & Advances	(201,233)	(387,260)
(Increase) / Decrease in Short Term Loans & Advances	284,198	(207,965)
Increase / (Decrease) in Other Current Liabilities	(397,751)	(1,663,566)
Increase / (Decrease) in Long Term Provisions	(722,868)	134,078
Increase / (Decrease) in Short Term Provisions	22,600	(111,326)
Net Cash From Operating Activities	7,222,133	8,210,970
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	10,000	-
Capital Work in Progress	(17,551,007)	(25,991,230)
Net Cash From Investing Activities	(17,541,007)	(25,991,230)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/(Re-payment) from Long Term Secured Borrowings	(5,000,000)	(15,000,000)
Proceeds from Long Term Unsecured Loans	17,535,066	41,588,102
Interest Paid	(2,362,740)	(8,201,995)
	10,172,326	18,386,107
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(146,548)	605,847
Opening Cash and cash equivalents	503,149	(102,697)
Closing Cash and cash equivalents	356,601	503,149
Components of Cash and cash equivalents		
Cash in Hand	37,265	61,533
Balances with Bank	319,336	441,616

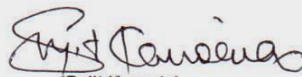
Note:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statement"
- 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

For Shristi Udaipur Hotels & Resorts Pvt.Ltd.

Yogesh Kumar Gupta
Partner
Membership No.093214
Place : New Delhi
Date :



(Sujit Kanoria)
Director
DIN-01175425



(Duraiswamy Guhan)
Director
DIN-06757569



(Punita Sahai)
Company Secretary
Membership No. A36258

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 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.

B. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1. ACCOUNTING CONVENTIONS

The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern, in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 2013 & Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

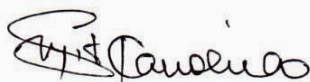
2. All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization 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.

3. 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.

4. 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.







Shristi Udaipur Hotels & Resorts Pvt. Ltd.

5. DEPRECIATION

The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

- i) Depreciation on fixed assets is provided on Written Down Value Method as per the useful life given below:

Furniture & Fixtures	10 years
Computers	3 years
Office Equipment's	5 years
Plant & Machinery	15 years
Motor Vehicles	8 years

- 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.

6. Impairment of Assets

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

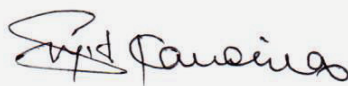
A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

7. MISCELLANEOUS EXPENDITURE

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

8. 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).







Shristi Udaipur Hotels & Resorts Pvt. Ltd.

9. 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.

10. 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.

11. CASH FLOW STATEMENT

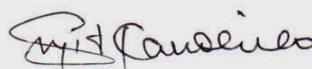
Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

12. 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.

13. 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 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.







Notes to Financial Statements

As at 31.03.2015 As at 31.03.2014
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 & 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, 2015		As at 31st March 2014	
	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 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)

50,000,000 55,000,000

Unsecured Loan

Loan from Step up Holding Company (Interest free)

306,460,216 288,925,150

Less: Current maturities of Long term borrowings

Total

356,460,216 343,925,150

50,000,000 32,500,000

306,460,216 311,425,150

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 16.00% per annum.

Refer Note 16 (II) of the Financial Statements

Note- 4 :Other Long Term Liabilities

Security Deposits Received

1,867,000 1,867,000

1,867,000 1,867,000

Note- 5 :Long Term Provisions

Provisions

Provision for Leave Encashment

Provision for Gratuity

(Refer Note 22)

7,878 245,262

15,274 500,758

23,152 746,020

Note-6 :Other Current Liabilities

Current Maturities of long term loan

Interest Accrued but not due on borrowings

Interest Accrued & due on borrowings

Other Payables

- Sub-lease rental accrued & due

- Expenses payables

- Other Liabilities

50,000,000 32,500,000

- 747,397

8,861,370 2,362,740

4,013,224 4,013,224

2,116,343 2,308,896

29,594 234,792

65,020,531 42,167,049

Note- 7 :Short Term Provisions

Provisions

Provision for Leave Encashment

Provision for Gratuity

(Refer Note 22)

27,178 14,553

60,351 50,376

87,529 64,929

Signature
Signature
Signature

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Note- 8: Tangible Assets

Amount (in Rs.)

Particulars	Gross Carrying Value			Depreciation				Net Carrying Value	
	As at March 31, 2014	Additions during thePeriod	Deduction during the year	As at March 31, 2015	Up to March 31, 2014	For the Period (Refer Note 26)	Deduction during the year	As at March 31, 2015	As at March 31, 2014
Computers	266,321	-	-	266,321	223,845	30,430	-	12,046	42,476
Office Equipments	126,784	-	-	126,784	54,527	61,721	-	10,536	72,257
Plant & Machinery	15,764	-	-	15,764	5,756	1,915	-	8,093	10,008
Motor Vehicle	150,000	-	150,000	-	116,499	10,455	126,954	-	33,501
Furniture & Fixtures	277,770	-	-	277,770	118,400	45,817	-	113,553	159,370
Total	836,639	-	150,000	686,639	519,027	150,338	126,954	144,228	317,612
As on 31.03.2014	836,639	-	-	836,639	430,495	88,532	-	519,027	-

Signature

Signature

As at 31.03.2015 As at 31.03.2014
Amount (in Rs.) Amount (in Rs.)

Note-9 :Capital Work in Progress (Including pre-operative expenses pending allocation/charge off)

Land & Site Development
Approvals
Architectural Fee & Project Consultancy
Civil Work
Personnel Expenses
Administrative Expenses
Finance Cost (Net)
Depreciation

As at March 31, 2015	As at March 31, 2014
25,092,415	25,037,408
6,414,465	6,414,465
27,637,367	26,209,332
32,169,267	32,107,489
65,966,099	61,274,929
44,281,457	41,065,318
65,861,643	57,786,149
542,411	519,027
267,965,124	250,414,117

Note-10: Long Term Loans and Advances**Unsecured and Considered Good**

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

137,230,120 137,230,120

Security Deposits

4,852,930 4,852,930

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

11,890,728 11,689,495

153,973,778 153,772,545

Note -11 :Cash and Bank Balances**A- Cash & Cash Equivalent**

Cash in hand

37,265 61,533

Balances with Banks

319,336 441,616

B- Other Bank Balances

Fixed Deposit*

300,000 300,000

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

656,601 803,149

Note- 12 :Short Term Loans and Advances**Unsecured and Considered Good**

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

5,000 289,198

5,000 289,198

Note - 13 :Other Current Assets

Interest accrued but not due

213,697 173,527

213,697 173,527

[Signature]

[Signature] *[Signature]*

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

14. No Statement of Profit & Loss has been prepared since the company has not commenced commercial operations.

15. 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/-).

16. Contingent Liabilities:

- i. Bank Guarantee: Guarantees given by bank on behalf of the company amounting to Rs. NIL (Previous Year – NIL)
- ii. Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The Company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and Company and if company has continue payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

Despite being informed of the litigation between sub-lessor and Forest deptt, HUDCO has treated the non-payment of rental to sub-lessor as event of default and recalled the loan. The company has challenged such recall by a writ petition filed before Hon'ble High Court of Rajasthan at Jaipur and same is sub-judice.

17. (A) 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.

(B) Consequent upon that no provision has been considered necessary for sub lease rental w.e.f. 01.09.2010 aggregating to Rs. 3,29,55,600/-, as management does not consider it as payable. The management is confident that there will be no liability on this account.

18. 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, 2015. Further no interest has been paid during the year and payable as on 31st March, 2015 to such parties.

19. 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.

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Sanjay Chaudhary

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

20. 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	55,007/-	--
b. Approvals	--	--
c. Architectural Fee & Project Consultancy	14,28,035/-	3,95,800/-
d. Civil Work	61,778/-	74,583/-
e. Personnel Expenses	46,91,170/-	96,09,495/-
f. Administrative Expenses*	32,16,139/-	53,75,246/-
g. Finance cost (Net)	80,75,494/-	1,03,60,709/-
h. Depreciation	23,384/-	88,532/-
Total	<u>1,75,51,007/-</u>	<u>2,59,04,365/-</u>

* Include Audit Fee Rs. 25000/- (Previous Year Rs. 25000/-)

21. 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.2,65,008/- for the year has been included in CWIP. (Previous Year Rs.22,78,404/-). Amount payable during next one year is Rs. 1,94,443/- (Previous year Rs. 15,12,490/-).

22. 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 2014-15

<u>Particulars</u>	<u>Leave Encashment (Non-Funded) (Rs.)</u>		<u>Gratuity (Non-Funded) (Rs.)</u>	
	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>
- Current service cost	4,118	6,106	11,944	95,242
- Interest cost	11,795	23,792	25,070	48,170
- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--
- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	(2,22,648)	25,143	(2,48,246)	(1,11,588)
Total	(2,06,735)	55,041	(2,11,232)	31,824

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Shristi Udaipur Hotels & Resorts Pvt. Ltd.

b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2015:

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2014-15	2013-14	2014-15	2013-14
- Present value of Defined Benefit Obligation	35,056	2,59,815	75,625	5,51,134
- Fair value of plan assets	--	--	--	--
- Funded status [Surplus/(Deficit)]	(35,056)	(2,59,815)	(75,625)	(5,51,134)
- Unrecognized Past Service Costs	--	--	--	--
- Estimated Net asset/(liability) recognized in balance sheet	(35,056)	(2,59,815)	(75,625)	(5,51,134)

c) Change in the obligation for the year ended 31.03.2015

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2014-15	2013-14	2014-15	2013-14
- Present value of Defined Benefit Obligation as at the beginning of the year	2,59,815	2,68,887	5,51,134	5,19,310
- Interest cost	11,795	23,792	25,070	48,170
- Past service cost	--	--	--	--
- Current service cost	4,118	6,106	11,944	95,242
- Curtailment cost/(Credit)	--	--	--	--
- Settlement cost/(Credit)	--	--	--	--
- Benefits paid	(18,024)	(64,113)	(2,64,277)	--
- Actuarial (gain)/loss on obligation	(2,22,648)	25,143	(2,48,246)	(1,11,588)
- Present value of Defined Benefit Obligation as at the end of the year	35,056	2,59,815	75,625	5,51,134

d) Changes in fair value of Plan Assets

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2014-15	2013-14	2014-15	2013-14
- Plan asset at the beginning of the year	--	--	--	--

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Shristi Udaipur Hotels & Resorts Pvt. Ltd.

- Expected return of plan assets	--	--	--	--
- Actual company contributions	18,024	64,113	2,64,277	--
- Employee contribution	--	--	--	--
- Actuarial Gain/Loss on Plan Assets	--	--	--	--
- Benefits paid	(18,024)	(64,113)	(2,64,277)	--
- Plan assets at the end of the year	--	--	--	--

e) Principal actuarial assumption

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2014-15	2013-14	2014-15	2013-14
- Discount rate per annum compound	8.00%	8.25%	8.00%	8.25%
- 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)	19.33	18.27	19.33	18.27

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.

Amounts recognized as CWIP and included in Note no. 9 Item Salaries, wages, Gratuity & Staff Cost includes Gratuity of (Rs.2,11,232/-) (previous year Rs.31,824/-) & Leave Encashment of (Rs. 2,06,735/-) (Previous year (Rs.9,072/-))

23. 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 Limited (Formerly Shrivasa Infra Private Limited)
(w.e.f. 01.04.2010)

(3) Ultimate Holding Company

Shristi Infrastructure Development Corporation Limited (since incorporation)

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

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	Closing Balance: Reimbursement of Expenses	7,53,657/-	7,53,657/-
2.	Shristi Housing Development Limited	Step up Holding Company	Long Term unsecured loan taken	1,75,35,066/-	4,15,88,102/-
			Closing Balance: Long Term unsecured loan	30,64,60,216/-	28,89,25,150/-
3.	Shristi Infrastructure Development Corporation Ltd.	Ultimate Holding Company	Closing Balance: Mobilization Advance given	13,72,30,120/-	13,72,30,120/-
4.	Housing & Urban Development Corporation Limited	Investing Party	Interest on Loan	81,13,973/-	1,03,90,625/-
			Closing Balance:- Secured Loan	5,00,00,000/-	5,50,00,000/-
			Interest payable	88,61,370/-	31,10,137/-

24. Earning per Share

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

25. Since the company has not started the commercial operation till March 31, 2015: 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.

26. The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

Pursuant to the above mentioned changes in useful life of assets, depreciation expenses for the year (including Rs. 59,716 as WDV of assets whose useful life was over as on 31st March, 2014) is higher by Rs.86,166/-

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

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

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

As per our report of even date attached

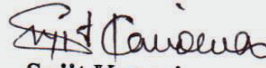
For S.S. Kothari Mehta & Co.


Chartered Accountants


Firm Reg. No. 000756N

For & on behalf of the board

Yogesh Kumar Gupta
Partner
Membership No. 093214
Place: New Delhi
Dated:


Sujit Kanoria
Director
DIN-01175425


Duraiswamy Guhan
Director
DIN-06757569


Punita Sahal
Company Secretary
Membership No. A36258