

# S. S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

S.S. KOTHARI	B.Com., C.T.A. (LOND), F.C.A.	R.N. BARDHAN	B.Com., F.C.A.
R.K. ROYCHOUHURY	B.Sc., B.Com., F.C.A.	A. DATTA	B.Com., F.C.A.
T.K. SENGUPTA	B.Com., LL.B., F.C.A.	P.K. BHATTACHARYA	B.Com., F.C.A.
S. CHAKRABORTY	B.Com., F.C.A., D.I.S.A. (I.C.A.I.)		

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VIPANI HOTELS & RESORTS PVT. LTD.

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Vipani Hotels & Resorts Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015 and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

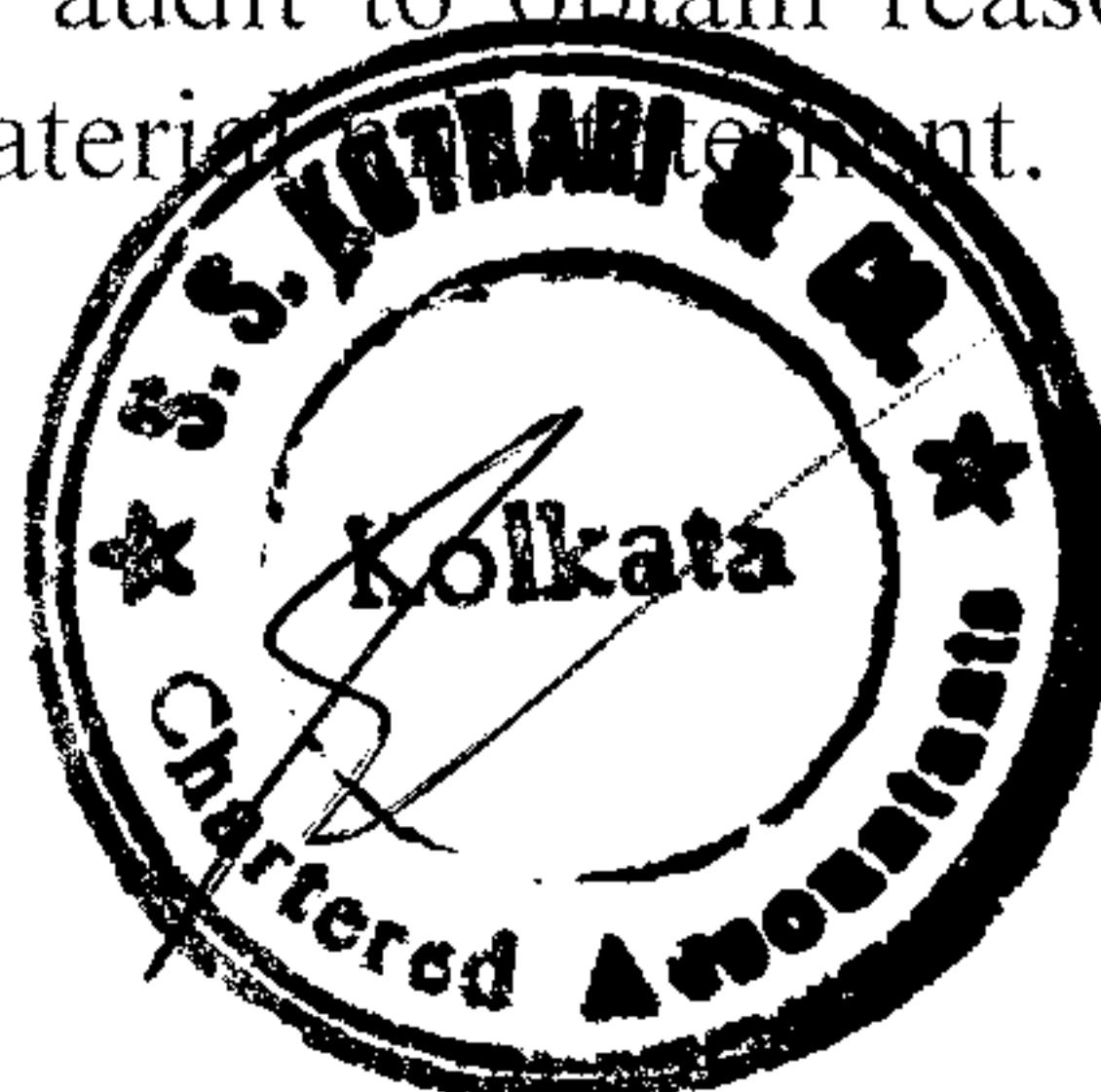
#### Management's Responsibility for the Standalone Financial Statements

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

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

### **Opinion**

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

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

1. As required by the Companies (Auditor's Report) order, 2015 ("the order") issued by The Central Government, in terms of Sub-Section (11) of Section 143 of the Act we give in the Annexure a statement of the matters specified in paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2015 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.

(f) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the company has adequate internal financial controls over



financial reporting of the Company and the operating effectiveness of such control is adequate.

(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. As per information and explanations given to us, the Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

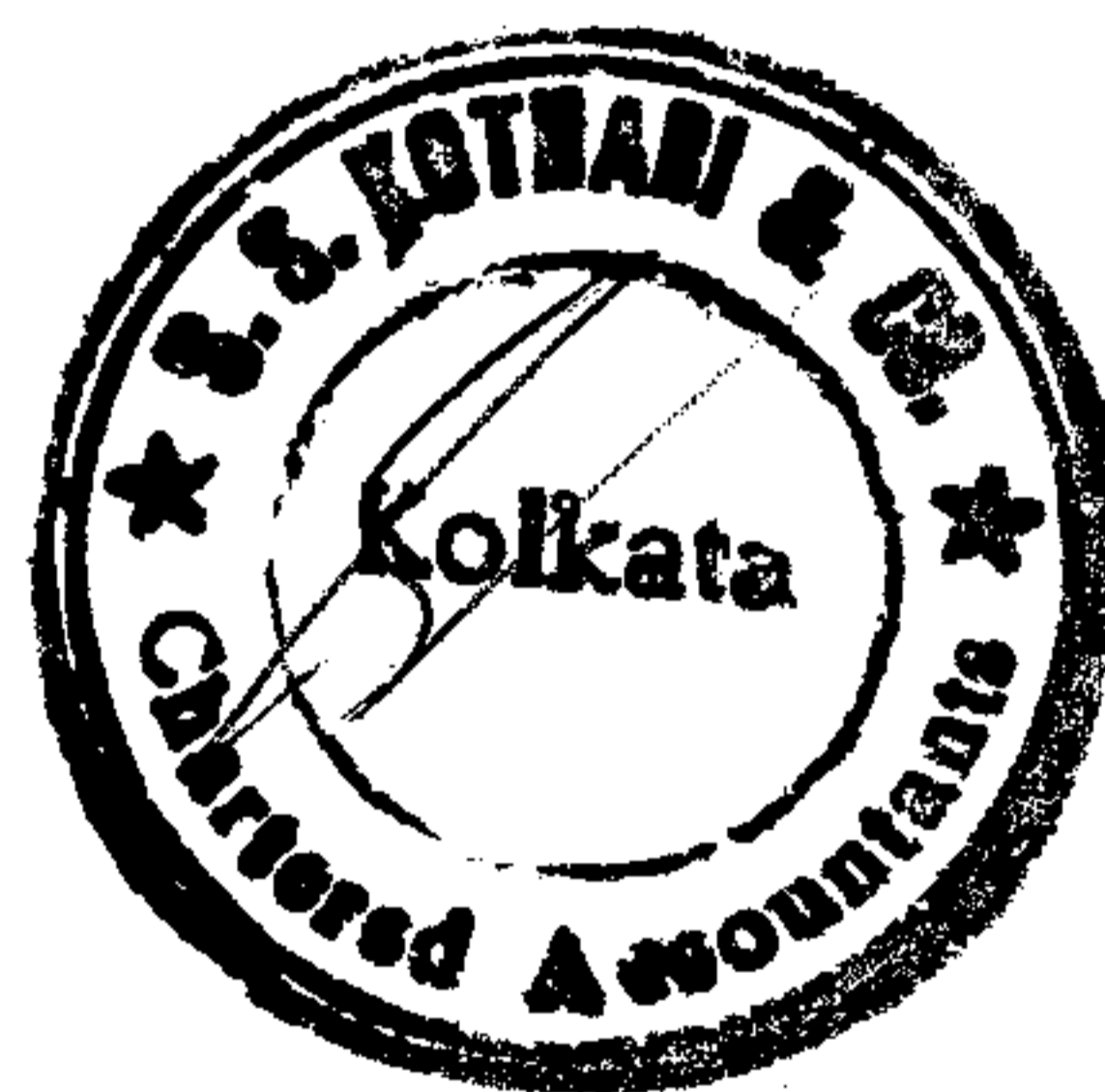
iii. There are no amounts outstanding, required to be transferred, to the Investor Education and Protection Fund by the Company.

Centre Point  
21, Old Court House Street,  
Kolkata – 700 001  
The 25<sup>th</sup> day of May, 2015

For S. S. KOTHARI & CO.  
Chartered Accountants  
Firm's Registration No: 302034E



(R.N. Bardhan)  
Partner  
Membership No: 017270



## Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

As required by the Companies (Auditor's Report) Order, 2015 (as amended) issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks as we considered appropriate and the information and explanations given to us, we further report that :

1. a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.  
  
b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
2. There are no Inventories at the beginning and close of the year.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets. During the course of our audit, we have not observed any major weaknesses in such internal control system.
5. 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 Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
6. Maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the activities of the Company.
- 7 a ) According to the information and explanations given to us, and on the basis of our examination of the books of account, no statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, custom duty, wealth tax, service tax, value added tax, cess and any other material statutory dues were arise during the year.  
  
b) According to the information and explanations given to us, there are no dues in respect of Income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.  
  
c) According to the information and explanations given to us there are no amounts which are required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made there under.
- 8 The Company has neither accumulated losses as at 31<sup>st</sup> March, 2015 nor incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.



- 9 The Company has no dues to financial institutions or bank or debenture holder during the year.
- 10 According to information and explanations given to us the Company has not given any guarantee to banks and financial institutions for loans taken by others.
- 11 The company has not accepted any term loan during the year.
- 12 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Centre Point  
21, Old Court House Street,  
Kolkata – 700 001  
The 25<sup>th</sup> day of May, 2015

For S. S. KOTHARI & CO.  
Chartered Accountants  
Firm's Registration No: 302034E



(R.N. Bardhan)  
Partner  
Membership No: 017270



**Wipani Hotels & Resorts Pvt.Ltd.**  
**Balance Sheet as at March 31, 2015**

Particulars	Notes	(Amount in Rs.)	
		<u>As at 31.03.2015</u>	<u>As at 31.03.2014</u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	4,960,000	4,960,000
Reserve and Surplus	3	(4,326,285)	(4,326,285)
<b>Non-Current Liabilities</b>			
Long term borrowings	4	4,247,258	4,247,258
<b>Current Liabilities</b>			
(a) Trade payable	5	26,289	843
(b) Other Current liabilities	6	16,854	11,236
<b>Total</b>		<b><u>4,924,116</u></b>	<b><u>4,893,052</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
Capital work-in-progress	7	2,555,886	2,587,496
<b>Current assets</b>			
Cash and cash equivalents	8	21,950	29,592
Short term loans and advances	9	2,346,280	2,275,964
<b>Total</b>		<b><u>4,924,116</u></b>	<b><u>4,893,052</u></b>
Summary of significant accounting policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S.S.Kothari & Co**  
Chartered Accountants  
FR No. 302034E



**R.N. Bardhan**  
Partner  
Membership No. 17270

For and on Behalf of the Board



**Sujit Kanoria**  
Director  
DIN: 01175425



**R.K. Grover**  
Director  
DIN: 06942306

Date: **25.05.2015**  
Place: New Delhi



**Vipani Hotels & Resorts Pvt.Ltd.**  
Cash Flow Statement for the year ended 31.03.2015

Particulars	Year ended 31st March, 2015	(Amount in Rs.) Year ended 31st March 2014
<b>A. CASH FLOW OPERATING ACTIVITES</b>		
Net Profit/(Loss) before tax and Extraordinary items	-	-
Adjusted for		
Interest Received	-	-
Excess provision of earlier year written back	-	-
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	-	-
Adjustments for:		
(Increase) / Decrease in Trade Receivable	(70,316)	(564,510)
Increase / (Decrease) in Trade Payable	31,064	(38,539)
Cash Generated from Operations	(39,252)	(603,049)
Direct Tax Paid	-	-
<b>Net Cash From Operating Activities</b>	(39,252)	(603,049)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	-	-
Capital Work in Progress	31,610	(20,654)
	31,610	(20,654)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan	-	373,258
	-	373,258
<b>D. increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		
	(7,642)	(250,445)
Opening Balance of Cash and Cash equivalents	29,592	280,037
Closing Balance of Cash and Cash equivalents	21,950	29,592

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.S.Kothari & Co  
Chartered Accountants  
FR No. 302034E



R.N. Bardhan  
Partner  
Membership No. 17270

For and on Behalf of the Board



Sujit Kanoria  
Director  
DIN: 01175425



R.K. Grover  
Director  
DIN: 06942306

Date: 25.05.2015  
Place: New Delhi



**VIPANI HOTELS & RESORTS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING CONVENTIONS**

The financial statements have been prepared in accordance with the Mandatory Accounting Standards prescribed in the companies (Accounting Standards) Rules, 2006 read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956 and also the Revised Schedule VI as approved by the Act in all material respects. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**B. 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.

**C. CAPITAL WORK IN PROGRESS**

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.

**D. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**E. 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.



*S.S. Kothari*

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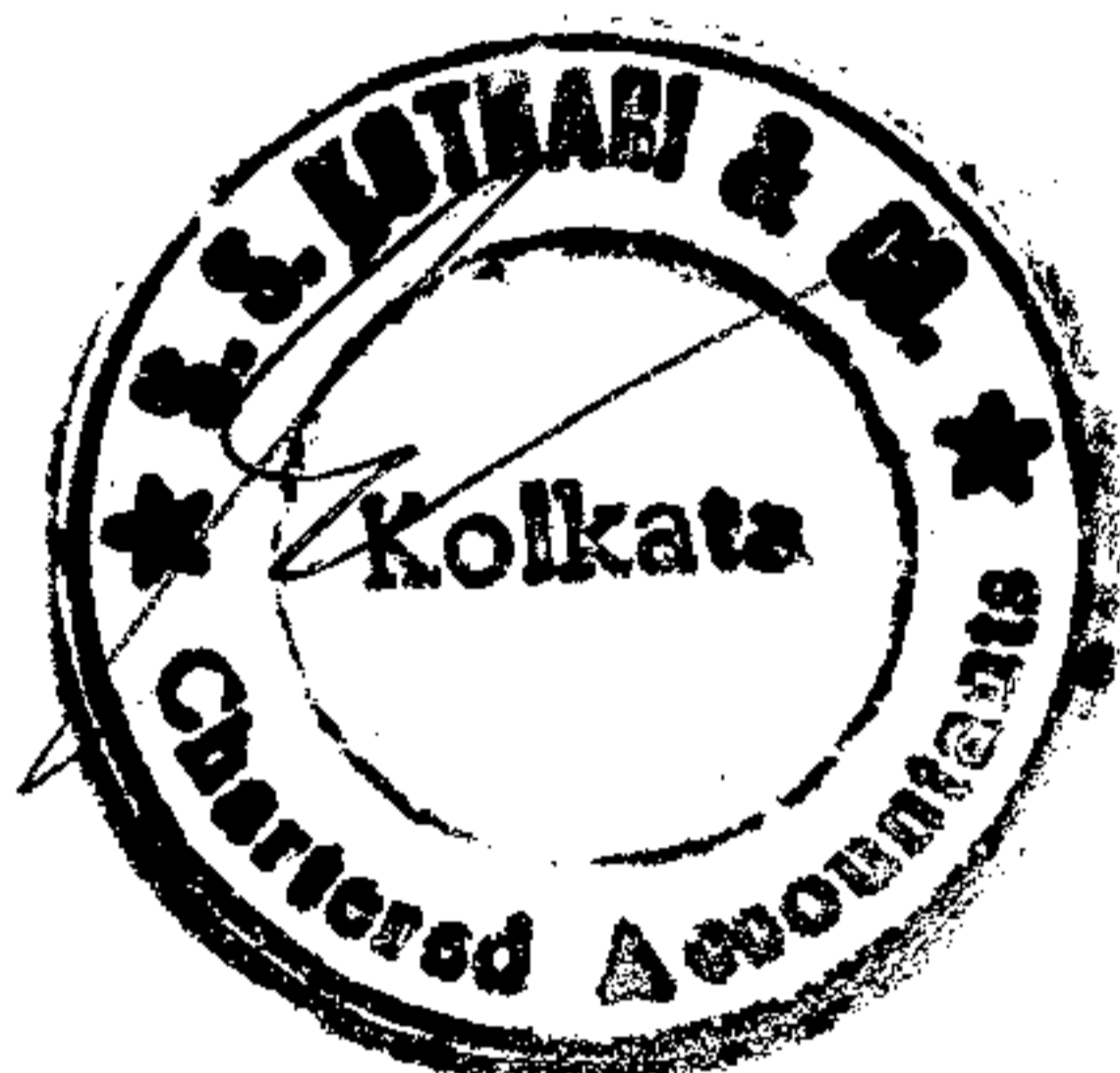
VIPANI HOTELS & RESORTS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

**F. 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.

*Smt Parveen Rungroo*



Vipani Hotels & Resorts Pvt.Ltd.

Notes to Financial Statements for the year ended March, 31, 2015

	As at 31.03.2015 Amount (in Rs.)	As at 31.03.2014 Amount (in Rs.)
<b>Note 2: Share Capital</b>		
<b>Authorised</b>		
5,00,000 (Previous year 5,00,000) equity shares of Rs.10/- each	5,000,000	5,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
4,96,000 (Previous year 4,96,000) equity shares of Rs.10/- each fully paid up	4,960,000	4,960,000
<b>Total</b>	<b>4,960,000</b>	<b>4,960,000</b>

(a) Rights, preference, repayability and restriction, if any, on equity shares All general rights applicable as per Companies Act

(b) Reconciliation of number of shares outstanding at the beginning and end of the year

	31st March, 2015		31st March 2014	
	Number	Value	Number	Value
Shares issued and subscribed at the beginning of the year	496,000	4,960,000	496,000	4,960,000
Shares issued and subscribed at the end of the year	496,000	4,960,000	496,000	4,960,000

(c) Details of shareholders holding more than 5% share in the company

	31st March, 2015		31st March 2014	
	Number	% holding	Number	% holding
Name of the Shareholder				
Equity shares of Rs.10 each fully paid up	496,000	100%	496,000	100%
- Shristi Housing Development Ltd. and its nominees				

**Note 3: Reserve & Surplus**

<b>Profit &amp; Loss account</b>	<b>(4,326,285)</b>	<b>(4,326,285)</b>
As per last balance Sheet		
<b>Total</b>	<b>(4,326,285)</b>	<b>(4,326,285)</b>

**Note 4: Long term borrowings**

**Unsecured Loan**

Loan from Holding Company (Interest free)	4,247,258	4,247,258
<b>Total</b>	<b>4,247,258</b>	<b>4,247,258</b>

**Note 5: Current Liabilities and Provisions**

**Trade payable**

-Dues to Micro and Small Enterprises		
-Dues to other than Micro and Small Enterprises	26,289	843
<b>Total</b>	<b>26,289</b>	<b>843</b>

**Note 6: Other Current liabilities**

Other Liabilities	16,854	11,236
<b>Total</b>	<b>16,854</b>	<b>11,236</b>

**Note 7: Capital Work in Progress (Including pre-operative expenses pending allocation/charge off)**

Land & Site Development	2,435,582	2,435,582
Administrative Expenses	304,424	265,718
Finance Cost	-184,120	(113,804)
<b>Total</b>	<b>2,555,886</b>	<b>2,587,496</b>

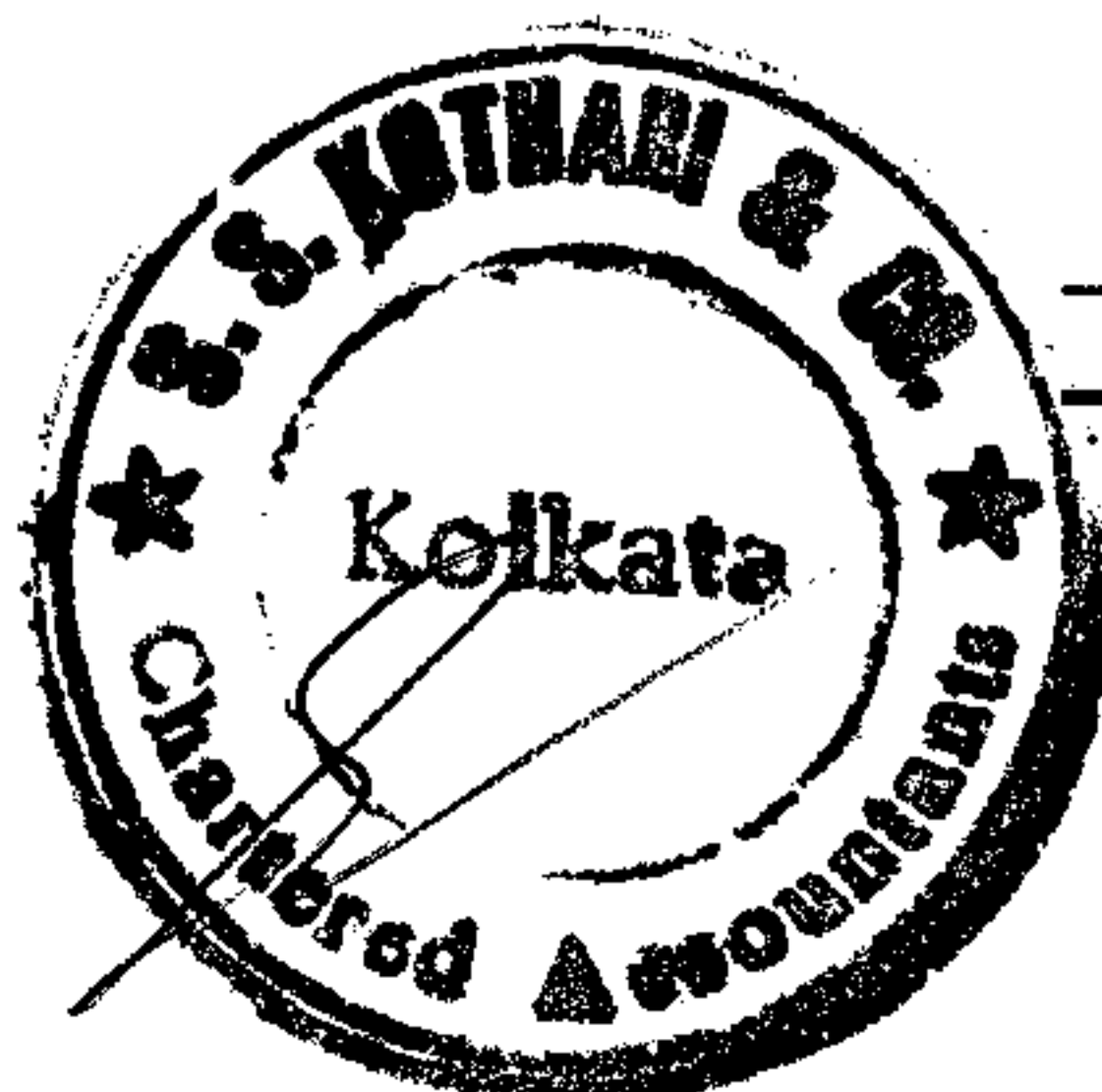
**Note 8: Cash and cash equivalents**

Cash in hand	675	675
Balance with Scheduled Banks		
- in Current accounts	21,275	28,917
<b>Total</b>	<b>21,950</b>	<b>29,592</b>

**Note 9: Short term loans and advances**

(Unsecured and Considered Good)

Loans and advance to related parties	766,449	703,165
Other Loans & advances	329,831	322,799
Security Deposit	1,250,000	1,250,000
<b>Total</b>	<b>2,346,280</b>	<b>2,275,964</b>



10. No Profit & Loss A/c has been prepared for the current year since the company has not commenced commercial operations.
11. The company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with Accounting Standards as applicable to a small and Medium Sized Company.
12. As the company does not have any employee at the end of year, therefore the company is statutorily not liable to make the provision for Gratuity and disclosure requirement as per Accounting Standard (AS) 15 (Revised 2005) "Employee benefits" is not applicable.
13. 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.
14. 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.

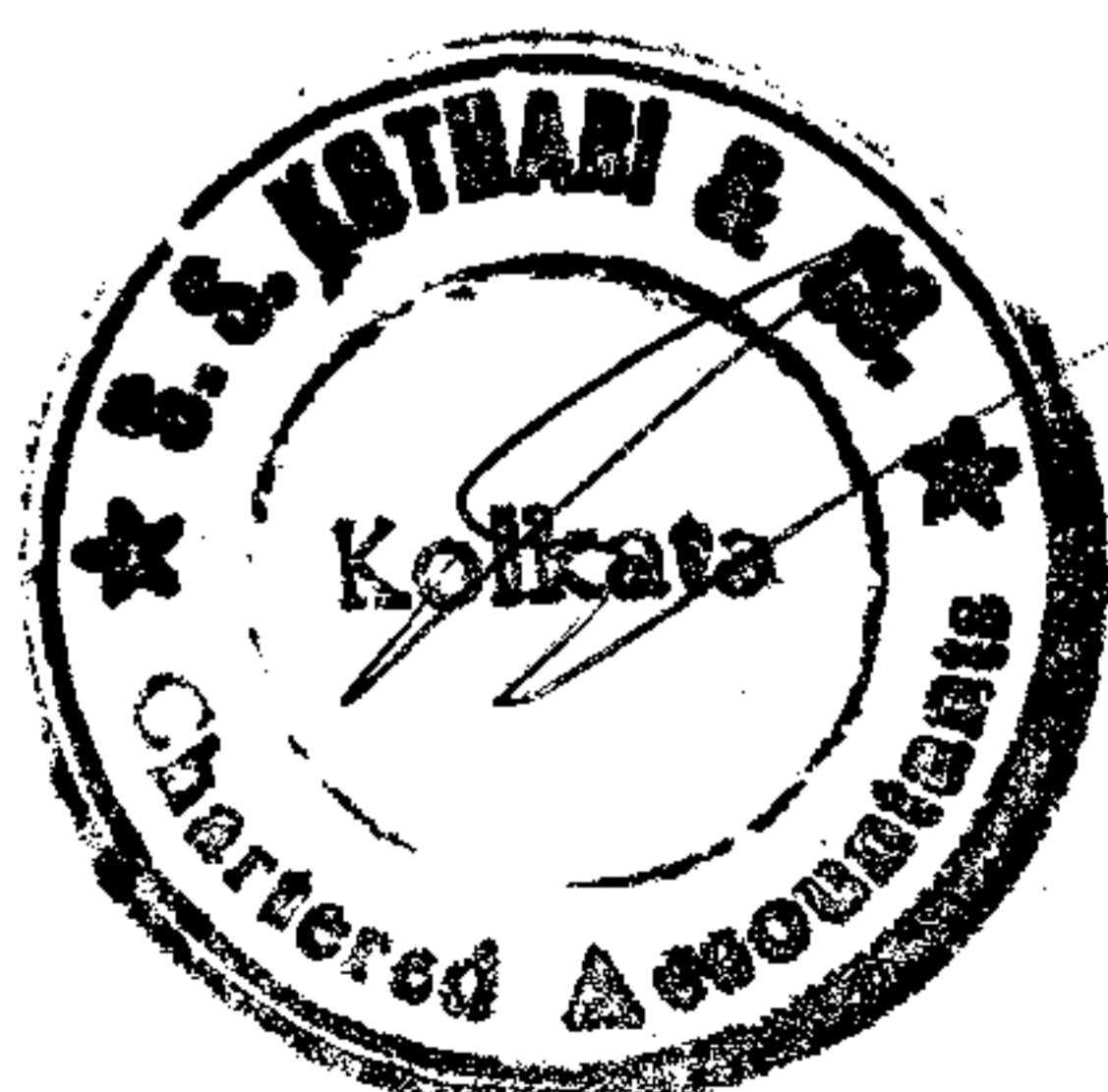
#### 15. Related Party Transaction

As per Accounting Standard (AS) 18 "Related Party Disclosures", the company's related parties transactions are disclosed below:

- a. **List of Related parties & relationships where control exists:** Shristi Infrastructure Development Corporation Ltd. (Ultimate Holding Company)  
Shristi Housing Development Ltd. (Holding Company)
- b. **Transaction with Related Parties**

Sl. No.	Name of the Party	Nature of Transaction	Amount in Rs.	
			Current Year	Previous Year
1.	Shristi Infrastructure Development Corporation Ltd.	<b>Closing Balance</b> - Loan and Advances	7,66,449/-	7,03,165/-
2.	Shristi Housing Development Ltd.	<b>Closing Balance</b> - Unsecured Loan	42,47,258/-	42,47,258/-

*[Handwritten Signature]* *[Handwritten Signature]*



VIPANI HOTELS & RESORTS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

16. Deferred Tax Assets and Liabilities

In accordance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income", the company has certain amounts eligible to create Deferred Tax assets (DTA). However, in the absence of virtual certainty with regards to realization of DTA in the foreseeable future, the same has not been recognized.

17. The company has reclassified the previous year's figures in accordance with the requirement applicable in the current year.

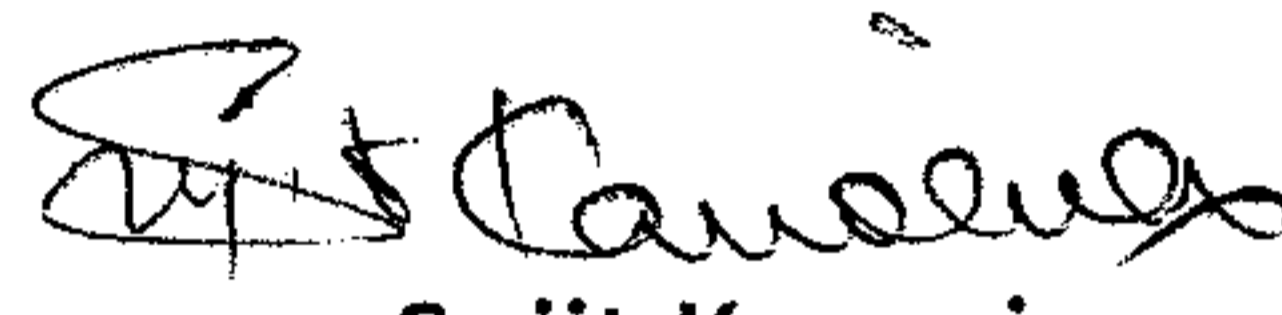
As per our report of even date

For S.S.Kothari & Co  
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R.N. Bardhan  
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Sujit Kanoria  
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R.K. Grover  
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Date : 25-05-2015  
Place : New Delhi

