

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Shristi Udaipur Hotels & Resorts Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

**Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs(financial position), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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 Ind AS 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 Ind 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.

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

### **Basis for Qualified Opinion**

We draw attention to the following matter:

Note No. 14.6 in the Ind AS financial statements indicates the amount incurred so far on the project amounting to Rs. 3171.61 lacs (including security deposit to landlord and Goods and Service Tax/service tax recoverable) being considered good and fully recoverable pending certain clearances from various authorities and non-provision of sub-lease rental amounting to Rs. 554.28 lacs for the reasons as explained in the said note. We cannot comment on the recoverability and non-provisioning of such amounts.

### **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 Ind AS 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 including the Ind AS, of the state of affairs(financial position) of the Company as at March 31, 2018, its cash flows and the changes in equity for the year ended on that date.

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

- (i) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central government of India in the terms of Section 143 of the Companies Act 2013, we give in the Annexure 1 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 Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - (e) The matter described in the Basis for qualified opinion 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the Internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 2.
- (h) 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:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. – Refer Note 14.1 & 14.6 to the financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by 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 18, 2018

**ANNEXURE 1 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, 2018)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Major items of 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.
- (c) Company does not possess any immovable property hence the provision of clause 3 (i) (c) of the Order are not applicable to the company.
- (ii) The company does not hold any inventory. Hence, the provision of Clause 3(ii) of the order is not applicable to the company.
- (iii) As per the information and explanations provided to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year.
- (iv) As per the information and explanations provided to us, the company has not given any loans, investments, guarantees and security in terms of section 185 and 186 of the Companies Act, 2013 during the year.
- (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, Service Tax, Sales Tax, Custom Duty, Excise Duty, Goods and Service Tax, Value Added Tax and Cess and any other material statutory dues applicable to it though there has been a slight delay in few cases.



According to information and explanations given to us, no undisputed amounts is payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Duty of customs, Duty of Excise, Goods and Service Tax, Value Added Tax and Cess which were in arrears as at March 31, 2018 for a period of more than six months from the date they become payable.

- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise & Value Added Tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information & explanations given to us, in the previous years, the financial institution has recalled the entire loan amount (Outstanding Rs. 5,00,00,000 as on March 31, 2018) 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 property mortgaged in favor of financial institutions pending adjudication on the title of a portion of loan 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 uncertainable. Also, the company has not paid interest amounting to Rs. 2,48,83,288 for previous years and Rs. 80,00,000 for current year due on such loans. The company has not issued any debentures.
- (ix) The company has not raised money by way of initial public offer or further public offer during the year. The term loans have been applied for the purposes for which they were raised.
- (x) Based upon the audit procedures 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.
- (xi) Provisions of Section 197 read with Schedule V to the Companies Act'2013 for providing managerial remuneration with the requisite approval is not applicable to the company therefore, provision of clause 3(xi) of the order is not applicable to the company.
- (xii) As the company is not a Nidhi Company, therefore provisions of Clause 3 (xii) is not applicable to the company.
- (xiii) As per the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 wherever applicable and the details have been disclosed in the Ind AS Financial Statements etc. as required by the accounting standards. Section 177 of the Companies Act, 2013 is not applicable on the company.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment/ private placement of shares or full or partly convertible debentures during the year under review.
- (xv) According to the information and explanation provided to us, the company has not entered into any non-cash transactions with the directors or persons connected with them.





- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants

Firm Reg. No. 000756N

**Yogesh K. Gupta**

Partner

Membership No. 093214



Place : New Delhi

Date : MAY 18, 2018

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **Shristi Udaipur Hotels & Resorts Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.





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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

We are unable to comment on the management assessment on the non-provision of the sub-lease rental and recoverability/realization of the amount lying in Capital work in progress including service tax recoverable as detailed in our main report, since the operations of the company have been disrupted since earlier years and no operational activities have been carried out by the company during the year.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, commensurate with the size of the company & nature of its business, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", to the extent applicable.





We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

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

Chartered Accountants

Firm Reg. No. 000756N



**Yogesh K. Gupta**

Partner

Membership No. 093214

Place : NEW DELHI

Date : MAY 18, 2018

**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

**Balance Sheet as at 31st March, 2018**

Particulars	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>I. ASSETS</b>				
(1) Non - current assets				
(a) Property, plant and equipment	3	63,744	81,328	1,06,468
(b) Capital work in progress	4	30,00,28,784	28,94,99,607	27,84,96,560
(c) Financial assets				
(i) Other financial assets	5 (i)	48,44,430	48,44,430	48,44,430
(d) Other non-current assets	6	14,95,63,444	14,94,08,222	14,91,92,838
(2) Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	7	6,17,782	7,22,835	6,93,616
(ii) Other financial assets	5 (ii)	3,41,189	3,02,603	2,57,436
(b) Other current assets	8	-	-	18,643
<b>Total Assets</b>		<b>45,54,59,373</b>	<b>44,48,59,025</b>	<b>43,36,09,991</b>
<b>II. EQUITY AND LIABILITIES</b>				
(1) Equity				
(a) Equity Share capital	9	4,95,00,000	4,95,00,000	4,95,00,000
<b>Liabilities</b>				
(2) Non - current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	10 (i)	18,67,000	18,67,000	18,67,000
(b) Provision	11 (i)	2,29,901	60,760	50,213
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	31,44,72,578	31,21,43,578	30,92,07,908
(ii) Other financial liabilities	10 (ii)	8,93,42,162	8,10,49,665	7,28,19,400
(b) Provision	11 (ii)	42,822	1,88,163	1,58,010
(c) Other current liabilities	13	4,910	49,859	7,460
<b>Total Equity and Liabilities</b>		<b>45,54,59,373</b>	<b>44,48,59,025</b>	<b>43,36,09,991</b>

The accompanying notes 1 to 14 are an integral part of the financial statements.

The accompanying notes 1 to 14 are an integral part of the financial statements.

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

Yogesh Kumar Gupta  
Partner  
Membership No.093214



For & on behalf of the board

  
(Sujit Kanoria)  
Director  
DIN-01175425

  
(Alok Kumar Joshi)  
Director  
DIN-00718725

Place : New Delhi  
Date : May 18, 2018



**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Year ended 31st March, 2018	(Amount in Rs.) Year ended 31st March, 2017
<b>A. Cash flows from operating activities</b>		
Profit after taxation	-	-
Operating profit before working capital changes	-	-
<b>Working capital changes:</b>		
Increase / (Decrease) in other current assets	-245120	(1,96,741)
Increase/(Decrease) other financial liabilities	2,92,497	2,30,265
Increase/(Decrease) other current liabilities	44,949	42,399
Cash generated from operations	92,326	75,923
Income tax paid		
<b>Net cash from operating activities</b>	<b>(A) 92,326</b>	<b>75,923</b>
<b>B Cash flows from investing activities</b>		
Increase in Capital work in progress	(25,26,379)	(29,82,374)
<b>Net cash used in investing activities</b>	<b>(B) (25,26,379)</b>	<b>(29,82,374)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from long-term borrowings	23,29,000	29,35,670
<b>Net cash used in financing activities</b>	<b>(C) 23,29,000</b>	<b>29,35,670</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,05,053)</b>	<b>29,219</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>7,22,835</b>	<b>6,93,616</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,17,782</b>	<b>7,22,835</b>

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

**Yogesh Kumar Gupta**  
Partner  
Membership No.093214



For & on behalf of the board

*(Signature)*

**(Sujit Kanoria)**  
Director  
DIN-01175425

*(Signature)*

**(Alok Kumar Joshi)**  
Director  
DIN-00718725

Place : New Delhi  
Date : May 18, 2018

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Statement of Changes in Equity for the Year ended 31st March, 2018

Equity Share capital

Balance as on April 1, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
Rs. 4,95,00,000	Rs. -	Rs. 4,95,00,000



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**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

**Note 3 - Property, plant and equipment**

(In Rs.)

Particulars	Gross Block				Depreciation / Amortisation				Net Block
	Deemed cost as on 01.04.2017	Addition during the year	Sales/ Adjustments during the year	As on 31.03.2018	As on 01.04.2017	For the year	Sales/ Adjustments during the year	As on 31.03.2018	As on 31.03.2018
Computers	12,046	-	-	12,046	-	-	-	-	12,046
Office Equipment	6,968	-	-	6,968	629	-	-	629	6,339
Plant and Machinery	6,545	-	-	6,545	1,253	1,012	-	2,265	4,280
Furniture & Fixtures	80,909	-	-	80,909	23,258	16,572	-	39,830	41,079
	<b>1,06,468</b>	<b>-</b>	<b>-</b>	<b>1,06,468</b>	<b>25,140</b>	<b>17,584</b>	<b>-</b>	<b>42,724</b>	<b>63,744</b>



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SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Notes to accounts (contd.)

Note No. : 4 Capital work-in-progress

Particulars	As at 31st March, 2018	Rs.	As at 31st March, 2017	Rs.	As at 31st April, 2016
<b>Land and site development</b>					
As per last accounts (A)	2,50,92,415		2,50,92,415		2,50,92,415
<b>Civil work - in - progress</b>					
Balance brought forward	26,44,07,192		25,34,04,145		
<b>Additions during the year :</b>					
<b>Employee benefits expense</b>					
Salaries and wages	9,48,000	9,48,001			
Contribution to provident and other funds	23,800	40,700	9,88,701		
<b>Finance costs</b>					
Interest	80,00,000	80,00,000			
Other borrowing costs	1,585	542			
Interest Received	(38,586)	(45,167)	79,55,375		
<b>Depreciation expense</b>	17,584		25,140		
<b>Other expenses</b>					
Insurance	1,652	1,610			
Professional expenses	8,93,776	12,31,500			
Miscellaneous expenses	6,81,366	8,00,721	20,33,831		
<b>Civil work - in- progress (B)</b>	27,49,36,369		26,44,07,192		25,34,04,145
<b>Capital work-in-progress at the end of the year C= (A+B)</b>	30,00,28,784		28,94,99,607		27,84,96,560



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**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

**Notes to accounts (contd.)**

**Note No. : 5 Other Financial Assets (Unsecured, considered good)**

**(i) Non-current**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Security Deposits	48,44,430	48,44,430	48,44,430
	<u>48,44,430</u>	<u>48,44,430</u>	<u>48,44,430</u>

**(ii) Current**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Interest accrued but not due on Others	3,41,189	3,02,603	2,57,436
	<u>3,41,189</u>	<u>3,02,603</u>	<u>2,57,436</u>

**Note No. : 6 Other non-current Assets (Unsecured, considered good unless otherwise stated)**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Capital advance	13,72,30,120	13,72,30,120	13,72,30,120
Service tax	1,04,33,324	1,02,78,102	1,00,62,718
Other advances	19,00,000	19,00,000	19,00,000
	<u>14,95,63,444</u>	<u>14,94,08,222</u>	<u>14,91,92,838</u>

**Note No. : 7 Cash and cash equivalents**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Cash in hand	15,790	34,247	1,27,053
Balances with banks			
On current accounts	3,01,992	3,88,588	2,66,563
Fixed Deposit (Deposited with UIT Udaipur)	3,00,000	3,00,000	3,00,000
	<u>6,17,782</u>	<u>7,22,835</u>	<u>6,93,616</u>

**Note No. : 8 Other current assets (Unsecured, considered good)**

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
Others			
Staff Imprest	-	-	18,643
	<u>-</u>	<u>-</u>	<u>18,643</u>



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**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

Notes to accounts (contd.)

Note No. : 9

Equity Share capital						
Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.	No. of shares	Amount Rs.
(a) Authorised						
Equity shares of par value Rs. 10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(b) Issued, subscribed and fully paid up						
Equity shares of par value Rs. 10/- each	49,50,000	4,95,00,000	49,50,000	4,95,00,000	49,50,000	4,95,00,000
		4,95,00,000		4,95,00,000		4,95,00,000

(c) Reconciliation of number and amount of equity shares outstanding:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.	No. of shares	Amount Rs.
At the beginning of the year	49,50,000	4,95,00,000	49,50,000	4,95,00,000	49,50,000	4,95,00,000
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	49,50,000	4,95,00,000	49,50,000	4,95,00,000	49,50,000	4,95,00,000

(d) Terms / Rights attached to Equity shares :

The Company has only Equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares are entitled to receive dividend as declared from time to time and entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Shares held by holding/ultimate holding company and/or their subsidiaries/associates :

Name of the Company (Relationship)	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Shristi Urban Infrastructure Development Ltd.- Holding Company	30,00,000	60.61%	30,00,000	60.61%	30,00,000	60.61%
Shristi Infrastructure Development Corporation Limited- Ultimate Holding Company	19,50,000	39.39%	19,50,000	39.39%	19,50,000	39.39%

(f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholders	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Shristi Urban Infrastructure Development Ltd.- Holding Company	30,00,000	60.61%	30,00,000	60.61%	30,00,000	60.61%
Shristi Infrastructure Development Corporation Limited- Ultimate Holding Company	19,50,000	39.39%	19,50,000	39.39%	19,50,000	39.39%



*[Handwritten signature]*



Note No. : 10 Other financial liabilities

(i) Non Current

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>Financial liabilities at amortized cost</b>			
Other Payables			
Security deposit	18,67,000	18,67,000	18,67,000
	<u>18,67,000</u>	<u>18,67,000</u>	<u>18,67,000</u>

(ii) Current

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>Financial liabilities at amortized cost</b>			
Current maturity of term loan*	5,00,00,000.00	5,00,00,000	5,00,00,000
Interest accrued and due on borrowings	3,28,83,288.00	2,48,83,288	1,68,83,288
Other Payables			
Sub-lease rental accrued and due	40,13,224	40,13,224	40,13,224
Unpaid salaries and other payroll dues	7,52,131	6,91,039	6,29,949
Liability for expenses	16,93,519	14,62,114	12,92,939
	<u>8,93,42,162</u>	<u>8,10,49,665</u>	<u>7,28,19,400</u>

\* 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 of quarter. The current rate of interest of the same is 16.00% per annum. The figures are tentative, final payable amount to HUDCO shall be as per the terms of contractual agreement between HUDCO and the Company, and also subject to decision by the Hon'ble Court for the payable amount, as the matter is sub-judice.

Note No. : 11 Provisions

(i) Non- Current

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>Provision for employee benefits</b>			
Unavailed leave	68,420	24,429	16,998
Gratuity	1,61,481	36,331	33,215
	<u>2,29,901</u>	<u>60,760</u>	<u>50,213</u>

(ii) Current

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>Provision for employee benefits</b>			
Unavailed leave	24,880	74,457	56,935
Gratuity	17,942	1,13,706	1,01,075
	<u>42,822</u>	<u>1,88,163</u>	<u>1,58,010</u>

Note No. : 12 Borrowings

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>Unsecured</b>			
Loans and advances from a related party			
Shristi Infrastructure Development Corporation Limited	31,44,72,578	31,21,43,578	30,92,07,908
	<u>31,44,72,578</u>	<u>31,21,43,578</u>	<u>30,92,07,908</u>

Note No. : 13 Other current liabilities

Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
<b>Others</b>			
Statutory liabilities	4,910	49,859	7,460
	<u>4,910</u>	<u>49,859</u>	<u>7,460</u>



**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

Notes to accounts (contd.)

Note No. : 14 Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	Contingent liabilities	Refer note below	Refer note below	Refer note below
II.	Commitments	1,23,22,84,433	1,23,22,84,433	1,23,22,84,433

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.

2. The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2018 as micro, small and medium enterprises. Consequently, the amount due to micro and small enterprises as per requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (31st March 2017 - Nil) (1st April 2016 - Nil).

3. Operating Segment

As the Company has not commenced business operations, Ind AS 108 -Operating Segments is not applicable to the Company.

4. Related party disclosures :

a) Name of the related parties and description of relationship :

i) **Holding Company** : Shristi Infrastructure Development Corporation Limited  
(Control exists) Shristi Urban Infrastructure Development Ltd.

ii) **Fellow subsidiaries** Shristi Hotel Private Limited  
Shristi Urban Infrastructure Dev. Pvt. Ltd.  
Shristi Udaipur Hotels & Resorts Pvt. Ltd.  
Kanchan Janga Integrated Infrastructure Dev. Pvt. Ltd.  
Avarsekar Reality Private Limited  
Finetune Engineering Services Private Limited  
Vipani Hotels & Resorts Private Limited  
Border Transport Infrastructure Dev. Limited  
East Kolkata Infrastructure Development Pvt. Ltd.  
Medi-Net Services Private Limited

b) Transactions with Related parties :

Nature of transaction / Name of the related party	Holding Company		
Balance Outstanding:	31st March, 2018	31st March, 2017	1st April, 2016
Shristi Urban Infrastructure Development Limited Reimbursement of Expenses	7,53,657	7,53,657	7,53,657



*[Handwritten signatures]*

Nature of transaction / Name of the related party	Ultimate Holding Company		
	2017-18	2016-17	
	Rs.	Rs.	Rs.
Borrowings Shristi Infrastructure Development Corporation Limited			
Taken during the year	23,29,000	29,35,670	
Nature of transaction / Name of the related party	Holding Company		
Balance Outstanding:	31st March, 2018	31st March, 2017	1st April, 2016
Shristi Infrastructure Development Corporation Limited			
Borrowings	31,44,72,578	31,21,43,578	30,92,07,908
Mobilization Advance given	13,72,30,120	13,72,30,120	13,72,30,120

Nature of transaction / Name of the related party	Investing company		
	2017-18	2016-17	
	Rs.	Rs.	Rs.
Borrowings Housing & Urban Development Corporation limited			
Interest on loan	80,00,000	80,00,000	
Nature of transaction / Name of the related party	Holding Company		
Balance Outstanding:	31st March, 2018	31st March, 2017	1st April, 2016
Housing & Urban Development Corporation limited			
Borrowings	5,00,00,000	5,00,00,000	5,00,00,000
Interest Payable	3,28,83,288	2,48,83,288	1,68,83,288

- c) The transactions with related party has been entered at an amount which are not materially different from those on normal commercial terms.
- d) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in current year and previous year for bad or doubtful debts in respect of the amounts owed by related parties.

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

- 6 (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.  
Further company has initiated arbitration against lessors and Arbitrator has also been appointed.  
(B) Consequent upon that no provision has been considered necessary for sub lease rental w.e.f. 01.09.2010 aggregating to Rs.5,54,27,526/-, as management does not consider it as payable. The management is confident that there will be no liability on this account. Being arbitration is pending.

7 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.

8 The company has paid operating lease of Rs.NIL/- for the year which has been included in CWIP. (Previous Year Rs.NIL/-). Amount payable during next one year is NIL (Previous year Rs. NIL/-).

9 Since the company has not started the commercial operation till March 31, 2018; 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.





**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

**Notes to accounts (contd.)**

**Note No. : 14**

**Other disclosures:**

**10. Employee Benefits :**

As per Indian Accounting Standard - 19 " Employee Benefits", the disclosures of Employee Benefits are as follows:

**a) Defined Benefit Plans/Long Term Compensated Absences :**

**Description of Plans**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of service is entitled to specific benefit. The Gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits provided depends on the member's length of service and salary at retirement age etc.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the said plan:

**a) Details of funded post retirement plans are as follows :**

	Particulars	For the year ended 31st March, 2018*		For the year ended 31st March, 2017	
		Gratuity	Leave encashment	Gratuity	Leave encashment
<b>I. Components of Employer Expense</b>					
<b>I.1 Expenses recognised in the Statement of Profit and Loss:</b>					
1 Current service cost			31,023		16,779
2 Past service cost					
3 Net interest cost			6,481		10,662
4 Curtailment					
5 Settlement					
6 Expense recognised in the Statement of Profit and Loss					
<b>I.2 Remeasurements recognised in Other comprehensive income</b>					
1 Actuarial gain / (loss) arising from:					
- change in demographic assumptions					
- change in financial assumptions					
- changes in experience adjustments					
- changes in asset ceiling (excluding interest income)					
2 (Returns)/loss on plan assets excluding amounts included in Net interest cost					
3 Components of defined benefit costs recognised in Other comprehensive income					
Total defined benefit cost recognised in Profit and Loss and Other comprehensive income					
<b>II. Change in present value of defined benefit obligation :</b>					
1 Present value of defined benefit obligation at the beginning of the year			73933		1,34,290
2 Acquisition adjustment					
3 Interest expense			6481		10,662
4 Past service cost					
5 Current service cost			31023		16,779
6 Employees' contributions					
7 Benefits paid					
8 Actuarial gain / (loss) arising from:			-12551	-	11,694
- change in financial assumptions				-	-
- changes in experience adjustments				-	-
9 Present value of Defined Benefit Obligation at the end of the year			98886	-	1,50,037
<b>III Change in fair value of plan assets during the year :</b>		NA	NA	NA	NA

	Particulars	For the year ended		For the year ended	
		Gratuity	Leave encashment	Gratuity	Leave encashment
IV. Net Asset / (Liability) recognised in the Balance Sheet as at the year end:					
1	Present value of Defined Benefit Obligation		98886		1,50,037
2	Fair value of Plan Assets				
3	Funded Status [Surplus/(Deficit)]		-98886	-	1,50,037
4	Net Asset / (Liability) recognised in Balance Sheet	As at 31st March, 2018*		As at 1st April, 2016	
		Gratuity	Leave encashment	Gratuity	Leave encashment
	Current Liability	17942	24880	1,13,706	74,457
	Non-Current Liability	1,61,481	68420	36,331	24,429
V. Actuarial Assumptions :		As at 31st March, 2018		As at 1st April, 2016	
		Gratuity	Leave encashment	Gratuity	Leave encashment
1	Discount Rate (per annum) %		7.50%	7.50%	8.00%
2	Expected return on Plan Assets (per annum) %		6.00%	6.00%	6.00%
3	Expected Rate of Salary increase %		0.00%	0.00%	0.00%
4	Retirement/Superannuation Age (Year)		60	60	60
5	Mortality Rates		10.38%	10.38%	18.67%
VI. Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :		As at 31st March, 2018*		As at 1st April, 2016	
		NA		NA	
VII. Best Estimate of Employers' Expected Contribution for the next year		As at 31st March, 2018*		As at 1st April, 2016	
	Gratuity				
	Leave encashment				



**VIII Experience adjustments on Present value of Defined Benefit Obligation and Plan Assets are as follows :**

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of Defined Benefit Obligation			1,50,037	98,886	1,34,290	73,937
Fair value of Plan Assets (Deficit)/Surplus			(1,50,037)	(98,886)	(1,34,290)	(73,937)
Experience adjustment of Plan Assets [Gain/(Loss)]						
Experience adjustment of Obligations [(Gain)/ Loss]						

\*Gratuity Benefits and Leave Encashment Benefits are unfunded in nature. The liabilities are determined on accrual basis and not on the basis of actuarial principles since the same is not considered material.

- ii) The Gratuity and Provident Fund expenses have been recognised under " Contribution to Provident and Other Funds" and Leave Encashment under " Salaries and Wages" under Note No. 4.



B. Reconciliation of equity as reported under previous GAAP :

Particulars	As at 1st April, 2016 (Date of transition)	2017 (end of last period presented under previous GAAP)
	Rs.	Rs.
Equity as reported under previous GAAP	4,95,00,000	4,95,00,000
Add/ (Less) - Effect of transition to Ind AS	-	-
Equity as reported under Ind AS	4,95,00,000	4,95,00,000

(iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

a) Property, plant and equipment and capital work in progress were carried in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.

(iv) There is no impact on cash flow statement.

15 Recent accounting pronouncements

- a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company does not have Foreign currency transactions, therefore, there is no impact on the financial statements.
- b) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. As the Company has not commenced business operation, therefore, there is no impact on the financial statements. The Company will adopt the standard on the required effective date.

16 The previous period's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to correspond to those of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

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

(Alok Kumar Joshi)  
Director  
DIN-00718725

Place : New Delhi

Date : May 18, 2018



The following are the contractual maturities of financial liabilities:

Particulars		Less than 1 year	1-5 years	More than 5 years	Total
<b>31st March, 2018</b>					
Borrowings (including interest)	31,44,72,578			31,44,72,578	62,89,45,156
Trade payables					-
Other financial liabilities	9,12,09,162	8,93,42,162		18,67,000	18,24,18,324
<b>Total</b>	<b>40,56,81,740</b>	<b>8,93,42,162</b>	<b>-</b>	<b>31,63,39,578</b>	<b>81,13,63,480</b>
<b>31st March, 2017</b>					
Borrowings (including interest)	31,21,43,578			31,21,43,578	31,21,43,578
Trade payables	-				-
Other financial liabilities	8,29,16,665	8,10,49,665	18,67,000		8,29,16,665
<b>Total</b>	<b>39,50,60,243</b>	<b>8,10,49,665</b>	<b>18,67,000</b>	<b>31,21,43,578</b>	<b>39,50,60,243</b>
<b>1st April, 2016</b>					
Borrowings (including interest)	30,92,07,908			30,92,07,908	30,92,07,908
Trade payables	-				-
Other financial liabilities	7,46,86,400	7,28,19,400	18,67,000		7,46,86,400
<b>Total</b>	<b>38,38,94,308</b>	<b>7,28,19,400</b>	<b>18,67,000</b>	<b>30,92,07,908</b>	<b>38,38,94,308</b>

(c) **Market risk**

**Foreign currency risk**

The Company has no international transactions and is not exposed to foreign exchange risk.

**Interest rate risk**

i) **Liabilities**

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company has no variable rate borrowings.

ii) **Assets**

The company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not exposed to price risk.

13. **Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

14. **First-time Adoption of Ind AS**

- (i) These financial statements, for the year ended 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31st March, 2018, together with the comparative figures for the year ended 31st March, 2017, as described in the summary of significant accounting policies [Refer Note No.2].

The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2015 (the transition date) by:

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

- (ii) A. Reconciliation of total comprehensive income for the year ended 31st March, 2017 :Not applicable



*[Handwritten signatures]*

B. Reconciliation of equity as reported under previous GAAP :

Particulars	As at 1st April, 2016 (Date of transition)	2017 (end of last period presented under previous GAAP)
	Rs.	Rs.
Equity as reported under previous GAAP	4,95,00,000	4,95,00,000
Add/(Less) - Effect of transition to Ind AS	-	-
Equity as reported under Ind AS	4,95,00,000	4,95,00,000

(iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

a) Property, plant and equipment and capital work in progress were carried in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.

(iv) There is no impact on cash flow statement.

15 Recent accounting pronouncements

- a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company does not have Foreign currency transactions, therefore, there is no impact on the financial statements.
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As per our report of even date attached  
For S.S.Kothari Mehta & Co.  
Chartered Accountants  
Firm Regn. No. 000756

For & on behalf of the board

Yogesh Kumar Gupta  
Partner  
Membership No.093214



(Sujit Kanoria)  
Director  
DIN-01175425

(Alok Kumar Joshi)  
Director  
DIN-00718725

Place : New Delhi

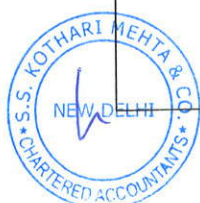
Date : 18, 2018



# SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

## Notes to Financial Statements

<b>1.</b>	<b>Corporate information</b>
	<p>Shristi Udaipur Hotels &amp; Resorts Private Limited ("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.</p> <p>Shristi Infrastructure Development Corporation Ltd. is the ultimate holding company owning 39.39% and Shristi Urban Infrastructure Development Ltd., holding company owning 60.61% of equity share capital of the Company.</p> <p>Its registered office is situated Delhi. The financial statements for the year ended March 31, 2018 were approved for issue by the Board of Directors on May 18, 2018.</p>
<b>2.</b>	<b>Significant accounting policies</b>
<b>2.1</b>	<b>Statement of Compliance with Ind AS</b>
	<p>These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017. Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 14 (First-time Adoption).</p>
<b>2.2</b>	<b>Basis of preparation</b>
	<p>The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration in exchange for goods and services.</p> <p>All amount disclosed in the financial statements including notes thereon have been rounded off to the nearest rupee as per the requirement of Schedule III to the Act, unless stated otherwise.</p>
<b>2.3</b>	<b>Use of estimates</b>
	<p>The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.</p>
<b>2.4</b>	<b>Operating Cycle</b>
	<p>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.</p>





# SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Notes to Financial Statements (contd.)

Note No. : 2 Significant accounting policies (contd.)

2.5	<b>Property, plant and equipment (PPE) and Depreciation</b>								
a)	Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PPE recognised as at 1st April, 2016 measured as per the previous GAAP.								
b)	Cost is inclusive of inward freight, non-refundable taxes and duties and directly attributable costs of bringing an asset to the location and condition of its intended use. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.								
c)	Depreciation of these assets commences when the assets are ready for their intended use. Depreciation on items of PPE is provided on a written down value basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013.								
	The estimated useful lives of PPE of the Company are as follows:								
	<table> <tr> <td>Furniture and fixtures</td><td>10 years</td></tr> <tr> <td>Office equipment</td><td>5 years</td></tr> <tr> <td>Computers</td><td>3 years</td></tr> <tr> <td>Plant and Machinery</td><td>15 years</td></tr> </table>	Furniture and fixtures	10 years	Office equipment	5 years	Computers	3 years	Plant and Machinery	15 years
Furniture and fixtures	10 years								
Office equipment	5 years								
Computers	3 years								
Plant and Machinery	15 years								
	The estimated useful lives, residual values and method of depreciation are reviewed at each Balance sheet date and are and changes, if any, are treated as changes in accounting estimate.								
d)	Capital work in progress is stated at cost and includes development and other expenses. Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of Property, plant and equipment) incurred on projects under implementation pending allocation to the assets and are shown under Capital work in progress.								
2.6	<b>Impairment of Assets</b>								
	As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, if any, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.								
	If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.								
2.7	<b>Borrowing costs</b>								
	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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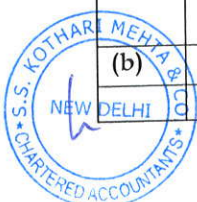


**SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED**

Notes to Financial Statements (contd.)

Note No. : 2 Significant accounting policies (contd.)

<b>2.8</b>	<b>Leases</b>
	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 capitalised to capital work in progress on a straight-line basis in accordance with the respective lease agreements.
<b>2.9</b>	<b>Provisions, contingent liabilities and contingent assets</b>
a)	Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
b)	Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
c)	Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.
d)	Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.
<b>2.10</b>	<b>Employee benefits</b>
a)	<b>Short-term employee benefits</b>
	Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense for the year in which the related service is rendered.
b)	<b>Other employee benefits</b>
	The employees of the Company are entitled to compensated leave which is recognised as an expense in the capital work in progress as and when they accrue. The liability is calculated based on accrual basis. These benefits are unfunded.
<b>2.11</b>	<b>Financial instruments, Financial assets, Financial liabilities and Equity instruments</b>
	Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.
i)	<b>Financial Assets</b>
(a)	<b>Recognition</b>
	Financial assets include Security Deposits, Cash and cash equivalents and other financial assets. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.
(b)	<b>Classification</b>
	Management determines the classification of an asset at initial recognition depending on the





# SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Notes to Financial Statements (contd.)

Note No. : 2 Significant accounting policies (contd.)

	purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification. Financial assets are classified as those measured at:
1)	amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
2)	fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
3)	fair value through profit or loss (FVTPL), where the assets does not meet the criteria for categorization as at amortized cost or as FVTOCI. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.
	Security Deposits, Cash and cash equivalents and other financial assets are classified for measurement at amortised cost.
(c)	<b>Impairment</b> The Company assesses at each reporting date whether a financial asset (or a group of financial assets) held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.
(d)	<b>De-recognition</b> Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.
ii)	<b>Financial liabilities</b> Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.
iii)	<b>Equity instruments</b> Equity instruments are recognised at the value of the proceeds.
iv)	<b>Offsetting of financial instruments</b> Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.
vi)	<b>Fair value measurement</b> The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



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# SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

## Notes to Financial Statements (contd.)

### Note No. : 2 Significant accounting policies (contd.)

<b>2.12</b>	<b>Taxes</b>
	Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.
	Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.
	Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
	The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.
	Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.
<b>2.13</b>	<b>Foreign Currency Transactions</b>
	The functional and presentation currency of the Company is Indian Rupee.
	Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.
<b>2.14</b>	<b>Cash and cash equivalents</b>
	Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.
	For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.
<b>2.15</b>	<b>Cash Flow Statement</b>
	Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.



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