

BOARD'S REPORT

Dear Members,

Your Board of Directors has pleasure in submitting the Ninth Annual Report of the Company together with the Audited Financial Statement for the financial year ended 31st March, 2016.

PERFORMANCE & OPERATIONS

The company was incorporated on 2nd February, 2007. The financial statement is drawn for the duration starting from 01.04.2015 till 31.03.2016. No profit & Loss Account has been prepared since the company has not commenced commercial operations. However, as on 31st March, 2016, the Company has a Cumulative Capital Work in progress of Rs. 27,84,96,560 (including Rs. 1,05,31,436/- during financial year 2015-16).

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

YEAR IN RETROSPECT

As the company has not commenced any commercial operation till 31st March, 2016, it has not been able to earn any profits. However, your directors are hopeful that after successful completion of its project in the coming years, the prospect of Company's earning and Profitability is going to be one of the best in the industry.

DIVIDEND

As per the current financial status of the Company, no dividend is recommended.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 are not applicable to our Company as there was no dividend declared and paid last year.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT



No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A) Conservation of energy:

- i. the steps taken or impact on conservation of energy: **NIL**
- ii. the steps taken by the company for utilizing alternate sources of energy: **NIL**
- iii. the capital investment on energy conservation equipment: **NIL**

(B) Technology absorption:

- i. The efforts made towards technology absorption: **NIL**
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a. The details of technology imported: **NIL**
 - b. The year of import: : **NA**
 - c. Whether the technology been fully absorbed: **NA**
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **NA**
- iv. The expenditure incurred on Research and Development: **NIL**

(C) Foreign exchange earnings and Outgo:

There was no foreign exchange inflow or Outflow during the year under review.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES



The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangement made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

SECRETARIAL AUDIT REPORT

The provisions of Section 205 of Companies Act, 2013 relating to Secretarial Audit are not applicable to our Company.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 1 and is attached to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

There were four (4) Board meetings held during the financial year under review on 25.05.2015, 19.08.2015, 16.12.2015 and 16.03.2016 respectively.



DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along-with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

DEPOSITS

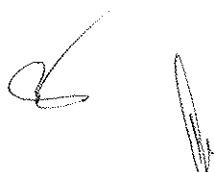
The Company has neither accepted nor renewed any deposits during the year under review.

DIRECTORS

Mr. Sujit Kanoria, Director who was liable to retire by rotation and being eligible for being re-appointed, offered himself for re-appointment and was duly appointed in the Eighth Annual General Meeting held on 14/09/2015.

DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.



STATUTORY AUDITORS

M/s S.S. Kothari Mehta & Co., Chartered Accountants, **(Firm Registration Number: 000756N)** were appointed as Statutory Auditors of the Company for a period of 5 years in the Annual General Meeting held on 15/09/2014. Their appointment for the Financial Year 2015-16 was ratified in the Annual General Meeting held on 14/09/2015. Now, their appointment for the Financial Year 2016-17 is required to be ratified and payment of their remuneration has to be decided in the ensuing Annual General Meeting.

AUDITORS' REPORT

Response by Board of Directors against qualified opinion of Auditors :

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 of the project land, the Company being the sub-lessee. The management is of the view that the disruption is temporary in nature and the matter will be resolved in due course. The management is confident to complete the project accordingly and hence, the full amount incurred so far on the project has been considered good and fully recoverable. It is also a fact that the land in question has also appreciated manifold since the execution of the Deed of Sub-lease. Consequent upon that, no provision has been considered necessary by the Company for sub-lease rentals as the management does not consider it as payable till the time the pending clearances are obtained.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rules 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

SHARES

a) **BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

b) **SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

c) **BONUS SHARES**

No Bonus Shares were issued during the year under review.

d) **EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.



ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Sujit Kanoria

(Director)

DIN: 01175425

Address: 32,Q, New Road, Alipore,
Kolkata-700027



Duraiswamy Guhan

(Director)

DIN: 06757569

Address: B-1/1360, Vasant
Kunj, New Delhi-110070

Date: 24th May, 2016

Place: New Delhi

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U55101WB2007PTC112974
2.	Registration Date	02/02/2007
3.	Name of the Company	Shristi Udaipur Hotels & Resorts Private Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Plot No. X-1, 2 & 3, Block - EP, Sector - V, Salt Lake City, Kolkata - 700091 Email: info@shristicorp.com Fax: 011-66025912 Contact Number: 011-66025600
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hotels & Motels, inns, resorts providing short term lodging facilities	55101	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% of Shares held	Applicable Section
1.	Shristi Urban Infrastructure Development Limited	U45203DL2005PLC137777	Holding Company	60.61	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	3000000	3000000	60.61	NIL	3000000	3000000	60.61	NIL

e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)	NIL	3000000	3000000	60.61	NIL	3000000	3000000	60.61	NIL
B. Public Shareholding									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	NIL	1950000	1950000	39.39	NIL	1950000	1950000	39.39	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	NIL	1950000	1950000	39.39	NIL	1950000	1950000	39.39	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	1950000	1950000	39.39	NIL	1950000	1950000	39.39	NIL

C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	4950000	4950000	100	NIL	4950000	4950000	100	NIL

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shristi Urban Infrastructure Development Limited	3000000	60.61	Nil	3000000	60.61	Nil	NO CHANGE

C) Change in Promoters' Shareholding (please specify, if there is no change) : NO CHANGE

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	3000000	60.61	3000000	60.61
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
At the end of the year	3000000	60.61	3000000	60.61

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shristi Housing Development Limited (Amalgamated with Shristi Infrastructure Development Corporation Limited pursuant to Hon'ble High Court Order, Calcutta dated 16.02.2016 which became effective on 31.03.2016)				
	At the beginning of the year	1950000	39.39	1950000	39.39
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	1950000	39.39	1950000	39.39

E) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL	NIL	NIL	NIL

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,00,00,000	30,64,60,216	NIL	35,64,60,216
ii) Interest due but not paid	88,61,370	NIL	NIL	88,61,370
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	5,88,61,370	30,64,60,216	NIL	36,53,21,586
Change in Indebtedness during the financial year				
* Addition	80,21,918	27,47,692	NIL	1,07,69,610
* Reduction	NIL	NIL	NIL	NIL
Net Change	80,21,918	27,47,692	NIL	1,07,69,610
Indebtedness at the end of the financial year				
i) Principal Amount	5,00,00,000	30,92,07,908	NIL	35,92,07,908
ii) Interest due but not paid	1,68,83,288	NIL	NIL	1,68,83,288
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	6,68,83,288	30,92,07,908	NIL	37,60,91,196

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	NA	NA	NA	NA	NA
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA	NA	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA	NA
4	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA	NA
	Total (A)	NA	NA	NA	NA	NA
	Ceiling as per the Act	NA	NA	NA	NA	NA

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	NA	NA	NA	NA	NA
	Commission	NA	NA	NA	NA	NA
	Others, please specify	NA	NA	NA	NA	NA
	Total (1)	NA	NA	NA	NA	NA
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	NA	NA	NA	NA	NA
	Commission	NA	NA	NA	NA	NA
	Others, please specify	NA	NA	NA	NA	NA
	Total (2)	NA	NA	NA	NA	NA
	Total (B)=(1+2)	NA	NA	NA	NA	NA
	Total Managerial Remuneration	NA	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NA	1,45,161	NA	1,45,161
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	1,45,161	NA	1,45,161
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NIL	NA	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NIL	NA	NIL
2	Stock Option	NA	NIL	NA	NIL
3	Sweat Equity	NA	NIL	NA	NIL
4	Commission	NA	NIL	NA	NIL
	- as % of profit	NA	NIL	NA	NIL
	others, specify...	NA	NIL	NA	NIL
5	Others, please specify	NA	NIL	NA	NIL
	Total	NA	1,45,161	NA	1,45,161

Note : As per the provisions of Section 203 of The Companies Act, 2013, there is no requirement of appointment of Key Managerial Personnel in the Company. However, the Company had a whole-time company secretary for a part of the financial year and who was not acting as a Key Managerial Personnel. However, as desired, the remuneration details of the Company Secretary have been given above.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)

A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Sujit Kanoria
(Director)
DIN: 01175425
Address: 32,Q, New Road, Alipore,
Kolkata-700027



Duraiswamy Guhan
(Director)
DIN: 06757569
Address: B-1/1360, Vasant
Kunj, New Delhi-110070

Date: 24th May, 2016
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Shristi Udaipur Hotels & Resorts Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting-records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

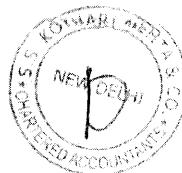
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

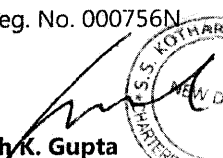
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether



- (f) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17 & 16 to the Financial Statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The Company is an unlisted enterprise and therefore the requirement of Clause (c) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 regarding opinion on delay in transferring amounts to Investor Education & Protection Fund is not applicable to the company.

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


Yogesh K. Gupta
Partner
Membership No. 093214



Place : ~~NEW~~ DELHI
Date : 24-MAY-2016

ANNEXURE 1 TO THE AUDITOR'S REPORT

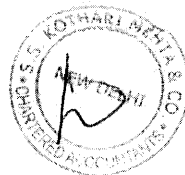
(As referred in paragraph 'Report on Other Legal and Regulatory Requirements' of our report to the members of **Shristi Udaipur Hotels & Resorts Private Limited** on the accounts for the year ended March 31, 2016)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the company during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of such verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) Company does not possess any immovable property hence the provision of clause 3 (i) (c) of the Order is 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, 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, Sales Tax, Service Tax, Duty of customs, Duty of Excise, Value added Tax and cess which were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, 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 31st March, 2016) citing "Event of Default" as outlined in loan agreement executed by the company for its failure to pay rental to sub-lessor in respect of the property mortgaged in favour of the financial institution pending adjudication on the title of a portion of 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 unascertainable. Also, the company has not paid interest amounting to Rs. 88,61,370 for previous year and Rs. 80,21,918 for current year due on such loan. 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 procedure performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) Provision of Section 197 read with Schedule V to the Companies Act for providing managerial remuneration with the requisite approvals 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 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.



S S KOTHARI MEHTA & CO

- (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 : 24-MAY-2016

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, 2016 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, 2016:

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, 2016, 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, 2016 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 24, 2016*

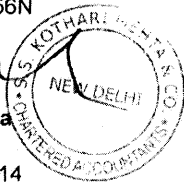
SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31.03.2016 Amount (in Rs.)	As at 31.03.2015 Amount (in Rs.)
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	49,500,000	49,500,000
(2) Non-Current Liabilities			
(a) Long term borrowings	3	309,207,908	306,460,216
(b) Other Long term liabilities	4	1,867,000	1,867,000
(c) Long term Provisions	5	50,213	23,152
(3) Current Liabilities			
(a) Other Current liabilities	6	72,826,860	65,020,531
(b) Short term Provisions	7	158,010	87,529
Total		433,609,991	422,958,428
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	106,468	144,228
(ii) Capital work-in-progress	9	278,496,560	267,965,124
(b) Long term loans and advances	10	154,037,268	153,973,778
(2) Current assets			
(a) Cash and Bank Balances	11	693,616	656,601
(b) Short term loans and advances	12	18,643	5,000
(c) Other current assets	13	257,436	213,697
Total		433,609,991	422,958,428

The Accompanying Notes are integral part of Financial Statements

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

Yogesh Kumar Gupta
Partner
Membership No.093214



For & on behalf of the board

(Sujit Kanoria)
Director
DIN-01175425

(Duraishwamy Guhan)
Director
DIN-06757569

Place : New Delhi
Date : 24-May-2016

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED
Cash Flow Statement for the year ending March 31, 2016

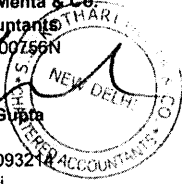
Particulars	Amount (in Rs.)	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation and Extraordinary activities	-	-
Adjustments for:		
Depreciation	37,760	150,338
Interest Expenses	8,021,918	8,113,973
Interest Income	(43,739)	(40,170)
Loss on sale of Fixed Assets	-	13,046
Operating Profit Before Working Capital Changes	8,015,939	8,237,187
Adjustments for:		
(Increase) / Decrease in Long Term Loans & Advances	(63,490)	(201,233)
(Increase) / Decrease in Short Term Loans & Advances	(13,643)	284,198
Increase / (Decrease) in Other Current Liabilities	(215,589)	(397,751)
Increase / (Decrease) in Long Term Provisions	27,061	(722,868)
Increase / (Decrease) in Short Term Provisions	70,481	22,600
Net Cash From Operating Activities	7,820,759	7,222,133
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	10,000
Capital Work in Progress	(10,531,436)	(17,551,007)
Net Cash From Investing Activities	(10,531,436)	(17,541,007)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/(Re-payment) from Long Term Secured Borrowings	-	(5,000,000)
Proceeds from Long Term Unsecured Loans	2,747,692	17,535,066
Interest Paid	-	(2,362,740)
	2,747,692	10,172,326
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	37,015	(146,548)
Opening Cash and cash equivalents	356,601	503,149
Closing Cash and cash equivalents	393,616	356,601
Components of Cash and cash equivalents		
Cash in Hand	127,053	37,265
Balances with Bank	266,563	319,336

Note:

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

As per our report of even date attached
For **S.S.Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No. 000156N

Yogesh Kumar Gupta
Partner
Membership No. 093214
Place : New Delhi
Date : 24-May-2016



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

(Sujit Kanoria)
Director
DIN-01175425

(Duraismamy Guhan)
Director
DIN-06757569

Notes to Financial Statements**Note - 2: Share Capital****Authorized**

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

100,000,000 100,000,000

Issued, Subscribed & Paid up

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

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

Shares issued/boughtback during the year: NIL

Details of each shareholder holding more than 5% shares

Name of shareholder	As at 31st March, 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shristi Urban Infrastructure Development Ltd.-Holding Company	3,000,000	60.61	3,000,000	60.61
Shristi Housing Development Limited- Step up Holding Company (Amalgamated with Shristi Infrastructure Development Corporation Limited w.e.f.31.03.2016)	1,950,000	39.39	1,950,000	39.39

Note-3 :Long Term Borrowings**Secured Loan**

Term Loan From Financial Institution

50,000,000 50,000,000

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

Unsecured Loan

Loan from Step up Holding Company (Interest free)

309,207,906 306,460,216

359,207,906 356,460,216

Less: Current maturities of Long term borrowings

50,000,000 50,000,000

Total

309,207,906 306,460,216

Terms of Repayment for secured term loan:

Secured Term Loan from HUDCO is repayable in 43 unequal quarterly installments. Installment 1-4 of Rs. 25,00,000 each, Installment 5-8 of Rs. 50,00,000 each, Installment 9-12 of Rs. 75,00,000 each, Installment 13-16 of Rs. 100,00,000 each, Installment 17-28 of Rs. 150,00,000 each, Installment 29-32 of Rs. 175,00,000 each, Installment 33-43 of Rs. 3,09,81,000 each, payable at the end of each quarter starting from 31st August 2012 to 28th February 2023. Interest accrued is payable at the end each quarter. The current rate of interest of the same is 16.00% per annum.

Refer Note 16 of the Financial Statements

Note- 4 :Other Long Term Liabilities

Security Deposits Received

1,867,000 1,867,000

1,867,000 1,867,000

Note- 5 :Long Term Provisions**Provisions**

Provision for Leave Encashment

16,998 7,878

Provision for Gratuity

33,215 15,274

(Refer Note 22)

50,213 23,152

Note-6 :Other Current Liabilities

Current Maturities of long term loan

50,000,000 50,000,000

Interest Accrued but not due on borrowings

16,883,268 8,861,370

Interest Accrued & due on borrowings

Other Payables

4,013,224 4,013,224

- Sub-lease rental accrued & due

1,922,888 2,116,343

- Expenses payables

7,460 29,594

- Other Liabilities

72,826,860 65,020,531

Note- 7 :Short Term Provisions**Provisions**

Provision for Leave Encashment

56,535 27,178

Provision for Gratuity

101,075 60,351

(Refer Note 22)

158,010 87,529



Arif Rana

[Signature]

SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

Note- 8: Tangible Assets

Amount (in Rs.)

Particulars	Gross Carrying Value			Depreciation			Net Carrying Value	
	As at March 31, 2015	Additions during the Period	Deduction during the year	As at March 31, 2016	For the Period	Deduction during the year	As at March 31, 2016	As at March 31, 2015
Computers	266,321	-	-	266,321	-	-	254,275	12,046
Office Equipments	126,784	-	-	126,784	3,568	-	119,816	6,968
Plant & Machinery	15,764	-	-	15,764	1,548	-	9,219	6,545
Furniture & Fixtures	277,770	-	-	277,770	32,644	-	196,861	80,909
Total	686,639	-	-	686,639	37,760	-	580,171	106,468
As on 31.03.2015	836,639	-	150,000	686,639	150,338	126,954	542,411	144,228

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SHRISTI UDAIPUR HOTELS & RESORTS PRIVATE LIMITED

As at 31.03.2016 As at 31.03.2015
Amount (in Rs.) Amount (in Rs.)

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

	As at March 31, 2016	As at March 31, 2015
Land & Site Development	25,092,415	25,092,415
Approvals	6,414,465	6,414,465
Architectural Fee & Project Consultancy	28,159,999	27,637,367
Civil Work	32,183,845	32,169,267
Personnel Expenses	67,166,933	65,966,099
Administrative Expenses	45,058,476	44,281,457
Finance Cost (Net)	73,840,566	65,861,643
Depreciation	580,171	542,411
	278,496,560	267,965,124

Note-10: Long Term Loans and Advances

Unsecured and Considered Good		
Capital Advance - Mobilization Advance to Civil Contractor (Shristi Infrastructure Development Corp.Ltd.-Ultimate Holding Company)	137,230,125	137,230,120
Security Deposits	4,844,439	4,852,930
Advance recoverable in cash or in kind or for value to be received	11,962,719	11,890,728
	154,037,283	153,973,778

Note -11 :Cash and Bank Balances

A- Cash & Cash Equivalent		
Cash in hand	127,053	37,265
Balances with Banks	266,563	319,336
B- Other Bank Balances		
Fixed Deposit*	300,000	300,000

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

693,616 656,601

Note- 12 :Short Term Loans and Advances

Unsecured and Considered Good		
Advance recoverable in cash or in kind or for value to be received	18,643	5,000
	18,643	5,000

Note - 13 :Other Current Assets

Interest accrued but not due	257,436	213,697
	257,436	213,697



Syid Faridul

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Shristi Udaipur Hotels & Resorts Pvt. Ltd.

Notes to Financial Statement

Note no. 1: Significant Accounting Policies & Practices

A. BACKGROUND AND NATURE OF OPERATIONS

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

B. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1. ACCOUNTING CONVENTIONS

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

2. All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

3. USE OF ESTIMATES

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

4. FIXED ASSETS

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



S.S. Kothari Mehta

[Signature]

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

5. DEPRECIATION

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

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

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

- ii) Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

- iii) Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

6. Impairment of Assets

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

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

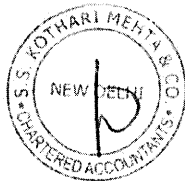
A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

7. MISCELLANEOUS EXPENDITURE

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

8. EMPLOYEE BENEFITS

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



Er. S. Kothari Mehta

[Signature]

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

9. LEASES

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

10. TAXATION

a. Current Tax

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

b. Deferred Tax

- i) Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.
- ii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. CASH FLOW STATEMENT

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

12. BORROWING COST

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

13. PROVISIONS, CONTINGENT LIABILITES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.



S. S. Kothari Mehta & Co.

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

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

15. Capital Commitment

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

16. Contingent Liabilities:

Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The Company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and Company and if company has continue payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

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

17. (A) During the financial year progress of the project has been slow due to the fact that certain clearances from various authorities are awaited by the sub-lessors. The management is of the view that the disruption is temporary in nature, the matters will get resolved soon and it will be able to complete the project at much faster pace; accordingly the full amount incurred so far on the project has been considered good and fully recoverable. Further company has initiated arbitration against Lessors and Arbitrator has also been appointed.

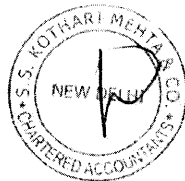
(B) Consequent upon that no provision has been considered necessary for sub lease rental w.e.f. 01.09.2010 aggregating to Rs.4,04,02,800/-, as management does not consider it as payable. The management is confident that there will be no liability on this account. Being arbitration is pending.

18. As per the information available with the company, there are no dues to any Micro & Small enterprise as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2016. Further no interest has been paid during the year and payable as on 31st March, 2016 to such parties.

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

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

<u>Particulars</u>	<u>Current year Amount (Rs.)</u>	<u>Previous year Amount (Rs.)</u>
a. Land & Site Development	--	55,007/-
b. Approvals	--	--



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Shristi Udaipur Hotels & Resorts Pvt. Ltd.

c. Architectural Fee & Project Consultancy	5,22,623/-	14,28,035/-
d. Civil Work	14,576/-	61,778/-
e. Personnel Expenses	12,00,536/-	16,91,170/-
f. Administrative Expenses*	7,77,019/-	32,16,139/-
g. Finance cost (Net)	79,78,922/-	80,75,494/-
h. Depreciation	37,760/-	23,384/-
Total	1,05,31,436/-	1,75,51,007/-

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

21. Operating Lease

The company has paid operating lease of Rs.23,754/- for the year which has been included in CWIP. (Previous Year.Rs.2,65,008/-). Amount payable during next one year is NIL. (Previous year Rs. 1,94,443/-).

22. Employee Benefits

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

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

a) Net expenses recognized during the year 2015-16

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2015-16	2014-15	2015-16	2014-15
- Current service cost	30,644	4,118	18,784	11,944
- Interest cost	4,372	11,795	8,420	25,070
- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--
- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	3,861	(2,22,648)	31,461	(2,48,246)
Total	38,877	(2,06,735)	58,665	(2,11,232)

b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2016:

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2015-16	2014-15	2015-16	2014-15
- Present value of Defined Benefit Obligation	73,933	35,056	1,34,290	75,625
- Fair value of plan assets	--	--	--	--
- Funded status [Surplus/(Deficit)]	(73,933)	(35,056)	(1,34,290)	(75,625)
- Unrecognized Past Service Costs	--	--	--	--



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Sristi Udaipur Hotels & Resorts Pvt. Ltd.

- Estimated Net asset/(liability) recognized in balance sheet	(73,933)	(35,056)	(1,34,290)	(75,625)
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c) Change in the obligation for the year ended 31.03.2016

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2015-16	2014-15	2015-16	2014-15
- Present value of Defined Benefit Obligation as at the beginning of the year	35,056	2,59,815	75,625	5,51,134
- Interest cost	4,372	11,795	8,420	25,070
- Past service cost	--	--	--	--
- Current service cost	30,644	4,118	18,784	11,944
- Curtailment cost/(Credit)	--	--	--	--
- Settlement cost/(Credit)	--	--	--	--
- Benefits paid	--	(18,024)	--	(2,64,277)
- Actuarial (gain)/loss on obligation	3,861	(2,22,648)	31,461	(2,48,246)
- Present value of Defined Benefit Obligation as at the end of the year	73,933	35,056	1,34,290	75,625

d) Changes in fair value of Plan Assets

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2015-16	2014-15	2015-16	2014-15
- Plan asset at the beginning of the year	--	--	--	--
- Expected return of plan assets	--	--	--	--
- Actual company contributions	--	18,024	--	2,64,277
- Employee contribution	--	--	--	--
- Actuarial Gain/Loss on Plan Assets	--	--	--	--
- Benefits paid	--	(18,024)	--	(2,64,277)
- Plan assets at the end of the year	--	--	--	--

S. S. Kothari



Shristi Udaipur Hotels & Resorts Pvt. Ltd.

e) Principal actuarial assumption

Particulars	Leave Encashment (Non-Funded) (Rs.)		Gratuity (Non-Funded) (Rs.)	
	2015-16	2014-15	2015-16	2014-15
- Discount rate per annum compound	8.00%	8.00%	8.00%	8.00%
- Rate of increase in Salaries	6.00%	5.00%	6.00%	5.00%
- Rate of return on plan assets	0%	0%	0%	0%
- Expected Average remaining working lives of employees (years)	18.67	19.33	18.67	19.33

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

Amounts recognized as CWIP and included in Note no. 9 Item Salaries, wages, Gratuity & Staff Cost includes Gratuity of Rs.58,665/- previous year Rs.(2,11,232/-) & Leave Encashment of Rs. 38,877/- Previous year (Rs.2,06,735/-)

23. Related Party Transaction

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

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

(1) Holding Company

Shristi Urban Infrastructure Development Limited (since incorporation)

(2) Step-up Holding Company

Shristi Housing Development Limited (Amalgamated with Shristi Infrastructure Development Corporation limited w.e.f. 31.03.2016)

(3) Ultimate Holding Company

Shristi Infrastructure Development Corporation Limited (since incorporation)

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

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

Housing & Urban Development Corporation Limited (since incorporation)



S.S. Kothari

[Signature]

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

c. Transaction with Related Parties

S. No.	Name of the Party	Relationship	Nature of Expenses Amount	Current year (Rs.)	Previous Year (Rs)
1	Shristi Urban Infrastructure Development Ltd,	Holding Company	Closing Balance: Reimbursement of Expenses	7,53,657/-	7,53,657/-
2.	Shristi Housing Development Limited	Step up Holding Company	Long Term unsecured loan taken	27,47,692/-	1,75,35,066/-
			Closing Balance: Long Term unsecured loan	30,92,07,908/-	30,64,60,216/-
3.	Shristi Infrastructure Development Corporation Ltd.	Ultimate Holding Company	Closing Balance: Mobilization Advance given	13,72,30,120/-	13,72,30,120/-
4.	Housing & Urban Development Corporation Limited	Investing Party	Interest on Loan	80,21,918/-	81,13,973/-
			Closing Balance:- Secured Loan	5,00,00,000/-	5,00,00,000/-
			Interest payable	1,68,83,288/-	88,61,370/-

24. Earning per Share

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

25. Since the company has not started the commercial operation till March 31, 2016, hence the company cannot calculate deferred tax in accordance with Accounting Standard 22 "Accounting for Taxes on Income." and Segment Reporting in accordance with Accounting Standard 17 is not applicable.

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

27. Note no. 1 to 27 form an integral part of the financial statements.

As per our report of even date attached

For S.S. Kothari Mehta & Co.

Chartered Accountants

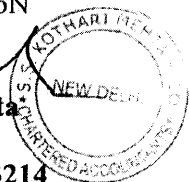
Firm Reg. No. 000756N

Yogesh Kumar Gupta
Partner

Membership No. 093214

Place: New Delhi

Dated: 24-May-2016



For & on behalf of the board

Sujit Kanoria

Sujit Kanoria

Director

DIN-01175425

Duraiswamy Guhan

Duraiswamy Guhan

Director

DIN-06757569