

SILVER RESORT HOTEL INDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2014

		(Rs. in Lacs)	
	<u>Notes</u>	<u>As at</u> <u>31.03.2014</u>	<u>As at</u> <u>31.03.2013</u>
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
Share capital	2	27351.00	27351.00
Reserves and Surplus	3	(68.24)	(52.29)
		<u>27282.76</u>	<u>27298.71</u>
2. CURRENT LIABILITIES			
Other current liabilities	4	14729.62	10886.16
		<u>42012.38</u>	<u>38184.87</u>
 <u>ASSETS</u>			
1. NON-CURRENT ASSETS			
<u>Fixed Assets</u>	5		
Tangible Assets		29318.99	28923.10
Capital work-in-progress		10588.98	8757.73
		<u>39907.97</u>	<u>37680.83</u>
Long-term loans and advances	6	439.12	439.12
2. CURRENT ASSETS			
Cash and cash equivalents	7	2.19	3.54
Short-term loans and advances	8	1211.74	60.94
Other current assets	9	451.36	0.44
		<u>1665.29</u>	<u>64.92</u>
		<u>42012.38</u>	<u>38184.87</u>

SIGNIFICANT ACCOUNTING POLICIES

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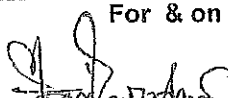
NOTES ON FINANCIAL STATEMENTS

2-21

Per our separate report of even date

For & on behalf of the board

For M.Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 006855N)


(M. Sarker)
Director
DIN : 06856271


(Deo Kant Giri)
Director
DIN: 06856278



M.K. Mahajan
Partner
M No.017418




(Dilip Bhargtani)
Chief Financial Officer

Place : New Delhi
Date : 30.05.2014

SILVER RESORT HOTEL INDIA PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

		(Rs. in Lacs)	
	<u>Notes</u>	<u>Year Ended</u> <u>31.03.2014</u>	<u>Year Ended</u> <u>31.03.2013</u>
REVENUE			
Other Income	11	0.18	0.52
Total Revenue		0.18	0.52
EXPENSES			
Depreciation	5	0.40	0.39
Other Expenses	12	15.73	18.58
Total expenses		16.13	18.97
Profit/(Loss) before exceptional and extraordinary items and tax		(15.95)	(18.45)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(15.95)	(18.45)
Extraordinary Items		-	-
Profit/(Loss) before tax		(15.95)	(18.45)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/(Loss) for the year		(15.95)	(18.45)
Earnings per equity share of Rs.10/- each:	16		
(1) Basic		(0.01)	(0.01)
(2) Diluted		(0.01)	(0.01)

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

1
2-21

Per our separate report of even date

For & on behalf of the board

For M.Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 006855N)

Mou Mohan Kamal

MK Mahajan
Partner
M No.017418



Place : New Delhi
Date : 30.05.2014

(M Sarker)
Director
DIN : 06856271

Shagfani
(Dilip Bhagtani)
Chief Financial Officer

(Dip Kant Giri)
Director
DIN: 06856278

SILVER RESORT HOTEL INDIA PRIVATE LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

		(Rs. in Lacs)	
		Year Ended	Year ended
	Notes	31st March 2014	31st March 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Net Profit/(Loss) before Tax and extraordinary items		(15.95)	(18.45)
Adjustments for :			
Depreciation	5	0.40	0.39
Operating profit before working capital changes		(15.55)	(18.06)
<u>Changes in current assets and current liabilities.</u>			
(Increase)/ Decrease Short Term Loans and advances	8	(1150.80)	(14.69)
(Increase)/ Decrease Other current assets	9	(450.93)	(0.12)
Increase/ (Decrease) Current liabilities	4	3843.46	3420.91
Cash generated from operations		2241.73	3406.10
NET CASH GENERATED FROM OPERATING ACTIVITIES		2226.18	3388.04
B. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets (including capital work in progress)	5	(2227.53)	(3356.89)
Long-term loans and advances	6	-	(32.70)
NET CASH USED IN INVESTING ACTIVITIES		(2227.53)	(3389.59)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Shares Capital		-	-
NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES		-	-
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(1.35)	(1.55)
Cash and Cash equivalents at the beginning of the year		3.54	5.10
Cash and Cash equivalents at the end of the year		2.19	3.54

SIGNIFICANT ACCOUNTING POLICIES**NOTES ON FINANCIAL STATEMENTS**

Per our separate report of even date

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2-21

For & on behalf of the board

For M.Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 006855N)

Mou. Mahajan Kamal
M.K. Mahajan
Partner
M No.017418



Place : New Delhi
Date : 30.05.2014

(M. Garker)
Director
DIN : 06856271

(Dilip Bhagtani)
Chief Financial Officer

(Deo Kant Giri)
Director
DIN : 06856278

SILVER RESORT HOTEL INDIA PRIVATE LIMITED

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

These financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.

b) Use of Estimates

The preparation of financial statement requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

c) Fixed Assets

- i) Fixed assets are recorded at cost of acquisition and stated at historical cost. Refundable security deposit and development charges payable to Delhi International Airport (P) Limited (DIAL) are for long lease rights of hotel plot i.e. upto May 2, 2036 extendable further upto May 2, 2066. and are treated as component of land.
- ii) Expenditure incurred on projects during implementation including cost of borrowing is capitalized and shown as capital work-in-progress which are apportioned to various assets on commissioning / completion of the same.
- iii) Development costs paid to DIAL for hotel site are charged to revenue over the period of remaining lease starting from start of commercial operations.

d) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates which are not lower than the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletions during the year has been provided for on pro-rata basis. Assets purchased/installed during the year costing less than Rs. 5,000/- each are fully depreciated in the year of purchase/installation.



e) Investments

Investments are stated at cost of acquisition. Provision is made, where, there is a permanent fall in the value of investment.

f) Revenue recognition

i.) Revenue is recognized when there is reasonable certainty of its ultimate realization/ collection. Dividend income is accounted for when the right to receive the same is established.

ii) Revenue from sale of leasehold rights of commercial area in the hotel project is recognized on "Percentage of Completion Method" of accounting. Revenue comprises the aggregate amounts of sale price in terms of the agreements entered into and is recognized on the basis of percentage of actual costs incurred thereon, including proportionate land cost and total estimated cost related to commercial area in the hotel project under execution, subject to such actual costs being 40% or more of the total estimated cost of commercial area. Total costs of commercial area in the hotel project is the proportion of total costs on the whole hotel project as the ratio of area of commercial area is to the entire built-up area in the hotel project.

Where aggregate of the payment received provide insufficient evidence of buyers commitment to make the complete payment, revenue is recognized only to the extent of realization.

The estimates of the saleable areas and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total cost on commercial area is estimated to exceed total revenues from the commercial area, the loss is recognized immediately.

As uncertainties involved, interest on delayed payment is accounted for on realization.

g) Impairment of assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The recoverable amount of an asset which is identified as impaired is estimated and impairment loss is recognized.

h) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.



i) Taxation

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

j) Earning per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.



SILVER RESORT HOTEL INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2014

5 **FIXED ASSETS**

(Rs in lacs)

DESCRIPTION	GROSS BLOCK		DEPRECIATION			CARRYING VALUE	
	As at 01.04.2013	As at 31.03.2014	As at 01.04.2013	Charged to Profit & Loss A/c	Capitalized to WIP	As at 31.03.2014	As at 31.03.13
		Additions					
Land	28919.01	396.48	-	-	-	29315.49	28919.01
Plant and Equipment	2.65	2.65	0.41	-	0.20	2.04	2.24
Computer Equipment	2.34	2.34	0.75	0.38	-	1.21	1.59
Office Equipment	0.29	0.29	0.02	0.02	-	0.25	0.27
Total Rs.	28924.29	396.48	1.18	0.40	0.20	29318.99	28923.11
Previous Year	28525.38	609.31	0.59	0.39	0.20	28923.11	-

b. **CAPITAL WORK-IN-PROGRESS**

CWIP	8757.73	1831.25	10588.98	-	-	10588.98	8757.73
Previous Year	5799.54	2958.19	8757.73	-	-	8757.73	-
Grand Total	37682.02	2227.73	39909.75	1.18	0.40	39907.97	37680.84
Previous Year	34324.92	3567.50	37682.02	0.59	0.20	37680.84	-

c. **Land comprises -**

Development charges paid to DIAL	As at 31.03.2014	As at 31.03.2013
Long term Security deposit with DIAL	8030.00	8030.00
Interest on delayed payments to DIAL	19288.78	19288.78
	1996.71	1600.23
	<u>29315.49</u>	<u>28919.01</u>

d. **Capital work-in-progress includes-**

Particulars	01.04.2013	Additions During the year	31.03.2014
Project Consultancy Fees	1131.29	(19.10)	1112.18
License Fees & interest thereon	4098.68	1427.13	5525.81
Site Development	978.09	(5.72)	972.37
Finance Charges	717.79	(46.78)	671.01
Legal & Professional Fees	197.48	(9.09)	188.39
Company Incorporation & Other Secretarial expenses	329.19	29.63	358.81
Salary & wages	238.67	91.53	330.20
Travelling	73.46	3.77	77.23
Building under construction	993.08	359.89	1352.98
Closing Balance	8757.73	1831.25	10588.98

Note :- Input on service tax on services availed in the previous years is deducted from respective expense heads and shown as input on Service tax under the head "Short Term Loans & Advances" to be set off against service tax payable. Addition during the year is net of such input on service tax of Rs.395.23 lacs. This amount is included in input on service tax(Refer Note - 8(iv))



SILVER RESORT HOTEL INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Rs. In lacs)	
		As at	As at
		31.03.2014	31.03.2013
2 A. SHARE CAPITAL			
<u>Authorised</u>			
380000000 (previous year 380000000) Equity Shares of RS.10/- each		38000.00	38000.00
		38000.00	38000.00
<u>Issued</u>			
373510000 (Previous year 373510000) Equity Shares of Rs. 10/- each fully paid up		37351.00	37351.00
<u>Subscribed & Paid up</u>			
273510000 (Previous year 273510000) Equity Shares of Rs. 10/- each fully paid up		27351.00	27351.00
		27351.00	27351.00

B. Reconciliation of the numbers and amount of Equity shares

	31.03.2014		31.03.2013	
	Nos.	Amount (Rs./lacs)	Nos.	Amount (Rs./lacs)
Outstanding at beginning of the year	273510000	27351.00	273510000	27351.00
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	273510000	27351.00	273510000	27351.00

C. Rights, preferences and restrictions attached to each class of Shares :

The company has only one class of shares referred as equity shares. The equity shares are having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.

D. Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or by associates of the holding company or the ultimate holding company in aggregate:

Name of Shareholder	31.03.2014		31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Blue Coast Hotels Ltd.	188510000	68.92	188510000	68.92

E. Shareholders holding more than 5% shares -

Name of Shareholder	31.03.2014		31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Blue Coast Hotels Ltd.	188510000	68.92	188510000	68.92
IFCI LTD	85000000	31.08	85000000	31.08

F. Since incorporation, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity Share during aforesaid period.

G. No call is unpaid as on 31.03.2014

H. No shares have been forfeited by the company during the year.



SILVER RESORT HOTEL INDIA PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Rs. In lacs)	
		As at	As at
		31.03.2014	31.03.2013
3	RESERVES & SURPLUS		
	<u>Surplus/(Deficit) -</u>		
	Opening balance	(52.29)	(33.84)
	Profit/(Loss) for the year	(15.95)	(18.45)
	Closing balance	<u>(68.24)</u>	<u>(52.29)</u>
4	OTHER CURRENT LIABILITIES		
	Payable to Delhi International Airport Pvt. Ltd. for hotel land	6854.04	4661.07
	Payable for capital expenses	538.92	511.85
	Construction linked receipts for commercial space in the hotel	6215.27	5391.46
	State Bank of Mysore, credit balance	-	47.42
	Other expenses payable	280.97	32.36
	<u>Statutory Liabilities:-</u>		
	Tax Deducted at Source	147.19	36.97
	Other Fees	225.21	195.58
	Service Tax	450.73	-
	Accrued Salaries & benefits	17.30	9.45
		<u>14729.62</u>	<u>10866.16</u>

- a. "Payable to Delhi International Airport Pvt. Ltd. for hotel land" represents default amount on account of Licence fee and Development Charges and interest thereon. As a result of default, DIAL has issued "Notice to Cure" and "Notice of intention to terminate" Development Agreement and Infrastructure Development & Service Agreement. The company has requested for grant of more time to clear the dues.
- b. In the year ending 31.03.2010, the company had entered into a Joint Development Agreement (JDA) in respect of commercial space in the company's five star hotel project with a company (called co-developer). The co-developer is entitled and responsible for marketing of entire commercial space in the hotel project and retain the proceeds thereof. The co-developer shall provide the company a construction linked funding for the cold shell, for the construction of commercial area. The co-developer shall also be responsible for bearing marketing expenses, all the obligations, liabilities including but not limited to legal obligations arising on booking and sublease of commercial areas and servicing of assured lease rents etc, and these expenses will not form part of the project cost. The surplus, arising out of the joint development will be shared by the company and co-developer in the ratio of 85:15 respectively.
- c. "Construction linked receipts for commercial space in the hotel" represents receipt from the co-developer based on actual construction by the company. Based on total booking of commercial space of 173712 sq. feet till 31.3.2014, the company, on completion of cold shell, will be entitled to get total amount of Rs. 10857.00 lacs from the co-developer.
- d. Due to cash flow constraint pending financial closure of the project, the company find it difficult to pay statutory liabilities. Other fees represents amount payable to Ministry of Corporate Affairs(MCA) being fees (including additional fees) payable for increase in authorised share capital became due in F.Y. 2010-2011 under section Section 97 of the Companies Act, 1956. As a consequence, the company could not file other requisite forms under Companies Act, 1956 like Return of allotment of shares (Section 75), annual return (Section 159), balance sheet and profit and loss account (Section 220) for the years ending 31.03.2011, 31.03.2012 & 31.03.2013.
- e. As a result of visit to the premises of the company by the service tax department, during the year the company had got itself registered under service tax provisions and has calculated & provided service tax liability on services provided. Additional liability if any, will be accounted on finalisation of cases by the department. The amount is recoverable from co-developer for onward collection from ultimate holders of commercial space. (Refer note- 9(a))



SILVER RESORT HOTEL INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Rs. In lacs)	
		As at 31.03.2014	As at 31.03.2013
6	LONG TERM LOANS AND ADVANCES (Unsecured, considered good) Capital Advances to Contractors	439.12	439.12
		<u>439.12</u>	<u>439.12</u>
7	CASH AND CASH EQUIVALENTS <u>Balances with banks</u> i) Current Accounts ii) Bank Balances held as - Fixed Deposit against Margin money Cash on hand	0.69 1.50 -	- 1.50 2.04
		<u>2.19</u>	<u>3.54</u>
8	SHORT TERM LOANS AND ADVANCES (i) Advances recoverable in cash or in kind or for value to be received (ii) Loans & advances to employees (iii) Income Tax (iv) Input of Service Tax (Refer Note 5(d))	665.60 - 0.01 546.13	60.87 0.06 0.01 -
		<u>1211.74</u>	<u>60.94</u>
	a. Advances recoverable include Rs. 500.00 lacs given as temporary advance for a short period & Rs.150.00 lacs as syndication charges for procuring loan for the construction of ongoing hotel project of the company. The company has initiated legal action for recovery of Rs.50.00 lacs out of 150.00 lacs after the party failed to arrange the loan. No provision, in this regard, is considered necessary as management is hopeful to recover the full amount.		
9	OTHER CURRENT ASSETS Interest accrued but not due Others	0.64 450.73	0.44 -
		<u>451.36</u>	<u>0.44</u>
	a. "Others" represents amount of service tax recoverable from the co-developer of Joint Development Agreement (JDA) which is equivalent to service tax liability(appearing under the head "Other Current Liabilities") to be collected by co-developer from the ultimate holders of the commercial space in the hotel.(Refer note - 4(e))		
10	CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) a) Contingent Liabilities Claim against the Company not acknowledged as debts b) Commitments on capital account Estimated amount of contracts remaining to be executed on capital account c) Other liabilities for which the company is contingently liable (i) On account of booking of commercial space in the hotel by co-developer (Refer Note 4(c)) (ii) Amount of post dated cheques given to the term lender of the holding company to meet shortfall, if any, of buy back of shares of the company guaranteed by the holding company.	 9119.42 21577.76 16348.36	 9066.63 22535.63 16348.36
		<u>47045.54</u>	<u>47950.62</u>
11	OTHER INCOME Interest income Miscellaneous Income	0.18 -	0.12 0.40
		<u>0.18</u>	<u>0.52</u>
12	OTHER EXPENSES Telephone Printing & Stationery Payment to auditors Sec & Roc Expense Misc. Expenses	1.39 0.11 6.74 - 7.49	1.64 0.06 5.62 0.12 11.14
		<u>15.73</u>	<u>18.58</u>



SILVER RESORT HOTEL INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2014

13 The plot for hotel project allotted in Aero City near Delhi International Airport by Delhi International Airport (P) Limited (DIAL) is on long lease basis for a period upto May 2,2036 extendable further up to May 2, 2066.

14 Future minimum lease/ license payments related to hotel plot (upto May 2, 2036)-

		(Rs.in Lacs)	
		Minimum lease/license payment	
		31.03.2014	31.03.2013
1	Not later than one year	1288.00	1220.86
2	Later than one year but not later later than five years	5900.50	5592.88
3	Later than five years	45811.82	47407.44

15 Payment to Auditors

		31.03.2014	31.03.2013
a.	Audit Fees	6.00	5.00
c.	Service Tax	0.74	0.62
	Total	6.74	5.62

16 Earning Per Share:-

		31.03.2014	31.03.2013
	Profit/(Loss) after tax (Rs. in Lacs)	(15.95)	(18.45)
	Weighted average number of equity shares outstanding	273510000	273510000
	Basic Earning/(loss) per share in rupees (face value Rs.10/- per share)	(0.01)	(0.01)

17 The Company could not find a suitable person to be appointed as company secretary as required to be appointed u/s 383A of the companies Act , 1956.

18 The Company could not find a suitable person to be appointed as managing director or whole time director or manager as required to be appointed u/s 269 of the companies Act , 1956.

19 Deferred Tax Liability/(Asset)

As required by Accounting Standard "Accounting for taxes on income" i.e. (AS-22) issued by the Institute of Chartered Accountants of India, deferred tax asset on losses during the year, is not recognized as a matter of prudence.

20 Related party disclosure as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a.	Related parties	Name
i.	Holding Company	Blue Coast Hotels Limited
ii.	Key management Personnel with which the company has transactions during the period	Nil
iii.	Relatives of Key Management personnel with which the company has transactions during the period	Nil
iv.	Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period	Blue Coast Infrastructure Development Pvt. Limited

b.	Transaction with Related parties	Nature of transaction	Rs in lacs.
i	Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period	JDA related transactions(Refer Note 4(b))	823.81



SILVER RESORT HOTEL INDIA PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2014

21 Others Significant Disclosures-

- a. In the opinion of the Board, non-current assets & current assets, except stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for depreciation and for all known liabilities is adequate and considered reasonable
- b. No Provision for current Income tax has been made in view of loss during the year.
- c. Figures have been given in lacs.
- d. Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.
- e. Balances with parties appearing under various heads are subject to confirmation.

