

# MOHINDER PURI & COMPANY

CHARTERED ACCOUNTANTS

1A-D VANDHNA  
11 TOLSTOY MARG  
NEW DELHI 116 001

PHONES :

+ 91 11 47102200 ( Tax & Advisory )  
+ 91 11 47103300 ( Audit & Assurance )  
+ 91 11 47102250 ( Consulting )  
E mail : mpco@mpco.in

FAX :

+ 91 11 23313908 ( Tax & Advisory )  
+ 91 11 23731220 ( Audit & Assurance )  
+ 91 11 47102290 ( Consulting )  
Home page : www.mpco.in

REPORT OF THE AUDITORS OF  
ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED  
TO  
S.S. KOTHARI MEHTA & COMPANY  
Chartered Accountants  
AUDITORS OF ASIAN HOTELS (WEST) LIMITED

We have audited the attached Balance Sheet of **ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED** as at **31st MARCH , 2014**, and the Statement Profit and Loss and also the Cash Flow Statement of the Company for the year then ended and other reconciliations and information (all collectively referred to as the Fit for consolidation (FFC) Accounts). These FFC Accounts are the responsibility of the company's management. Our responsibility is to express an opinion on these FFC Accounts based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the FFC Accounts are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the FFC Accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall FFC Accounts presentation. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, these FFC Accounts have been prepared, in all material respects, in conformity with accounting principles of **ASIAN HOTELS (WEST) LIMITED** and the instructions received from **ASIAN HOTELS (WEST) LIMITED** and are suitable for inclusion in the Financial Statements of **ASIAN HOTELS (WEST) LIMITED** prepared in accordance with the requirements of **Accounting Standard 21** 'Consolidated Financial Statements'.

We further state that there are no further matters that, in our judgment, need to be reported to you.



MOHINDER PURI & COMPANY

This report is intended solely for the use in connection with the audit of the Financial Statements of ASIAN HOTELS (WEST) LIMITED and should not be used for any other purpose.



For MOHINDER PURI & COMPANY  
Firm Registration Number: 000204N  
Chartered Accountants

*Vikas Vig*

VIKAS VIG

PARTNER

Membership Number: 16920

Place: NEW DELHI

Dated: 28th May, 2014

# MOHINDER PURI & COMPANY

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## INDEPENDENT AUDITOR'S REPORT

To the Members of ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March ,2014, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13 th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances , but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of Statement of Profit and Loss, of the loss for the year ended on that date.
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, comply with the Accounting Standards notified under the Companies Act, 1956, read with general circular 15/2013 dated 13 th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, in the opinion of the Company, no cess is due and payable by the Company.


Forming an Opinion and Reporting on Financial Statements

MOHINDER PURI & COMPANY

Chartered Accountants

Firm's Registration Number: 000204N



  
VIKAS VIG  
(PARTNER)

Membership Number: 16920

Place: New Delhi

Date: 28th May, 2014

**ANNEXURE REFERRED TO IN PARAGRAPH 1 ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS "FORMING PART OF INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARIA HOTELS AND CONSULTANCY SERVICES PRIVATE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014**

- 1a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- 1c) During the year, the Company has not disposed off a substantial part of the fixed assets. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the fixed assets, if any, has not affected the going concern status of the Company.
- 2a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 2b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 2c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of the inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- 3a) As informed to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- 3b) The following are the particulars of interest free loans taken by the Company, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

Sl.No.	Name of Party	Relationship with Company	Maximum Amount Involved during the year Rs.	Year end Balance Rs.
1	Asian Hotels (West )Ltd	Holding company	540,000,000	Nil
2.	Sushil Kumar Gupta	Chairman and Managing Director	27,500,000	27,500,000
3	Vinita Gupta	Relative of Director	12,500,000	12,500,000
4	M/s Chaman Lal S Gupta	Enterprise owned by Director/Relatives	15,000,000	15,000,000



- 3c) In our opinion the rate of interest and other terms and conditions on which above interest free loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are not, *prima facie*, prejudicial to the interest of the Company.
- 3d) There are no stipulations as to the repayment of principal in case of above referred interest free loans and in the absence of stipulation we cannot comment whether the parties have been regular in the repayment of principal.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems.
- 5a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 5b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed for the Company the maintenance of cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956 and hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 9a). According to the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it excepting labour welfare cess amounting to Rs 12,730,984 which is outstanding and yet to be deposited.
- 9b). According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears as at the balance sheet date for a period of more than six months from the date they became payable excepting Labour welfare cess of Rs 10,131,744 which is yet to be deposited.



- 9c). According to the records of the Company examined by us and according to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. In our opinion the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and in our opinion and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any dues to a financial institution, bank or debenture holders as at the Balance Sheet date.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions and hence the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. In our opinion, the term loans were applied for the purposes for which there were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report funds amounting to Rs 55,000,000/- raised on short term basis have been used for long-term investment.
18. As the Company made no preferential allotment of shares to any parties and the companies covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money by public issue the provisions relating to end use thereof as per clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

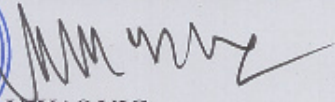




21. Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.



For MOHINDER PURI & COMPANY  
Firm Registration Number: 000204N  
Chartered Accountants

  
VIKAS VIG  
PARTNER  
Membership Number: 16920

Place: NEW DELHI  
Dated: 28 th May , 2014

ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED  
BALANCE SHEET AS AT 31st MARCH 2014

	Notes	As at 31st MARCH 2014 (Rupees)	As at 31st MARCH 2013 (Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
SHARE CAPITAL	3	1,08,74,07,680	94,24,07,680
RESERVES AND SURPLUS	4	1,13,23,11,939	1,01,36,48,514
<b>NON-CURRENT LIABILITIES</b>			
LONG TERM BORROWINGS	5	4,77,09,02,831	4,44,04,24,000
OTHER LONG TERM LIABILITIES	6	1,31,52,23,775	1,02,99,45,450
LONG TERM PROVISIONS	7	1,37,44,130	32,37,585
<b>CURRENT LIABILITIES</b>			
SHORT TERM BORROWINGS	8	11,93,55,234	
TRADE PAYABLES	9	7,16,47,365	73,35,799
OTHER CURRENT LIABILITIES	10	71,26,28,623	23,78,15,564
SHORT TERM PROVISIONS	7	13,95,596	4,69,879
<b>TOTAL</b>		<b>9,22,46,17,173</b>	<b>7,67,52,84,471</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
FIXED ASSETS	11		
TANGIBLE ASSETS		7,61,20,10,017	64,41,366
INTANGIBLE ASSETS		2,99,61,060	-
CAPITAL WORK-IN-PROGRESS		1,42,54,980	6,03,01,23,895
LONG TERM LOANS AND ADVANCES	12	1,29,82,93,571	1,51,11,11,251
OTHER NON-CURRENT ASSETS	13	3,38,832	1,45,322
<b>CURRENT ASSETS</b>			
INVENTORIES	14	9,21,72,777	5,98,42,821
TRADE RECEIVABLES	15	7,69,80,032	5,80,045
CASH AND BANK BALANCES	16	3,46,95,144	3,63,74,507
SHORT TERM LOANS AND ADVANCES	12	6,58,67,290	3,05,62,920
OTHER CURRENT ASSETS	13	43,470	1,02,344
<b>TOTAL</b>		<b>9,22,46,17,173</b>	<b>7,67,52,84,471</b>

CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES 1 & 2

Accompanying notes 1 to 35 are an integral part of the Financial Statements

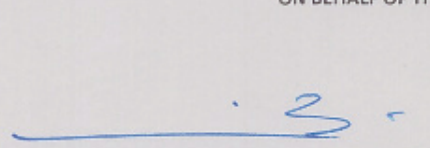
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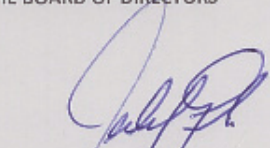
For MOHINDER PURI & COMPANY  
Firm Registration Number: 000204N  
Chartered Accountants

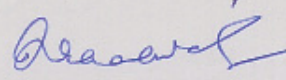


Place: NEW DELHI  
Dated: 28th May 2014

ON BEHALF OF THE BOARD OF DIRECTORS

  
(SUSHIL KUMAR GUPTA)  
Chairman and Managing Director  
DIN:00006165

  
(SANDEEP GUPTA)  
Director  
DIN:00057942

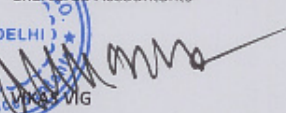
  
(RAKESH KUMAR AGGARWAL)  
Senior Vice President - Finance

ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

	Notes	For the year ended 31st March 2014	For the year ended 31st March 2013
		(Rupees)	(Rupees)
<b>INCOME</b>			
REVENUE FROM OPERATIONS	17	83,916,838	-
OTHER INCOME	18	2,485,256	1,101,954
		<b>86,402,094</b>	<b>1,101,954</b>
<b>EXPENDITURE</b>			
CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS	19	10,523,448	-
EMPLOYEE BENEFITS EXPENSES	20	45,512,497	46,202,001
FINANCE COST	21	56,698,853	-
ADMINISTRATIVE AND OTHER EXPENSES	22	123,158,962	38,946,736
DEPRECIATION/AMORTIZATION	11	21,844,909	1,485,526
		<b>257,738,669</b>	<b>86,634,263</b>
<b>LOSS BEFORE TAX</b>		<b>(171,336,575)</b>	<b>(85,532,309)</b>
<b>TAX EXPENSE</b>			
CURRENT TAX		-	-
EARLIER YEAR TAX WRITTEN BACK		-	-
DEFERRED TAX ASSET CREATED/(WRITTEN OFF)		-	(387,541)
<b>LOSS AFTER TAX</b>		<b>(171,336,575)</b>	<b>(85,919,850)</b>
<b>EARNING/(LOSS) PER SHARE</b>			
BASIC	23	(2.34)	(1.18)
DILUTED		(2.34)	(1.18)
<b>CORPORATE INFORMATION &amp; SIGNIFICANT ACCOUNTING POLICIES</b>	1 & 2		


Accompanying notes 1 to 35 are an Integral part of the Financial Statements


"As per our Report of even date"

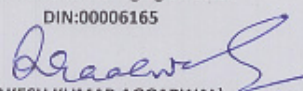
For MOHINDER PURI & COMPANY  
Firm Registration Number: 000204N  
Chartered Accountants  
  
Partner  
Membership Number: 16920

Place: NEW DELHI  
Dated: 28th May 2014

ON BEHALF OF THE BOARD OF DIRECTORS

  
(SUSHIL KUMAR GUPTA)  
Chairman and Managing Director  
DIN:00006165

  
(SANDEEP GUPTA)  
Director  
DIN:00057942

  
(RAKESH KUMAR AGGARWAL)  
Senior Vice President - Finance

ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	31st March 2014 (Rupees)	31st March 2013 (Rupees)
<b>A. Cash flow from operating activities</b>		
Net profit/(Loss) before tax but after exceptional / extraordinary items	(171,336,575)	(85,532,308)
Adjustments for non-cash items:		
Depreciation/Amortisation	21,844,909	1,485,526
Lease Equalisation Adjustment (net)	5,662,976	
Provision for Leave Encashment and Gratuity	3,086,781	
Loss on sale of fixed assets	221,975	
Interest Paid	56,698,853	
Interest Income	(460,310)	(1,098,563)
<b>Operating profit before working capital changes</b>	<b>(84,281,391)</b>	<b>(85,145,345)</b>
Adjustments for changes in working capital:		
(Increase)/decrease in Trade receivable	(76,399,987)	(580,045)
(Increase)/decrease in Long term loans and advances and other assets	32,220,678	(43,969,558)
(Increase)/decrease in Short term loans and advances and other assets	(35,304,900)	(12,368,202)
(Increase)/decrease in Inventories	(32,329,955)	(59,842,820)
Increase/(decrease) in Trade payables	64,311,566	7,335,799
Increase/(decrease) in other liabilities	143,670,688	21,089,016
<b>Cash generated from/(used in) operations</b>	<b>11,887,219</b>	<b>(172,901,156)</b>
Taxes (paid) / Refund received (net of withholding taxes TDS)	(6,993,202)	(20,841)
<b>Net cash from/(used in) operating activities</b>	<b>4,894,017</b>	<b>(172,921,997)</b>
<b>B. Cash flow from investing activities</b>		
Fixed Assets		
additions during the year	(7,359,646,581)	(6,047,727)
deductions during the year	200,000	
Capital work in progress		
deductions/(additions) during the year	6,569,791,446	(2,032,350,154)
(Increase)/decrease in Advance for capital goods	187,590,204	237,715,446
Investments in bank deposits (with original maturity over 12 months)	145,322	594,678
Investments in bank deposits (with original maturity over 3 - but less than 12 months)	833,014	(3,473,974)
Interest Received (Capitalised)		2,738,138
Interest Received (Revenue)	519,184	3,046,904
<b>Net cash from/(used in) investing activities</b>	<b>(600,567,411)</b>	<b>(1,799,778,689)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital (including shares premium and share application money)	435,000,000	
Proceeds from long-term borrowings	512,013,565	1,578,500,000
Repayment of long-term borrowings	(78,055,500)	
Loan taken	10,500,000	4,000,000
Loan repayment	(10,500,000)	(4,000,000)
Proceeds from Security Deposits	285,278,325	848,939,159
Interest paid (Revenue)	(4,080,803)	
Interest paid (Capitalised)	(555,328,542)	(472,943,568)
<b>Net cash from/(used in) financing activities</b>	<b>594,827,045</b>	<b>1,954,495,631</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(846,349)</b>	<b>(18,205,055)</b>
Cash & cash equivalents - opening balance	31,550,533	49,755,588
Cash & cash equivalents - closing balance	30,704,184	31,550,533
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(846,349)</b>	<b>(18,205,055)</b>

NOTES:

- The above cash flow statement has been prepared under the "indirect method" set out in the Accounting standard- 3 on Cash Flow Statements.
- Figures in bracket indicate cash outflow.
- Previous year figures have been regrouped and recast wherever necessary to conform to current year's classification.
- Cash and cash equivalents at the end of the year consist of cash on hand, cheques on hand and balance with banks as follows:

	31st March 2014 (Rupees)	31st March 2013 (Rupees)
Balances with banks		
- In current accounts	29,922,121	30,657,480
- In deposits with original maturity of less than 3 months	55,322	707,866
Cheques in hand		
Cash on hand	726,741	185,187
	<b>30,704,184</b>	<b>31,550,533</b>

\*As per our Report of even date\*



For MOHINDER PURI & COMPANY  
Firm Registration Number: 000204N  
Chartered Accountants

VIKAS VIG  
Partner  
Membership Number: 16920

Place: NEW DELHI  
Dated: 28th May 2014

ON BEHALF OF THE BOARD OF DIRECTORS

(SUSHIL KUMAR GUPTA)  
Chairman and Managing Director  
DIN:00006165

(SANDEEP GUPTA)  
Director  
DIN:00057942

(RAKESH KUMAR AGGARWAL)  
Senior Vice President - Finance

**ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST MARCH, 2014**

**1. Corporate Information**

Aria Hotels & Consultancy Services Private Limited (the Company) is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a subsidiary company of Asian Hotels (West) Limited, a public listed company registered in India.

The Company had made a bid to Delhi International Airport (P) Limited (DIAL) for the proposal of development of asset area 4 (Upscale and Mid-Market Hotel) at the Delhi International Airport site. The bid was awarded to the Company by issuing Letter of Award dated May 5, 2009 and thereafter Company entered into with DIAL, a Development Agreement dated 4th July, 2009. Under the said agreement the Company has the right to operate the hotel constructed on DIAL site till May 02, 2036 extendable up to May 02, 2066 ( in case DIAL's term under Operation, Maintenance and Development Agreement (OMDA) is extended for additional period of 30 years) for which the Company has to pay an annual License Fee as stipulated in the Agreement. In addition to above, the Company has also entered into an 'Infrastructure Development and Service Agreement' with DIAL on 4th July, 2009, for the use of infrastructure facilities and services being developed by DIAL.

During the year 2009-10, the Company has entered into an Operating Agreement with Marriott Hotels India Private Limited ("Operator") whereby the Operator would supervise, direct and control the management and operation of the Hotel.

The Hotel commenced its operations on 9<sup>th</sup> March 2013 on trial basis. After receipt of all the requisite licenses and lodging license for most of the rooms, the company has declared 1<sup>st</sup> March, 2014 as date of commencement of commercial operations for capitalization of its fixed assets.

**2. Significant accounting policies**

**a) Basis of preparation of financial statements**

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 read with general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**b). Basis of presentation and disclosures of financial statements**

The Company's accounts are presented and disclosed as per the Revised Schedule VI notified under the Companies Act 1956.



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**c). Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**d). Fixed assets and depreciation and Capital Work in progress**

(i) Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortization. Cost represents the direct expense incurred on acquisition/ construction of the asset and the relative share of indirect expenses related to construction allocated in proportion to direct cost involved. Cost also includes financing costs of borrowed funds attributable to acquisition or construction of fixed assets, upto the date the assets are put to use and is net of interest income earned on temporary investment of funds brought in for Project during construction. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, recognized.

(ii) Depreciation/ Amortization :

a) Tangible assets :

i) Depreciation has been charged on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 on pro rata basis from the month of purchase. If the asset is purchased on or before the 15<sup>th</sup> of the month, depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.

ii) Assets individually costing Rs.5,000 or less are depreciated fully in the year when such assets are put to use.

iii) Computer Software has been amortised over its estimated useful life at 16.21% per annum on pro rata basis from the month of purchase. If the software is purchased on or before the 15<sup>th</sup> of the month, it is amortized from the month of purchase, otherwise from month following the month of purchase.

b) Capital Work in progress:

Capital work in progress represents attributable cost of construction and other expenses including that on trial run and interest incurred during capitalization period accumulated therein and released for capitalization when the assets are ready and being put to use.



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**e). Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of discounted cash flows of next ten years projections estimated based on current prices, being investment in a project of long term nature

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

**f). Inventory**

- (i) Inventory is valued at cost or net realizable value, whichever is lower.
- (ii) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.
- (iii) Net realizable value is the estimated selling/ realizable value in normal course of business less cost of completing the sale.
- (iv) Cost is determined on weighted average basis.

**g). Lease**

**When the Company is the lessee**

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased item, are classified as operating leases. Operating lease payment are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**When the Company is the lessor**

Assets subject to operating lease are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage cost, etc. are recognized immediately in the Statement of Profit and Loss.

**h). Foreign Currency Transactions**

**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate.



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**Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

**i). Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) Revenue from rendering of hospitality services is recognized when the related services are performed.
- (ii) License fees from sub license rights is recognized on accrual basis over the period of space/ sub licensing agreement.
- (iii) Interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.

**j). Retirement benefits**

Retirement benefit costs for the period are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary and certain allowances. The contributions are charged to Profit and Loss Account of the year when the contribution to the respective fund is due.
- (ii) Provision for Employees' Gratuity is based on actuarial valuation as on the date of balance sheet. All actuarial gains/losses arising during the accounting year are recognised immediately in the Profit and Loss Account as income or expense.
- (iii) Accrual for leave encashment benefit is based on actuarial valuation as on the date of balance sheet in pursuance of the Company's leave rules.

**k). Income and Deferred Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.





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At each balance sheet date the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**l). Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**m). Earning per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the 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.

**n). Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a realizable estimate can be made. Provisions are not discounted to its present value and are determined based on best 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 best estimates.

**o). Contingent Liabilities**

Possible obligation, whose expense will only be confirmed by occurrence or non occurrence of one or more uncertain future events are disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

**p). Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow comprise cash/cheques on hand, cash in transit, cash at bank and deposits with banks with original maturity of less than three months.



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3. SHARE CAPITAL

Authorized	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
73,500,000 (Previous Year 75,000,000) Equity shares of Rs 10/- each	735,000,000	750,000,000
46,500,000 (Previous Year 25,000,000) Preference shares of Rs 10/- each	465,000,000	250,000,000

Particulars	As At	
	31st March 2014	31st March 2013
<b>Equity Shares of Rs 10/- each fully paid up</b>		
Number of shares in the beginning	75,000,000	75,000,000
Additions during the year	-	-
Reclassified during the year to Optionally Convertible Preference Shares (OCPS)	(1,500,000)	-
Number of shares at the end	73,500,000	75,000,000
<b>Preference Shares of Rs 10/- each fully paid up</b>		
Number of shares in the beginning	25,000,000	25,000,000
Additions during the year	20,000,000	-
Reclassifications during the year	1,500,000	-
Number of shares at the end	46,500,000	25,000,000

<b>Issued, subscribed and fully paid up</b>		
-73,071,538 Equity shares of Rs 10/- each fully paid up	730,715,380	730,715,380
-21,169,230 Compulsorily Convertible Preference Shares (CCPS) of Rs 10/- each fully paid up	211,692,300	211,692,300
(carrying non-cumulative dividend at the rate of 0.01% per annum or dividend declared on equity shares, whichever is higher.)		
-14,500,000 Optionally Convertible Preference Shares (OCPS) of Rs 10/- each fully paid up	145,000,000	-
(carrying dividend at zero coupon rate)		
	<b>1,087,407,680</b>	<b>942,407,680</b>



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a. The reconciliation of number of shares outstanding as at 31st March 2014 and 31st March 2013 is set out below:

Particulars	As At	
	31st March 2014	31st March 2013
<b>Equity Shares of Rs 10/- each fully paid up</b>		
Number of shares in the beginning	73,071,538	73,071,538
Add: Shares issued	-	-
<b>Number of shares at the end</b>	<b>73,071,538</b>	<b>73,071,538</b>
<b>Compulsorily Convertible Preference Shares (CCPS) of Rs 10/- each fully paid up</b>		
Number of shares in the beginning	21,169,230	21,169,230
Add: Shares issued	-	-
<b>Number of shares at the end</b>	<b>21,169,230</b>	<b>21,169,230</b>
<b>Optionally Convertible Preference Shares (OCPS) of Rs 10/- each fully paid up</b>		
Number of shares in the beginning	-	-
Add: Shares issued	14,500,000	-
<b>Number of shares at the end</b>	<b>14,500,000</b>	<b>-</b>

b. **Rights, preferences and restrictions attached to Shares**

**Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31st March 2014, the amount of per share dividend recognized as distribution to equity shareholders was Nil (Previous Year Nil).

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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Subject to the provisions of Investment Agreement, Statutory and other approvals, if any, Asian Hotels (West) Limited (AHWL) and the Company shall provide the Investors (I&IFS Group) the exit option after 31st March 2013 by way of merger of the Company with AHWL or sweep of Investors Securities (which are at 31st March 2014 13,463,538 Equity shares of Rs 10/- each, fully paid up and 17,307,692 Compulsorily Convertible Preference Shares (CCPS) of Rs 10/- each fully paid up) with Equity shares of AHWL or otherwise. However in case of exit through AHWL, the investors shall be entitled for not more than 14% (fourteen percent) of the issued and paid up equity share capital of AHWL, on a Fully Diluted Basis.

**Preference Shares**

The Company has two classes of preference shares i.e. Compulsorily Convertible Preference Shares (CCPS) of Rs. 10/- each and Optionally Convertible Preference Shares (OCPS) of Rs. 10/- each

The Compulsory Convertible Preference Shares (CCPS) represent 0.01% non-cumulative fully convertible shares of Rs 10/- each. They carry a non-cumulative dividend of 0.01% p.a. or dividend declared on equity shares whichever is higher. Each holder of CCPS is entitled to preferential dividend and preferential distribution on liquidation of the Company.

The OCPS shares carry no voting rights except for one vote per share only on resolutions placed before the Company which directly affect their rights. The Company shall convert, subject to the provisions of the Investment Agreement entered into with the investors, as based on the present estimates of the aggregate project cost, the CCPS into Equity shares of the Company in the ratio of 1:1 i.e. one Equity Share in lieu of one CCPS latest by 5 years from the date of issuance (viz 30th April 2011).



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The Optionally Convertible Preference Shares (OCPS) represent zero percent coupon rate optionally convertible shares of Rs. 10/- each.

The OCPS shares carry no voting rights. The OCPS shall rank pari-passu with the equity shares of the issuer in terms of Bonus and rights issue made during the tenure of such OCPS.

The Company shall also have an option to call back OCPS at the end of 5th year from the date of first allotment and every year thereafter, subject to the approval of IL&FS Group till their exit. If the issuer exercises the call option then the OCPS shall have to be redeemed at a premium including issue premium of Rs. 20/- per OCPS and additional redemption premium calculated @12% p.a. (from the date of infusion of funds from the Shareholders to the date of exercise of call option on total amount infused including the issue premium). If the issuer does not exercise the call option then the OCPS investor has a right to either redeem or convert its equity shares in the ratio of 1:1 (i.e. one Equity Share in lieu of one OCPS) at the end of 7 years from the date of allotment of OCPS i.e. 31st March 2014.

**c. Shares held by holding company or ultimate holding company including subsidiaries or associates of holding company or ultimate holding company, in aggregate:**

Equity Shares/Preference Shares	As at 31st March 2014		As at 31st March 2013	
	Number	Rupees	Number	Rupees
Holding company -Asian Hotels (West) Limited	59,610,000	596,100,000	59,610,000	596,100,000
Equity shares of Rs.10/- each fully paid*	3,861,538	38,615,380	3,861,538	38,615,380
Compulsory Convertible Preference Shares of Rs.10/- each fully paid up	14,500,000	1,45,000,000		
Optionally Convertible Preference Shares of Rs.10/- each fully paid up				
*Includes 10 Equity Shares which are held jointly with a nominee.				

**d. The details of shareholder holding more than 5% shares as at 31st March, 2014 and 31st March, 2013**

Name of shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% Shares	No. of Shares	% Shares
Equity shares of Rs.10 each fully paid up Holding company -Asian Hotels (West) Ltd	59,610,000	81.58	59,610,000	81.58
Associate Company -IRF India Realty XVI Limited, Mauritius (a company of IL&FS Group)	13,085,517	17.91	13,085,517	17.91
Compulsory Convertible Preference Shares of Rs.10 each fully paid up Holding company -Asian Hotels (West) Ltd	3,861,538	18.24	3,861,538	18.24
Associate Company -IRF India Realty XVI Limited, Mauritius (a company of IL&FS Group)	16,824,237	79.48	16,824,237	79.48
Optionally Convertible Preference Shares of Rs.10 each fully paid up Holding company -Asian Hotels (West) Ltd	14,500,000	100.00		

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



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	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
<b>4 RESERVES AND SURPLUS</b>		
<b>Securities premium account</b>		
Opening balance	1,107,692,320	1,107,692,320
Add: On issue of Optionally Convertible Preference shares	290,000,000	-
Closing Balance	1,397,692,320	1,107,692,320
<b>Surplus / (Deficit) in the statement of profit &amp; loss</b>		
Opening balance	(94,043,806)	(8,123,956)
Add: Net loss after tax transferred from statement of profit & loss	(171,336,575)	(85,919,850)
Less: Appropriations	(265,380,381)	(94,043,806)
Closing Balance	(265,380,381)	(94,043,806)
<b>Total Reserve and Surplus</b>	<b>1,132,311,939</b>	<b>1,013,648,514</b>
<b>5 LONG TERM BORROWINGS</b>		
<b>Term Loans from banks (Rupee loans)</b>		
-Allahabad Bank	499,415,462	500,000,000
-Andhra Bank	669,216,720	670,000,000
-Canara Bank	694,187,493	695,000,000
-Cooperation Bank	721,855,109	722,700,000
-Karnataka Bank	290,859,565	291,200,000
-Oriental Bank of Commerce	538,669,518	539,300,000
-Tourism Finance Corporation of India Limited	269,684,350	270,000,000
-Union Bank of India	914,764,614	890,300,000
Union Bank of India-Lease Rental Discounting Loan(LRD)	194,450,000	-
Union Bank Of India-Working Capital Loan	100,000,000	-
	<b>4,893,102,831</b>	<b>4,578,500,000</b>
Less: Current maturities of Long term debts disclosed under other current liabilities (refer note 10)	122,200,000	138,076,000
	<b>4,770,902,831</b>	<b>4,440,424,000</b>

-Term loans obtained from Consortium of banks with the Union Bank of India as lead bank amounting to 450.06 Crores restructured w.e.f 1st January 2014 (i.e. Cut off Date) carrying interest reset at Base Rate + (2.25% to 3.25%) i.e. 12.5% to 13.5% p.a. from the cut off date or such other date as may be notified, interest on restructured Term Loans is to be funded by Funded Interest Term Loan i.e. FITL amounting up to 51.25 Crores for 18 months from the Cut off date upto 30th June 2015. Term loans include funded interest amounting to Rs. 14.98 Crores upto 31st March 2014. Interest on restructured Term Loans are to be serviced as and when due.

-The restructured term loans are repayable in 52 structured unequal quarterly installments, as per the repayment schedule, the first installment is payable from 31st March 2016 and FITL is repayable in 28 structured unequal quarterly installments, as per the repayment schedule, the first instalment is payable from 30th September 2015.

-Secured Term Loans and FITL are secured by 1st pari passu charge on the under mentioned:

- A first mortgage and charge on all the Company's immovable properties pertaining to the Project, both present and future (save and except Project Site) subject to first pari-passu charge in favour of Union Bank of India for Lease Rental Discounting (LRD) loan as below and subject to the right being made available to the sub licensees as per the space Agreements entered into by the company with sub licensee for 45% of the total commercial area of the building on long term basis (Non cancellable tenure of > 15 years) as per approved business plan.
- A first charge on the movable fixed assets and pertaining to the Project, both present and future (save and except Current Assets);
- A second charge on all Current Assets, including but not limited to stock, receivables in respect of the Project, both present and future;
- A second charge over all bank accounts, excluding the Escrow Account, or any account in substitution thereof and any other accounts and all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto;
- A first charge over the Escrow Account, (or any account in substitution thereof), including without limitation, any other accounts and all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto;
- A first charge on all intangibles of the Company including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;
- An assignment by way of security:
  - of the right, title and interest of the Company in, to and under the Project Documents;
  - of the right, title and interest of the Company in, to and under all the contracts, the approvals and Insurance Contracts; and
  - of the right, title and interest of the Company in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
- assignment of all rights, titles, benefits arising out of the grant of license to the Company as per the Development Agreement between DIAL and the Company dated July 4, 2009
- Irrevocable and unconditional personal guarantee of Mr. Sushil Gupta, Chairman and Managing Director

-Lease Rental Discounting (LRD) Loan from Union Bank of India is secured by first pari-passu charge over fixed assets of the Company and priority charge over lease rentals receivables from three of its lessees secured by the loan, repayable in 108 monthly installments i.e. Rs. 0.185 crores every month, the first installment is payable from 31st January, 2014. The loan carried interest rate of 13.50% p.a. payable monthly.

-Working Capital Demand Loan is secured by first charge by way of hypothecation on current assets and second charge on the immovable property, repayable in 4 quarterly installments during financial year 2014-15, the first installment is payable from 30th June, 2014. The loan carried interest of 13.50% p.a. fixed upto 31st December 2013, reset w.e.f 1st January 2014 to 12.50% p.a. payable monthly.

The Company has not defaulted in repayment of principal/interest on loans in view of the restructuring approved by the Consortium of Banks.



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6 OTHER LONG TERM LIABILITIES	As at 31st March 2014 (Rupees)		As at 31st March 2013 (Rupees)	
	Security deposits received*	1,315,223,775		1,029,945,450
	<b>1,315,223,775</b>		<b>1,029,945,450</b>	
*Security deposit received represents interest free long term security deposit received against sub-licence agreements for commercial space in hotel premises.				
*Includes due to - Asian Hotels (West) Limited, the Holding Company				
	392,599,500		392,599,500	
7 PROVISIONS	LONG TERM		SHORT TERM	
	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
Provision for Employees' Benefits				
- Gratuity	3,702,489	1,163,372	18,493	7,456
- Leave Encashment	4,539,833	2,074,213	1,377,103	462,423
Others				
- Rent Equalisation Payable	6,001,808	-	-	-
	<b>13,744,130</b>	<b>3,237,585</b>	<b>1,395,596</b>	<b>469,879</b>
8 SHORT-TERM BORROWINGS	CURRENT			
	As at 31st March 2014 (Rupees)		As at 31st March 2013 (Rupees)	
Secured				
Cash Credit from Union Bank of India*	64,355,234			
Unsecured				
Loans and Advances from the related parties**	55,000,000			
	<b>119,355,234</b>		<b>-</b>	
*Secured by first charge by way of hypothecation on current assets and second charge on immovable property.				
**Includes due to				
- Director	27,500,000			
- Firm in which the director is a partner	15,000,000			
- Relatives of the Director	12,500,000			
9 TRADE PAYABLES	CURRENT			
	As at 31st March 2014 (Rupees)		As at 31st March 2013 (Rupees)	
Due to Micro and Small Enterprise (refer note 28)*				
Others**	71,647,365		7,335,799	
	<b>71,647,365</b>		<b>7,335,799</b>	
*To the extent information is available with the Company				
**Includes due to Asian Hotels (West) Limited, the Holding Company				
	2,475,255			
10 OTHER CURRENT LIABILITIES	CURRENT			
	As at 31st March 2014 (Rupees)		As at 31st March 2013 (Rupees)	
Current maturities of Long term debts (Refer Note 5)	122,200,000		138,076,000	
Share Application Money pending refund	41,865,306			
Payable for capital goods				
- retention money	122,552,087		48,154,599	
- Others	228,407,180		4,654,654	
Advance from customers	6,406,352		5,948,378	
Interest accrued but not due on loans	57,469,502		8,601,135	
Statutory dues	47,400,071		16,975,480	
Payable to employees	8,579,505		4,155,902	
Other Expense Payable	77,748,620		11,249,416	
	<b>712,628,623</b>		<b>237,815,564</b>	



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11 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION/AMMORTISATION			NET BLOCK			
	As at 1st April 2013	Additions during the year	Deductions / Adjustments during the year	As at 31st March 2014	Up to 31st March 2013	For the period	Deductions / Adjustments during the year	Up to 31st March 2014	As at 31st March 2014	As at 31st March 2013
<b>Tangible assets</b>										
Land-Freehold	378,000	1,030,500	-	1,408,500	-	-	-	-	1,408,500	378,000
Building	333,000	4,777,405,004	-	4,777,738,004	45,148	6,569,478	-	6,614,626	4,771,103,378	287,852
Plant & Equipment	489,815	1,869,350,295	-	1,869,840,130	75,797	7,995,204	-	8,071,001	1,961,769,109	414,018
Furniture & Fixtures	-	843,380,556	-	843,380,556	-	6,807,391	-	6,807,391	836,573,125	-
Vehicles	6,796,852	2,670,000	484,669	8,982,183	2,033,214	(410,860)	62,694	1,558,660	7,423,523	4,783,638
Computers	1,080,860	33,580,996	-	34,661,796	483,002	446,512	-	929,514	33,738,282	597,859
	9,078,527	7,627,417,251	484,669	7,636,011,149	2,637,161	21,426,665	62,694	24,001,132	7,612,010,017	6,441,366
<b>Intangible assets</b>										
Computer software	-	30,379,304	-	30,379,304	-	418,244	-	418,244	29,961,060	-
	-	30,379,304	-	30,379,304	-	418,244	-	418,244	29,961,060	-
<b>Total</b>	<b>9,078,527</b>	<b>7,637,796,595</b>	<b>484,669</b>	<b>7,666,390,453</b>	<b>2,637,161</b>	<b>21,844,909</b>	<b>62,694</b>	<b>24,419,376</b>	<b>7,641,971,077</b>	<b>6,441,366</b>
Previous Period	3,030,800	6,047,727	-	9,078,527	1,151,635	1,485,526	-	2,637,161	14,254,980	6,030,123,895
Capital work in progress**										
									7,656,226,057	6,036,565,261

\* Depreciation for the year is net off excess Depreciation earlier years written back amounting to Rs. 14,25,306/- pursuant to change in depreciation policy from written down value method to straight line method to align with the accounting policies adopted by Holding Company.

\*\*Capital Work-in Progress represents:

- Building under construction
- Furniture & Fixtures under erection
- Other Operating Equipment under installation
- Plumbing & Sanitation
- Air Conditioning under installation
- Electrification under installation
- Elevators under installation
- Laundry and Other Equipments under installation
- Expenditure during construction (refer note 11A)

As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
9,425,251	2,351,756,201
1,498,724	720,434,753
897,025	933,671,080
1,827,809	280,297,039
-	184,641,953
606,191	390,252,013
-	56,241,223
-	30,333,562
-	1,722,496,072
<b>14,254,980</b>	<b>6,030,123,895</b>



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11A All expenses specifically attributable to construction have been accounted for as expenditure during construction. The Company has incurred the following expenditure during construction.

	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
<b>Expenditure during Construction</b>		
- Salary & Wages	88,687,558	54,290,436
- Gratuity expense	1,269,312	936,856
- Company contribution to PF	2,066,335	2,047,482
- Staff welfare	1,455,717	870,803
- Contract Labour & Services	17,478,373	14,245,690
- Legal & Professional Charges (including loan processing and arranging fees)	140,787,754	133,501,143
- Licence Fees for Restaurant	8,191,000	-
- Rent	5,177,125	4,107,563
- Rates & Taxes	8,923,495	7,557,713
- Meeting & Conference	570,778	570,233
- Travelling Directors	2,901,796	1,409,029
- Travelling Others	10,689,683	9,501,180
- Advertisement for project staff recruitment Expenses	3,777	3,777
- Vehicle Upkeep	3,776,583	3,250,790
- Electricity Gas & Water Charges	72,664,816	30,610,690
- Communication expenses	933,011	629,303
- Insurance expenses	9,436,604	4,642,570
- Interest on Loans	1,456,875,294	907,416,761
- Less: Interest on Fixed Deposit	(9,706,674)	(9,706,674)
- Bank Guarantee and other charges	2,110,865	1,982,070
- Finance Charges	267,321	267,321
- Miscellaneous Expenses	4,161,671	3,399,945
- Equipment Hire Charges	7,281,295	4,973,883
- Freight and Carriage	2,076,533	1,985,564
- Licence Fees	354,047,623	279,385,468
- Technical/ Consultancy Fees	11,391,405	262,756,027
- Trial Run Costs (Refer Note 11B)	374,416,508	2,572,036
	<b>2,578,806,398</b>	<b>1,723,206,569</b>
<b>Less: Trial Run Revenue</b>		
- Room Revenue	135,666,404	-
- Wine & Liquor	36,350,756	-
- Food, Beverages and Smoke Communications	156,482,975	-
- Licence Fees	1,975,947	-
- Others	27,810,438	-
	33,104,313	710,487
	<b>391,400,883</b>	<b>710,487</b>
<b>Total</b>	<b>2,187,407,515</b>	<b>1,722,496,072</b>
<b>Less: Capitalized during the year</b>		
	-	<b>1,722,496,072</b>





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11B Trial Run Costs

	As at 31st March 2024 (Rupees)	As at 31st March 2013 (Rupees)
Trial Run Consumption	44,504,268	1,519,764
Food, Beverages and Smoke	12,288,531	-
-Wine & Liquor	136,793,350	-
Salary and wages	1,305,012	-
Gratuity	8,683,323	-
Contribution to Provident Fund and Other Funds	7,868,133	-
Staff welfare expenses	9,586,518	-
Linary, Room, Ckelling and other Supplies/Services	3,677,654	1,051,272
Operating Equipments and Supplies written off	3,791,201	-
Communication expenses	50,096,588	-
Power Fuel & Water Charges	5,265,733	-
Membership and Subscription	4,755,066	-
Printing & stationary	4,690,324	-
Rates and taxes	18,420,710	-
Travelling & Conivance Expenses	21,124,916	-
Contractual Services	13,268,511	-
Repair and Maintenance	3,014,657	-
Equipment Hire Charges	12,064,878	-
Technical Services	2,295,027	-
Bank Charges	1,801,088	-
Legal & Professional	1,048,259	-
Insurance	88,275	-
Rent	45,154	-
Vehicle Upkeep	5,526,827	-
Miscellaneous	2,120,386	-
Interest on Cash Credit Facility	-	-
	<b>374,846,908</b>	<b>2,577,036</b>



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12 LOANS AND ADVANCES (Unsecured, considered good)	NON-CURRENT		CURRENT	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Security deposits to DIAL#	1,27,42,26,052	1,27,42,26,052	-	-
Other security deposits*	1,17,68,880	48,59,880	5,33,100	83,40,500
Advance for capital goods	49,41,845	19,25,32,049	-	-
Advance to Suppliers	-	-	1,21,87,472	1,22,20,600
Advance income tax (net of provision for income tax)	79,56,794	3,63,592	-	-
Prepaid expenses	-	-	1,50,18,815	60,30,953
Other Advance to staff	-	-	2,06,152	4,44,793
Balance with Statutory Authorities	-	3,91,29,678	3,79,21,751	30,43,649
Other Advances recoverable in cash or kind	-	-	-	4,82,422
	<b>1,29,82,93,571</b>	<b>1,51,11,11,251</b>	<b>6,58,67,290</b>	<b>3,05,62,920</b>

# In terms of the Development Agreement with DIAL, to secure the payment of the annual Licence Fee and the performance of all other obligations under the Development Agreement, it was agreed to pay to DIAL an interest free Security Deposit refundable at the expiry of the term of the said Agreement unless extended.

\* Includes due from Edenperk Hotels Private Limited, an enterprise owned by director and their relatives

13 OTHER ASSETS	NON-CURRENT		CURRENT	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Interest accrued on fixed deposits	-	-	43,470	1,02,344
Rent Equalisation Receivable	3,38,832	-	-	-
Non Current Bank Balances (Note 16)	-	1,45,322	-	-
	<b>3,38,832</b>	<b>1,45,322</b>	<b>43,470</b>	<b>1,02,344</b>

14 INVENTORIES (valued at lower of cost and net realizable value) (As valued and certified by the management)	NON-CURRENT		CURRENT	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Wires & Liquor	-	-	2,51,41,825	-
Food Provisions, other Beverages and Smokes	-	-	67,38,569	6,41,518
Crockery, cutlery, silverware, linen etc	-	-	5,64,01,512	5,40,34,709
General stores and spares	-	-	38,90,871	51,66,594
	-	-	<b>9,21,72,777</b>	<b>5,98,42,821</b>

15 TRADE RECEIVABLES (Unsecured, considered good) Outstanding for a period exceeding six months from the due date*	NON-CURRENT		CURRENT	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Others*	-	-	1,05,61,279	-
	-	-	<b>6,64,18,753</b>	<b>5,80,045</b>
	-	-	<b>7,69,80,032</b>	<b>5,80,045</b>

\* Includes due from Asian Hotels(West) Limited, the Holding Company

16 CASH AND BANK BALANCES	NON-CURRENT		CURRENT	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Cash and cash equivalents	-	-	-	-
Balances with banks	-	-	-	-
- In current accounts	-	-	2,99,22,121	3,06,57,480
- Deposits with original maturity of less than 3 months*	-	-	55,322	7,07,866
Cheques in hand	-	-	-	-
Cash on hand	-	-	7,26,741	1,85,187
	-	-	<b>3,07,04,184</b>	<b>3,15,50,533</b>

Other Bank Balances

Deposits with original maturity of more than 12 months	-	1,45,322	-	-
Deposits with original maturity of more than 3 months but less than 12 months*	-	-	39,90,960	48,23,974
	-	<b>1,45,322</b>	<b>39,90,960</b>	<b>48,23,974</b>

\* Amount disclosed under Non current assets (Note 13)

	-	(1,45,322)	-	-
	-	-	<b>3,46,95,144</b>	<b>3,63,74,507</b>
Loans Under lien against bank guarantee issued to West/Deputy Commissioner of Customs	-	-	-	19,00,000
NEW BEERAPS Limited	-	-	39,00,960	-
Value added tax authorities	-	90,000	90,000	-



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	For the year ended 31st March 2014 (Rupees)	For the year ended 31st March 2013 (Rupees)
<b>17 REVENUE FROM OPERATIONS</b>		
<b>SALE OF SERVICES</b>		
Room Revenue	35,287,038	-
Wine & Liquor	6,727,866	-
Food, Other Beverages, Smokes & Banquets	29,553,713	-
Communications	53,512	-
License Fees	6,694,593	-
Others	5,600,116	-
	<b>83,916,838</b>	-
<b>18 OTHER INCOME</b>		
Interest Income		
-on Fixed Deposits	437,656	375,451
-Others	22,654	729,112
Foreign exchange differences (net)	2,024,946	3,391
	<b>2,485,256</b>	<b>1,101,954</b>
<b>19 CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES &amp; OTHERS</b>		
<b>WINES &amp; LIQUOR</b>		
Opening Stock	-	-
Add: Purchases	39,536,476	-
Consumption during the year*	39,536,476	-
Less: Closing Stock	25,141,825	-
	14,394,651	-
Less: Trial Run Consumption	12,288,531	-
	<b>2,106,120</b>	-
<b>FOOD, PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	641,518	-
Add: Purchases	57,498,883	2,161,282
	58,140,401	2,161,282
Less: Closing Stock	6,738,569	641,518
Consumption during the year*	51,401,832	1,519,764
Less: Trial Run Consumption	42,984,504	1,519,764
	<b>8,417,328</b>	-
<b>Total</b>	<b>10,523,448</b>	-
* Includes:		
Indigenous Consumption Current Year 82.22% (Previous Year Nil)	54,097,868	1,519,764
Imported Consumption Current Year 17.78% (Previous Year Nil)	11,698,615	-
<b>20 EMPLOYEE BENEFITS EXPENSES</b>		
Salary and wages	37,973,754	39,672,917
Contribution to Provident Fund and Other Funds	1,535,468	2,194,937
Gratuity	372,686	-
Leave Encashment	-	-
Staff welfare expenses*	1,814,875	4,334,147
Contract Labour & Services	3,815,714	-
	<b>45,512,497</b>	<b>46,202,001</b>
* Includes		
Cost of provisions consumed in Staff Cafeteria	858,813	-
Realisation on Sale of food coupons to staff	(144,497)	-
<b>21 FINANCE COST</b>		
Interest		
- Term Loan	56,015,351	-
- Cash Credit Facility	683,502	-
	<b>56,698,853</b>	-



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	For the year ended 31st March 2014 (Rupees)	For the year ended 31st March 2013 (Rupees)
<b>22 ADMINISTRATIVE AND OTHER EXPENSES</b>		
Linens, Room, Catering and other Supplies/Services	3,851,805	-
Operating Equipments and Supplies written off	1,332,633	768,969
Plants and Decorations	-	-
Commission Paid	7,107,854	-
Marketing & Sales Promotion	47,522,611	4,236,864
Communication expenses	979,294	1,090,313
Power Fuel & Water Charges(Net)	10,935,950	656,690
Director's sitting fees	305,802	272,000
Entertainment	59,541	157,669
Meetings and Conferences	261,554	-
Legal & Professional	19,205,260	15,158,634
Auditors' remuneration*	-	-
Audit Fees	450,000	450,000
Tax Audit Fees	100,000	100,000
Limited review	150,000	150,000
Membership and Subscription	1,003,686	972,421
Printing & stationary	889,621	810,430
Rates and taxes	2,575,485	-
Rent/License Fees	12,836,685	465,283
Recruitment	1,629,700	4,816,261
Travelling & Conveyance Expenses	2,606,889	4,331,101
Vehicle running & maintenance	198,479	75,073
Repair and Maintenance & Refurbishing**	3,132,051	296,805
Equipment Hire Charges	470,499	45,069
Insurance	495,608	183,164
Technical Services	2,457,841	3,211,721
Bank Charges	435,115	-
Charity and Donation	50,000	-
Loss on sale of fixed asset	221,975	-
Miscellaneous	1,893,024	698,269
	<b>123,158,962</b>	<b>38,946,736</b>
*Excluding service tax reimbursement on auditor's remuneration	86,520	86,520
**Includes:		
Repairs & Maintenance - Plant & Machinery	202,277	-
Repairs & Maintenance - Others	2,929,774	296,805
<b>23 EARNING PER SHARE (EPS)</b>		
Profit/(loss) after tax	(171,336,575)	(85,919,850)
Less : Dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	(171,336,575)	(85,919,850)
Add : dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of diluted EPS	(171,336,575)	(85,919,850)
Weighted average number of equity shares in calculating basic EPS	73,071,538	73,071,538
Effect of dilution:		
Compulsory Convertible preference shares	21,169,230	21,169,230
Optional Convertible preference shares	99,726	-
Weighted average number of equity shares in calculating diluted EPS	94,280,494	94,240,768
Earning/(loss) per share- Basic	(2.34)	(1.18)
Earning/(loss) per share-Diluted*	(2.34)	(1.18)

\* Effects of potential equity shares are anti-dilutive and hence not considered in computation of diluted EPS.



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24 CONTINGENT LIABILITIES AND COMMITMENTS

	31st March 2014 (Amount in Rs.)	31st March 2013 (Amount in Rs.)
<b>A CONTINGENT LIABILITIES</b>		
- Duty saved against export obligation *	276,426,000	302,888,261
- Property Tax Demand **	17,663,340	-
- Claims not acknowledged as debts ***	10,492,261	-
<p>* The Company had imported certain capital goods under the EPCG License obtained for imports. As against licensed imports, the Company has undertaken a future export obligation to earn additional foreign exchange which stands at Rs 22,134.94 lakhs as on 31st March 2014 (Previous Year: 24,231.06 lakhs).</p> <p>** Represents Property Tax demand raised by South Delhi Municipal Corporation for the period 2009-10 to 2013-14. The Company has challenged the said notice and has filed an appeal with the Hon'ble High Court of Delhi, Inter alia on grounds of the jurisdiction of the South Delhi Municipal Corporation and non provision of the Infrastructural services by the said authority. The Company is hopeful of obtaining a favourable order in this regard.</p> <p>*** Represents interest demand from Delhi International Airport Limited(DIAL) for the delayed payment of Licence Fees. No provision has been made in the books for the same as the Company is in the process of negotiating with DIAL for the waiver of interest and is hopeful of obtaining a favourable settlement.</p>		
<b>B COMMITMENTS</b>	<b>31st March 2014</b>	<b>31st March 2013</b>
	<i>(Amount in Rs.)</i>	<i>(Amount in Rs.)</i>
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	5,463,695	543,288,000
b. Undrawn Loan commitments to be taken by the Company:	886,331,681	25,700,000
c. Lease commitments		
<p>i) The Company has entered into a development agreement for the right to operate the hotel constructed on DIAL site till May 02, 2036 which is extendable up to May 02, 2066 ( in case DIAL's term under Operation, Maintenance and Development Agreement (OMDA) is extended for additional period of 30 years) for which the Company has to pay an annual License Fee as stipulated in the Agreement.</p> <p>Future Commitments in respect of minimum payments (License Fees) excluding govt. taxes payable in case of non cancellable development agreement entered into by the Company with Delhi International Airport Private Limited (DIAL):-</p>		
	<b>31st March 2014</b>	<b>31st March 2013</b>
	<i>(Amount in Rs.)</i>	<i>(Amount in Rs.)</i>
(ia) Not Later than one year	85,929,353	81,449,624
(ib) Later than one year and not later than five years	393,650,188	373,128,140
(ic) Later than five years	3,050,260,919	3,162,714,128
<p>ii) The Company has entered into sub licensing agreements for commercial spaces for both short term and long-term. Short term agreements are for the period of three years further renewable for two terms of three years at the option of the sub licensee and Long-term agreements are for the period of twenty four years further renewable for thirty years, at the option of sub licensee subject to the renewal of the DIAL Agreement</p> <p>Future Commitments in respect of minimum payments (Sub-License Fees) receivable in case of non cancellable agreement entered into by the Company with various parties:-</p>		
	<b>31st March 2014</b>	<b>31st March 2013</b>
	<i>(Amount in Rs.)</i>	<i>(Amount in Rs.)</i>
(iia) Not Later than one year	84,301,668	5,620,162
(iib) Later than one year and not later than five years	148,345,367	28,087,053
(iic) Later than five years	238,158,793	237,985,882
<b>25 VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>		
Food and Beverages through canalising agencies	33,488,612	-
Capital goods	16,371,140	649,227,886
Food and Beverages other than through canalising agencies	371,076	-
Crockery, Cutlery & Silverware	1,295,040	-



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	31st March 2014 (Amount in Rs.)	31st March 2013 (Amount in Rs.)
<b>26 EXPENDITURE IN FOREIGN CURRENCY (on payment basis)</b>		
Technical / Consultancy Service fees	23,088,906	14,908,527
Marketing & Sales Promotion Expenses	14,279,016	-
Computer Maintenance	5,923,640	-
Employee Benefits	3,079,400	-
Other Expenses	8,354,376	-
Reimbursement of Travelling and other expenses	3,399,119	14,611,083
<b>27 EARNINGS IN FOREIGN CURRENCY ( ON ACCRUAL BASIS)</b>		
Revenue from operations	125,091,292	-

**28 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**  
 As per the information available and explanations provided to us and certified by the management, there are no amounts due to any Micro, Small and Medium Enterprises which are outstanding for more than 45 days together with interest at the Balance sheet date as defined under the Micro, Small and Medium Enterprise Development Act, 2006.

**29 IMPAIRMENT**

The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on 'Impairment of Assets', since in the opinion of the management of the Company, the reduction in value of any asset, to the extent required, has already been provided for in the books.

30 a) No provision has been made for income tax in the absence of the taxable profits during the current year.  
 b) Deferred tax asset arising on unabsorbed/carry forward business losses has not been recognised in view of the fact that there is no virtual certainty supported by convincing evidence of the fact that there will be sufficient taxable income in the near future against which such deferred tax assets can be realised.

31 As the company is engaged in hotel business and other related services in the hotel complex, the disclosure requirements of Accounting Standard 17 on 'Segment Reporting' are not applicable.

**32 Un-hedged Foreign Currency exposure**

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Foreign Currency	(Rupees)	Foreign Currency	(Rupees)
Foreign Advance Receivables - USD	55,091	3,415,091	-	-
Foreign Currency Payables -USD	655,235	40,618,018	-	-
<b>Total</b>				



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33 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

a) Defined contribution plans

Provident fund

b) Defined benefit plans

-Contribution to Gratuity funds

-Compensated absences - Earned leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions:-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation

Discount Rate

The discounting rate is based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities. For the current valuation a discount rate of 8.00% p.a. (previous year 8.00%) compound, has been used in consultation with the employer

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarised in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	31st March 2014 (Rupees)	31st March 2013 (Rupees)	31st March 2014 (Rupees)	31st March 2013 (Rupees)
Discount rate(per annum)	8.00%	8.00%	8.00%	8.00%
Future salary increase	7.00%	7.00%	7.00%	7.00%
Expected rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
In service mortality	IALM(2006-08)	LIC(1994-96) ultimate	IALM(2006-08)	LIC(1994-96) ultimate
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates				
- Upto 30 years	3.00%	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%
<b>1. Expenses recognised in profit &amp; loss account and Capital Work in progress</b>				
Current service cost	2,243,427	643,429	4,246,543	1,838,379
Interest cost	93,666	40,206	202,931	54,160
Expected return on plan assets	-	-	-	-
Net actuarial(gain)/loss recognised in the year	(286,939)	(15,379)	(1,069,174)	(32,897)
<b>Total expenses</b>	<b>2,050,154</b>	<b>668,256</b>	<b>3,380,300</b>	<b>1,859,642</b>
<b>2. Net asset/(liability) recognised as at the end of the year</b>				
Present value of defined benefit obligation	3,220,982	1,170,828	5,916,936	2,536,636
Fair value of plan assets	-	-	-	-
Funded status (surplus/(deficit))	(3,220,982)	(1,170,828)	(5,916,936)	(2,536,636)
<b>Net asset/(liability) as at the end of the year</b>	<b>(3,220,982)</b>	<b>(1,170,828)</b>	<b>(5,916,936)</b>	<b>(2,536,636)</b>
<b>3. Change in the present value of obligation during the year</b>				
Present value of obligation as at the beginning of the year	1,170,828	502,572	2,536,636	676,994
Interest cost	93,666	40,206	202,931	54,160
Current service cost	2,243,427	643,429	4,246,543	1,838,379
Benefits paid	-	-	-	-
Actuarial (gains)/losses on obligation	(286,939)	(15,379)	(1,069,174)	(32,897)
<b>Present value of obligation as at the end of the year</b>	<b>3,220,982</b>	<b>1,170,828</b>	<b>5,916,936</b>	<b>2,536,636</b>



ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED  
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2014

34 RELATED PARTY DISCLOSURE

A. Names of related parties where control exists :

(i) Holding Company

Asian Hotels (West) Limited, the holding company

(ii) Key Management Personnel

Mr Sushil Gupta (Chairman and Managing Director)

B. Names of other related parties with whom transactions have taken place during the period :

(i) Associate companies :

IRF India Realty XVI Limited, Mauritius, the Associate Company (a company of IL&FS Group)

(ii) Enterprises owned by directors or their relatives

CLG Hotels and Resorts Private Limited

Edenpark Hotels Private Limited

Aria International Ltd.

Chaman Lal S Gupta

Aria Investment Holding Ltd, Mauritius

Export Trade Corporation, Hong Kong

(iii) Relatives of the Key Management Personnel

Winita Gupta, Wife of Mr Sushil Gupta

C. Summary of the transactions with related parties is as follows:

(Amount in Rs.)

Particulars	Holding company		Enterprises owned by directors with their relatives		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013	31st March 2014	31st March 2013	31st March 2014	31st March 2013
<b>Transactions</b>								
Purchase of Fixed assets (including capital work in progress)	-	617,018	2,670,000	144,256,737	-	-	-	-
Sale of Fixed Assets	-	-	200,000	-	-	-	-	-
Conversion of loan as Optionally Convertible Preference Shares (OCPS) (including premium)	435,000,000	-	-	-	-	-	-	-
Loans/ Advances received	540,000,000	25,000,000	15,000,000	-	27,500,000	-	12,500,000	-
Loans and Advances Repayment	105,000,000	4,000,000	-	-	-	-	-	-
Conversion of loan as security deposit	-	21,000,000	-	-	-	-	-	-
Share Application Money received (pending allotment)	-	-	88,196,093	-	-	-	-	-
Share Application Money Refunded	-	-	46,330,787	-	-	-	-	-
Security Deposit received for Commercial Space	-	371,599,500	-	-	-	-	-	-
Security Deposit paid	-	-	-	22,500	-	-	-	-
Rent Paid	-	-	1,326,565	2,788,061	-	-	-	-
Reimbursement of Taxes (Advance)	-	-	380,351	-	-	-	-	-
Car Hire Charges (including insurance)	2,517,390	-	-	-	-	-	-	-
Service Tax on Interest free refundable Security Deposit recoverable	5,459,745	-	-	-	-	-	-	-
Other expenses (paid)	-	-	5,896,611	5,823,900	-	-	-	-
<b>Balance outstanding</b>								
Payables	385,074,755	392,599,500	15,000,000	-	27,500,000	-	12,500,000	-
Receivables	5,450,745	-	-	247,500	-	-	-	-





D. Disclosure in respect of all related party transactions during the year is as follows:

Particulars	31st March 2014 (Amount in Rs.)	31st March 2013 (Amount in Rs.)
Purchase of Fixed assets (Including capital work in progress)		
- Edenpark Hotels Private Limited	2,670,000	1,590,025
- Export Trade Corporation, Hong Kong*	-	138,844,712
- Aria International Ltd.	-	3,822,000
- Asian Hotels (West) Limited	-	617,018
*Includes adjustment of advance for 2011-12 Rs 136,468,813		
Sale of Fixed Assets		
- Edenpark Hotels Private Limited	200,000	-
Conversion of Loan as Optionally Convertible Preference Shares (Including premium)		
- Asian Hotels (West) Limited	495,000,000	-
Unsecured Loans/ Advances received		
- Asian Hotels West Ltd.	540,000,000	25,000,000
- Sushil Kumar Gupta	27,500,000	-
- Vinita Gupta (Relative of KMP)	12,500,000	-
- Chaman Lal S Gupta	15,000,000	-
Unsecured Loans/ Advances Repayment		
- Asian Hotels West Ltd.	105,000,000	400,000
Conversion of loan as security deposit		
- Asian Hotels West Ltd.	-	21,000,000
Share Application Money Received pending allotment		
- Aria Investment Holding Ltd. Mauritius	88,195,093	-
Share Application Money Refunded		
- Aria Investment Holding Ltd. Mauritius	46,330,787	-
Security Deposit received for Commercial Space		
- Asian Hotels (West) Limited	-	371,599,500
Security Deposit paid		
- Edenpark Hotels Private Limited	-	22,500
Rent Paid		
- Edenpark Hotels Private Limited	1,326,565	2,788,061
Car Hire charges (Including Insurance charges)		
- Asian Hotels West Ltd.	2,517,390	-
Service Tax on Interest free refundable Security Deposit recoverable		
- Asian Hotels West Ltd.	5,459,745	-
Other expenses (paid)		
- Edenpark Hotels Private Limited	1,586,335	5,541,972
- Aria International Ltd.	4,312,276	281,928
Reimbursement of Taxes (Advance)		
- Aria International Ltd.	356,475	-
Outstanding Payables		
- Asian Hotels (West) Limited	2,475,255	-
- Asian Hotels (West) Limited - Security Deposit	392,599,500	392,599,500
- Sushil Kumar Gupta	27,500,000	-
- Vinita Gupta	12,500,000	-
- Chaman Lal S Gupta	15,000,000	-
Outstanding Receivables		
- Edenpark Hotels Private Limited	-	247,500
- Asian Hotels (West) Limited	5,459,745	-



ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED  
NOTES ANNEXED TO AND FORMING PART OF THE UNAUDITED REVIEWED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH, 2014

35 OTHER NOTES

a) Confirmation of debit & credit balances

Debit and credit balances of trade payables, creditors for capital goods, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.

b) Value of current assets loans and advances

As per the requirements of the revised Schedule VI, the Board of Directors have considered the values of all assets of the Company other than the fixed assets and have come to the conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the Balance Sheet.

c) The Company Secretary had resigned/relieved from 31st March 2014 and the Company is in the process of appointing another Company Secretary as per the provisions of the Companies Act, 2013.

d) Previous period figures have been regrouped wherever necessary to make them comparable.

Signature to note 1 to 35 of Financial Statements

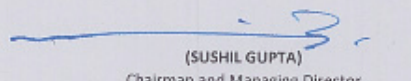
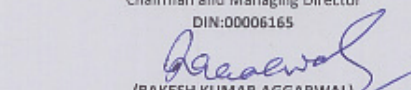


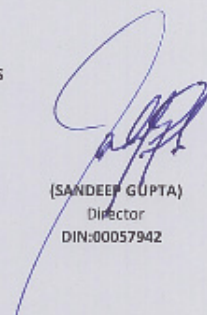
For MOHINDER PURI & COMPANY  
Chartered Accountants  
Firm Registration Number: 000204N

VIKAS VIG  
Partner  
Membership Number: 16920

Place: NEW DELHI  
Dated : 28th May 2014

ON BEHALF OF THE BOARD OF DIRECTORS

  
(SUSHIL GUPTA)  
Chairman and Managing Director  
DIN:00006165  
  
(RAKESH KUMAR AGGARWAL)  
Senior Vice President - Finance

  
(SANDEEP GUPTA)  
Director  
DIN:00057942