NIRMAN HOTELS PRIVATE LIMITED

Balance Sheet as at 31st March 2014

	Notes	31st March 2014	31st March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	24,755,500	24,755,500
Reserves and surplus	4	(788,189)	(801,737)
Non-Current liabilities			
Deferred Tax Liability			-
Long Term Borrowings	5	-	160,256
Current liabilities			
Other current liabilities	6	48,997,570	-
Trade payables		190,125	-
TOTAL		73,155,006	24,114,019
ASSETS			
Non-Current assets			
Fixed Assets	7	507,212	23,976,505
Current assets			
Inventories	8	65,303,795	-
Short-term Borrowing	9	6,572,150	-
Cash and bank balances	10	693,107	137,514
Other current assets	11	78,742	-
TOTAL		73,155,006	24,114,019

Notes to Financial statements
The Notes referred to above form an integral part of the financial statements. 1 to 13

As per our attached report of even date

For V.C. Shah & Co.
Chartered Accountants
Firm Registration No. 109818W

V.C.Shah
Partner
Membership No. 10360

Place: Mumbai
Date: 6th September, 2014

For and on behalf of the Board of Directors

Bhavesh Sheth
Director

Hardik Sheth
Director

NIRMAN HOTELS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2014

	31st March 2014	31st March 2013
3 Share Capital		
Authorised		
25,00,000 Equity Shares of ` 10 each	25,000,000	25,000,000
Issued, Subscribed and fully Paid up		
24,75,550 Equity Shares of ` 10 each	24,755,500	24,755,500
Total	**24,755,500**	**24,755,500**

	No of Shares 31st March 2014	No of Shares 31st March 2013	31st March 2014	31st March 2013
a Reconcilation of Number of Equity Shares				
Shares outstanding at the beginning of the year	2,475,550	2,475,550	24,755,500	247,555,000
Movement during the year	-	-	-	
Shares outstanding at the end of the year	2,475,550	2,475,550	24,755,500	247,555,000

b Rights, Preferences and restrictions attached to Shares

Equity Shares: The Company has only one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

	31st March 2014		31st March 2013	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity Shares				
Maulik Bhagat	-	-	841,971	34
Bhavya Bhagat	-	-	837,273	34
Reeta Bhagat	-	-	796,306	32
Bhavesh Sheth	1,224,273	49	-	-
Hardik Sheth	1,176,277	48	-	-

4 Reserves and Surplus

	31st March 2014	31st March 2013
A. Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	(801,737)	(1,550)
Add: Profit / (Loss) for the year transferred from Statement of Profit and Loss during the year	13,548	(800,187)
Balance as at the end of the year	**(788,189)**	**(801,737)**
Total	**(788,189)**	**(801,737)**

V. G. SHAH & CO. CHARTERED ACCOUNTANTS

NIRMAN HOTELS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2014

5 Long-term Borrowings	31st March 2014	31st March 2013
Loans & Advances from Related Party	-	30,256
Others	-	130,000
	-	160,256

	31st March 2014	31st March 2013
6 Other current liabilities		
V C Shah & Co	28,090	
Statutory Liabilities	5,538	-
Provision for Income Tax	7,000	
Advance from Customers	48,876,000	-
Others	80,942	-
Total	**48,997,570**	-
8 Inventories		
Opening Balance	-	-
Add: Movement during the year	65,303,795	-
Closing Balance	65,303,795	-
9 Short-term Borrowings		
From Related Parties	6,572,150	-
	6,572,150	-
10 Cash and bank balances		
Cash on Hand	382,308	50,890
Balances with Banks	310,799	86,624
Total	**693,107**	**137,514**
11 Other current assets		
Prepaid expenses	1,886	-
Service Tax Credit	64,801	-
TDS	2,055	-
VAT Deposit	10,000	-
Total	**78,742**	-

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

NIRMAN HOTELS PRIVATE LIMITED

Note 7
Fixed Assets

Sr. No.	Particulars of Assets	GROSS BLOCK [AT COST]				DEPRECIATION			NET BLOCK	
		Opening Bal.as on 01-04-13	Addition during the Year	Deduction during the year	Total as on 31.03.2014	Balance as on 01-04-13	For the Year	Total as on 31.03.2014	As on 31.03.2014	As on 31-03-13
	TANGIBLE ASSETS									
1	Computer	-	49,150	-	49,150	-	9,830	9,830	39,320	-
2	Furniture	-	514,450	-	514,450	-	46,558	46,558	467,892	-
3	Building (*)	23,976,505	-	23,976,505	-	-	-	-	-	23,976,505
	TOTAL	23,976,505	563,600	23,976,505	563,600	-	56,388	56,388	507,212	23,976,505

* The building is converted into stock in trade for development

V. C. SHAH & CO. * CHARTERED ACCOUNTANTS

Valuation of Inventory

Purchases	81,919
Land Revenue Charges	5,00,161
Labour Charges	9,000
Professional Fees	10,42,440
Site Office Exps.	9,98,900
Advertisment Exp.	5,14,625
Broucher Designing & Printing Exp.	3,55,500
Carting Exp.	1,578
Electricity Charges	23,491
Freight Inward	630
Legal Expenses	7,266
Sales Promotion Exp.	14,000
Security Charges	56,890
Travelling Exp.	28,315
Water	500
Salary A/c	2,20,641
Bank Charges	2,276
Computer Repairing & Maintanance Exps.	6,224
Conveyance Exps.	1,790
Depreciation	56,388
Donation Exps.	1,00,000
Interest on Service Tax	44
Interest on TDS	177
Office Expenses-1	27,568
Postage & Telegram Exps.	5,663
Printing & Stationery-1	30,240
Staff Welfare Exps.	4,253
Telephone Expenses	16,811
Land	3,72,20,000
Building	2,39,76,505
	6,53,03,795

V. C. SHAH & CO. * CHARTERED ACCOUNTANTS *

NIRMAN HOTELS PRIVATE LIMITED

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:-

Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under Companies (Accounting Standards) Rules,2006 and the relevant provisions of the Companies Act,1956, to the extent applicable.

Use of estimates

The preparation of financial statements is conformity with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Fixed assets and depreciation/ amortization

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the assets to its working condition for the intended use.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use at the balance sheet date are disclosed under capital work-in-progress.

Depreciation on tangible fixed assets, is provided using the written down value method at the rates specified under Schedule XIV to the

Companies Act, 1956. In respect of fixed assets purchased during the year, depreciation is provided on a prorate basis from the date on which assets is ready to be put to use.

Intangible fixed Assets.

Intangible fixed assets are stated at historical cost less accumulated amortization. Cost comprised purchase price, duties, levies and other directly attributable expenses of bringing the assets to its working condition for the intended use. Cost is amortized over its useful economic life based on expected benefit.

Impairment of assets

In accordance with Accounting Standard 28 on "Impairment of assets" the Company assesses at each balance sheet date, whether there is an indication that assets of the Company may be impaired. Where any such indication exist the company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the assets belongs) is estimated at higher of its net selling price and its value in use. An impairment charge is recognized whenever the carrying amount of the asset or cash-generating unit exceeds the receivable amount.

Taxation

Income tax expense comprises current tax expenses and deferred tax expense/credit.

Current Tax

Provision for current tax is calculated in accordance with the provisions of the Income-tax Act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions

Deferred Tax

Deferred tax liability or assets is recognized for timing differences between the profits/losses offered for income-taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty or realization of such assets. Deferred tax assets reviewed as at each balance sheet date and written down or written –up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Earning Per Share (EPS)

Basis EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

Contingencies and provisions

The company creates a provision when there is present obligation as a result of a past event that probably an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Inventories

Closing Stock of Work-in-Progress is valued at Cost.

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

2. **NOTES ON ACCOUNTS:-**

1. The Company was incorporated on 12th June, 2007.
2. Related Party Disclosures as per Annexure Attached.
3. Expenditure in Foreign Currency : NIL

   CIF Value of Imports : NIL

For V. C. Shah And C.
Chartered Accountants

Partner
MEMBERSHIP NO. - 10360

6 SEP 2014

V. C. SHAH & CO. CHARTERED ACCOUNTANTS

For & on behalf of the Board
NIRMAN HOTELS PRIVATE LIMITED

DIRECTOR

Nirman Hotels Private Limited

Notes to Accounts

Related Party Disclosures:

	Nature of relationship	Related Party
A.	<u>RELATED PARTIES WHERE CONTROL EXISTS:</u>	
(i)	Individuals having control over the company	Mr Bhavesh Sheth holding 49.45% of the equity share capital of the Company
(ii)	Individuals having control over the company	Mr Hardik Sheth holding 47.52% of the equity share capital of the Company
B.	<u>OTHER RELATED PARTIES:</u>	
(i)	Enterprise over which any person described above is able to exercise significant influence	Shanti Infracon Pvt Ltd
		Nanosphere Bio-Research Lab Pvt Ltd
		Fiza Builders Pvt Ltd
		Spaces Realtors Pvt Ltd
		Palash Finvest Pvt Ltd
		Hanesh Consultancy Services Pvt Ltd
		Admaryllis Construction Pvt Ltd
		Sheth Buildhome LLP
		S.C.Star
		Sheth & Chopra Developers
		Hardik Land Development Corporation
		Sheth Developers
C.	Key Management Personnel	Mr. Bhavesh Sheth - Director Mr Hardik Sheth - Director

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	Individual having control over the company	Enterprise over which the company has significant influence	Key Management Personnel	Total
<u>FINANCE</u>				
<u>Loans Taken</u>				
Bhavesh Sheth	2,368,925			2,368,925
Hardik Sheth	1,554,645			1,554,645
<u>Loans Given/Repaid</u>				
Bhavesh Sheth	5,400,000			5,400,000
Hardik Sheth	5,095,720			5,095,720
Sheth & Chopra Developers		2,000,000		2,000,000
<u>Interest on Loan</u>				
Sheth & Chopra Developers		20,548		20,548

V. C. SHAH & CO. * CHARTERED ACCOUNTANTS *