

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF NEWTOWN HOSPITALITY PRIVATE LIMITED****REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of **Newtown Hospitality Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2015, the statement of profit and loss and the cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

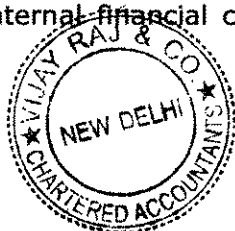
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial control relevant to the Company's preparation of the financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2015 and its loss and its 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, 2015 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and



f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) the Company has disclosed the impact of pending litigation on its financial position in its financial statements;
- (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Vijay Raj & Co.

Chartered Accountants

(Firm Registration No. 012900N)



Vijay Kumar Sharma

Proprietor

(Membership No. 092256)

Place : New Delhi

Dated : 23-May-2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015, we report that:

- (i) The Company does not have any fixed assets, therefore, paragraph 3(i) of the Order is not applicable.
- (ii) The Company does not have any inventories, therefore, paragraph 3(ii) of the Order is not applicable.
- (iii) As informed us, the Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), therefore, the paragraph 3(iii)(b) & (c) are not applicable.
- (iv) As informed us, the activities of the Company do not involve purchase fixed assets and inventory and sale of goods and services, therefore, the paragraph 3(iv) is not applicable.
- (v) The Company does not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company, therefore, the paragraph 3(vi) is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income-tax have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales tax, wealth tax, service tax, duty of customs, excise, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax **except income-tax liability of Rs. 482/- in respect of Assessment Year 2014-15** were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts, which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies



Act, 1956 (1 of 1956) and rules there under, therefore, paragraph 3(vii)(c) is not applicable.

- (viii) The Company has been registered for a period less than five year, therefore, paragraph 3(viii) is not applicable.
- (ix) The Company did not have any outstanding dues to financial institution, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Vijay Raj & Co.

Chartered Accountants

(Firm Registration No. 012900N)



Vijay Kumar Sharma

Proprietor

(Membership No. 092256)

Place : New Delhi

Dated : 23-May-2015



NEWTOWN HOSPITALITY PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

(Amount in Rs.)

	Note	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	(15,306,003)	(18,617)
Current liabilities			
(a) Short-term borrowings	5	153,178,274	-
(b) Other current liabilities	6	31,461	3,371
(c) Short-term provision	7	482	482
Total		138,004,214	85,236
II. ASSETS			
Non-current assets			
(a) Long-term loans and advances	8	161,349	57
Current assets			
(a) Cash and cash equivalents	9	4,842,865	85,179
(b) Short-term loans and advances	10	133,000,000	-
(c) Other current assets	11	-	-
Total		138,004,214	85,236
III. Notes forming part of the financial statement	1-24	-	-

As per our report attached

For Vijay Raj & Co.

Chartered Accountants

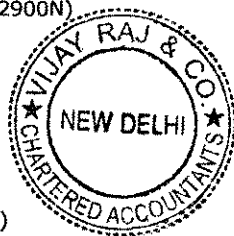
(Firm Registration No.: 012900N)

Vijay Kumar Sharma

Vijay Kumar Sharma

Proprietor

(Membership No.: 092256)



For Newtown Hospitality Private Limited

Shiv Kumar Jatia

Shiv Kumar Jatia

Director

DIN : 00006187

Deepak Gupta

Deepak Gupta

Director

DIN : 00087455

Place : New Delhi

Dated : 23-May-2015

NEWTOWN HOSPITALITY PRIVATE LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2015

		(Amount in Rs.)	
	Note	Year ended March 31, 2015	Year ended March 31, 2014
I. Other income	12	1,612,915	13,600
Total revenue		1,612,915	13,600
II. Expenses			
(a) Finance Costs	13	14,058,069	-
(b) Other expenses	14	2,842,232	5,221
(c) Preliminary & Pre-operative expenses written-off		-	27,280
Total expenses		16,900,301	32,501
III. Profit/(Loss) before tax		(15,287,386)	(18,901)
IV. Tax expenses			
(a) Current tax		-	482
V. Profit/(Loss) after tax for the year		(15,287,386)	(19,383)
VI. Earnings per equity share:- Basic and diluted (Rs.)	15	(1,528.74)	(1.94)
Weighted average number of equity shares (face value of Rs. 10 each)		10,000	10,000
VII. Notes forming part of the financial statement	1-24		

As per our report attached

For Vijay Raj & Co.

Chartered Accountants

(Firm Registration No.: 012900N)

Kumar

Vijay Kumar Sharma

Proprietor

(Membership No.: 092256)



For Newtown Hospitality Private Limited

Shiv Kumar *Deepak*

Shiv Kumar Jatia

Director

DIN : 00006187

Deepak Gupta

Director

DIN : 00087455


Place : New Delhi

Dated : 23-May-2015

NEWTOWN HOSPITALITY PVT LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH,2015

	Year ended March 31, 2015	(Amount in Rs.) Year ended March 31, 2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(15,287,386)	(18,901)
Adjustments for :-		
Depreciation		
Interest expense		-
Interest Income		-
(Profit)/Loss on sale of fixed assets		-
Provisions reversed during the year		-
Prior period expenses/(income) (net)		-
Provision for Gratuity		-
Operating profit before working capital changes	(15,287,386)	(18,901)
Adjustments for :-		
Decrease / (increase) in Other Current Assets	(133,000,000)	27,280
(Decrease) / increase in Current Liabilities	28,090	139
(Decrease) / increase in other Long term Liabilities		-
Decrease / (increase) in other non-current assets	(161,292)	(57)
Cash generated/(used) from operations	(148,420,588)	8,461
Prior period (expenses)/income (net)	-	-
Income Tax Paid		(482)
Net Cash flow from Operating Activities	(148,420,588)	7,979
B Cash flow from Investing activities		
Loans received back / (given) (net)		-
Purchase of fixed assets		-
Proceeds from Sale of fixed assets		-
Pre- Operative Expenditure		-
Interest received	-	-
Net Cash from Investing Activities	-	-
C Cash flow from Financing Activities		
Repayment of borrowings	-	-
Proceeds from borrowings	153,178,274	-
Finance cost	-	-
Net Cash from Financing Activities	153,178,274	-
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	4,757,686	7,979
Cash and cash equivalents - Opening	85,179	77,200
Cash and cash equivalents - Closing	4,842,865	85,179

For Vijay Raj & Co.
Chartered Accountants
(Firm Registration No.: 012900N)



Vijay Kumar Sharma
Proprietor
(Membership No.: 092256)



Place : New Delhi
Dated : 23-May-2015

For Newtown Hospitality Private Limited


Shiv Kumar Jatia
Director
DIN : 00006187


Deepak Gupta
Director
DIN : 00087455

NEWTOWN HOSPITALITY PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. Corporate Information

Newtown Hospitality Private Limited, ('the Company') is a Company domiciled in India and incorporated on 29th December, 2010 under the provisions of Companies Act, 1956. The company is primarily engaged in the business of hotelier, restaurant, cafe etc.

2. Significant Accounting Policies

2.1 Basis of preparation of financial statement

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

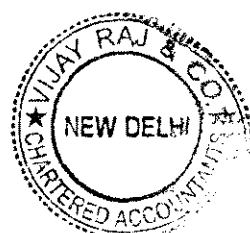
2.3 Revenue recognition

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.4 Income tax

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that efficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date.



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NEWTOWN HOSPITALITY PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

2.5 Provisions, contingent liabilities and contingent assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.6 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.7 Earnings per share

Basic earnings per share are 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.



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NEWTOWN HOSPITALITY PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Rs.)

As at
March 31, 2015 As at
March 31, 2014

3 Share capital

3.1 Authorised

50,000 (50,000) equity shares of Rs.10 each 500,000 500,000

Issued, subscribed and paid-up

10,000 (10,000) equity shares of Rs.10 each fully paid-up 100,000 100,000

3.2 Reconciliation of number of equity shares

	As at March 31,2015		As at March 31,2014	
	No. of share	Rs.	No. of share	Rs.
Opening Balance	10,000	100,000	10,000	100,000
Changes during the year	-	-	-	-
Closing Balance	10,000	100,000	10,000	100,000

3.3 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held.

3.4 Details of equity shares held by shareholder holding more than 5% of the aggregate shares in the Company

	As at March 31,2015		As at March 31,2014	
	No. of share	% Held	No. of share	% Held
(a) Asian Hotels (North) Ltd.	10,000	100.00%	10,000	100.00%

(Including one share held through nominee)

4 Reserves and surplus

4.1 Profit and loss account

Opening balance	(18,617)	766
Add: Profit/(loss) for the year	(15,287,386)	(19,383)
Closing balance	(15,306,003)	(18,617)

5 Short-term borrowings

(a) Secured Loans*

* Term loan availed from ING Vysya Bank, guarantee provided by Asian Hotel (North) Ltd.

153,178,274

6 Other current liabilities

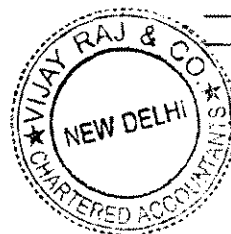
(a) Audit fee payable

31,461 3,371

7 Short-term provision

(a) Provision for income-tax

Opening balance	482	-
Add : Provision for the year	-	482
Less : Adjusted during the year	-	-
Closing balance	482	482



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NEWTOWN HOSPITALITY PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

8 Long-term loans and advances

(a) Income-tax recoverable	<u>161,349</u>	<u>57</u>
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9 Cash and cash equivalents

(a) Cash on hand	<u>36,529</u>	<u>85,179</u>
(b) Balance with banks in current accounts	<u>4,806,336</u>	<u>-</u>
	<u>4,842,865</u>	<u>85,179</u>

10 Short-term loans and advances

(a) Advance against development rights (Refer Note)	<u>133,000,000</u>	<u>-</u>
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11 Other current assets

(a) Pre Operative expenses		
Opening balance	-	5,280
Less: Written off	-	5,280
Closing balance	<u>-</u>	<u>-</u>
(b) Preliminary Expenses		
Opening balance	-	22,000
Less: Written off	-	22,000
Closing balance	<u>-</u>	<u>-</u>



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NEWTOWN HOSPITALITY PRIVATE LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	(Amount in Rs.)	
	Year ended March 31, 2015	Year ended March 31, 2014
12 Other income		
Interest received	<u>1,612,915</u>	<u>13,600</u>
13 Finance Costs		
Interest on loan	<u>14,037,552</u>	-
Bank charges	<u>20,518</u>	-
	<u>14,058,069</u>	-
14 Other expenses		
Auditor's remuneration	<u>28,090</u>	3,371
Filing fee	<u>1,502</u>	600
Loan processing fee	<u>2,809,000</u>	-
Miscellaneous	<u>3,640</u>	1,250
	<u>2,842,232</u>	<u>5,221</u>
15 Earnings per share		
Profit/(Loss) after tax for the year	<u>(15,287,386)</u>	(19,383)
Weighted average number of shares	<u>10,000</u>	10,000
Earnings per share basic and diluted (Rs.)	<u>(1,528.74)</u>	(1.94)
Face value per equity share (Rs.)	<u>10.00</u>	10.00



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NEWTOWN HOSPITALITY PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015

16. The Company follows Accounting Standard (AS-22) "Accounting for Taxes on Income", notified by Companies Accounting Standards Rules, 2006. Since the company has no timing differences between accounting and tax records which suggest accounting for deferred tax assets/liabilities, therefore the management has decided not to recognize deferred tax asset/liabilities on the ground of prudence.
17. During the year, the company has not employed any employee who is drawing salary Rs. 60,00,000/- or more per annum if employed throughout the year or Rs. 5,00,000/- per month or more if employed for part of the year.
18. Auditor's remuneration :

(Amount in Rs.)

Particulars	Year ended 31-Mar-2015	Year ended 31-Mar-2014
Audit fee	25,000	3,000
Service tax	3,090	371
Total	28,090	3,371

19. Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sl. No.	Name of the Related Party	Relationship
1)	Shiv Kumar Jatia	Key Managerial Personnel ('KMP')
2)	Deepak Gupta	
3)	Asian Hotels (North) Ltd.	Holding
4)	RSJ Developers Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence

- (ii) Transactions during the year with related parties :

Sl. No.	Nature of Transactions (Excluding Reimbursement)	KMP	Holding	Others	Total
1)	Loans and advances given / (Returned)	-	20,00,00,000 (6,70,00,000)	5,03,928 (5,03,928)	20,05,03,928 (6,75,03,928)
	Balance as on 31-Mar-2015				
1)	Loans and advances	-	13,30,00,000	-	13,30,00,000

20. As per the information available with the Company, none of the creditors fall under the definition of 'supplier' as per the Section 2(n) of 'The Micro, Small and Medium Enterprises Development Act, 2006'. In view of the above, the prescribed disclosures under Section 22 of the Act are not required to be made.



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21. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.
22. During the year, the Company had advanced Rs. 20,00,00,000/- (Year end balance Rs. 13,30,00,000/-) to its Holding Company M/s Asian Hotels (North) Ltd. towards acquisition of land for development of hotel. Development rights of such hotel have been given to the Company and parties further agreed that entire cost of implementation and development of the hotel will be borne by the Company.
23. Previous year's financial statements have been audited by M/s Sushil Sharma & Co., Chartered Accountants, Kolkata.
24. Previous year's figures have been recast/restated.

For Vijay Raj & Co.

Chartered Accountants

(Firm Registration No. 012900N)



Vijay Kumar Sharma

Proprietor

(Membership No.: 092256)

Place : New Delhi

Dated : 23-May-2015

