

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Aria Hotels And Consultancy Services Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Aria Hotels And Consultancy Services Private Limited, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information..

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 financial statements.

**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 of the state of affairs of the Company as at March 31, 2015, its profit/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 sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.



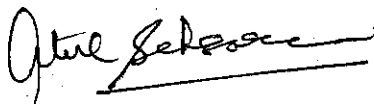
# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid 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;
- (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 litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E



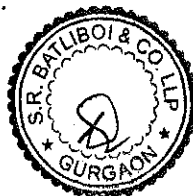
per Atul Seksaria  
Partner  
Membership Number: 86370  
Place: Delhi  
Date: 15/05/2015



**Annexure referred to in paragraph 1 of our report of even date**

Re: Aria Hotels And Consultancy Services Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed 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.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the Frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase 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 weakness in internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current financial year. However, in the immediately preceding financial year, the Company had incurred cash losses.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has delayed in repayment of dues to financial institutions and banks. As mentioned in Note 5 of accompanying financial statements, the term loans obtained from consortium of banks were restructured on June 16, 2014 with retrospective effect from January 1, 2014. Accordingly, non-repayment of principal installments of Rs. 34,661,500, which were due till June 16, 2014, was regularized by deferring the repayment till March 2016; and non-payment of interest installments of Rs. 129,159,308, which were due till June 16, 2014, was regularized by conversion into funded interest term loan and deferment of the payment till June 30, 2015. The Company did not have any outstanding dues in respect of debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per 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 year.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E



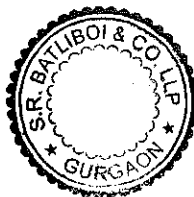
per Atul Seksaria  
Partner

Membership Number: 86370

Place of Signature: Delhi

Date:

15/05/2015



**Aria Hotels and Consultancy Services Private Limited**  
**Balance Sheet as at March 31, 2015**

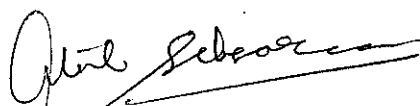
	Notes	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>Equity And Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,18,37,41,010	1,08,74,07,680
Reserves And Surplus	4	47,97,78,572	1,13,23,11,939
		<b>1,66,35,19,582</b>	<b>2,21,97,19,619</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	5,58,88,10,573	4,67,09,02,831
Other Long-Term Liabilities	6	1,34,23,11,335	1,31,52,23,775
Long-Term Provisions	7	57,92,529	1,37,44,130
		<b>6,93,69,14,437</b>	<b>5,99,98,70,736</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	5,51,20,606	21,93,55,234
Trade Payables	9	18,56,58,243	14,93,95,985
Other Current Liabilities	10	21,30,69,032	63,48,80,003
Short-Term Provisions	7	19,43,183	13,95,596
		<b>45,57,91,064</b>	<b>1,00,50,26,818</b>
<b>Total</b>		<b>9,05,62,25,083</b>	<b>9,22,46,17,173</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	7,34,22,97,247	7,61,20,10,017
Intangible Assets		2,66,78,717	2,99,61,060
Capital Work-In-Progress		23,38,028	1,42,54,980
Loans And Advances	12	1,30,10,96,852	1,29,86,32,403
		<b>8,67,24,10,844</b>	<b>8,95,48,58,460</b>
<b>Current Assets</b>			
Inventories	14	4,65,86,588	9,21,72,777
Trade Receivables	15	9,80,36,726	7,69,80,032
Cash And Bank Balances	16	18,00,38,355	3,46,95,144
Loans And Advances	12	5,83,75,743	6,58,67,290
Other Current Assets	13	7,76,827	43,470
		<b>38,38,14,239</b>	<b>26,97,58,713</b>
<b>Total</b>		<b>9,05,62,25,083</b>	<b>9,22,46,17,173</b>

Summary of significant accounting policies 2.1

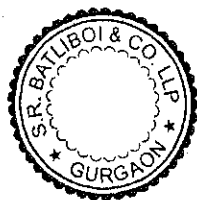
The accompanying notes are an integral part of the financial statements.

As per our report of even date

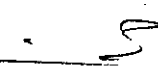
For S.R. Batliboi & Co. LLP  
 Firm Registration Number : 301003E  
 Chartered Accountants




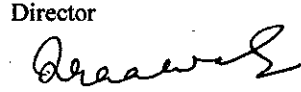
Per Atul Seksaria  
 Partner  
 Membership Number : 86370

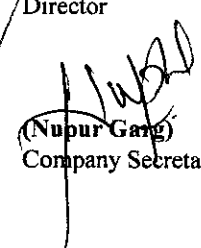


For and on behalf of the Board of Directors of  
 Aria Hotels and Consultancy Services Private Limited

  
 (Sushil Kumar Gupta)  
 Chairman and Managing  
 Director

  
 (Sandeep Gupta)  
 Director

  
 (Rakesh Kumar Aggarwal)  
 Chief Financial Officer

  
 (Nupur Gang)  
 Company Secretary

Place: Delhi  
 Date: 15/05/2015

Place:  
 Date:

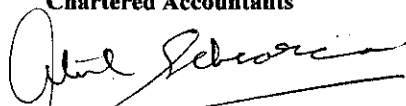
**Aria Hotels and Consultancy Services Private Limited**  
**Statement of Profit and Loss for the Year ended March 31, 2015**

	Notes	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>Income</b>			
Revenue from operations	17	1,40,09,78,997	8,39,16,838
Other income	18.1	86,11,166	20,24,946
<b>Total (A)</b>		<b>1,40,95,90,163</b>	<b>8,59,41,784</b>
<b>Expenses</b>			
Consumption of Provisions, food, beverages and others	19	19,46,61,110	1,05,23,448
Employee benefit expense	20	23,54,41,654	4,16,96,783
Other expenses	22	72,58,82,995	12,65,39,561
<b>Total (B)</b>		<b>1,15,59,85,759</b>	<b>17,87,59,792</b>
<b>Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (A-B)</b>		<b>25,36,04,404</b>	<b>(9,28,18,008)</b>
Depreciation and amortization expenses	23	36,64,40,146	2,18,44,909
Interest Income	18.2	(22,53,654)	(4,60,310)
Finance costs	21	73,45,38,619	5,71,33,968
<b>(Loss) for the year before Tax</b>		<b>(84,51,20,707)</b>	<b>(17,13,36,575)</b>
Tax Expense		-	-
<b>(Loss) for the year</b>		<b>(84,51,20,707)</b>	<b>(17,13,36,575)</b>
<b>Earning Per Equity Share</b>			
Basic EPS	25	(11.57)	(2.34)
Diluted EPS		(7.28)	(1.79)
Nominal Value of shares Rs. 10 (Previous year : Rs. 10)			
Summary of significant accounting policies	2.1		

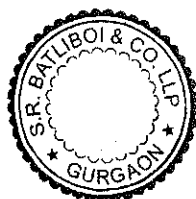
The accompanying notes are an integral part of the financial statements.

As per our report of even date:

For S.R. Batliboi & Co. LLP  
 Firm Registration Number : 301003E  
 Chartered Accountants

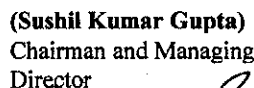


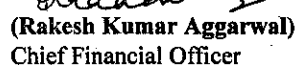
Per Atul Seksaria  
 Partner  
 Membership Number : 86370

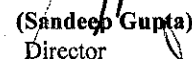


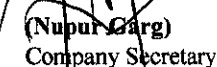
Place: Delhi  
 Date: 15/05/2015

For and on behalf of the Board of Directors of  
 Aria Hotels and Consultancy Services Private Limited

  
 (Sushil Kumar Gupta)  
 Chairman and Managing  
 Director

  
 (Rakesh Kumar Aggarwal)  
 Chief Financial Officer

  
 (Sandeep Gupta)  
 Director

  
 (Nupur Garg)  
 Company Secretary

Place:  
 Date:

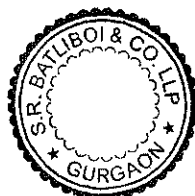
**Aria Hotels and Consultancy Services Private Limited**  
**Cash flow statement for the year ended 31st March 2015**

Particulars	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>Cash flow from operating activities</b>		
Net (Loss) before tax but after exceptional / extraordinary items	(84,51,20,707)	(17,13,36,575)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation/Amortization	36,64,40,146	2,18,44,909
Lease Equalisation Adjustment (net)	-	56,62,976
Provision for Leave Encashment and Gratuity	(14,02,206)	30,86,781
Loss on sale of fixed assets	3,66,612	2,21,975
Interest expense	73,45,38,619	5,66,98,853
Interest (income)	(48,37,344)	(4,60,310)
<b>Operating profit before working capital changes</b>	<b>24,99,85,120</b>	<b>(8,42,81,391)</b>
Movements in working capital :		
Increase/(decrease) in Trade payables	3,62,62,258	6,43,11,566
<b>Increase / (decrease) in provisions</b>		
Increase/(decrease) in other liabilities	(4,97,34,379)	14,36,70,688
Decrease/ (Increase) in Trade receivable	(2,10,56,694)	(7,63,99,987)
Decrease/ (Increase) in Long term loans and advances and other assets	(74,06,294)	3,22,20,678
Decrease/ (Increase) in Short term loans and advances and other assets	74,91,547	(3,53,04,380)
Decrease/ (Increase) in Inventories	4,55,86,189	(3,23,29,955)
<b>Cash generated from/(used in) operations</b>	<b>26,11,27,746</b>	<b>1,18,87,219</b>
Direct Taxes paid (net of refunds and withholding taxes)	-	(69,93,202)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>26,11,27,746</b>	<b>48,94,018</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(9,40,24,313)	(7,35,96,46,581)
Proceeds from sale of fixed assets	1,33,333	2,00,000
Capital work in progress deductions/(additions) during the year	1,19,16,952	6,56,97,91,446
(Increase)/decrease in Creditors for capital goods	(22,36,08,888)	-
(Increase)/decrease in Advance for capital goods	49,41,845	18,75,90,204
Investments in bank deposits (having original maturity of more than twelve months)	-	1,45,322
Investments in bank deposits (with original maturity of more than three months)	(4,40,99,040)	8,33,014
Interest Received (Capitalised)	-	-
Interest Received (Revenue)	41,03,987	5,19,184
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(34,06,36,124)</b>	<b>(60,05,67,411)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital (including		
Proceeds from issuance of share capital	28,90,00,000	43,50,00,000
Proceeds from long-term borrowings	82,09,07,742	51,20,13,565
Proceeds from short-term borrowings	(16,42,34,628)	-
Repayment of long-term borrowings	-	(7,80,55,500)
Other Unsecured Loan taken	-	1,05,00,000
Other Unsecured Loan repayment	-	(1,05,00,000)
Proceeds from Security Deposits	2,70,87,560	28,52,78,325
Interest paid (Revenue)	(79,20,08,125)	(40,80,803)
Interest paid (Capitalised)	-	(55,53,28,542)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>18,07,52,549</b>	<b>59,48,27,045</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>10,12,44,171</b>	<b>(8,46,348)</b>
Cash and cash equivalents at the beginning of the period	3,07,04,184	3,15,50,533
<b>Cash and cash equivalents at the end of the period</b>	<b>13,19,48,355</b>	<b>3,07,04,184</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	8,91,288	7,26,741
Cheques / drafts on hand	52,93,139	-
With banks- on current account	7,57,03,156	2,99,22,121
- in deposits with original maturity of less than 3 months	3,00,60,772	55,322
<b>Total cash and cash equivalents</b>	<b>13,19,48,355</b>	<b>3,07,04,184</b>

As per our report of even date

For S.R. Batliboi & Co. LLP  
 Firm Registration Number : 301003E  
 Chartered Accountants

Per Atul Seksaria  
 Partner  
 Membership Number : 86370



Place: Delhi  
 Date: 15/05/2015

For and on behalf of the Board of Directors of Aria  
 Hotels and Consultancy Services Private Limited

(Sushil Kumar Gupta)  
 Chairman and Managing  
 Director

(Rakesh Kumar Aggarwal)  
 Chief Financial Officer

(Sandeep Gupta)  
 Director

(Nupur Gang)  
 Company Secretary

Place:  
 Date:

**Aria Hotels & Consultancy Services Private Limited**  
**Notes to the financial statements for the year ended 31st March, 2015**

**1. Corporate information**

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

The company has entered into Development Agreement, dated July 4, 2009, with Delhi International Airport Private Limited for acquiring Development Rights by way of a license over the specified area at the Airport site for developing, designing, financing, constructing, owning, operating and maintaining an upscale and Luxury hotel property. The initial validity of this license is till May 2, 2036 further extendable upto May 2, 2066, in the event of DIAL's term under OMDA (Operation, Maintenance and Development Agreement) entered with Airport Authority is also extended. The Company has to pay an annual License Fee as stipulated in the Agreement. Also, the Company has 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. The Hotel has been in operation since March 1, 2014.

The Company has 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.

**2. Basis of Preparation**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below

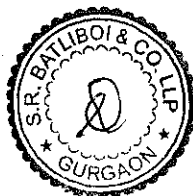
**2.1 Summary of Significant accounting policies**

**Change in accounting estimates - Depreciation on fixed assets**

Till the year ended 31<sup>st</sup> March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the changes related to depreciation of fixed assets as stipulated in Note no. 2.1(II)(a).

***Depreciation on assets costing less than `5,000/-***

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than `5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than `5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1<sup>st</sup> April 2014.





**Aria Hotels & Consultancy Services Private Limited**  
**Notes to the financial statements for the year ended 31st March, 2015**

The change in accounting for depreciation of assets costing less than `5,000/- did not have any material impact on financial statements of the company for the current year.

**Component accounting**

Component accounting is mandatory for financial years commencing on or after 1 April 2015. It is optional for financial years beginning 1 April 2014 and the company has not applied the same in the current year.

**I. Use of Estimates**

The preparation of financial statements 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 on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**II. Tangible and intangible fixed assets, depreciation and Capital Work in progress**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

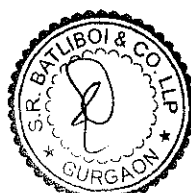
Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(i) Depreciation/Amortization :**

**a) Tangible assets:**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under Schedule II of the Companies Act 2013 except in case of Buildings which has been taken as 52 years based on the development agreement entered with DIAL. Assets purchased on or before the 15<sup>th</sup> of the month, it is depreciated from the month of purchase, otherwise from month following the month of purchase.

In the previous year ended 31<sup>st</sup> March 2014, the depreciation was provided in accordance with the Schedule XIV of the Companies Act, 1956. From the current year, it has been replaced by Schedule II to the Companies Act, 2013 and the depreciation/ amortisation have been provided accordingly. Due to this, depreciation and loss for the year have been higher by Rs. 134,290,417. Further based on the transitional provision, the carrying value of assets of Rs. 79,333 with no remaining useful life as on April 1, 2014 has been charged to opening balance of retained earnings as on that date.



**b) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets consist of Computer Software which has been amortized 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.

Intangible Asset	Useful lives estimated by the management (years)
Softwares	6

The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed six years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds six years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets are tested for impairment annually, either individually or at the cash-generating unit level.

**c) Borrowing cost**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

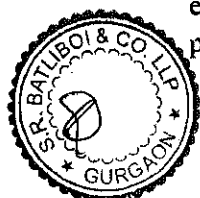
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**d) Impairment of Tangible and Intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the



**Aria Hotels & Consultancy Services Private Limited**  
**Notes to the financial statements for the year ended 31st March, 2015**

assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### **III. Inventory**

- (i) Stock of food and beverages, liquor/wine & smokes and other operating supplies are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.
- (ii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **IV. 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 in accordance with the terms of the contract every year.

#### **When the Company is the lessor**

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating lease are included in fixed assets. Lease income is recognized in the Statement of Profit and loss in accordance with terms of the contract every year. 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.

### **V. Foreign Currency Translation**

#### **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 retranslated using the exchange rate prevailing at the reporting date.

#### **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.

### **VI. 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. The Company collects VAT, Service Tax, Luxury Tax and other applicable taxes on behalf of the Government and therefore these are not economic benefits flowing to the company, hence these are excluded from revenue.



**Aria Hotels & Consultancy Services Private Limited**  
**Notes to the financial statements for the year ended 31stmarch, 2015**

- (i) Revenue from rendering of hospitality services i.e., room, banquet, food and beverages, liquor/ wine and smokes is recognized when the related services are rendered.
- (ii) License fees from sub license rights are recognized on accrual basis over the period of space/ sub licensing agreement.
- (iii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. It is included under the head "other income" in the statement of profit and loss

**VII. Retirement benefits**

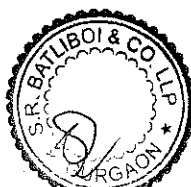
Retirement benefit costs for the period are determined on the following basis:

- (a) A retirement benefit in the form of Provident Fund (where contributed to the Regional PF Commissioner) is a defined contribution scheme and the contribution are charged to the statement of profit and loss of the year when the contribution to the fund are due. There are no other obligations other than the contribution payable to the respective authorities.
- (b) Gratuity is a defined benefit obligation. The cost of providing benefits under this obligation is determined on the basis of actuarial valuation at each year-end, which is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.
- (c) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**VIII. Income and Deferred Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.



**Aria Hotels & Consultancy Services Private Limited**  
**Notes to the financial statements for the year ended 31stmarch, 2015**

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### **IX. Earnings per share**

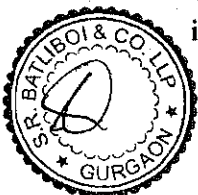
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

#### **X. Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the



**Aria Hotels & Consultancy Services Private Limited**  
**Notes to the financial statements for the year ended 31stmarch, 2015**

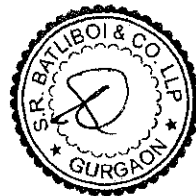
reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**XI. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**XII. Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**Aria Hotels and Consultancy Services Private Limited**  
**Notes To The Financial Statements For The Year Ended 31st March, 2015**

**3. SHARE CAPITAL**

**Authorised Shares (In Nos)**  
 73,500,000 (Previous Year 73,500,000) Equity shares of Rs 10/- each  
 46,500,000 (Previous Year 46,500,000 ) Preference shares of Rs 10/- each

**Issued, subscribed and fully paid up Shares (In Nos)**  
 -73,071,538 Equity shares (Previous Year 73,071,538 shares) of Rs 10/- each fully paid up  
 -21,169,230 Compulsorily Convertible Preference Shares (CCPS) (Previous Year 21,169,230 shares) of Rs 10/- each fully paid up

-24,133,333 Optionally Convertible Preference Shares (OCPS) (Previous Year 14,500,000) of Rs 10/- each fully paid up

**Total Issued, subscribed and fully paid up Shares**

	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
73,50,00,000	73,50,00,000	73,50,00,000
46,50,00,000	46,50,00,000	46,50,00,000
	73,07,15,380	73,07,15,380
	21,16,92,300	21,16,92,300
	24,13,33,330	14,50,00,000
	<b>1,18,37,41,010</b>	<b>1,08,74,07,680</b>

**a. The reconciliation of number of shares outstanding as at 31st March 2015 and 31st March 2014 is set out below:**

Particulars	As At	
	31st March 2015	31st March 2014
<b>Equity Shares of Rs 10/- each fully paid up</b>		
Number of shares in the beginning of the year	7,30,71,538	7,30,71,538
Add: Shares issued	7,30,71,538	7,30,71,538
Outstanding at the end of the year		
<b>Compulsorily Convertible Preference Shares (CCPS) of Rs 10/- each fully paid up</b>		
Number of shares in the beginning of the year	2,11,69,230	2,11,69,230
Add: Shares issued	2,11,69,230	2,11,69,230
Outstanding at the end of the year		
<b>Optionally Convertible Preference Shares (OCPS) of Rs 10/- each fully paid up</b>		
Number of shares in the beginning of the year	1,45,00,000	-
Add: Shares issued	96,33,333	1,45,00,000
Outstanding at the end of the year	<b>2,41,33,333</b>	<b>1,45,00,000</b>

**b. Terms / rights attached to 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.

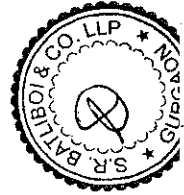
During the year ended 31st March 2015, the amount of per share dividend recognized as distribution to equity shareholders was Nil (Previous Period - Nil).

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.

The Company had entered into an investment agreement with investors (IL&FS Group), Asian Hotels (West) Limited (Holding company) and Promoters of the group dated June 17, 2010, wherein investors invested 13,461,538 equity shares of Rs.10 each @ Rs. 26 each and 17,307,692 compulsorily convertible preference shares of Rs. 10 each @ Rs. 26 each. The compulsorily convertible preference shares have a coupon rate of 0.01% p.a. and have term of 6 years from the date of issuance. Compulsorily convertible preference shares shall automatically be converted into equity shares in the ratio of 1:1.

Subject to the provisions of Investment Agreement, Statutory and other approvals, if any, the holding Company Asian Hotels (West) Limited (AHWL) and the Company shall provide the investors (IL&FS Group) the first exit option after 31st March 2013 by way of merger of the Company with AHWL or swap of investors' Securities (which at 31st March 2015 are 13,461,538 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, not exceeding 14 % of the issued and paid up equity share capital of AHWL, on a Fully Diluted Basis, which is under discussion with investor.

The Company is confident that it does not require any adjustment to the carrying value or classification of balances to the financial statements.



**c. Terms / rights attached to 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 and 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 CCPS 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 6 years from the date of issuance (viz 30th April 2011).

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 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 OCPS into Equity Shares of the Company in the ratio of 1:1 i.e. one Equity Share in lieu of one OCPS latest by 7 years from the date of issuance (viz 31st March 2014).

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 investors 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 shall also include redemption premium @12% p.a. (from the date of infusion of funds from the Shareholders to the date of exercise of call option and calculated on total amount infused including the issue premium). If the issuer does not exercise the call option then the date of option to either redeem or convert in to equity shares is at the end of 7 years from the date of allotment of OCPS.

The OCPS shares shall rank pari-pasu with the equity shares of the Issuer in terms of Bonus and rights issue made during the tenure of such OCPS.

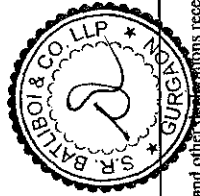
**d. Shares held by holding company / ultimate holding company and/or their subsidiaries / associates**

Equity Shares/Preference Shares	As at 31st March 2015	
	Number	Rspees
Holding company -Asian Hotels (West) Limited Equity shares of Rs 10/- each fully paid* Compulsory Convertible Preference Shares of Rs 10/- each fully paid up Optionally Convertible Preference Shares of Rs 10/- each fully paid up	5,96,10,000 38,61,538 2,41,33,333	59,61,00,000 3,86,15,380 24,13,33,330

\*includes 10 Equity Shares which are held jointly with a nominee.

**e. The details of shareholder holding more than 5% shares as at 31st March 2015 and 31st March, 2014**

Name of shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs 10 each fully paid up Holding company -Asian Hotels (West) Ltd	5,96,10,000	81.58	5,96,10,000	81.58
Investors -IRF India Realty XVI Limited, Mauritius (a company of II.&FS Group)	1,30,85,517	17.91	1,30,85,517	17.91
Compulsory Convertible Preference shares of Rs. 10 each fully paid up Holding company -Asian Hotels (West) Ltd	38,61,538	18.24	38,61,538	18.24
Investors -IRF India Realty XVI Limited, Mauritius (a company of II.&FS Group)	1,68,24,237	79.48	1,68,24,237	79.48
Optionally Convertible Preference shares of Rs 10 each fully paid up Holding company -Asian Hotels (West) Ltd	2,41,33,333	100.00	1,45,00,000.00	100.00



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



**Aria Hotels and Consultancy Services Private Limited**  
**Notes To The Financial Statements For The Year Ended 31st March, 2015**

	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
<b>4 Reserves And Surplus</b>		
<b>Securities premium account</b>		
Balance as per last financial statements	1,39,76,92,320	1,10,76,92,320
Add: On issue of Optionally Convertible Preference shares	19,26,66,670	29,00,00,000
<b>Closing Balance</b>	<b>1,59,03,58,990</b>	<b>1,39,76,92,320</b>
<b>Surplus / (Deficit) in the statement of profit and loss</b>	(26,53,80,378)	(9,40,43,806)
Opening balance	(79,333)	-
Add: Adjustment related to transition provision as per Sch II of Companies Act, 2013 (Refer note 2.1 (ii) (a))	(84,51,20,707)	(17,13,36,575)
Add: Net loss after tax transferred from statement of profit and loss	<b>(1,11,05,80,418)</b>	<b>(26,53,80,381)</b>
<b>Net deficit in the statement of profit and loss</b>	<b>47,97,78,572</b>	<b>1,13,23,11,939</b>

	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
<b>5 Long Term Borrowings</b>		
<b>Term Loans</b>		
Indian rupee loans from Banks (Secured Loans)		
-Allahabad Bank	60,00,09,427	49,94,15,462
-Andhra Bank	80,38,60,692	66,92,16,720
-Canara Bank	83,40,29,108	69,41,87,493
-Corporation Bank	86,73,54,456	72,18,55,109
-Karnataka Bank	34,93,80,807	29,08,59,565
-Oriental Bank of Commerce	64,73,83,002	53,86,69,518
-Union Bank of India	1,03,45,00,407	91,47,64,614
Union Bank of India-Lease Rental Discounting Loan(LRD)	17,22,50,000	19,44,50,000
Indian rupee loans from Financial Institutions (Secured Loans)		
-Tourism Finance Corporation of India Limited	30,52,42,674	26,96,84,350
	<b>5,61,40,10,573</b>	<b>4,79,31,02,831</b>
Less: Current maturities of Long term debts disclosed under other current liabilities (refer note 10)	2,52,00,000	12,22,00,000
<b>Net amount</b>	<b>5,58,88,10,573</b>	<b>4,67,09,02,831</b>

-Term loans originally obtained from above Consortium of banks (with the Union Bank of India as lead bank) amounting to 4,500,513,831 were restructured on June 16, 2014 with retrospective effect from 1st January 2014 (i.e. Cut off Date. Accordingly principal repayment of loan was deferred till March 2016 and interest on these loans were deferred till June 30, 2015 (i.e funded interest term loan -FITL). These term loan carry interest rate of 12.25% w.e.f January 27, 2015

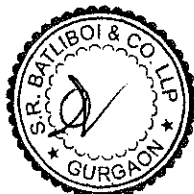
Original term loan	4,50,05,13,831
Add: Interest on above loan (ie FITL) till March 31, 2015	70,01,30,502
Add: Additional term loan availed during the year	24,11,16,240
Add: LRD loan outstanding	17,22,50,000
<b>Total outstanding</b>	<b>5,61,40,10,573</b>

-The 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 including FITL are secured by way of 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-pasu charge in favour of Union Bank of India for Lease Rental Discounting (LRD) loan as below and excluding charge on commercial space to be Sub Licensed on long term basis covering 45% of total commercial area being sub Licensed for a long period i.e. Non-cancellable tenure of > 15 years).
- 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 provided that first charge may be created in favour of working capital lender with respect to working capital facilities
- 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 receivable by the Company from three of its sub Licensee. LRD is repayable in 108 monthly installments i.e. Rs.1,850,000 every month, the first installment is payable from 31st January, 2014. The loan carries interest rate of 13.25% p.a. payable on monthly basis



Aria Hotels and Consultancy Services Private Limited  
Notes To The Financial Statements For The Year Ended 31st March, 2015

			March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>6 Other Long Term Liabilities</b>				
Security deposits received*			1,34,23,11,335	1,31,52,23,775
			<b>1,34,23,11,335</b>	<b>1,31,52,23,775</b>
*Security deposit received represents interest free refundable security deposit received against sub-license agreements for commercial space in hotel premises. -Includes due to Asian Hotels(West) Limited, the Holding Company			31,93,61,500	39,25,99,500
<b>7 Provisions</b>				
<b>Provision for Employees' Benefits</b>				
-Provision for Gratuity (Refer note 35)			5,66,080	18,493
-Provision for Leave Encashment (Refer note 35)			13,77,103	13,77,103
			<b>19,43,183</b>	<b>13,95,596</b>
<b>Others Provisions</b>				
			<b>60,01,808</b>	
			<b>57,92,529</b>	<b>13,95,596</b>
			<b>1,37,44,130</b>	<b>19,43,183</b>
			<b>19,43,183</b>	<b>13,95,596</b>
<b>8 Short-Term Borrowings</b>				
<b>Secured Borrowings</b>				
Cash Credit from banks*			5,19,45,138	6,43,55,234
Vehicle Loan**			31,75,468	-
Working Capital Loan from banks***			-	10,00,00,000
<b>Unsecured Borrowings</b>				
Loan and Advances from related parties #			-	5,50,00,000
			<b>5,51,20,606</b>	<b>21,93,55,234</b>
*Secured by first charge by way of hypothecation on current assets and second charge on immovable property. Cash Credit facility currently carries an interest rate of 12.25%				
**Loan obtained from Kotak Mahindra Prime Ltd. Repayable in 59 equated monthly installments of Rs. 69,148 beginning from March 1, 2015, and is secured against the vehicle purchased.				
*** Working Capital Demand Loan has been repaid during the year				
# Includes due to				
- Director			-	2,75,00,000
- Firm in which the director is a partner			-	1,50,00,000
- Relatives To Director			-	1,25,00,000
<b>9 Trade Payables</b>				
Due to Micro and Small Enterprise (refer note 29)			18,56,58,243	14,93,95,985
Others			-	-
			<b>18,56,58,243</b>	<b>14,93,95,985</b>
<b>10 Other Current Liabilities</b>				
Current maturities of Long term debts ( Refer Note 5)			2,52,00,000	12,22,00,000
Interest accrued but not due on loans			-	5,74,69,502
Interest accrued and due on loans			22,20,094	-
Share Application Money received			-	4,18,65,306
Advance from customers			3,21,22,060	64,06,352
Payable to employees			36,11,695	85,79,505
<b>Payable for capital goods</b>				
-Retention money			7,94,78,712	12,25,52,087
-Others			4,78,71,667	22,84,07,180
			<b>2,25,64,804</b>	<b>4,74,00,071</b>
Statutory dues			<b>21,30,69,032</b>	<b>63,48,80,003</b>



Aria Hotels and Consultancy Services Private Limited  
Notes To The Financial Statements For The Year Ended 31st March, 2015

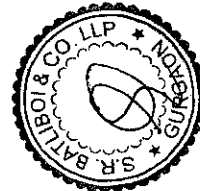
11 Fixed Assets

Particulars	Tangible Assets					Intangible Assets			Total	CWIP	
	Land	Buildings*	Furniture and fixtures	Plant and equipment	Electrical Installations and Equipments	Office equipment	Vehicles	Computers			Computer software
<b>Gross block</b>											
At March 31, 2013	3,78,000	3,33,000	84,33,80,556	1,11,78,02,766	71,75,98,421	4,89,815	67,96,852	10,80,860	-	90,78,527	6,03,01,23,895
Additions	10,30,500	4,77,74,05,004	84,33,80,556	1,11,78,02,766	71,75,98,421	13,39,49,108	26,70,000	3,35,80,936	3,03,79,304	7,65,77,96,595	6,01,58,68,915
Sales/Adjustment/Transfer										4,84,669	
At March 31, 2014	14,08,500	4,77,77,38,004	84,33,80,556	1,11,78,02,766	71,75,98,421	13,44,38,923	89,82,183	3,46,61,796	3,03,79,304	7,66,63,90,453	1,42,54,980
Additions	10,30,500	7,33,35,308	1,06,44,485	83,74,281	30,93,614	57,49,984	40,07,079	5,04,911	16,39,369	1,49,92,236	1,19,16,952
Sales/Adjustment/Transfer		89,30,839	5,16,879	6,84,381	41,22,429	81,724	6,17,018	20,379	18,587		
At March 31, 2015	24,39,000	4,84,21,42,473	85,35,08,162	1,12,54,92,666	71,65,69,607	14,01,07,183	1,23,72,244	3,51,46,328	3,20,20,086	7,75,97,97,750	23,38,028
<b>Depreciation</b>											
At March 31, 2013		45,148				75,797	20,33,214	4,83,002	-	26,37,161	
Charge for the year		65,89,478	68,07,331	45,11,362	45,11,362	5,88,874	(4,10,860)	4,45,512	4,18,244	2,18,44,909	
Sales/Adjustment/Transfer							62,694			62,694	
At March 31, 2014		66,34,626	68,07,331	45,11,362	45,11,362	6,64,671	15,59,660	9,28,514	4,18,244	2,44,19,376	
Charge for the year		8,79,54,018	10,05,22,845	7,09,80,215	6,81,67,053	2,65,08,478	10,68,564	63,95,181	49,23,125	36,65,19,479	
Sales/Adjustment/Transfer							1,17,073				
At March 31, 2015		9,45,88,644	10,73,30,176	7,54,91,577	7,10,62,022	2,71,73,149	25,11,151	73,23,695	53,41,369	39,08,21,784	
<b>Net Block</b>											
At March 31, 2014	14,08,500	4,77,11,03,378	83,65,73,225	1,11,32,91,404	71,47,03,453	13,37,74,252	74,22,823	3,37,33,282	2,99,61,060	7,64,19,71,077	1,42,54,980
At March 31, 2015	24,39,000	4,74,75,53,829	74,61,77,985	1,05,00,01,088	64,55,07,585	11,29,34,034	98,61,093	2,78,22,633	2,66,78,717	7,36,89,75,964	23,38,028

Capitalised Borrowing costs

The opening gross block as at 1st April 2014 includes borrowing & processing cost capitalised during the year ended 31st March 2014 for Rs 1,553,868,560. This borrowing cost was capitalised during the year ended March 31, 2014 and pertains till the date of project capitalisation i.e. March 01, 2014.

\* Building has been constructed on DIAL site as per development Agreement (Refer note 1)



Aria Hotels and Consultancy Services Private Limited  
Notes To The Financial Statements For The Year Ended 31st March, 2015

12 Loans And Advances (Unsecured, considered good)	Long term		Short term	
	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>Capital Advances</b>		49,41,845	34,73,274	-
<b>Security deposits</b>				
Security deposits to DIAL#	1,27,42,26,052	1,27,42,26,052	-	-
Other security deposits	1,17,67,380	1,17,68,880	7,25,700	5,33,100
<b>Advances Recoverable in Cash or in kind</b>				
Prepaid expenses	-	-	1,60,87,398	1,50,18,815
Advance to Suppliers	-	-	1,56,15,291	1,21,87,472
Balance with Revenue and Custom Authorities	-	-	7,07,923	3,79,21,751
Other Advances recoverable in cash or kind	-	3,38,832	1,55,92,965	-
<b>Other Advances</b>				
Advance income tax (net of provision for income tax)	1,51,03,420	73,56,794	-	-
Other Advance to staff	-	-	7,59,651	2,06,152
Value Added tax input credit recoverable	-	-	20,26,395	-
Service tax input credit recoverable	-	-	33,87,146	-
	<b>1,30,10,96,852</b>	<b>1,29,86,32,403</b>	<b>5,83,75,743</b>	<b>6,58,67,290</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.

13 Other Assets (Unsecured, considered good)	Long term		Short term	
	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Interest accrued on fixed deposits	-	-	7,76,827	43,470
	-	-	<b>7,76,827</b>	<b>43,470</b>

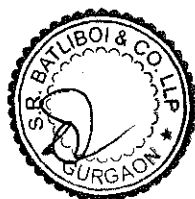
14 Inventories (Valued at lower of cost and net realizable value)	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
Food and Beverages	54,97,180	67,38,569
Liquor, wines and smokes	1,72,38,242	2,51,41,825
Stores and operating supplies	2,38,51,166	6,02,92,383
	<b>4,65,86,588</b>	<b>9,21,72,777</b>

15 Trade Receivables (Unsecured, considered good)	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
Outstanding for a period exceeding six months from the date they are due for payment	88,90,296	1,05,61,279
Others receivables*	8,91,46,430	6,64,18,753
	<b>9,80,36,726</b>	<b>7,69,80,032</b>

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

16 Cash and Bank Balances	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
<b>Cash and cash equivalents</b>		
Balances with banks	7,57,03,156	299,22,121
-In current accounts	5,00,60,772	55,322
-Deposits with original maturity of less than 3 months*	52,93,139	-
Cheques on hand	8,91,288	7,26,741
Cash on hand	<b>13,19,48,355</b>	<b>3,07,04,184</b>
<b>Other Bank Balances</b>		
Deposits with original maturity of more than 12 months	90,000	-
Deposits with original maturity of more than 3 months but less than 12 months*	4,80,00,000	39,90,960
	<b>4,80,90,000</b>	<b>39,90,960</b>
	<b>18,00,38,355</b>	<b>3,46,95,144</b>

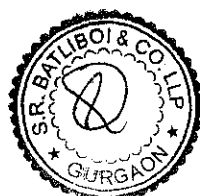
\*includes under lien against bank guarantee issued to  
- Indraprastha Gas Limited  
- Value added tax Authorities



90,000 39,90,960  
90,000 90,000

**Aria Hotels and Consultancy Services Private Limited**  
**Notes To The Financial Statements For The Year Ended 31st March, 2015**

	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>17 Revenue From Operations</b>		
<b>Sale of Products and Services</b>		
(a) Room Revenue	57,56,20,929	3,52,87,038
(b) Food and Beverages	49,80,41,892	2,95,53,713
(c) Liquor, wine and smokes	11,57,47,362	67,27,866
(d) Sub License Fees (including maintenance fee)	10,23,23,679	84,09,193
(e) Other operating revenue	10,92,45,135	39,39,028
	<u>1,40,09,78,997</u>	<u>8,39,16,838</u>
<b>18.1 Other Income</b>		
Others Miscellaneous Income	29,48,190	-
Foreign exchange differences (net)	-	20,24,946
Provision written back (refer note 24 c (i))	56,62,976	-
	<u>86,11,166</u>	<u>20,24,946</u>
<b>18.2 Interest Income</b>		
Interest income on		
Bank Deposits	18,89,154	4,37,656
others	3,64,500	22,654
	<u>22,53,654</u>	<u>4,60,310</u>
<b>19 Consumption of provisions, food, beverages and others</b>		
<b>(a) Consumption of food and beverages</b>		
Inventory at the beginning of the year	68,29,259	6,41,518
Add: Purchases	15,80,79,816	5,74,98,883
Less: Inventory at the end of the year	54,97,180	67,38,569
Less: Trial Run Consumption	-	(4,29,84,504)
Consumption during the year	<u>15,94,11,895</u>	<u>84,17,328</u>
<b>(b) Consumption of liquor, wines and smokes</b>		
Inventory at the beginning of the year	2,51,41,825	-
Add: Purchases	2,73,45,632	3,95,36,476
Less: Inventory at the end of the year	1,72,38,242	2,51,41,825
Less: Trial Run Consumption	-	(1,22,88,531)
Consumption during the year	<u>3,52,49,215</u>	<u>21,06,120</u>
<b>Total Consumption</b>	<u>19,46,61,110</u>	<u>1,05,23,448</u>
	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>20 Employee Benefits Expenses</b>		
Salary, wages and bonus	21,08,85,519	3,45,93,454
Contribution to Provident and Other Funds	1,20,66,622	15,35,468
Gratuity expense (Refer Note 34)	-	3,72,686
Leave Encashment (Refer Note 34)	19,03,538	33,80,300
Staff welfare expenses	1,05,85,975	18,14,875
	<u>23,54,41,654</u>	<u>4,16,96,783</u>



**Aria Hotels and Consultancy Services Private Limited**  
**Notes To The Financial Statements For The Year Ended 31st March, 2015**

	March 31, 2015	March 31, 2014
	(Rs.)	(Rs.)
<b>21 Finance Costs</b>		
Interest		
- on term loans	65,30,62,378	5,60,15,351
- on Cash Credit Facility	80,32,589	6,83,502
- Others	1,55,88,271	-
Bank Charges*	5,78,55,381	4,35,115
	<b>73,45,38,619</b>	<b>5,71,33,968</b>

\* Includes Finance Charges amounting to Rs. 42,989,450 for restructuring of term loans

<b>22 Other Expenses</b>		
Consumption of Linen, Crockery/Cutlery, and other Supplies/Services #	6,79,59,681	38,51,805
Consumption of stores and spares	1,01,23,464	13,32,633
Operating, Marketing and Royalty fee	6,92,29,283	24,57,841
License Fees	8,59,29,353	1,28,36,685
Travelling and conveyance	4,04,47,013	26,06,889
Communication expenses	89,27,335	9,79,294
Sales Commission	2,60,50,256	71,07,854
Advertising and sales promotion	5,59,78,275	4,75,22,611
Power and fuel	17,26,94,419	1,09,35,950
Plants and Decorations	94,43,923	-
Membership and Subscription	51,14,080	10,03,686
Printing and stationery	53,89,436	8,89,621
Contract Labour and Services	4,23,52,030	38,15,714
Equipment Hire Charges	53,58,381	4,70,499
Director's sitting fees	3,04,000	3,05,802
Legal and professional fees	3,15,13,986	1,92,05,260
Payment to Auditors*	16,51,510	7,00,000
Rates and taxes**	2,28,76,215	25,75,485
Recruitment and Relocation	35,11,624	16,29,700
Repairs and maintenance -Building	1,83,86,677	33,30,530
Repairs and maintenance -Plant and Machinery	3,15,30,980	-
Insurance	46,58,358	4,95,608
Loss on sale of fixed assets (net)	3,66,612	2,21,975
Foreign exchange differences (net)	13,26,560	-
Miscellaneous	47,59,544	22,64,119
	<b>72,58,82,995</b>	<b>12,65,39,561</b>

\* Payment to Auditors (Excluding service tax)

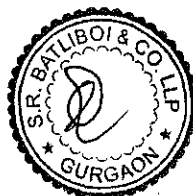
- Statutory Audit fee	11,00,000	4,50,000
- Tax Audit fee	1,00,000	1,00,000
- Limited review	4,00,000	1,50,000
- Reimbursement of Expenses	51,810	-

\*\* Amount of Rs 233,223/- is paid under protest to Employees Provident fund organisation based on demand notice for the year 2009 to 2012

# Includes Linen, Crockery/Cutlery in circulation of Rs 32,599,210

**23 Depreciation And Amortization Expense**

Depreciation of Tangible Assets	36,15,17,021	2,14,26,665
Amortisation of Intangible Assets	49,23,125	4,18,244
	<b>36,64,40,146</b>	<b>2,18,44,909</b>



24 Contingent Liabilities and Commitments

	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>A Contingent Liability</b>		
- Duty saved against export obligation *	25,78,79,358	27,64,26,000
- Property Tax Demand **	1,76,63,340	1,76,63,340
- Claims not acknowledged as debts ***		1,04,92,261
- Stamp Duty Matter ****		
* The Company had imported certain capital goods under the EPCG Licenses obtained for imports. As against licensed imports, the Company has undertaken a future export obligation to earn additional foreign exchange which stands at Rs 20,630 lakhs as on 31st March 2015 (Previous Year: 22,134.94 lakhs).		
** 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.		
***Represent interest demand from Delhi International Airport (P) Ltd (DIAL) paid during the year.		
****The Company has received a show cause notice under the Indian Stamp Act, 1899 stating that the stamp duty is payable on development agreement for the use of land given by Delhi International Airport (P) Ltd. (DIAL). However as per legal advice obtained by the company, there are reasonable chances that there will not be any liability on company on account of the above as the Development Agreement with DIAL is in the nature of License. The Company has filed a writ petition before the Hon'ble High Court of Delhi (HC) and the HC has granted ex-parte interim stay.		
<b>B Commitments</b>	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
a. Capital Commitment		54,63,695
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
b. Undrawn Loan commitments to be taken by the Company:	14,23,27,498	88,63,31,681
c. License fee commitments		
i) The company has entered into Development Agreement, dated July 4, 2009, with Delhi International Airport Private Limited for acquiring Development Rights by way of a license over the specified area at the Airport site for developing, designing, financing, constructing, owning, operating and maintaining an upscale and Luxury hotel property. The license being in nature of use of land, the creation of rent equalization payable is not considered necessary and thus no adjustment has been done during the current year. Rent equalization payable of Rs. 6,001,808 and Rent equalization receivable of Rs 338,832 made during last year has been written back/written off during the current year and net amount is shown under other income. Future Commitments in respect of minimum license fee payments excluding govt. taxes payable in case of non cancellable development agreement entered into by the Company with Delhi International Airport Private Limited (DIAL):-	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
(ia) Not Later than one year	9,06,55,467	8,59,29,353
(ib) Later than one year and not later than five years	41,53,00,948	39,36,50,188
(ic) Later than five years	2,94,39,56,501	3,05,02,60,919
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 Future Commitments in respect of minimum payments (Sub-License Fees) in case of non cancellable agreement entered into by the Company with various parties:-	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
(iia) Not Later than one year	3,45,16,202	8,43,01,668
(iib) Later than one year and not later than five years	4,97,30,813	14,83,45,367
(iic) Later than five years	21,59,30,719	23,81,58,793



**Aria Hotels and Consultancy Services Private Limited**  
**Notes To The Financial Statements For The Year Ended 31st March, 2015**

	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
<b>25 EARNING PER SHARE (EPS)</b>		
(loss) after tax	(84,51,20,707)	(17,13,36,575)
Less : Dividends on convertible preference shares and tax thereon	-	-
Net (loss) for calculation of basic EPS	<u>(84,51,20,707)</u>	<u>(17,13,36,575)</u>
Add : dividends on convertible Non cumulative 0.01% preference shares and tax thereon	-	-
Net (loss) for calculation of diluted EPS	<u>(84,51,20,707)</u>	<u>(17,13,36,575)</u>
Weighted average number of equity shares in calculating basic EPS	7,30,71,538	7,30,71,538
Impact of dilution on EPS:		
Weighted average number of potential equity shares (CCPS)	2,11,69,230	2,11,69,230
Weighted average number of potential equity shares (OCPS)	2,18,37,169	13,10,959
Weighted average number of equity shares in calculating diluted EPS	<u>11,60,77,937</u>	<u>9,55,51,727</u>
Earning/(loss) per share- Basic	(11.57)	(2.34)
Earning/(loss) per share-Diluted*	(7.28)	(1.79)

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





**Aria Hotels and Consultancy Services Private Limited**  
**Notes To The Financial Statements For The Year Ended 31st March, 2015**

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>26 Value of Imports Calculated on CIF basis</b>		
Food, Beverages and provision for other supplies	3,15,64,973	3,38,59,688
Capital goods	2,12,88,765	1,63,71,140
Crockery, Cutlery and Silverware		12,95,040
<b>27 Expenditure in foreign currency (on accrual basis)</b>		
Technical Consultancy and Marketing fees	14,61,42,702	6,25,43,006
Purchase of Capital Goods	1,31,84,219	3,61,99,469
<b>28 Earnings in Foreign currency (on accrual basis)</b>		
Revenue from operations	50,62,54,376	12,50,91,292
<b>29 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006</b>		
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.		

**30 Provision for Tax**

- a) No provision has been made for income tax in the absence of the taxable profits during the current year.  
b) In view of the fact that there is no virtual certainty supported by convincing evidence that there will be sufficient taxable income in the near future against which deferred tax assets arising on unabsorbed depreciation/carry forward business losses can be realised, deferred tax asset has been recognised only to the extent of deferred tax liabilities.

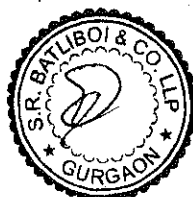
	<b>31-Mar-15</b>
	<b>Rs.</b>
<b>Deferred tax liability</b>	
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	15,46,88,745
<b>Gross deferred tax liability</b>	<b>15,46,88,745</b>
<b>Deferred tax asset</b>	
Unabsorbed depreciation as per tax return	15,27,85,207
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	19,03,538
<b>Gross deferred tax asset</b>	<b>15,46,88,745</b>

**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 Unhedged Foreign Currency exposure**

Particulars of unhedged foreign currency exposure as at the reporting date.

<b>Particulars</b>	<b>31st March, 2015</b>		<b>31st March, 2014</b>	
	<b>(USD)</b>	<b>(Indian Rupees)</b>	<b>(USD)</b>	<b>(Indian Rupees)</b>
Advance Receivables - USD	83,268	51,90,528	55,091	34,15,091
Currency Payables -USD (Rate of exchange being 62.34 per USD)	8,92,148	5,56,12,492	6,55,235	4,06,18,018



33 RELATED PARTY DISCLOSURE

A. Names of related parties where control exists :

(i) Holding Company  
Asian Hotels (West) Limited

(ii) Key Management Personnel  
Mr Sushil Gupta (Chairman and Managing Director)  
Mr Sandeep Gupta (Director)  
Mr Sudhir Gupta (Director)  
Mr Rakesh Kumar Aggarwal (Chief Financial Officer)  
Ms Nupur Garg (Company Secretary)  
Mr Kishore Verma (Company Secretary till 31st March 2014)

(iii) Investors (IL&FS Group)  
IIRF India Realty XVI Limited, Mauritius

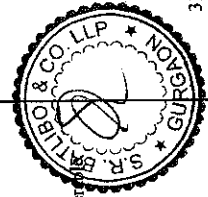
B. Names of other related parties with whom transactions have taken place during the period :

(i) 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

(ii) Relatives of the Key Management Personnel  
Vinita Gupta, Wife of Mr Sushil Gupta  
Sidharth Aggarwal, Son of Mr Rakesh Kumar Aggarwal

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

Particulars	Holding company		Enterprises owned by directors with their relatives		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Transactions</b>								
Purchase of Fixed assets (including capital work in progress)	-	-	-	26,70,000	-	-	-	-
Sale of Fixed Assets	-	-	-	2,00,000	-	-	-	-
Conversion of loan as Optionally Convertible Preference Shares (OCPS) (including premium)	28,90,00,000	43,50,00,000	-	-	-	-	-	-
Share Application Money received (shares allotted during the year)	-	54,00,00,000	1,50,00,000	1,50,00,000	2,75,00,000	2,75,00,000	1,25,00,000	1,25,00,000
Loans/ Advances received	-	10,50,00,000	-	8,81,96,093	-	-	-	-
Loans and Advances Repayment	-	-	4,18,65,306	4,63,30,787	-	-	-	-
Share Application Money received (pending allotment)	-	-	-	-	-	-	-	-
Share Application Money Refunded	-	-	-	-	-	-	-	-
Security Deposit received for Commercial Space (On Behalf of Micheal Susan Dell Foundation)	8,91,840	-	-	13,26,565	-	-	-	-
License Fees received	7,94,109	-	-	3,56,475	-	-	-	-
Rent paid	-	-	-	-	-	-	-	-
Reimbursement of Taxes (Advance)	48,54,967	25,17,390	-	-	-	-	-	-
Car Hire Charges (including insurance)	51,63,820	54,59,745	-	-	-	-	-	-
Service Tax on Interest free refundable Security Deposit received	-	-	67,61,174	58,96,611	52,58,930	38,52,617	3,61,530	75,000
Other expenses (paid)	-	-	-	-	-	-	-	-
Salary, wages and bonus	-	-	-	-	-	-	-	-
Legal and professional fees	-	-	-	-	-	-	-	-
Balance outstanding	31,93,61,500	39,50,74,755	-	1,50,00,000	2,75,00,000	2,75,00,000	1,25,00,000	1,25,00,000
Payables	-	54,59,745	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-



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

Particulars	31st March 2015 (Rs.)	31st March 2014 (Rs.)
Purchase of Fixed assets (including capital work in progress) - Edenpark Hotels Private Limited		26,70,000
Sale of Fixed Assets - Edenpark Hotels Private Limited	-	2,00,000
Conversion of Loan as Optionally Convertible Preference Shares (including premium) -Asian Hotels (West) Limited		43,50,00,000
Share Application Money received (shares allotted during the year) -Asian Hotels West Ltd.	28,90,00,000	-
Unsecured Loans/ Advances received -Asian Hotels West Ltd.	-	54,00,00,000
- Sushil Kumar Gupta	-	2,75,00,000
- Vinita Gupta	-	1,25,00,000
- Chaman Lal S Gupta	-	1,50,00,000
Unsecured Loans/ Advances Repayment -Asian Hotels West Ltd.	-	10,50,00,000
- Sushil Kumar Gupta	2,75,00,000	-
- Vinita Gupta	1,25,00,000	-
- Chaman Lal S Gupta	1,50,00,000	-
License fees received -Asian Hotels West Ltd.	7,94,109	-
Share Application Money Received pending allotment - Aria Investment Holding Ltd. Mauritius	-	8,81,96,093
Share Application Money Refunded - Aria Investment Holding Ltd. Mauritius	4,18,65,306	4,63,30,787
Security Deposit received for Commercial Space -Asian Hotels (West) Limited	8,91,840	-
Rent Paid - Edenpark Hotels Private Limited	-	13,26,565
Legal and professional fees - Sidharth Aggarwal	3,61,530	75,000
Car Hire charges(including insurance charges) -Asian Hotels West Ltd.	48,54,967	25,17,390
Service Tax on Interest free refundable Security Deposit recoverable -Asian Hotels West Ltd.	51,63,820	54,59,745
Other expenses (paid) - Edenpark Hotels Private Limited	-	15,84,335
-Aria International Ltd.	67,61,174	43,12,276
Salary, wages and bonus - Mr Rakesh Kumar Aggarwal	43,37,588	38,52,617
- Ms Nupur Garg	9,21,342	-
- Kishore Verma	-	7,75,049
Reimbursement of Taxes (Advance) -Aria International Ltd.	-	3,56,475
Outstanding Payables -Asian Hotels (West) Limited	-	24,75,255
- Asian Hotels (West) Limited - Security Deposit	31,93,61,500	39,25,99,500
- Sushil Kumar Gupta	-	2,75,00,000
-Vinita Gupta	-	1,25,00,000
- Chaman Lal S Gupta	-	1,50,00,000
Outstanding Receivables -Asian Hotels (West) Limited	-	54,59,745



**34 EMPLOYEE BENEFITS**

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

(a) Defined contribution plans  
- Provident fund

(b) Defined benefit obligations

- Obligation towards Gratuity

- Obligation for 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 7.75% p.a. (previous year 8.50%) 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 (Non funded)		Compensated Absences Earned Leave (Non funded)	
31st March 2015	31st March 2014	31st March 2015	31st March 2014
Discount rate(per annum)	7.75%	8.00%	7.75%
Future salary increase	5.50%	7.00%	5.50%
Expected rate of return on plan assets	0.00%	0.00%	0.00%
In service mortality	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)
Retirement age	60 years	58 years	60 years
Withdrawal rates			
- Upto 30 years	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%

**Statement of profit and loss**

**Expenses recognised in profit and loss account and Capital Work in progress**

Current service cost  
Interest cost  
Expected return on plan assets  
Net actuarial(gain)/loss recognised in the year

Gratuity (Non funded)		Compensated Absences Earned Leave (Non funded)	
31st March 2015	31st March 2014	31st March 2015	31st March 2014
(Rs)	(Rs)	(Rs)	(Rs)
17,15,661	22,43,427	28,50,984	42,46,543
2,73,783	93,666	5,02,940	2,02,931
-	-	-	-
(21,79,038)	(2,86,939)	(14,50,386)	(10,69,174)
<b>(1,89,594)</b>	<b>20,50,154</b>	<b>19,03,538</b>	<b>33,80,300</b>

**Total expenses**

**Balance sheet**

Net asset/(liability) recognised as at the beginning of the year  
Present value of defined benefit obligation  
Fair value of plan assets  
Funded status [surplus/(deficit)]

Gratuity (Non funded)		Compensated Absences Earned Leave (Non funded)	
31st March 2015	31st March 2014	31st March 2015	31st March 2014
(Rs)	(Rs)	(Rs)	(Rs)
30,31,388	32,20,982	47,04,324	59,16,936
(30,31,388)	(32,20,982)	(47,04,324)	(59,16,936)
<b>(30,31,388)</b>	<b>(32,20,982)</b>	<b>(47,04,324)</b>	<b>(59,16,936)</b>

**Net asset/(liability) as at the end of the year**

**Change in the present value of defined benefit obligation are as follows**

Present value of obligation as at the beginning of the year  
Interest cost  
Current service cost  
Benefits paid  
Actuarial (gains)/losses on obligation

Gratuity (Non funded)		Compensated Absences Earned Leave (Non funded)	
31st March 2015	31st March 2014	31st March 2015	31st March 2014
(Rs)	(Rs)	(Rs)	(Rs)
32,20,984	11,70,828	59,16,936	25,36,636
2,73,783	93,666	5,02,940	2,02,931
17,15,661	22,43,427	28,50,984	42,46,543
-	-	(31,16,150)	-
(21,79,038)	(2,86,939)	(14,50,386)	(10,69,174)
<b>30,31,390</b>	<b>32,20,982</b>	<b>47,04,324</b>	<b>59,16,936</b>

**Present value of obligation as at the end of the year**

**Gratuity**

Amounts for the current and previous four periods are as follows:

Present value of defined benefit obligation  
Fair value of plan assets  
Funded status [surplus/(deficit)]

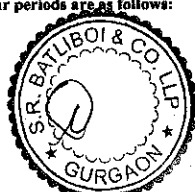
31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
30,31,388	32,20,982	11,70,828	5,25,572	2,26,256
(30,31,388)	(32,20,982)	(11,70,828)	(5,02,572)	(2,26,256)
<b>(30,31,388)</b>	<b>(32,20,982)</b>	<b>(11,70,828)</b>	<b>(5,02,572)</b>	<b>(2,26,256)</b>

**Leave Encashment**

Amounts for the current and previous four periods are as follows:

Present value of defined benefit obligation  
Fair value of plan assets  
Funded status [surplus/(deficit)]

31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
47,04,324	59,16,936	25,36,636	6,76,994	1,84,216
(47,04,324)	(59,16,936)	(25,36,636)	(6,76,994)	(1,84,216)
<b>(47,04,324)</b>	<b>(59,16,936)</b>	<b>(25,36,636)</b>	<b>(6,76,994)</b>	<b>(1,84,216)</b>

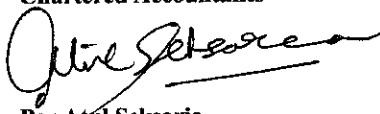


35 Previous year figures

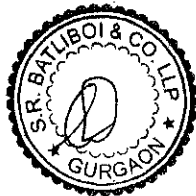
Previous period figures have been regrouped/reclassified wherever necessary to conform to this year's classification.

As per Report of even date

For S.R. Batliboi & Co. LLP  
Firm Registration Number : 301003E  
Chartered Accountants

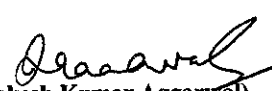


Per Atul Seksaria  
Partner  
Membership Number : 86370



For and on behalf of the Board of Directors of  
Aria Hotels and Consultancy Services Private Limited

(Sushil Kumar Gupta)  
Chairman and Managing Director



(Rakesh Kumar Aggarwal)  
Chief Financial Officer



(Sandeep Gupta)  
Director



(Nupur Gang)  
Company Secretary

Place: Delhi  
Date: 15/05/2015

Place:  
Date: