

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS of **Sea King Club Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Sea King Club Private Limited** ("the company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the 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 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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.

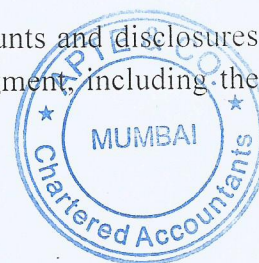
Auditor's Responsibility

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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the



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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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

The financial statements indicate that the Company has accumulated losses and the Company has incurred a net loss and net cash loss during the current year. These conditions, along with matters set forth in Note 24, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



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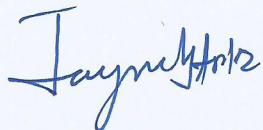
Chartered Accountants

- c) The Balance Sheet, the 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) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- h) 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 15 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.

For Apte & Co.

Chartered Accountants

Firm Registration No. 111925W.



Dr. Jayant J Apte

Partner

Membership No: 035494

Place: Mumbai

Dated: 18th May, 2016.



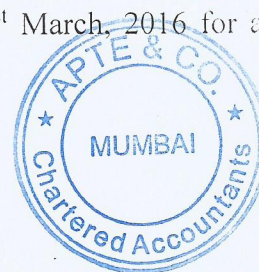
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“Annexure A” referred to in Report on Other Legal and Regulatory Requirements of the report of even date to the Independent Auditors’ Report.

On the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we state that:

1. (a) The company **does not** maintain a fixed asset register showing full particulars, including quantitative details and situation of fixed assets.
(b) As the company does not maintain a fixed asset register we are unable to comment on whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
2. The Company is a service company primarily in the hospitality business it does not hold any physical inventory throughout the year. Thus para 3(ii) of the order is not applicable
3. 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. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and security given by the company. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder are not applicable.
6. We are informed that maintenance of cost records has not been prescribed by the Central Government under sub-section (l) of section 148 of the Companies Act.
7. (a) According to the information and explanation given to us and on the basis of our examination of records of the company, the amounts deducted or accrued in the books of accounts in respect of undisputed statutory dues for income tax have been regularly deposited by the company with the appropriate authorities. As explained to us, the company did not have any dues in respect of provident fund, employees state insurance, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess.
According to the information and explanation given to us, no undisputed amounts payable in respect of income tax or any other material statutory dues were in arrears as on 31st March, 2016 for a period of more than 6 months from the date they became payable.



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b) According to the explanation given to us, the company has filed an appeal against the order raised u/s 143(3) of the Income Tax Act, 1961 for the assessment year 2012-13 however no amount of any statutory dues has been demanded against the same. There are no arrears of disputed statutory dues in respect of Income-tax, at the last day of the financial year concerned other than those mentioned below:

| Nature of Dues | Amount (in Rs.) | Period to which it pertains | Forum where dispute is pending |
|-----------------------|--------------------|--------------------------------|-----------------------------------|
| Income tax | 8,940/- | 2007-08 | JURISDICTIONAL AO |
| Fringe Benefit tax | 212/- | 2009-10 | JURISDICTIONAL AO |
| TDS | 3890/- | 2007-08 | JURISDICTIONAL AO |
| TDS | 35310/- | 2008-09 | JURISDICTIONAL AO |
| TDS | 610/- | 2009-10 | JURISDICTIONAL AO |
| TDS | 3990/- | 2010-11 | JURISDICTIONAL AO |
| TDS | 200/- | 2011-12 | JURISDICTIONAL AO |
| TDS (Short Deduction) | 1010/- | 2013-14 | JURISDICTIONAL AO |
| TDS (Short Deduction) | 650/- | 2014-15 | JURISDICTIONAL AO |

8. The company does not have any outstanding dues to the financial institution, bank, Government or debenture holders during the year. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
11. Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided for. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
12. In our opinion and according to the information and explanations given to us, The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 177

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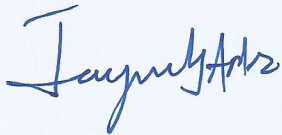
and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Apte & Co.

Chartered Accountants

Firm Registration No. 111925W.



Dr. Jayant J Apte

Partner

Membership No: 035494

Place: Mumbai

Dated: 18th May, 2016.



Apte & Co.

Chartered Accountants

“Annexure B” referred to in Report on Other Legal and Regulatory Requirements of the report of even date to the Independent Auditors’ Report.

We have audited the internal financial controls over financial reporting of THE SEA KING CLUB PVT. LTD. (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

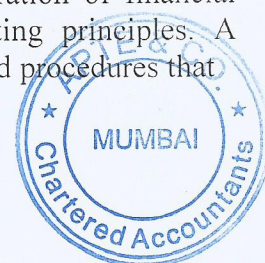
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



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- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

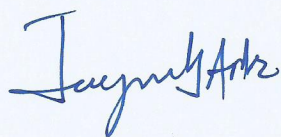
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Apte & Co.

Chartered Accountants

Firm Registration No. 111925W.



Dr. Jayant J Apte

Partner

Membership No: 035494

Place: Mumbai

Dated: 18th May, 2016.



SEA-KING CLUB PRIVATE LIMITED

Balance Sheet as at 31st MARCH 2016

(Amount in ₹)

| Particulars | Note No. | As at 31st March 2016 | As at 31st March 2015 |
|--|----------|-----------------------|-----------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 2 | 5,00,000 | 5,00,000 |
| (b) Reserves and surplus | 3 | 23,38,67,301 | 23,53,06,378 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 10,69,17,495 | 10,58,29,416 |
| Current liabilities | | | |
| (a) Other current liabilities | 5 | 1,33,040 | 1,08,551 |
| (b) Short-term provisions | | | |
| TOTAL | | 34,14,17,836 | 34,17,44,345 |
| II ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | 6 | | |
| (i) Tangible assets | | 23,80,26,600 | 23,80,26,600 |
| (ii) Intangible assets | | | |
| (iii) Capital work-in-progress | | 10,25,90,339 | 10,25,90,339 |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | | - | - |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long-term loans and advances | 7 | 86,803 | 3,55,754 |
| Current assets | | | |
| (a) Cash and cash equivalents | 8 | 7,14,094 | 7,71,652 |
| TOTAL | | 34,14,17,836 | 34,17,44,345 |

Significant accounting policies

1

The accompanying schedules form an integral part of these Financial Statements.

2 to 24

In terms of our report of even date.
for **Apte & Co**

Chartered Accountants

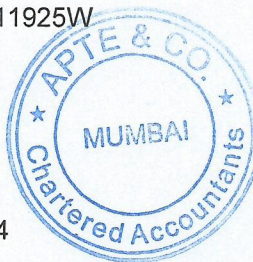
Firm Registration No. 111925W

Jayant Apte

Jayant Apte

Partner

Membership No: 035494



Mumbai

Date :

18 MAY 2016

For and behalf of the board

P. L. Soni
(DIN: 00006463)

Chairman

Manish P. Soni
(DIN: 00006485)

Director

Vishal P. Soni
(DIN: 00006497)

Director

Mumbai

Date :

18 MAY 2016

SEA-KING CLUB PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st MARCH 2016

(Amount in ₹)

| Particulars | Note No. | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|--|----------|-------------------------------------|-------------------------------------|
| I Income: | | - | - |
| Revenue from operations | | - | - |
| Other income | | - | - |
| Total Revenue | | - | - |
| II Expenses: | | | |
| Finance costs | 6 | - | - |
| Depreciation and amortization expense | 9 | - | - |
| Other expenses | | 11,70,126 | 15,24,462 |
| Total expenses | | 11,70,126 | 15,24,462 |
| III Profit before exceptional and extraordinary items and tax (I-II) | | (11,70,126) | (15,24,462) |
| IV Exceptional items | | | |
| Loss on impairment of Fixed Assets | | - | (2,75,35,927) |
| V Profit before extraordinary items and tax (III-IV) | | (11,70,126) | (2,90,60,389) |
| VI Extraordinary Items | | - | - |
| VII Profit before tax (V-VI) | | (11,70,126) | (2,90,60,389) |
| IX Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| (3) Short / Excess of earlier years | | 2,68,951 | - |
| X Profit (Loss) for the period from continuing operations (VIII-IX) | | (14,39,077) | (2,90,60,389) |
| XI Profit/(loss) from discontinuing operations | | | |
| XII Tax expense of discontinuing operations | | | |
| XIII Profit/(loss) from Discontinuing operations (after tax) (XI-XII) | | - | - |
| XIV Profit (Loss) for the period (X+XIII) | | (14,39,077) | (2,90,60,389) |
| XV Earnings per equity share: | | | |
| (1) Basic | | (287.82) | (5,812.08) |
| (2) Diluted | | (287.82) | (5,812.08) |

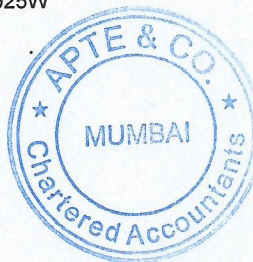
Significant accounting policies and notes on accounts . 1
The accompanying schedules form an integral part of these 2 to 24
Financial Statements

In terms of our report of even date.
for **Apte & Co**

Chartered Accountants
Firm Registration No. 111925W

Jayant Apté

Jayant Apté
Partner
Membership No: 035494



Mumbai
Date : 18 MAY 2016

For and behalf of the board

P. L. Soni
(DIN: 00006463)

Manish P. Soni
(DIN: 00006485)

Vishal P. Soni
(DIN: 00006497)

Mumbai
Date : 18 MAY 2016

Chairman

Director

Director

[Handwritten signatures of P. L. Soni, Manish P. Soni, and Vishal P. Soni]

SEA-KING CLUB PRIVATE LIMITED

Cash Flow Statement for the Year Ended 31st March 2016

| PARTICULARS | For the year ended 31 March 2016 (in ₹) | For the year ended 31 March 2015 (in ₹) |
|--|---|---|
| I CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit / (Loss) before Tax and Extraordinary items | (11,70,126) | (2,90,60,389) |
| Adjustment for: | | |
| Depreciation | - | - |
| Investment Written off | - | - |
| Loss on Impairment of F.A. | - | 2,75,35,927 |
| Loss on Sale of F.A. | - | - |
| | (11,70,126) | (15,24,462) |
| Income taxes (Paid) / Received | - | - |
| Operating Profit / (Loss) Before Working Capital Changes | (11,70,126) | (15,24,462) |
| (Increase)/ Decrease in Loans and Advances | - | - |
| Increase/ (Decrease) in Sundry Creditors & Other Liability | 24,489 | 38,906 |
| Cash generated from / (Used in) operations (A) | (11,45,637) | (14,85,556) |
| II NET CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Purchases) of Fixed Assets | - | (5,385) |
| Sale of Fixed Assets | | |
| Profit / Loss on sale of F.A. | | |
| Net cash used in Investing activities (B) | - | (5,385) |
| III CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| Secured Loans taken / (repaid) | - | (44,480) |
| UnSecured Loans taken / (repaid) | 10,88,079 | 15,70,126 |
| Net cash generated from Financial Activities (C) | 10,88,079 | 15,25,646 |
| NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C) | (57,558) | 34,706 |
| Cash and Cash Equivalent (Opening Balance) | 7,71,652 | 7,36,946 |
| Cash and Cash Equivalent (Closing Balance) | 7,14,094 | 7,71,652 |

Notes:

1 The Cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.

2 Cash and Cash Equivalents includes Cash and Bank Balance.

for Apte & Co

Chartered Accountants

Firm Registration No. 111925W

Jayant Apte

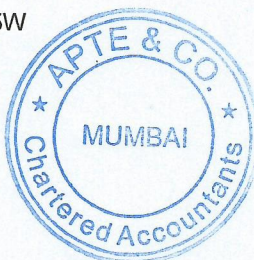
Jayant Apte

Partner

Membership No: 035494

Mumbai

Date : 1 8 MAY 2016



For and behalf of the board

P. L. Soni
(DIN: 00006463)

Manish P. Soni
(DIN: 00006485)

Vishal P. Soni
(DIN: 00006497)

Mumbai

Date : 1 8 MAY 2016

Chairman

Director

Director

[Signature]

[Signature]

[Signature]

SEA-KING CLUB PRIVATE LIMITED

Notes to Financial Statements as at 31ST MARCH 2016

Note 1 Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost invention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as up to twelve months for the purpose of current/non- current classification of assets and liabilities.

2. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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.

Accounting Estimates could differ from period to period. Actual results could differ from those estimates. Appropriate changes are made in the estimates as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements of the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

3. Tangible Fixed Assets and Depreciation

Tangible Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Direct costs are capitalized until Fixed Assets are ready to use. Any trade discounts and rebate are deducted in arriving at the purchase price.



SEA-KING CLUB PRIVATE LIMITED

Notes to Financial Statements as at 31ST MARCH 2016

Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on the Written Down Value using the rates arrived at based on the useful lives estimated by the management. The company has used the following useful life to provide depreciation on its fixed assets as follows.

| Asset | Estimated Useful Life |
|------------|-----------------------|
| • Building | 60 Years |

Fixed Assets, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the fixed assets added/disposed off/ discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

4. Intangible Assets and amortization.

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

5. Impairment of Assets

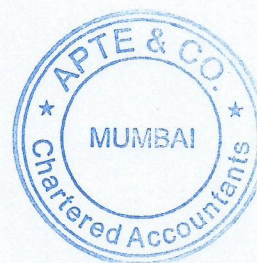
The carrying amounts of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and loss in the year in which an asset identified as impaired. Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

6. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of such assets up to the date when such asset are ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

7. Investments

Investments are classified as current or long term based on the management's intentions at the time of purchase. Current Investments are carried at lower of Cost or Fair value. Long term investments are recognized at cost less provisions recorded to recognize any decline other than temporary in the carrying value of each investment.



SEA-KING CLUB PRIVATE LIMITED

Notes to Financial Statements as at 31ST MARCH 2016

8. Translation of Foreign Currency Items

Transaction in foreign currency is recorded at the rate of exchange prevailing on the date transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to exchange difference arising on translation/settlement of long-term foreign currency items from 1st April, 2011, the Company has adopted the following policy:

- (i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/Liability.

Exchange difference on restatement of all other monetary items is recognized in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in term of historical cost using the exchange rate at the date of transaction

9. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes etc. Current Investments are stated at lower of cost and net realizable value. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

10. Revenue Recognition

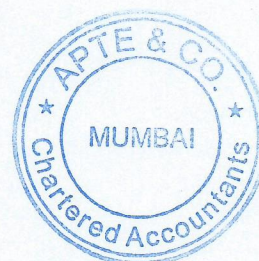
Revenue is primarily derived from Hotel room sales and also from sales made at the restaurants.

Revenue is recognized when no significant uncertainty as to measurability or collectability exists. The company presents revenue net of value added taxes in its profit and loss account.

Profit on sale of Investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the carrying value of the investments.

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

Dividend income and investments is accounted for when the right to receive the payment is established



SEA-KING CLUB PRIVATE LIMITED

Notes to Financial Statements as at 31ST MARCH 2016

11. Income Taxes

Income Taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income taxes annually based on the tax liability computed, after considering allowances and exemptions.

Provisions are recorded when it is probable that a liability due to disallowances and other matters is probable.

The company offsets the provisions and prepaid taxes on a year-on-year basis when it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter deferred tax assets or deferred tax liabilities are recorded for the timing differences, namely, the differences that originate in one accounting period and reverse in another based on the tax effect of the aggregate amount of the timing difference. The tax effect is calculated on the accumulated timing differences based upon enacted or substantially enacted regulations.

Deferred Tax Assets other than those relating to unabsorbed depreciations and carried forward business losses are recognized only if there is a reasonable certainty that they will be realized and they are reviewed for the appropriateness of their respective carrying values at each reporting date.

Deferred tax assets on unabsorbed depreciation or carry forward of losses under tax laws, are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is written down 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.

12. Cash and Cash Equivalents

Cash and cash equivalent for the purpose of cash flow statement comprise cash on hand cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investment with an original maturity of three months or less.



SEA-KING CLUB PRIVATE LIMITED

Notes to Financial Statements as at 31ST MARCH 2016

13. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effect of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

14. Earnings Per Share

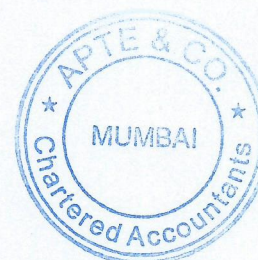
Basic EPS is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

15. Provisions and Contingent Liabilities

A provision is recognized if as a result of past events, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provision is determined as the best estimate of the outflow of the economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for contingent liability is also made where there is a present obligation or a possible obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation in respect of which the likelihood of the outflow of resources is remote, no provision or disclosure is made.



SEA-KING CLUB PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

Note 2 Share Capital

| a | <u>Share Capital</u> | As at 31 March 2016 | As at 31 March 2015 |
|---|---|------------------------|------------------------|
| | | Rs. | Rs. |
| | Authorised 25,000 Equity Shares of Rs.100/-each | 25,00,000 | 25,00,000 |
| | Issued,Subscribed & Full Paid up 5,000 Equity Shares of Rs.100/- each | 5,00,000 | 5,00,000 |
| | Total | 5,00,000 | 5,00,000 |

b Disclosure pursuant to Note no. 6(A)(d) of Schedule III to the Companies Act, 2013

| Equity shares | As at 31 March 2016 | | As at 31 March 2015 | |
|---|---------------------|----------|---------------------|----------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 5,000 | 5,00,000 | 5,000 | 5,00,000 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 5,000 | 5,00,000 | 5,000 | 5,00,000 |

b. Terms or rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.100 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend 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.

No dividend was declared by the company during the financial year ended 31 March 2016.

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 of the number of equity shares held by the shareholders.

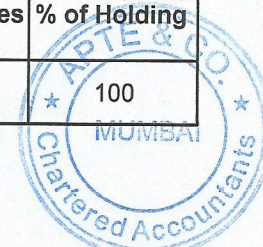
c Disclosure pursuant to Note no. 6(A)(f) of of Schedule III to the Companies Act, 2013

5,000 Equity Shares (2010-11) are held by Prime Property Development Corporation Limited, the holding company.

| Name of Shareholder | As at 31 March 2016 | | As at 31 March 2015 | |
|--|---------------------|--------|---------------------|--------|
| | No. of Shares held | Amount | No. of Shares held | Amount |
| Prime Property Development Corporation Limited | 5000 | 100 | 5000 | 100 |

d Disclosure pursuant to Note no. 6(A)(g) of Schedule III to the Companies Act, 2013 (more than 5%)

| Name of Shareholder | As at 31 March 2016 | | As at 31 March 2015 | |
|--|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Prime Property Development Corporation Limited | 5000 | 100 | 5000 | 100 |



SEA-KING CLUB PRIVATE LIMITED

NOTES FORMING PART OF ACCOUNTS

Note 3

Reserves & Surplus

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|----------------------|----------------------|
| a. Revaluation Reserve | | |
| Opening Balance | 23,80,26,599 | 26,53,24,315 |
| (+) Current Year Transfer | - | - |
| (-) Written Back in Current Year | - | 2,72,97,716 |
| Closing Balance | 23,80,26,599 | 23,80,26,599 |
| b. General Reserves | | |
| Opening Balance | 2,99,97,716 | 27,00,000 |
| (+) Current Year Transfer | - | 2,72,97,716 |
| | 2,99,97,716 | 2,99,97,716 |
| c. Forex Earning Reserve | | |
| Opening Balance | 2,35,001 | 2,35,001 |
| d. Surplus | | |
| Opening balance | (3,29,52,938) | (36,63,894) |
| (-) Deferred Tax w/off | - | (2,28,655) |
| (+) Net Profit/(Net Loss) For the current year | (14,39,077) | (2,90,60,389) |
| Closing Balance | (3,43,92,014) | (3,29,52,938) |
| Total | 23,38,67,301 | 23,53,06,378 |

Note 4

Long Term Borrowings

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
| Secured | | |
| (a) Term loans | | |
| i) from banks | - | - |
| Unsecured Considered good | | |
| Loans and advances from related parties | 10,69,17,495 | 10,58,29,416 |
| Total | 10,69,17,495 | 10,58,29,416 |

Note 5

Other Current Liabilities

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|-------------------------------|---------------------|---------------------|
| Other payables | | |
| Sundry Creditors for Expenses | 1,10,520 | 99,246 |
| TDS Payables | 22,520 | 9,305 |
| | - | - |
| Total | 1,33,040 | 1,08,551 |



SEA-KING CLUB PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

Note 7 Long Term Loans and Advances

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
| a. Security Deposits | | |
| Unsecured, considered good | 3,330 | 3,330 |
| | 3,330 | 3,330 |
| b. Advance income tax (Net of provisions) | 83,473 | 3,52,424 |
| | 83,473 | 3,52,424 |
| | 86,803 | 3,55,754 |

Note 8 Cash and Cash Equivalents

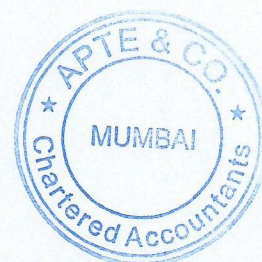
| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|------------------------|---------------------|---------------------|
| a. Balances with banks | 1,05,417 | 1,54,324 |
| b. Cash on hand | 6,08,677 | 6,17,328 |
| | 7,14,094 | 7,71,652 |

Note 9 Other Expenses

| Particulars | As at 31 March 2016 | For the year ended 31 March 2015 |
|-------------------------------------|---------------------|----------------------------------|
| Power and Fuel | 49,210 | 44,210 |
| Rates and taxes | 2,500 | 2,500 |
| Communication | 2,942 | 2,043 |
| Legal and professional | 25,748 | 1,26,984 |
| Payment to auditors (refer note 10) | 34,350 | 33,708 |
| Miscellaneous expenses | 634 | 15,354 |
| Membership & Subscription | 22,726 | 18,596 |
| Security, Watch & Ward Expenses | 3,92,779 | 3,77,078 |
| Bank Charges | 1,418 | 350 |
| Printing & Postage | 17 | - |
| Property Tax | 4,45,604 | 8,45,755 |
| Interest on loan | 1,92,198 | 57,884 |
| | 11,70,126 | 15,24,462 |

Note 10 Remuneration to Auditor

| Particulars | As at 31 March 2016 | For the year ended 31 March 2015 |
|---------------|---------------------|----------------------------------|
| a. Audit fees | 34,350 | 33,708 |
| Total | 34,350 | 33,708 |



SEA-KING CLUB PRIVATE LIMITED

NOTES FORMING PART OF ACCOUNTS

Note 11: Quantitative Details

The Company is primarily engaged in providing hospitality services. The sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales for preparation of statement of Profit or Loss

Note 12: Segment Reporting

All the assets are located in India. The Company caters to the need of only the Indian market. Accordingly there are no reportable secondary geographical segments.

The Company operation predominantly consists of operating a hotel and a restaurant, forming a part thereof. Accordingly, the Company recognizes its activity as its only primary business segment and the same comprises the primary basis of segmental Information set out in these financial statements.

Note 13: Related party disclosures

A. Names of related parties and related party relationships

1. Related party where control exists

Mr. Padamshi L. Soni

Chairman

Mr. Manish P. Soni

Whole Time Director

Mr. Vishal P. Soni

Whole Time Director

Prime Property Development Corporation Limited (PPDCL)

100% Holding Company

B. Transactions with related parties

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|---|---|---|
| Payments made by Holding company (PPDCL) and paid back to Holding company (PPDCL) or Balance at the year-end (Including Interest) | Payment made Rs. 9,15,101/- Balance at the year end Rs. 10,69,17,495 /- | Payment made Rs. 15,18,030/- Balance at the year end Rs. 10,58,29,416 /- |
| Interest on Loan from Holding Company | Rs. 1,92,198/- (CY) (Provision made interest on loan received from Holding company for current year) | Rs. 57,884/- (Provision made interest on loan received from Holding company from 01/4/2014 onwards) |

Note 14: Capital and other commitments

The estimated amount of capital commitments and other commitments remaining to be executed (not provided for) are Rs. NIL.



SEA-KING CLUB PRIVATE LIMITED

NOTES FORMING PART OF ACCOUNTS

Note 15: Contingent Liabilities

| Nature of Dues | Amount (in Rs.) | Period to which it pertains |
|-----------------------|-----------------|-----------------------------|
| Income tax | 8,940 | 2007-08 |
| Fringe Benefit tax | 212 | 2009-10 |
| TDS (prior years) | 44,000 | 2007-08 to 2011-12 |
| TDS (Short Deduction) | 1,010 | 2013-14 |
| TDS (Short Deduction) | 650 | 2014-15 |

The Company has received an assessment order u/s 143(3) for the A.Y. 2012-13 wherein no demand has been raised by the department. However penalty proceedings u/s 271(1)(c) has been initiated in respect of the same against which the company has filed an appeal and the matter is in dispute. The liability in this regard is not determinable

Note 16: Foreign Currency Activities

There is no expenditure /earning in foreign exchange for the current year (Previous year Rs.

Note 17: Foreign Currency Exposure

The Company does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations.

Note 18: Earnings per Share

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|---------------------|---------------------|
| Net Profit / (Loss) for Equity Share holders | (14,39,077) | (2,90,60,389) |
| Weighted Average Number of Equity Shares | 5,000 | 5,000 |
| Earnings per share | (287.82) | (5,812.08) |

Note 19: Details of amounts due to micro and small enterprises as defined under the MSMED Act, 2006

On the basis of the information and records available with management, there are no dues to micro, small and medium enterprises, which have registered with the competent authorities during the current or previous year.

Further, based on the information and records available with the company, there are no dues outstanding for a period of 30 days as at 31 March 2016, in respect of small scale industries as defined under clause (j) of section 3 of the Industries (Development and Regulation) Act, 1951.

Note 20: Net dividend remitted in foreign exchange

There was no dividend remitted in foreign currency during the financial year ended 31 March 2016.

Note 21: Previous year figures

Figures of previous year, corresponding to the current year are restated / regrouped / reclassified, wherever necessary.

SEA-KING CLUB PRIVATE LIMITED

NOTES FORMING PART OF ACCOUNTS

Note 22: Balance Confirmations

Balances appearing under the head other current assets and current liabilities are subject to confirmation and reconciliation whichever necessary

Note 23: Gratuity Payments

The provision for Gratuity for the year ending 31.3.2016 is not made since there are no employees. Gratuity will be accounted on cash basis

Note 24: Temporary close down of Hotel operations and validity of the use of going concern assumption in the preparation of Financial Statements

The Company has temporary closed its activities in Feb-2010 & plans to renovate the hotel with modern and improved amenities. The operations of the company would continue to remain shut during the time of the renovation and after modification & renovation hotel will be ready for operations. During this period, there would be no operating earnings for the company. Further, The Company is yet to secure the necessary approvals and permissions to commence development of the new hotel building in place of existing structure.

However, the management intends to undertake the redevelopment and resume normal operations as soon as may be, and neither have the intentions nor the necessity for winding up of the company. In view of the above, the management considers it appropriate to continue to prepare its Financial Statements on the fundamental accounting assumption of going concern

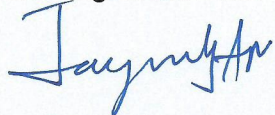
Signatures for Schedules 1 to 24

In terms of our report of even date.

for **Apte & Co**

Chartered Accountants

Firm Registration No. 111925W



Jayant Apte

Partner

Membership No: 035494



Mumbai

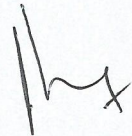
Date :

18 MAY 2016

For and behalf of the board

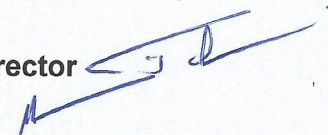
P. L. Soni
(DIN: 00006463)

Chairman



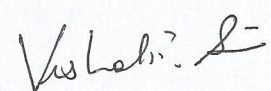
Manish P. Soni
(DIN: 00006485)

Director



Vishal P. Soni
(DIN: 00006497)

Director



Mumbai

Date :

18 MAY 2016

Note 6 Fixed Assets

SEA-KING CLUB PRIVATE LIMITED

| Fixed Assets | Gross Block | | | Accumulated Depreciation | | | | | Net Block | | |
|----------------------------|----------------------------|------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------------|--|--------------|-----------------------------|----------------------------|-----------------------------|
| | Balance as at 1 April 2015 | Additions/ (Disposals) | Revaluations / (Impairment) | Balance as at 31 March 2016 | Balance as at 1 April 2015 | Depreciation charge for the year | Adjustment due to revaluations / (impariments) | On disposals | Balance as at 31 March 2016 | Balance as at 1 April 2016 | Balance as at 31 March 2015 |
| a Tangible Assets | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Assets Not Under Lease | | | | | | | | | | | |
| Land & Building | 23,80,26,600 | - | - | 23,80,26,600 | - | - | - | - | - | 23,80,26,600 | 23,80,26,600 |
| Total | 23,80,26,600 | - | - | 23,80,26,600 | - | - | - | - | - | 23,80,26,600 | 23,80,26,600 |
| c Capital Work In Progress | | | | | | | | | | | |
| | 10,25,90,339 | - | - | 10,25,90,339 | - | - | - | - | - | 10,25,90,339 | 10,25,90,339 |
| | Total | 10,25,90,339 | - | 10,25,90,339 | - | - | - | - | - | 10,25,90,339 | 10,25,90,339 |



SEA-KING CLUB PRIVATE LIMITED

Disclosure pursuant to Note no.I (iv) and J (iii) of Schedule III to the Companies Act, 2013

Impairment of Assets

Disclosure of Impairment of Assets for subsequent 5 years from the date of Impairment

| | Furniture and Fixtures | Vehicles | Office equipment | Computer | Water cooler & Filter Plant | Building |
|--|---------------------------|----------|---------------------|----------|--------------------------------|--------------------|
| | Year of Impairment | | | | | |
| | FY 2011-12 | | | | | |
| | FY 2014-15 | | | | | |
| Gross Block as on 1April | 2,80,164 | 16,215 | 18,46,251 | 1,01,386 | 5,310 | - |
| Less:Accumulated Depreciation till 31March | 1,66,113 | 9,615 | 6,66,586 | 79,487 | 3,148 | - |
| Less: Impairment Loss | 1,14,051 | 6,600 | 11,79,665 | 21,899 | 2,162 | 2,75,35,927 |
| Balance as at 31 March, 2012 | - | - | - | - | - | |
| Total Amount of Impairment of Assets F.Y. 2011 - 2012 | | | 1324377 | | | |
| Balance as at 31 March, 2015 | | | | | | (2,75,35,927) |
| Total Amount of Impairment of Assets F.Y. 2014 - 2015 | | | | | | 2,75,35,927 |

