

## **ASIAN HOTELS (EAST) LIMITED**

CIN: L15122WB2007PLC162762  
Registered Office: Hyatt Regency, Kolkata, JA-1, Sector-III,  
Salt Lake City, Kolkata 700 098. W.B. India  
Telephone : 033 2517 1009/1012, Fax No. 033 2335 8246,  
Email: investorrelations@ahleast.com, Website: www.ahleast.com

### **POSTAL BALLOT NOTICE**

**[Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]**

Dear Member(s),

Notice is hereby given to the Members of Asian Hotels (East) Limited ("the Company") pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the resolutions appended below are proposed to be passed as special resolutions by way of postal ballot and remote e-voting.

The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto with the Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr. Debendra Raut, Practising Company Secretary, Proprietor, M/s. D. Raut & Associates, Kolkata (Membership No. 16626 & Certificate of Practice No. 5232) as the Scrutinizer for conducting the postal ballot and remote e-voting process in a fair and transparent manner.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent by the courier or by registered post/speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5.00 p.m. on 16<sup>th</sup> December, 2015 to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the Member.

Members desiring to opt for remote e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through Remote E-Voting'. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically (remote e-voting).

The Scrutinizer will submit his report to the Chairman/Director of the Company after completion of the scrutiny of the postal ballot and remote e-voting and the results of the postal ballot shall be declared on or before 2:00 p.m. Wednesday, 23<sup>rd</sup> December, 2015 at the Registered office at Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata - 700 098 and shall be placed along with Scrutinizer's Report on the Company's website [www.ahleast.com](http://www.ahleast.com) and communicated to the Stock Exchanges and Karvy (e-voting agency).

### **RESOLUTIONS**

#### **Item No. 1**

To consider and if thought fit to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** further to the Ordinary Resolution passed by the Members of the Company at their 8<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July, 2015 according their consent to the re-appointment of Mr. Arun K Saraf (DIN: 00339772) as the Joint Managing Director of the Company for a period of 5 years commencing from 4th August, 2015 to 3rd August, 2020 at a remuneration and on the terms & conditions mentioned therein, approval of the Members of the Company be and is hereby accorded pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard, for the remuneration payable to Mr. Arun K Saraf (DIN: 00339772) as the Joint Managing Director for a period of three (3) years from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2018 on the terms and conditions as set out in the Explanatory Statement annexed to this notice in the event of loss or inadequacy of profit earned by the Company during the aforesaid tenure of the appointment as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors, Nomination & Remuneration Committee of the Board and the Chief Legal Officer & Company Secretary be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution."

#### **Item No. 2**

To consider and if thought fit to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** further to the Ordinary Resolution passed by the Members of the Company at their 8th Annual General Meeting held on 31st July, 2015 according their consent to the re-appointment of Mr. Umesh Saraf (DIN: 00017985) as the Joint Managing Director of the Company for a period of 5 years commencing from 22nd February, 2015 to 21st February, 2020 at a remuneration and on the terms &

conditions mentioned therein, approval of the Members of the Company be and is hereby accorded pursuant to the provisions of Section 197 read with Section II of Part II of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard, for the remuneration payable to Mr. Umesh Saraf (DIN: 00017985) as the Joint Managing Director for a period of three (3) years from 1st April, 2015 to 31st March, 2018 on the terms and conditions as set out in the Explanatory Statement annexed to this notice in the event of loss or inadequacy of profit earned by the Company during the aforesaid tenure of the appointment as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors, Nomination & Remuneration Committee of the Board and the Chief Legal Officer & Company Secretary be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

**By Order of the Board of Directors**

**Place : Kolkata  
30th October, 2015**

**Saumen Chattopadhyay  
Chief Legal Officer &  
Company Secretary**

**Notes:**

- 1) Explanatory statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposals are annexed herewith.
- 2) The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as on Friday, 6th November, 2015. The Postal Ballot Notice is being sent to Members in electronic form to their email addresses registered with their Depository Participants/ the Company's Registrar and Transfer Agent and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with physical Ballot Form through speed post. Notice of Postal Ballot is also being sent to all the Directors and Auditors of the Company.
- 3) Members whose names appear on the Register of Members/ List of Beneficial Owners as on Friday, 6th November, 2015 will be considered for the purpose of remote e-voting.
- 4) Resolutions assented to by the requisite majority of the Members by means of postal ballot including voting by remote e-voting shall be deemed to have been duly passed at a General Meeting of the Members.
- 5) Members can opt for only one mode of voting i.e., either by postal ballot or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical Postal Ballot Form will be treated as invalid.
- 6) Members who have received Postal Ballot Notice by email and who wish to vote through physical Postal Ballot Form or in case a Member is desirous of obtaining a duplicate Postal Ballot Form, he or she may obtain the Ballot Form from Registrar and Share Transfer Agent (R & T Agent), Gachi Bowli M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot Number 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana, India or mail to suresh.d@karvy.com or at telephone no. 040-67162222 or from the Company at its Registered Office or mail to Soumya.Saha@ahleast.com or at telephone no(s). 033- 25171009/1012. The Registrar and Share Transfer Agent/Company shall forward the same along with self addressed Business Reply Envelope to the Members.
- 7) In compliance with the provisions of Section 108 & 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company offers remote e-voting as an alternate, for its Members to exercise their right to vote by remote e-voting. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) as the Agency to provide remote e-voting facility. The instructions for Members opting for remote e-voting are annexed to this Notice.
- 8) A Member cannot exercise his/her vote through proxy on postal ballot.
- 9) Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Notice and Form and return the Form duly completed and signed, in the enclosed self addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than Wednesday, 16th December, 2015 (5.00 p.m.). The postage of such envelope will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted. The voting period begins on Tuesday, 17th November, 2015 from 9.00 a.m. and ends on Wednesday, 16th December, 2015 at 5.00 p.m. The remote e-voting shall be disabled by Karvy for voting thereafter. Postal Ballot Form received after Wednesday, 16th December, 2015 (5.00 p.m.) will be strictly treated as if no reply has been received from the Member.
- 10) All the documents referred to in the Notice dated 30th October, 2015 shall be open for inspection by the Members at the registered office of the Company during normal business hours on any working day, excluding Saturdays, Sundays and Public Holidays between 11.00 am to 1.00 pm from the date of dispatch of the Notice till Wednesday, 16th December, 2015.
- 11) Upon completion of scrutiny of the Postal Ballot Forms, the Scrutinizer shall submit his Report to the Chairman /Director. The result of the postal ballot shall be declared by the Chairman/ Director on or before 23rd December, 2015. Members may address for their

queries regarding voting to the Company Secretary/Karvy Computershare Private Limited, the Registrar and Share Transfer Agents of the Company at their office at Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India or mail to suresh.d@karvy.com or at telephone no. 040-6716 1518.

- 12) The results of the postal ballot will be posted on the website of the Company [www.ahleast.com](http://www.ahleast.com) along with Scrutinizer's Report and shall be sent to the Stock Exchanges where the shares of the Company are listed and simultaneously to the Karvy facilitating the e-voting platform in this regard.
- 13) The date of declaration of results of the postal ballot i.e. on or before Wednesday, 23rd December, 2015, shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. Members, who wish to be present at the venue at the time of declaration of the Result, may do so.

**VOTING THROUGH REMOTE E-VOTING:**

The instructions for Members for remote e-voting are as under:

A. In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- a Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- b Enter the login credentials (i.e. user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User-ID	For members holding shares in Demat Form:- a) For NSDL:- 8 character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID For members holding shares in Physical Form:- Even followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot form/ via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e. please enter the alphabets and thenumbers in the exact way as they are displayed for security reasons.

- c. Please contact Karvy's toll free No. 1800-3454-001 for any further clarifications.
- d. Members can cast their vote online from 17th November, 2015 @ 9.00 AM to 16th December, 2015 @ 5.00 P.M. Remote e-voting shall be disabled by Karvy thereafter.
- e. After entering these details appropriately, click on "LOGIN".
- f. Members holding shares in Demat/Physical form will now reach password change menu wherein they are required to mandatorily change their login password. Change the password with new password of your choice with minimum 8 characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@, #, \$). Kindly note that this password can be used by the Demat holders for voting for resolution(s) of any other company on which they are eligible to vote, provided that Company opts for remote e-voting through Karvy Computershare Private Limited e-voting platform. The system will prompt you to change your password and update any contact details like mobile number, email id etc. on first login. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g. You need to login again with the new credentials.
- h. On successful login, the system will prompt you to select the Remote E-Voting Event Number for Asian Hotels (East) Limited.
- i. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- j. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- k. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- l. You may then cast your vote by selecting an appropriate option and click on "Submit".
- m. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- n. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Poewr of Attorney/ Board Resolution/ Authority letter etc. together with attested specimen signature

of the duly authorized representative(s), to the Scrutinizer at his e-mail ID [csdraut.contact@gmail.com](mailto:csdraut.contact@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image of the Power of Attorney/Board Resolution/Authority letter etc. should be in the naming format "Corporate Name" Asian Hotels (East) Limited. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of [www.evoting@karvy.com](http://www.evoting@karvy.com) or contact Karvy at the Telephone No: 040-67162222.

- o. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any Company, then your existing login id and password are to be used. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- B. In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company/Depository Participant(s)]:
- User ID and initial password are being sent in Postal Ballot Form.
  - Please follow all steps from Sr. No. (a) to (o) as mentioned in (A) above, to cast your vote.

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for remote e-voting on the resolutions placed by the companies in which you are the member.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 1-2

Mr. Arun K. Saraf (DIN: 00339772) & Mr. Umesh Saraf (DIN: 00017985) were re-appointed as the Joint Managing Directors of the Company for a period of 5 years commencing from 4th August, 2015 to 3rd August, 2020 and 22nd February, 2015 to 21st February, 2020 respectively by the Board of Directors based on the performance in their earlier terms when the Company made considerable progress in terms of profitability, service & growth. The appointment and the remuneration of Mr. Arun K Saraf & Mr. Umesh Saraf were duly approved by the Members by the Ordinary Resolutions at the 8th Annual General Meeting of the Company held on 31st July, 2015. The Company had been making consistent adequate profit upto the financial year 2014-15. The profit during the financial years commencing from 1st April, 2015 to 31st March, 2018 is understood to be under pressure on account of finance cost, increase in operating cost, competition and additional depreciation charged in terms of Companies Act, 2013. Owing to the above factors, the profits to be earned by the Company during the financial years may not be as per expectations and may become inadequate for the purpose of managerial remuneration in terms of Section 197 of the Companies Act, 2013. Considering the seasonal nature of the Indian hotel industry & the direct impact of the economy on the industry, the Company has been making necessary efforts to improve its profitability by pursuing and implementing strategies.

In view of the above, the payment of the managerial remuneration for the said years may fall within the purview of Section II of Part II of Schedule V of the Companies Act, 2013 which lays down the following limits for payment of managerial remuneration:

Where the effective capital is	Maximum Yearly Permissible Limit of Managerial Remuneration Per Person
Rs. 250 crores or more	Rs. 60 lakhs plus 0.01% of the effective capital in excess of Rs.250 crores**

\*\* Provided that the above limits shall be doubled if the resolution passed by the shareholders is a special resolution.

The maximum remuneration payable under Section II of Part II of Schedule V of the Companies Act, 2013 based on effective capital of the Company as on 31st March, 2015 is given below:

	(Amount in Rs.)
Effective Capital as on 31st March, 2015	4,95,05,37,434
Effective Capital in excess of Rs. 250 crores	2,45,05,37,434
Maximum Managerial Remuneration per person (60 lakhs plus 0.01% of the effective capital in excess of Rs. 250 crores) (a)	62,45,054
Maximum Managerial Remuneration per person (b) (Double the limit in (a) above in view of special resolution)	1,24,90,107
Maximum Total Managerial Remuneration (2 personnel) (b*2)	2,49,80,214

**Following perquisites shall not be included in the computation of the remuneration specified above:**

- |      |  |
|------|--|
| i)   | Company's contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act; |
| ii)  | Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;   |
| iii) | Encashment of leave at the end of tenure.  |

Accordingly, the Board of Directors at its Meeting held on 30th October, 2015 felt it prudent to approach the Members of the Company seeking their approval by way of special resolutions to the remuneration payable to the aforesaid managerial personnel for a period of three (3) years i.e. from 1st April 2015 to 31st March 2018 in the event of loss or inadequacy of profits earned by the Company during the aforesaid financial years. The details of remuneration of the aforesaid Managerial Personnel is given in Annexure-I and the detailed particulars in respect of the Company and each of the aforesaid managerial personnel are given in Annexure-II forming part of this Notice.

Having regard to the above, the resolutions set out at item No. 1 & 2 have been proposed and the Board of Directors recommend the same for your approval based on the recommendations of the Nomination & Remuneration Committee.

Except Mr. Arun K Saraf, Mr. Radhe Shyam Saraf and Mr. Umesh Saraf, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise in above Resolutions.

### **ANNEXURE-I**

**The details of remuneration at which Mr. Arun K Saraf (DIN: 00339772) & Mr. Umesh Saraf (DIN: 00017985) were re-appointed as the Joint Managing Directors of the Company for a period of 5 years commencing from 4th August, 2015 to 3rd August, 2020 and 22nd February, 2015 to 21st February, 2020 respectively duly approved by the Members of the Company by the Ordinary Resolutions at the 8th Annual General Meeting of the Company held on 31st July, 2015 :-**

**1. SALARY (BASIC) PER MONTH:**

Rs.7,50,000/- -Rs.50,000/- - Rs. 10,00,000/-  
(Annual increment of Rs. 50,000/- shall be payable on 1st April of each year)

**2. COMMISSION:**

At a rate not exceeding 2% (two per cent) of the net profits of the Company for each financial year.

**3. PERQUISITES:**

Perquisites shall be allowed in addition to the salary, as under:

**A. Housing:**

The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance@ 60% of salary.

**B. Medical Reimbursement:**

Expenses incurred for the appointee and his family subject to a ceiling of three months' salary in a year or nine months' salary over a period of three years.

**C. Leave Travel Concession:**

First Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.

**D. Club Fees:**

Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.

**E. Personal Accident Insurance:**

As per rules of the Company.

**F. Employers' Contribution to Provident Fund/ Superannuation Fund:**

As per rules of the Company.

**G. Gratuity:**

Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.

**H. Car / Telephone:**

Car with driver for use on Company's business and telephone/ telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

**I. Minimum Remuneration:**

In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of the Joint Managing Directors, the Company may pay to them such remuneration as minimum remuneration as may be prescribed in Section II of the Part II of the Schedule V of the Companies Act, 2013 from time to time.

**J. Authority to the Board :**

The terms and conditions set out for re-appointment and payment of remuneration herein, may be altered, varied, increased, enhanced or widen from time to time by the Board of Directors of the Company at its discretion as it may deem fit upon the recommendation by the Nomination and Remuneration Committee so as not to exceed the limits specified under Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or any amendments made thereto on and from such date as may be determined by the Board of Directors based on recommendation of the Nomination and Remuneration Committee of the Company.

## ANNEXURE-II

### Detailed particulars in respect of the Company and the Managerial Personnel

**I. GENERAL INFORMATION**

- 1) **Nature of Industry :** Hotel. The industry is seasonal in nature and directly linked to the economy of the Company.
- 2) **Date or expected date of commencement of commercial production :** Not applicable as the Company is already in operations.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :** Not applicable
- 4) **Financial performance based on given indicators :** (Rs. in Lakh)

Particulars	2014-15	2013-14	2012-13
Revenue from operations	9952.33	9270.18	9024.13
Profit before tax	2092.10	3324.30	3882.08
Profit after tax	1503.44	2736.15	3173.21
Share Capital	1144.06	1144.06	1144.06
Reserve & Surplus (excluding Revaluation Reserve)	83596.83	82980.64	80650.06

- 5) **Foreign Investors or Collaborations, if any :**

The Company has entered into management agreement with Hyatt Internation South West Asia Limited. As per the shareholding pattern as on 23rd October, 2015, Foreign Institutional Investors (FII) held 2919 equity shares in the Company representing 0.03 % of its paid up capital.

**II. INFORMATION ABOUT THE APPOINTEES**

**A) Mr. ARUN K SARAF**

- 1) **Background Details :**

Mr. Arun K Saraf hails from a renowned family of industrialists. He is an industrialist having enriched experience of over 30 years. He has in depth knowledge of core business of the Company. He is one of the renowned hoteliers of the Country. He has varied experience in the development of new hotels.

- 2) **Past Remuneration :**

(Rs. in Lakh)

Particulars	2014-15
Salary	63.00
Perquisites and allowances	45.36
<b>Total</b>	<b>108.36</b>

**3) Recognition or awards:**

Mr. Arun K Saraf is the president of Bombay Medical Aid Association and a trustee of Shri Shikshayatan Foundation. He is also the member of Saraf Foundation for Himalayan Culture & Tradition.

**4) Job Profile and Suitability:**

Mr. Arun K Saraf is the Joint Managing Director of the Company since 2010. Under his leadership the Company achieved substantial growth in terms of profitability. Considering his in-depth knowledge and experience, he is considered as the most suitable person for his position.

**5) Remuneration proposed :**

The remuneration proposed to be paid to Mr. Arun K Saraf in the event of loss or inadequacy of profit is within the overall limits approved by the Members in the 8th Annual General Meeting held on 31st July, 2015. It is proposed to continue with the same remuneration in case of the Company having profits as previously approved by the Members at the 8th Annual General Meeting held on 31st July, 2015, the details of which have been given herein before in any financial year during the tenure of appointment of Joint Managing Director.

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :**

The remuneration proposed is considered to be justified and competitive considering the industry, size of the Company, the responsibilities undertaken and the credentials of the Joint Managing Director.

**7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Except the remuneration and perquisites stated above, Mr. Arun K Saraf does not hold any equity shares of the Company and besides his relationship with Mr. Umesh Saraf, Joint Managing Director and Mr. Radhe Shyam Saraf, Chairman of the Company, he has no other direct or indirect pecuniary relationship with the Company.

**B) Mr. UMESH SARAF**

**1) Background Details :**

Mr. Umesh Saraf hails from a renowned family of industrialists. He is an industrialist having enriched experience of over 27 years. He has in depth knowledge of core business of the Company. He is one of the renowned hoteliers of the Country. He has varied experience in raising funds from Banks and Financial Institution & also developing new hotels.

**2) Past Remuneration :**

(Rs. in Lakh)

Particulars	2014-15
Salary	63.00
Perquisites and allowances	57.96
<b>Total</b>	<b>120.36</b>

**3) Recognition or awards:**

Mr. Umesh Saraf is the member of the Young Presidents' Organization (YPO). He was the Chairman of the Expert Committee on Tourism of ASSOCHAM and Tourism Committee of PhD Chamber of Commerce.

**4) Job Profile and Suitability:**

Mr. Umesh Saraf is the Joint Managing Director of the Company since 2010. Under his leadership the Company achieved substantial growth in terms of profitability. Considering his in-depth knowledge and experience, he may be considered as the most suitable person for his position.

**5) Remuneration proposed :**

The remuneration proposed to be paid to Mr. Umesh Saraf in the event of loss or inadequacy of profit is within the overall limits approved by the shareholders in the 8th Annual General Meeting held on 31st July, 2015. It is proposed to continue with the same remuneration in case of the Company having profits as previously approved by the Members at the 8th Annual General Meeting held on 31st July, 2015, the details of which have been given herein before in any financial year during the tenure of appointment of Joint Managing Director.

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :**

The remuneration proposed is considered to be justified and competitive considering the industry, size of the Company, the responsibilities undertaken and the credentials of the Joint Managing Director.

**7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Except the remuneration and perquisites stated above, Mr. Umesh Saraf holds 16000 equity shares of the Company and besides his relationship with Mr. Arun K Saraf, Joint Managing Director and Mr. Radhe Shyam Saraf, Chairman of the Company, he has no other direct or indirect pecuniary relationship with the Company.

**III. OTHER INFORMATION**

**1) Reason of Loss or Inadequate Profits :**

The Company is engaged in the hotel industry. The industry is seasonal in nature and directly linked to the economy of the country. There has been substantial increase in finance cost, increase in operating cost, competition and additional depreciation charged in terms of Companies Act, 2013. Owing to the above factors, the profits to be earned by the Company during the financial years may not be as per expectations and may become inadequate for the purpose of managerial remuneration in terms of Section 197 of the Companies Act, 2013.

**2) Steps taken or proposed to be taken for improvement**

Considering the seasonal nature of the Indian hotel industry & the direct impact of the economy on the industry, the Company has been making necessary efforts to improve its profitability by pursuing and implementing strategies.

**3) Expected increase in productivity and profitability in measurable terms:**

The Company being engaged in the hotel industry, it is very difficult to measure profitability beforehand. However, in view of various steps taken by the Company to increase in profitability, the Company is expected to perform better in terms of profitability in the years to come.

**By Order of the Board of Directors**

**Place : Kolkata  
30th October, 2015**

**Saumen Chattopadhyay  
Chief Legal Officer &  
Company Secretary**