

Asian Hotels (East) Limited

7th Annual Report and Accounts 2013-14





HYATT REGENCY KOLKATA



HYATT REGENCY CHENNAI

BOARD OF DIRECTORS

Radhe Shyam Saraf	— Chairman
Arun K. Saraf	— Joint Managing Director
Umesh Saraf	— Joint Managing Director
A. C. Chakrabortti	— Independent Director
Rama Shankar Jhawar	— Independent Director
Padam Kumar Khaitan	— Independent Director
Ramesh Kumar Chokhani	— Independent Director

CHIEF LEGAL OFFICER & COMPANY SECRETARY

Saumen Chattopadhyay

AUDITORS

S. S. Kothari Mehta & Co.
Chartered Accountants
21, Lansdowne Place
4th Floor, Kolkata - 700 029, W.B., India

BANKERS

Standard Chartered Bank
IDBI Bank Limited
State Bank of India

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited
17-24, Vittal Rao Nagar, Madhapur
Hyderabad - 500 081
Andhra Pradesh, India

CONTENTS

Directors' Report along with following annexure :	2-5
Annexure-A, Management Discussion and Analysis	6-7
Annexure-B, Report on Corporate Governance	8-18
Independent Auditors' Report	19-21
Accounts – Asian Hotels (East) Limited (Standalone)	22-41
Statement pursuant to Section 212 of the Companies Act, 1956	42-43
Independent Auditors' Report on Consolidated Financial Statement of Asian Hotels (East) Limited and its Subsidiary Companies	44-45
Consolidated Accounts	46-70
Notes	71
Blank Page	72

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present their 7th Annual Report on the business and operation of the Company together with the audited annual accounts of the Company for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS

Your Company's performance during the year under review is summarised as under:

Particulars	Standalone (Rs. in lacs)		Consolidated (Rs. in lacs)	
	2013-14	2012-13	2013-14	2012-13
Revenue from operation	9270.18	9024.13	17965.63	15111.17
Profit before Depreciation and Tax Expenses	3858.01	4536.39	697.78	2663.53
Less: Depreciation	533.71	654.31	2481.05	1868.47
Profit Before Tax	3324.30	3882.08	(1783.27)	795.06
Less: Current tax	606.39	563.84	606.39	563.84
Deferred tax	19.74	99.51	19.74	99.51
Others	(37.98)	45.52	(35.88)	45.92
Profit after tax before adjustment of minority interest	2736.15	3173.21	(2373.52)	85.79
Add: Share of loss transferred to minority interest	—	—	1625.87	983.82
Profit for the year	2736.15	3173.21	(747.65)	1069.61
Add: Balance in statement of profit & loss	16455.81	14198.26	14545.39	14391.44
Less: Transferred to General Reserve	273.61	317.32	273.61	317.32
Proposed Dividend on Equity Shares (including earlier years adjustment)	343.26	514.82	343.26	514.82
Tax on Dividend (including earlier years adjustment)	62.31	83.52	62.31	83.52
Closing Balance	18512.78	16455.81	13118.56	14545.39

STAND-ALONE PERFORMANCE

- Operating revenue during the financial year 2013-14 increased to Rs. 9270.18 lacs as against Rs. 9024.13 lacs during the financial year 2012-13.
- Profit Before Tax during the financial year 2013-14 is Rs. 3324.30 lacs as against Rs. 3882.08 lacs during the financial year 2012-13.
- Profit for the year is Rs. 2736.15 lacs during the financial year 2013-14 as compared to Rs. 3173.21 lacs during the financial year 2012-13.

CONSOLIDATED PERFORMANCE

- Consolidated operating revenue during the financial year 2013-14 increased to Rs. 17965.63 lacs as against Rs. 15111.17 lacs during the financial year 2012-13.
- Profit Before Tax during the financial year 2013-14 is Rs. (1783.27) lacs as against Rs. 795.06 lacs during the financial year 2012-13.
- Profit for the year is Rs. (747.65) lacs during the financial year 2013-14 as compared to Rs. 1069.61 lacs during the financial year 2012-13.

APPROPRIATIONS

During the financial year 2013-14, an amount of Rs. 273.61 lacs (Rs. 317.32 lacs last year) has been appropriated to General Reserve.

Asian Hotels (East) Limited

DIVIDEND

The Board of Directors are pleased to recommend a dividend @ 30%, i.e. Rs. 3/- per equity share (previous year Rs. 4.50/- per equity share) on 1,14,40,585 equity shares of Rs. 10/- each for the year ended 31st March 2014. The total cost to the Company on account of dividend payment will be Rs. 401.55 lacs including dividend distribution tax of Rs. 58.33 lacs.

BUSINESS OVERVIEW

The Board is pleased to inform that during the financial year 2013-14 the overall revenue of the hotels was positive and with effective cost control & working capital management, the Company enhanced its operating performance which has already been highlighted above and in the Management Discussion & Analysis Report.

During the financial year, the hotel hosted major events that happened in the city of Kolkata including the IPL Opening Ceremony 2013, an extensive amount of wedding events, EO Annual Meeting in January 2014 and various medical conferences.

Hyatt Regency Kolkata achieved a Net Promoter Score (NPS) of 50.3 Percentage in our customer satisfaction survey - Medallia. The survey is based on the question of "Likelihood to Recommend the hotel" and hotel has been given a rating of over 5 in a scale of 10 maximum.

Your Board is constantly on the lookout for offering the highest consistency in quality, service and setting new standards to make the guests fully satisfied and the visit a rewarding experience. Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. An external audit has successfully been conducted to monitor hygiene standards, safety and security as well as audits to improve the energy and other efficiencies in the hotel.

COMPLIANCE WITH NOTIFICATION NO.S.O.301(E) DATED 8TH FEBRUARY 2011 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS UNDER SECTION 211(3) OF THE COMPANIES ACT, 1956

Since Central Government had issued a Notification No. S.O. 301 (E) dated 8th February, 2011 in exercise of the powers conferred by Section 211(3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their Statement of Profit and Loss as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfillment of few conditions, your Company has duly complied with all conditions of the notification to seek general exemption under Section 211(4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March 2014. Your Board has passed necessary resolution to comply with the notification.

SUBSIDIARY COMPANIES

The Company has two subsidiaries, namely GJS Hotels Limited, a wholly owned and a material non-listed Indian Subsidiary and Regency Convention Centre and Hotels Limited and one step down subsidiary namely Robust Hotels Private Limited.

The Ministry of Corporate Affairs, New Delhi has issued a General Circular No: 2 /2011 dated 8th February 2011 (said Circular) granting general exemption from complying with the provisions of Section 212 of the Companies Act, 1956 and the General Exemption is subject to certain conditions which inter alia requires the Board of Directors of the Company to give consent, by passing a Board Resolution, for not attaching the Balance Sheet of the subsidiary/ies concerned. Accordingly, your Directors have passed necessary Board Resolution to avail the above general exemption. The Consolidated Financial Statements of holding company and all the subsidiaries, prepared in strict compliance with applicable accounting standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI) and duly audited by Statutory Auditors of the Company have been presented in the Annual Report along with the prescribed Financial Information in respect of the subsidiary companies. The Company will make available the Annual Accounts of the subsidiary companies to the members of the Company as well as members of subsidiary companies who may be interested in obtaining the same at any point of time. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. Hard copy of details of accounts of subsidiaries shall be made available to the members on demand.

AMALGAMATION

The Scheme of Amalgamation of Forex Finance Private Limited with the Company has been approved by the equity shareholders of the Company with requisite majority as required under Section 391(2) of the Companies Act, 1956 at the Court Convened Meeting of the equity shareholders of the Company held on 8th April 2014. Further the Scheme was put to vote by public shareholders through postal ballot and e-voting process. Resolution for the approval of the Scheme was passed with requisite majority by the public shareholders.

The Company has filed the petitions for sanction of the Scheme as per Section 391(2) and 394 read with Section 100 of the Companies Act, 1956 with the Hon'ble High Court at Calcutta.

Asian Hotels (East) Limited

AUDITORS & AUDITORS' REPORT

M/s S.S. Kothari Mehta & Co., Chartered Accountants, Kolkata, the present auditors of the Company, retires at the forthcoming Annual General Meeting and is eligible for re-appointment as auditors and has confirmed their eligibility and willingness to accept office, if re-appointed. Members are requested to re-appoint them and fix their remuneration. The Audit Committee of the Board has recommended their re-appointment.

The notes on accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

During the year under review, Internal Audit of the Company has been carried out by M/s. KSMN & Company, Chartered Accountants, Kolkata.

BOARD OF DIRECTORS

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. A. C. Chakrabortti, Mr. Rama Shankar Jhawar and Mr. Padam Kumar Khaitan as Independent Directors of the Company.

As per Section 149(4) of the Companies Act, 2013, which came into effect from 1st April, 2014, every Listed Company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provision of Section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

Mr. Radhe Shyam Saraf retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

During the year Mr. S. S. Bhandari resigned as a Director of the Company due to his health reasons causing casual vacancy on the Board of Directors of the Company. The Board decided not to fill up the causal vacancy caused by his resignation.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March 2014, the applicable Accounting Standards have been followed along with proper explanation relating to materials departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and pursuant so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for the financial year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, your Company has no activity relating to Conservation of Energy and Technology Absorption as stipulated in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. However, your Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilization, safety and environment.

The Company's earnings and outgo in foreign exchange for the financial year under review were Rs. 3355.66 lacs/ Rs. 600.55 lacs respectively.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are required to be set out in the Director's Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Chief Legal Officer & Company Secretary at the Registered Office of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Management Discussion and Analysis Report as Annexure-A and Corporate Governance Report as Annexure-B and Compliance Certificate on Corporate Governance are annexed to this Report.

Asian Hotels (East) Limited

CORPORATE SOCIAL RESPONSIBILITY

The Company is associated with charitable and social activities and thereby playing a pro-active role in the socio-economic growth. Hyatt Regency Kolkata encourages local non-profits for various environmental awareness programs. We recognise and embrace the need to serve our community. In addition to several local programs conducted by us, our most important initiative for the financial year has been to create awareness for the East Kolkata Wetlands with schools but also in cooperation with our corporate clients and additionally we are supporting "Ek Tara" an initiative of some private investors for tutoring of girls and young women with the aim of empowerment and making them self-supporting.

The Board of Directors of the Company at its meeting held on 22nd May 2014 has constituted the Corporate Social Responsibility Committee in line with Section 135 of the Companies Act 2013. Detail of the same has been provided in the Corporate Governance Report. The Committee is responsible for formulating and monitoring the Corporate Social Responsibility Policy of the Company.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation towards all associates including customers, the Government of India, Government of West Bengal, Government Agencies, Hyatt Hotels Corporation, Bankers, suppliers, shareholders, employees and others who have reposed their confidence in the Company.

For and on behalf of the Board of Directors

Place: Kolkata
22nd May 2014

Umesh Saraf
Joint Managing Director

Rama Shankar Jhavar
Director

ANNEXURE - A FORMING PART OF DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT, OPPORTUNITIES AND OUTLOOK

The Hotel industry is facing immediate challenges due to the sluggish domestic economy, supply/demand imbalance and negative global economic environment. These problems are compounded by increasing land costs, rising construction/development and operating costs. As a result, profitability of the hotels is getting adversely affected. Whilst there has been significant growth in domestic demand but this is outweighed by pressure of low room rates, occupancy and change in demand patterns. Less hotel cash flow impacts not only equity returns but debt service capabilities and hotel valuations. Since there is a pressure to cut down rates to maintain occupancy level, the Management of your hotels has focused on maximizing returns from ancillary streams like food and beverage (F&B) outlets, banqueting services, spas & saloons and retail outlets. With the clarity in the political situation of the Country, the hotel industry could see the better growth in the years to come.

RISKS, CONCERNS AND THREATS

As a result of increasing supply pipeline and sluggish occupancy levels, sustenance of rates are immediate concerns for Indian hotel industry. Less corporate demand for conference and group business are also major woes of the hotel industry. Operating costs specially food cost, labour and utilities have skyrocketed creating pressures on margins. It looks that hotels will be struggling to be profitable with some having to restructure their debt to stay in the business. The industry revolves around customer service and satisfaction. Accordingly, the hotels must be constantly aware of the changing attitudes and behaviors of their customers. Hotels that meet and exceed the expectations of their guests will always be in high demand. Management of the hotels has to ensure branding of properties, products, innovations in product development, sales strategies, daily operations and advance technology in the food & beverage portion of the hotel industry to control cost and reduce waste with an ultimate aim to add to revenue and reduce costs.

SEGMENTWISE PERFORMANCE

The Company operates in the only one segment i.e., hoteliering

FINANCIAL AND OPERATING PERFORMANCE

Standalone Financials

Revenue

Operating revenue during the financial year 2013-14 increased to Rs. 9270.18 lacs as against Rs. 9024.13 lacs during the financial year 2012-13.

Profit Before Tax (PBT)

Profit Before Tax during the financial year 2013-14 is Rs. 3324.30 lacs as against Rs. 3882.08 lacs during the financial year 2012-13.

Profit for the year

Profit for the year is Rs. 2736.15 lacs during the financial year 2013-14 as compared to Rs. 3173.21 lacs during the financial year 2012-13.

Consolidated Financials

The current year results include the results of the 4 companies including 2 subsidiaries and 1 step down subsidiary. These have been prepared under historical cost convention accrual basis to comply in all material respect with the mandatory accounting standards notified by the Companies Accounting Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. While Hotel Hyatt Regency Chennai under the subsidiary of GJS Hotels Limited, is hopeful of improvement in its operational results but on and overall the profitability of the unit has been impacted due to the high interest rates on the debts during the long gestation period. This accounted for loss in the consolidated accounts of the Company.

Revenue

Consolidated operating revenue during the financial year 2013-14 increased to Rs. 17965.63 lacs as against Rs. 15111.17 lacs during the financial year 2012-13.

Profit Before Tax (PBT)

Profit Before Tax during the financial year 2013-14 is Rs. (1783.27) lacs as against Rs. 795.06 lacs during the financial year 2012-13.

Asian Hotels (East) Limited

Profit for the year

Profit for the year is Rs. (747.65) lacs during the financial year 2013-14 as compared to Rs. 1069.61 lacs during the financial year 2012-13.

Net Worth

The net worth in the current year stands at Rs. 84124.70 Lacs as compared to Rs. 81794.12 Lacs in the previous year.

EFFICIENT INTERNAL CONTROL SYSTEM

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. The Internal Auditor carries out in-depth internal audits for each department of Hotel Hyatt Regency Kolkata. The detailed process of review not only ensures reliability of control systems and legal compliances with applicable legislation, defined policies and processes but also reviews efficiency of systems and ensures safeguarding of tangible and intangible assets. The Audit Committee of the Board reviews the findings of the Internal Auditor and closely monitors the implementation of their recommendations by reviewing the compliance reports furnished.

DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company's strength lies in the commitment and quality of its people. Hotel Hyatt Regency Kolkata is known worldwide for its impeccable services - a reflection of careful employee selection, training and motivation. Employees are provided opportunity to grow and prosper. In the mean time all efforts are being made to control cost so as to maintain present level of profitability. We are also seeking opportunities in different markets and segments to continue diversify our revenue.

Industrial relations remained stable throughout the financial year 2013-14.

As on 31st March 2014, the number of people employed by the Company was 306.

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis, describing the Company's objectives, projections, estimates, predictions and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board of Directors

Place: Kolkata
22nd May 2014

Umesh Saraf
Joint Managing Director

Rama Shankar Jhavar
Director

ANNEXURE - B FORMING PART OF DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Asian Hotels (East) Limited believes that good Corporate Governance is essential to achieve long term corporate goals and enhance stakeholders' value. The Company's philosophy on Corporate Governance is aimed at the attainment of highest level of transparency, accountability and compliance of laws in all facets of operations, leading to best standards of Corporate Governance. This has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. It is Asian Hotels (East) Limited's belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards. The Board of Directors has also institutionalized best management practices to bring about an atmosphere of accountability. Systems have been put into place to ensure effective strategic planning, optimum risk management, financial plans, budgets, integrity controls, reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning, financial and total compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit.

The Company has complied with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, which deals with the compliance of Corporate Governance requirements as detailed below:

BOARD OF DIRECTORS

As on 31st March 2014, the total Board strength comprises of seven (7) Directors which includes a Non-Executive Chairman, two (2) Joint Managing Directors and four (4) other Independent Directors. The Company is in compliance with the provisions of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges pertaining to composition of the Board as on 31st March 2014.

None of the Directors is a member of more than 10 committees or act as chairman of more than 5 committees as specified in Clause 49, across all companies in which they are Directors.

The Board normally meets four times a year and as and when required. The time gap between two Board Meetings has not exceeded the limit of four months as specified under Clause 49(I)(C) of the Listing Agreement with the Stock Exchanges. During the financial year 2013-14, the Board of Directors had five (5) meetings. These were held on 22nd May 2013, 23rd May 2013, 8th August 2013, 12th November 2013 and 7th February 2014. The attendance of the Directors at the Board meeting is given elsewhere in this section.

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting.

All statutory and other significant and material information as mentioned in Annexure IA to Clause 49 of the Listing Agreement are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The members of the Board have the complete freedom to express their opinion and decisions are taken after detailed discussion.

Details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the members.

The last Annual General Meeting was held on 8th August, 2013. Pursuant to the provisions of Clause 49(I) of the Listing Agreement, the composition of the Board, details of Directorships held, Committee Memberships / Chairmanships held, and attendance of the Director at the Board Meetings and previous Annual General Meeting (AGM) are given below as on 31st March 2014:

Sl. No.	Name of Director	DIN No.	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorship(s)*	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies#	
							Member	Chairman
1.	Mr. Radhe Shyam Saraf ⁺	00017962	Non-Independent, Non-Executive Chairman	1	No	Nil	Nil	Nil
2.	Mr. A. C. Chakrabortti	00015622	Independent Non-Executive	3	Yes	5	2	2
3.	Mr. Rama Shankar Jhawar	00023792	Independent, Non-Executive	4	Yes	7	1	1
4.	Mr. Padam Kumar Khaitan	00019700	Independent, Non-Executive	5	Yes	10	2	1
5.	Mr. Arun K Saraf ⁺	00339772	Joint Managing Director	4	Yes	2	1	0

Asian Hotels (East) Limited

Sl. No.	Name of Director	DIN No.	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorship(s) ⁺	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies [#]	
							Member	Chairman
6.	Mr. Umesh Saraf ⁺	00017985	Joint Managing Director	5	Yes	5	0	0
7.	Mr. Ramesh Kumar Chokhani	00582700	Independent, Non-Executive	4	Yes	Nil	Nil	Nil

* The Directorship held by Directors as mentioned above does not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committee and Shareholders'/ Investors' Grievance Committees in all Public Limited Companies [excluding Asian Hotels (East) Limited] have been considered.

+ No Directors other than Mr. Radhe Shyam Saraf, Mr. Arun K Saraf and Mr. Umesh Saraf are related to each other as father, sons and brothers.

COMMITTEE OF BOARD OF DIRECTORS

The Company has three (3) Board level Committee in accordance with Clause 49 of Listing Agreement with the Stock Exchanges.

1) Audit Committee

The role and the terms of reference of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreements with the Stock Exchanges. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreements.

As on 31st March 2014, the Audit Committee comprises four (4) Directors amongst which three (3) are Independent Non-Executive Directors, namely Mr. A. C. Chakrabortti, Mr. Rama Shankar Jhawar and Mr. Ramesh Kumar Chokhani and one (1) is Joint Managing Director namely Mr. Umesh Saraf.

All the members of the Audit Committee possess sound knowledge on accounts, audit, finance, internal controls etc. Mr. Rama Shankar Jhawar, a Chartered Accountant, is a renowned financial professional in the industry. Mr. Umesh Saraf has held Managing Directorship in renowned Indian Companies. Mr. Ramesh Kumar Chokhani has 12 years of experience as a CA professional in the field of auditing, taxation, project management etc. and Mr. A. C. Chakrabortti, fellow member of the Institute of Chartered Accountants in England & Wales and India, has wide experience in diverse fields particularly pertaining to the accounts, finance and taxation.

During the financial year 2013-14, four (4) Audit Committee meetings were held on 23rd May 2013, 8th August 2013, 12th November 2013 and 7th February 2014 respectively. Necessary quorum was present for all the meetings. The time gaps between any two Audit Committee meetings were not more than four months.

Attendance of each Member at the Audit Committee meeting held during the year:

Name of the Chairman/Member	Status	Meetings Attended
Mr. A. C. Chakrabortti*	Chairman	3
Mr. Rama Shankar Jhawar	Member	4
Mr. Umesh Saraf	Member	4
Mr. Ramesh Kumar Chokhani	Member	3

*Mr. A. C. Chakrabortti has been appointed as Chairman of the Audit Committee w.e.f. 22nd May 2014.

Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary is the Secretary to the Audit Committee.

Mr. Radhe Shyam Saraf, Chairman, Mr. Arun K Saraf, Joint Managing Director, Vice President-Corporate Finance, Director of Finance and General Manager along with the Statutory and Internal Auditors of the Company attend the Meetings of the Audit Committee.

2) Nomination and Remuneration Committee

The Board of Directors of the Company at its meeting held on 22nd May 2014 changed the name of Remuneration Committee to Nomination and Remuneration Committee (the Committee). The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act 2013 as well as requirement of Clause 49 of the Listing Agreement with Stock Exchanges.

The composition of the Committee as on 31st March 2014 is as under:

Name of Member	Status
Mr. Rama Shankar Jhawar	Chairman
Mr. Padam Kumar Khaitan	Member
Mr. A.C. Chakrabortti	Member

The Committee did not meet during the year. The Committee when required reviews the remuneration packages of the Joint Managing Directors and recommend suitable revision to the Board. The remuneration is then subject to Members' approval.

Asian Hotels (East) Limited

Details of remuneration paid/payable to the Directors during the financial year ended 31st March 2014:

(a) Joint Managing Directors

(Rs. in Lacs)

Name	Salary	Perquisites and allowances	Commission payable	Total amount paid/payable in 2013-14	Period of appointment
Mr. Arun K Saraf	84.20	45.11	Nil	129.31	5 years starting from 4th August 2010
Mr. Umesh Saraf	84.20	45.11	Nil	129.31	5 years starting from 22nd February 2010

(b) Non-Executive Directors:

Name	Sitting fees (Rs.)*
Mr. Radhe Shyam Saraf	20,000
Mr. A. C. Chakrabortti	1,20,000
Mr. Rama Shankar Jhavar	1,60,000
Mr. Padam Kumar Khaitan	1,00,000
Mr. Ramesh Kumar Chokhani	1,40,000

* No remuneration other than sitting fees for attending Board and Committee Meetings was paid to the Non-Executive Directors.

The Company does not have any stock option plan or performance linked incentive or bonus for the Joint Managing Directors.

Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

There were no other shares and convertible instruments held by Non-Executive Directors of the Company. There were no pecuniary relationships or transaction between any of the Non- Executive Directors and the Company.

3) Stakeholders Relationship Committee

The Board of Directors of the Company at its meeting held on 22nd May 2014 changed the name of Share Transfer and Shareholders'/Investor's Grievance Committee to Stakeholder Relationship Committee (the Committee). The Committee is primarily responsible to carry out handling of transfer and transmission of shares, issue of duplicate/re-materialise shares and consolidation and splitting of certificates etc. and handling of shareholders'/investors' grievances/complaints. The brief terms of reference of the Committee include redressing of shareholders and investors' complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc. and to expedite the process of share transfer. The Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The composition of the Committee is as under:

Name of the Members	Status
Mr. Padam K Khaitan	Chairman
Mr. Rama Shankar Jhavar	Member
Mr. Umesh Saraf	Member

The Committee meets on need basis.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 73. There are no pending complaints as on 31st March 2014. Further, all the requests for transfer of shares have also been processed in time and no transfer was pending for registration for more than 15 days as on 31st March 2014.

Minutes of meetings of the Stakeholders Relationship Committee/Resolutions by Circulations are circulated to the Board.

Compliance Officer

Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary is the Compliance Officer and acts as Secretary to the Committee.

Executive Share Transfer Committee

Pursuant to Clause 49 IV(G)(iv) of the Listing Agreement with the Stock Exchanges and to expedite the process of share transfers, the Board at its meeting held on 4th August 2012 has constituted an Executive Share Transfer Committee comprising of Vice President - Corporate Finance and Chief Legal Officer & Company Secretary.

Terms of reference:

- The Executive Share Transfer Committee considers and approves transfer of shares including taking note of transfer of shares in demat mode, transmission of shares, transposition of names of the shareholders, deletion of name of shareholders and change of name/surname of the shareholders;
- The Executive Share Transfer Committee executes its role as per the Company's Code of Conduct for prevention of Insider Trading ("The Code") framed in terms of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Executive Share Transfer Committee meets on a need basis and at least once in every ten (10) days to dispose of the business of the Committee. The minutes of the Executive Share Transfer Committee are placed at the Board Meetings of the Company periodically.

Asian Hotels (East) Limited

4. Corporate Social Responsibility Committee

As per the Companies Act 2013, all companies having a net worth of Rs. 500 crores or more or turnover of Rs. 1000 crores or more or a net profit of Rs. 5 crores or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of 3 or more directors, atleast one of whom will be an independent director.

Accordingly, the Board on 22nd May 2014, constituted the CSR Committee (the Committee) of the Board of the Company. The composition of the Committee is as under:

Name of the Members	Status
Mr. Umesh Saraf	Chairman
Mr. Rama Shankar Jhwar	Member
Mr. A.C. Chakrabortti	Member

The purpose of the Committee is to formulate and monitor the CSR Policy of the Company.

GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings:

Financial Year	Nature of meeting	Venue	Date	Time	Special Resolutions passed
2010-11	4th Annual General Meeting	Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata- 700098, West Bengal.	24.08.2011	11.00 a.m	None
2011-12	5th Annual General Meeting	- Do -	19.07.2012	11.00 a.m	None
2012-13	6th Annual General Meeting	- Do -	08.08.2013	11.00 a.m	None

Postal Ballot

During the year one resolution was passed by requisite majority as per Clause 5.16 of Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 as replaced and clarified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013 through postal ballot and e-voting in respect of approval to the Scheme of Amalgamation between the Company and Forex Finance Private Limited.

Details of resolution passed through postal ballot and e-voting are as follows:

- Description:
Approval to Scheme of Amalgamation between the Company and Forex Finance Private Limited.
- Voting Pattern:

Voting	Number of votes	Percentage of total votes
In favour of resolution	233	94.72
Against the resolution	13	5.28
Total	246	100.00

As per requirement of above referred circulars of SEBI, promoters have not taken part in the postal ballot. Accordingly, the above resolution was approved by the public shareholders only.

SUBSIDIARY

The Company has two unlisted subsidiaries namely GJS Hotels Limited and Regency Convention Centre and Hotels Limited and one unlisted step down subsidiary namely Robust Hotels Private Limited, owning company of Hotel Hyatt Regency Chennai. GJS Hotels Limited is wholly owned and a material non-listed Indian subsidiary within the meaning of the explanations given in Explanations 1 of Clause 49(III) of the Listing Agreement with the Stock Exchanges.

DISCLOSURES

- There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties as per AS 18 are disclosed in the Notes to the Annual Accounts for the financial year 2013-14.

Asian Hotels (East) Limited

- (ii) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- (iii) The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 while preparing the Financial Statements.
- (iv) The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.
- (v) The Company has not come out with any public issue or right issue etc. during the financial year under review.
- (vi) The Company has complied with all the applicable requirements of the Listing Agreements with the stock exchanges. The Company has adopted a suitable reporting system on compliances of all major laws applicable to the Company, which is placed before the Board of Directors of the Company at its periodic meeting.
- (vii) The Company has not adopted the non-mandatory requirements of the Listing Agreement.

COMPLIANCE

- **Code of Conduct**

The Company has adopted a Code of Conduct for Board and Senior Management in terms of Clause 49(I)(D) of the Listing Agreement with the Stock Exchange. All Directors and the Senior Management personnel have affirmed in writing their adherence to the above Code. The full text of the Code is displayed at Company's website www.ahleast.com. A declaration signed by the Joint Managing Director is attached and forms part of the Annual Report of the Company.

- **Corporate Governance Compliance**

The Company has complied with the requirements as laid down in Clause 49 of the Listing Agreements with the Stock Exchanges for the purpose of Corporate Governance. A certificate has been obtained from M/s. S. S. Kothari Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company.

- **Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices**

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. All the Directors, employees at the senior management level and other employees and all concerned who could have access to the unpublished price sensitive information of the Company are governed by this Code. The Company has appointed Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary, as Compliance Officer who is responsible for setting forth procedures, implementation and compliance of the Code of Conduct for trading in Company's securities.

CEO/CFO CERTIFICATION

The Joint Managing Director and Vice President-Corporate Finance of the Company have issued necessary certificate to the Board pursuant to the provisions of Clause 49(V) of the Listing Agreements with the Stock Exchanges and the same is attached and forms part of the Annual Report.

INFORMATION PURSUANT TO CLAUSE 49 (IV)(G) OF THE LISTING AGREEMENT

The Company has furnished information pursuant to Clause 49(IV)(G)(i) of the Listing Agreements with the Stock Exchanges, relating to the appointment of a new Director or re-appointment of a Director. Shareholders may kindly refer to the Notice convening the 7th Annual General Meeting of the Company and this Corporate Governance Report. The names of the companies in which the person concerned holds Directorship and Membership of Committees of the Board are given separately.

MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in the Business Standard (all India editions) and Aajkal (all editions).

These results alongwith Annual Reports, Shareholding Patterns and quarterly Corporate Governance Report, etc. pursuant to Clause 52 and Clause 54 of the Listing Agreement with the Stock Exchanges are simultaneously posted on Corporate Filing and Dissemination System (CFDS) viz. www.corpfiling.co.in website maintained by SEBI and on the website of the Company at www.ahleast.com.

Further, all periodical compliance filings like shareholding patterns, corporate governance report, corporate announcements etc. are filed electronically on NEAPS, a web based application designed by NSE and on BSE Listing Centre a web based application designed by BSE for the corporates. The investor complaints are processed in SEBI Complaints Redressal Systems (SCORES), a centralized web based complaints redress system.

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Day, Date & Time	:	Wednesday, 30th July 2014 At 10.00 a.m.
Venue	:	Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector III, Salt Lake City, Kolkata – 700 098.
Financial Year	:	31st March 2014
Financial Calendar	:	
1st Quarterly Results	}	Within 45 days from the end of the quarter
2nd Quarterly/ Half yearly Results		
3rd Quarterly Results		
Audited yearly Results for the year ending 31st March 2014	:	Within 60 days of the end of the Financial Year.
Date of Book closure	:	23rd July 2014 to 30th July 2014 (both days inclusive)
Dividend Payment date	:	Within 30 days from the date of declaration.

Listing on Stock Exchanges

Details of listing of equity shares of the Company:

Sl.No.	Name and address of the Stock Exchanges	Scrip Code/ Symbol	ISIN
1.	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	533227	INE926K01017
2.	National Stock Exchange Limited. Exchange Plaza, C-1, Block-G, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051	AHLEAST	

Annual listing fees as prescribed, has been paid by the Company to the above Stock Exchanges for the financial year 2014-15.

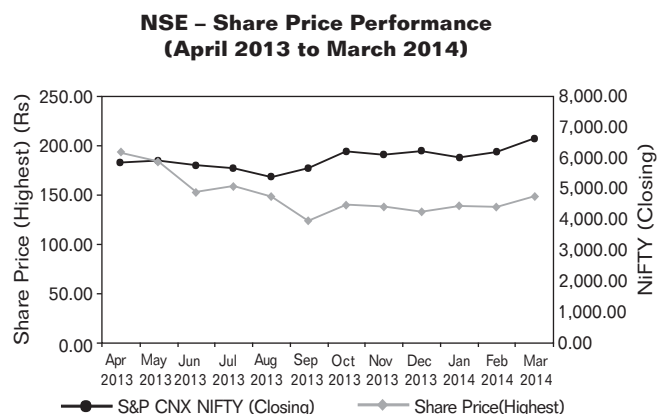
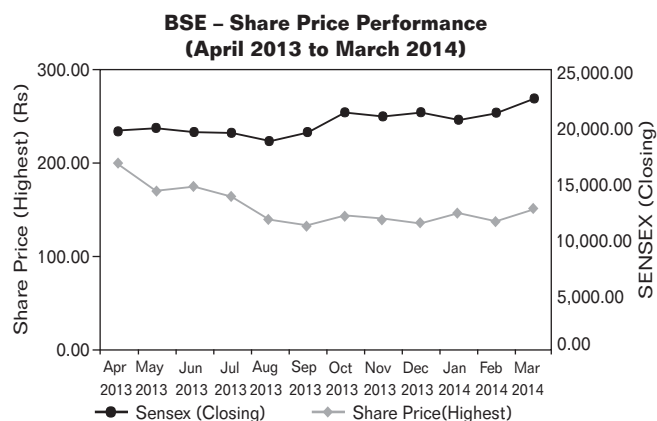
The Company has paid the annual custody/issuer fee to NSDL and CDSL for the financial year 2014-15.

Corporate Identity Number (CIN): L15122WB2007PLC162762

Market Price Data during the period from April 2013 to March 2014

Month	Bombay Stock Exchange				National Stock Exchange			
	High Rs.	Low Rs.	Total Number of Shares Traded	Sensex (Closing)	High Rs.	Low Rs.	Total Number of Shares Traded	S&P CNX NIFTY (Closing)
Apr 2013	199.50	162.05	7,221	19,504.18	195.00	142.00	3,087	5930.20
May 2013	170.00	142.00	6,304	19,760.30	185.00	136.00	3,327	5985.95
Jun 2013	175.00	121.00	1,189	19,395.81	155.00	127.00	5,73,835	5842.20
Jul 2013	164.00	133.00	2,124	19,345.70	160.50	117.00	973	5742.00
Aug 2013	140.00	116.65	7,449	18,619.72	150.00	126.35	2,872	5471.80
Sep 2013	132.90	116.00	15,674	19,379.77	125.05	116.00	6,814	5735.30
Oct 2013	142.95	120.00	23,025	21,164.52	142.00	118.00	8,639	6299.15
Nov 2013	140.00	122.00	5,947	20,791.93	140.00	124.65	9,084	6176.10
Dec 2013	136.00	124.00	3,311	21,170.68	134.40	118.00	5,169	6304.00
Jan 2014	147.00	126.00	8,622	20,513.85	141.10	124.00	19,128	6089.50
Feb 2014	137.05	124.50	8,246	21,120.12	140.00	124.10	9,164	6276.95
Mar 2014	152.00	128.05	10,714	22,386.27	150.00	122.00	60,226	6704.20

Asian Hotels (East) Limited



Share Transfer System

Share transfers in physical form are generally registered within a fortnight from the date of receipt provided the documents are found to be in order. Share Transfer & Shareholders'/ Investors' Grievance Committee and Executive Share Transfer Committee consider and approve the transfer proposals.

The Company affirms that no shareholders' complaints was lying pending as on 31st March 2014 under SCORES.

Requests for dematerialization of shares being in order is generally processed within 21 days of receipt of the request and the confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

Unclaimed Shares

In terms of Clause 5A II of the Listing Agreement, 66268 equity shares relating to 841 shareholders, which remained unclaimed as on 14th June, 2012, were transferred to a separate demat account namely "AHEL Unclaimed Suspense Account" maintained with Karvy Stock Broking Limited. The detail of operation in the above unclaimed suspense account is as follows:

Sl. No.	Particulars	Number of shareholders	Number of equity shares
1.	Aggregate Number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 14th June, 2012.	841	66268
2.	Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during 14th June, 2012 to 31st March, 2014	12	1319
3.	Number of shareholders to whom shares were transferred from the unclaimed suspense account during 14th June, 2012 to 31st March, 2014.	12	1319
4.	Number of claims lodged but pending due to want of document as on 31st March, 2014.	NIL	NIL
5.	Aggregate Number of shareholders and outstanding shares lying in the unclaimed suspense account as on 31st March, 2014.	829	64949

The voting rights on the shares outstanding in the unclaimed suspense accounts as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

Equity Dividend History of the Company

Financial Year	Date of Declaration	Equity Dividend per share (Rs.)
2010-11	24th August 2011	4.50/-
2011-12	19th July 2012	4.50/-
2012-13	8th August 2013	4.50/-

Transfer of unpaid/unclaimed equity dividend to Investors Education & Protection Fund (IEPF)

Pursuant to Sections 205A & 205C & other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid equity dividend remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred to the IEPF established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in

Asian Hotels (East) Limited

respect of such claims. Members who have not yet encashed their equity dividend warrant(s) for the financial years 2009-10, 2010-11, 2011-12 and 2012-13 are requested to make their claims by submitting their un-encashed warrant(s) without any delay to the Company / Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited, Hyderabad.

The following table of information relating to the outstanding dividend accounts and the dates by which they need to be transferred:

Financial Year	Date of Declaration	Date of payment	Date on which dividend will become part of IEPF
2009-10	29th September 2010	20th October 2010	4th November 2017
2010-11	24th August 2011	30th August 2011	29th September 2018
2011-12	19th July 2012	27th July 2012	24th August 2019
2012-13	8th August 2013	16th August 2013	13th September 2020

Distribution of Shareholding as on 31st March 2014

DISTRIBUTION SCHEDULE AS ON 31/03/2014					
Sl. No.	Category	Cases	% of Cases	Amount (Rs.)	% Amount
1	upto 1 - 5000	14111	96.86	8101090.00	7.08
2	5001 - 10000	258	1.77	1828940.00	1.60
3	10001 - 20000	91	0.62	1272210.00	1.11
4	20001 - 30000	27	0.19	665040.00	0.58
5	30001 - 40000	15	0.10	545870.00	0.48
6	40001 - 50000	15	0.10	689910.00	0.60
7	50001 - 100000	15	0.10	1039060.00	0.91
8	100001 & ABOVE	36	0.25	100263730.00	87.64
	Total:	14568	100.00	114405850.00	100.00

No. of Shares

Physical : 3,39,931

Electronic Mode:

– NSDL : 1,08,04,791

– CDSL : 2,95,863

Shareholding Pattern as on 31st March 2014

Category	No. of Shares held	% of shareholding
A. Promoters shareholding		
– Indian	3127072	27.33
– Foreign	4202560	36.73
Total Promoters Shareholding	7329632	64.07
B. Public Shareholding		
– Mutual Fund	425	0.00
– Indian Financial Institutions	185092	1.62
– Banks	663315	5.80
– FII's	41328	0.36
– NRI's	183629	1.61
– Bodies Corporate (Domestic)	1578014	13.79
– Individuals (Indian Public)	1412480	12.34
– Clearing members	7519	0.07
– Foreign Corporate Bodies	38803	0.34
– Trust	348	0.00
Total Public Shareholding	4110953	35.93
TOTAL	11440585	100

Asian Hotels (East) Limited

Registrar and Share Transfer Agent

Karvy Computershare Private Limited

'Karvy House'
Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad- 500 081
Tel No. 040-23114058/ 23420818,
Fax No. 040-23420814
E-mail: mailmanager@karvy.com

Karvy Computershare Private Limited

49, Jatin Das Road, Kolkata - 700 029
Tel No. 033- 2464 4891/7231/2463-4787-89
Website: www.karvy.com

Dematerialisation of Equity Shares

1,11,00,654 shares (equivalent to 97.03%) of the total outstanding shares of the Company are held in dematerialized form as on 31st March 2014.

The Company's shares are traded at BSE & NSE.

The Company has not issued GDRs/ADRs/Warrants or any Convertible Instruments likely to impact on equity.

Hotel Location

Hyatt Regency Kolkata
Plot JA-1, Sector III,
Salt Lake City
Kolkata 700 098

Hyatt Regency Chennai
365, Anna Salai,
Teynampet
Chennai-600 018

Address for correspondence

The investor may address their correspondence directly to the Legal & Secretarial Department located at the registered office of the Company (as detailed below) or to the Registrar & Share Transfer Agent at the addresses mentioned in this Report.

Registered Office Address

Asian Hotels (East) Limited
Legal & Secretarial Department
Hyatt Regency Kolkata
JA-1, Sector III,
Salt Lake City
Kolkata 700 098
Telephone No. :033-2517-1009/1012
Fax No. : 033-2335-8246
Email id : Soumya.Saha@ahleast.com

Exclusive e-mail ID for Investors' Grievances

Pursuant to Clause 47(f) of the Listing Agreement with the Stock Exchange, the e-mail id investorrelations@ahleast.com has been designated for communicating the investors' grievances.

For and on behalf of the Board of Directors

Place: Kolkata
22nd May 2014

Umesh Saraf
Joint Managing Director

Rama Shankar Jhawar
Director

Asian Hotels (East) Limited

To
The Board of Directors
Asian Hotels (East) Limited
Hyatt Regency Kolkata,
JA-1, Sector - III,
Salt Lake City
Kolkata 700 098.

**Sub: Joint Managing Director/ Vice President - Corporate Finance Certification
pursuant to Clause 49V of the Listing Agreement with the Stock Exchanges.**

We, the undersigned, in our capacities as the Joint Managing Director / Vice President Corporate Finance of Asian Hotels (East) Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2014 and based on our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions executed into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We are responsible for establishing & maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

Thanking you,

Yours faithfully,

For **Asian Hotels (East) Limited**

Place: Kolkata
22nd May 2014

Umesh Saraf
Joint Managing Director

Bimal K Jhunjhunwala
Vice President-Corporate Finance

DECLARATION

In compliance with Clause 49(I)(D)(ii) of the Listing Agreement, I, Umesh Saraf, Joint Managing Director of the Company hereby declare on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the compliance of their respective Code of Conducts adopted by the Board for Financial Year 2013-14.

For **Asian Hotels (East) Limited**

Place: Kolkata
22nd May 2014

Umesh Saraf
Joint Managing Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members of Asian Hotels (East) Limited

We have reviewed the implementation of Corporate Governance procedure by the company during the twelve-month period ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges in India with the relevant records/documents maintained by the company furnished to us for our review and the report of Corporate Governance as approved by the Board of Directors.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No: 000756N

Place: Kolkata
22nd May 2014

K K Tulshan
Partner
Membership No: 085033

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED

Report On the Financial Statements

We have audited the accompanying financial statements of Asian Hotels (East) Limited ('the Company') which comprises the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, 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.

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:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the 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, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of subsection(4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
2. As required by section 227(3) of the Companies Act, 1956, we report that:
 - a. We have 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 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013,
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No: 000756N

K K Tulshan
Partner
Membership No: 085033

Place: Kolkata
Date: 22nd May 2014

ANNEXURE TO THE AUDITORS' REPORT

Referred to in clause 1 of paragraph of 'Report on Other Legal and Regulatory Requirements' of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As part of this programme, the management has physically verified certain fixed assets during the year. Discrepancies noticed on such verification as compared to book records were not material, and have been properly adjusted in the books of account.
- (c) Fixed assets disposed off during the year were not substantial so as to impact going concern status of the Company.
2. (a) As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals.
- (b) The procedures for the physical verification of inventories followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. The Company has neither granted nor taken any loans, secured or unsecured, to companies firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provision of clause (iii) (b) to (g) of Companies (Auditor's report) Order, 2003 (as amended) are not applicable.
4. In our opinion and according to the information & explanations given to us during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of a major weakness in the aforesaid internal control systems.
5. (a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanation given to us and on the basis of our examination of books and records of the Company, the value of any contract or arrangement with respect to each part required to be entered in the register maintained under section 301 of the Companies Act, 1956 does not exceed Rs. five lakhs hence the provision of clause 4 (v)(b) of the order is not applicable to the Company.
6. The Company has not accepted any deposits within the meaning of Section 58A,58AA or any other relevant provision of the companies Act,1956 and rules framed there under during the period.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge, maintenance of cost records under section 209 (1) (d) of the Act as prescribed by the Central Government is not applicable to the Company.
9. (a) In our opinion and according to the information and explanations given to us and according to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues, wherever applicable, have been regularly deposited with the appropriate authorities during the year and there are no such undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March,2014.
- (b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute, except the following which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (In ₹)	Forum where dispute is pending	Period to which the Amount relates
Finance Act, 1994	Service Tax	4,374,245	Commissioner (Appeals)	Prior to 2004-05
Finance Act, 1994	Service Tax	10,217,937	Service Tax Tribunal	2003-04 to 2006-07
Finance Act, 1994	Service Tax	26,753,749	Service Tax Commissioner	2007-08 to 2009-10

10. The Company does not have accumulated losses as at the end of the financial year. There are no cash losses during the financial year and in the immediately preceding financial year.
11. As the Company does not have any dues payable to any Financial institutions, Banks and Debenture holder, the provision of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

Asian Hotels (East) Limited

12. According to the information and explanations given to us and as per the books and records examined by us, the Company has not granted loan and advances on the basis of security by way of pledge of shares, debenture and other securities.
13. The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements of the Order are not applicable.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions or contracts in respect of shares, securities, debentures and other Investments and timely entries have been made therein. All shares, securities, debentures and other Investments have been held by the company on its own name.
15. The Company has given guarantees / letter of undertaking against loan taken by others from banks and financial institution, the terms and condition of such guarantees / letter of undertaking , are not in our opinion, prima facie, prejudicial to the interest of the Company.
16. There were no term loans raised during the year by the Company for any purpose. Thus the provision of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of share to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956. Thus the provision of clause 4(xviii) of the Companies (Auditor's Report) Order,2003 are not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the records examined by us, the Company has not issued any debenture during the period; hence the provision of clause 4(xix) of the Companies (Auditor's Report) Order,2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the period , hence the provision of clause 4(xx) of the Companies (Auditor's Report) Order,2003 are not applicable to the Company.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

Place: Kolkata
Date: 22nd May 2014

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No: 000756N

K K Tulshan
Partner
Membership No: 085033

Asian Hotels (East) Limited

BALANCE SHEET as at 31st March 2014

	Note	As at 31st March 2014	Amount in ₹ As at 31st March 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
(a) Share Capital	3	114,405,850	114,405,850
(b) Reserves & Surplus	4	8,300,205,444	8,067,147,284
		8,414,611,294	8,181,553,134
NON-CURRENT LIABILITIES			
(a) Deferred Tax Liabilities (Net)	5	222,572,874	220,598,735
(b) Other Long Term Liabilities	6	7,147,650	10,197,250
(c) Long-term Provisions	7	15,907,656	14,063,180
		245,628,180	244,859,165
CURRENT LIABILITIES			
(a) Trade Payables	8	89,818,964	63,866,127
(b) Other Current Liabilities	9	43,902,053	33,556,290
(c) Short -Term Provisions	10	40,856,379	60,346,186
		174,577,396	157,768,603
Total		8,834,816,870	8,584,180,902
ASSETS			
NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	11	1,425,450,319	1,474,637,845
(ii) Intangible Assets		—	—
(iii) Capital Work-in-Progress		19,647,762	15,948,040
(b) Non-Current Investments	12	3,369,640,784	3,219,640,784
(c) Long-term Loans and Advance	13	61,500,344	59,704,465
		4,876,239,209	4,769,931,134
CURRENT ASSETS			
(a) Current Investments	14	2,278,842,004	2,573,811,662
(b) Inventories	15	19,205,134	19,521,903
(c) Trade Receivable	16	57,377,129	60,444,579
(d) Cash and Bank Balances	17	38,540,587	50,876,780
(e) Short-term Loans and Advances	18	1,558,204,068	1,105,398,815
(f) Other Current Assets	19	6,408,739	4,196,029
		3,958,577,661	3,814,249,768
		8,834,816,870	8,584,180,902
Notes forming part of Financial Statements	1-44		

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhawar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Asian Hotels (East) Limited

STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2014

	Note	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
INCOME			
(a) Revenue from Operations	20	927,018,113	902,413,272
(b) Other Income	21	161,470,699	237,474,982
		1,088,488,812	1,139,888,254
EXPENDITURE			
(a) Consumption of Provisions, Beverages, Smokes & Others	22	133,374,383	114,777,720
(b) Employee Benefit Expense	23	185,806,725	184,604,786
(c) Finance Cost	24	1,500	779,394
(d) Depreciation and Amortization Expenses	11	53,371,201	65,430,870
(e) Other Expenses	25	383,504,694	386,087,590
		756,058,503	751,680,360
PROFIT BEFORE TAX		332,430,309	388,207,894
TAX EXPENSES			
(a) Current Tax		60,639,299	56,384,086
(b) Deferred Tax		1,974,139	9,950,540
(c) MAT Credit (including earlier years)		(6,886,345)	—
(d) Others (Short / (Excess) Provision of earlier years)		3,088,207	4,552,144
PROFIT AFTER TAX		273,615,009	317,321,124
EARNINGS PER EQUITY SHARE			
	27		
(a) Basic		23.92	27.74
(b) Diluted		23.92	27.74
Notes forming part of Financial Statements	1-44		

As per our report of even date

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

For and on behalf of the Board of Directors

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhawar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjhunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

CASH FLOW STATEMENT for the year ended 31st March 2014

	Year Ended 31st March, 2014	Amount in ₹ Year Ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	332,430,309	388,207,894
Adjustment for :		
Depreciation/amortization	53,371,201	65,430,870
Loss/(profit) on sale of fixed assets	109,533	663,574
Provision for bad and doubtful debts	1,043,565	142,030
Excess Provision Written Back	(357,487)	(15,297,136)
Miscellaneous Balances written off	-	40,005
Adjustment to Carrying amount of investment	406,588	64,219
Net loss/(gain) on sale of current investments	(99,537,572)	(105,865,540)
Provision for Gratuity	1,935,580	1,864,947
Provision for Leave Encashment	98,755	194,511
Interest income	(12,651,589)	(21,032,314)
Dividend income	(47,146,798)	(94,772,592)
Operating profit before working capital changes	229,702,085	219,640,468
Movements in working capital :		
Increase/(decrease) in trade payables	26,310,324	3,096,484
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in other long-term liabilities	(3,049,600)	10,197,250
Increase/(decrease) in other current liabilities	9,229,869	(17,471,486)
Increase / (decrease) in short-term provisions	-	-
Decrease/(increase) in trade receivables	2,023,885	(29,885,491)
Decrease/(increase) in inventories	316,769	(2,307,463)
Decrease / (increase) in other current assets	-	33,603,713
Decrease / (increase) in long term loans and advances	38,400	120,900
Decrease / (increase) in short-term loans and advances	(5,455,256)	(4,444,617)
Cash generated from / (used in) operations	259,116,476	212,549,758
Less: Direct taxes paid (net of refunds)	58,675,440	68,705,490
Net cash flow from/ (used in) Operating Activities (A)	200,441,036	143,844,268
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed assets	(8,026,867)	(34,716,815)
Decrease in Capital Advance	-	3,249,784
Proceeds from sale of fixed assets	33,937	1,178,500
Purchase of non-current investments	(150,000,000)	-
Purchase of current investments	(550,642,353)	(1,245,090,738)
Proceeds from sale/maturity of current investments	944,742,998	797,867,176
Short term loans and advances given	(447,350,000)	(323,510,947)
Interest received	10,438,879	16,993,409
Dividend received	47,146,798	94,772,592
Net cash flow from/(used in) Investing Activities (B)	(153,656,608)	(689,257,039)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid on shares	(50,370,507)	(50,905,372)
Tax on dividend paid	(8,750,114)	(8,351,770)
Net cash flow from/(used in) in Financing Activities (C)	(59,120,621)	(59,257,142)
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	(12,336,193)	(604,669,913)
Cash and Cash Equivalents at the beginning of the year (Refer Note 17)	50,876,780	655,546,693
Cash and Cash Equivalents at the end of the year (Refer Note 17)	38,540,587	50,876,780

Notes forming part of Financial Statements

1-44

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhawar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Notes to Financial Statements for the Year Ended 31st March 2014

1. Corporate Overview

Asian Hotels (East) Limited is a Public Limited Company listed with Bombay Stock Exchange and National Stock Exchange and is primarily engaged in the Hotel business through "Hyatt Regency Kolkata" a five-star Hotel situated in the city of Kolkata.

2. Basis of preparation

The financial statements have been prepared to comply with all material respects with the mandatory Accounting Standards (AS) notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

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, if any.

2.1 Significant Accounting Policies

a. 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.

b. Tangible Fixed Assets

Tangible Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/amortization. Cost represents the direct expenses incurred on acquisition/construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.

c. Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase. No depreciation is charged for the quarter on the assets sold/ discarded during the year.

d. Impairment of Tangible 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 impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is determined for assets or group of assets which are capable of generating independent cash flows i.e. cash generating units.

e. 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Notes to Financial Statements for the Year Ended 31st March 2013

f. Inventories

Inventory is valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated realizable value in the normal course of business less the estimated costs necessary to make the sale.

Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

Shares held as Stock-in-trade are valued at cost or market value whichever is lower.

g. 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.

- i. Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- ii. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Dividend income from investments is recognized when the Company's right to receive payment is established.
- iv. Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

h. Foreign Currency Transaction

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 the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences are recognized as income or as expenses in the period in which they arise.

Income in Foreign Exchange

The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.

Expenses remittable in foreign exchange

These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.

i. Retirement and other employee benefits

Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an independent actuary using the projected unit credit method.

All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

j. Income 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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. 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.

Notes to Financial Statements for the Year Ended 31st March 2013

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.

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.

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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

k. 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.

l. 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.

m. 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.

n. Cash and Cash Equivalents

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

o. Dividend

Dividend recommended by the Board of Directors, if any, is provided for in the accounts pending shareholders' approval.

Notes to Financial Statements for the Year Ended 31st March 2014

3. Share Capital	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013
Authorised Shares		
14,000,000 (Previous Year: 14,000,000) Equity Shares of ₹10 each	140,000,000	140,000,000
1,000,000 (Previous Year: 1,000,000) Preference Shares of ₹10 each	10,000,000	10,000,000
	150,000,000	150,000,000
Issued, Subscribed and fully Paid-up Shares		
11,440,585 (Previous Year : 11,440,585) Equity Shares of ₹10 each fully paid up	114,405,850	114,405,850
	114,405,850	114,405,850

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	11,440,585	114,405,850	11,440,585	114,405,850
Issued during the year	—	—	—	—
Deducted during the year	—	—	—	—
At the end of the year	11,440,585	114,405,850	11,440,585	114,405,850

3.2 Terms/rights attached to Equity Shares

Equity Shares

The Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference Shares

The rights, preferences and restrictions attached to the preference shares are in accordance with the provisions of the Companies Act, 1956, unless stated otherwise.

3.3 Details of shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Saraf Industries Limited	3,630,630	31.73	3,630,630	31.73
Forex Finance Private Limited	3,127,072	27.33	3,127,072	27.33
Jesmin Investments Limited	121,851	1.07	693,851	6.06
Axis Bank Limited	641,695	5.61	636,065	5.56

3.4 1,14,01,782 equity shares of ₹10 each fully paid up have been issued during the fiscal year ended 31st March 2010 pursuant to the scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide order dated 13th January 2010.

Notes to Financial Statements for the Year Ended 31st March 2014

	Amount in ₹	
4. Reserves and Surplus	As at 31st March 2014	As at 31st March 2013
Capital Reserve	141,043	141,043
Capital Redemption Reserve (for redeemed Non Convertible Preference Shares-NCPS)	2,000,000	2,000,000
Securities Premium Account	14,612,822	14,612,822
Tourism Development Utilised Reserve		
Opening Balance	—	533,202,000
Less: Transferred to General Reserve	—	533,202,000
Closing Balance	—	—
General Reserve		
Opening Balance	6,404,812,615	5,839,878,503
Add: Transferred from Tourism Development Utilised Reserve	—	533,202,000
Add: Transferred from Statement of Profit & Loss	27,361,501	31,732,112
Closing Balance	6,432,174,116	6,404,812,615
Surplus in the Statement of Profit and Loss		
Opening Balance	1,645,580,804	1,419,826,195
Add: Profit for the Year	273,615,009	317,321,124
Less: Dividend Paid for Previous Year	3,768	—
Less: Appropriations-		
Amount transferred to General Reserve	27,361,501	31,732,112
Proposed final dividend on equity shares*	34,321,755	51,482,633
Corporate Dividend Tax (including earlier years adjustment)	6,231,326	8,351,770
Closing Balance	1,851,277,463	1,645,580,804
Total	8,300,205,444	8,067,147,284

* The Board of Directors at their meeting held on 22nd May 2014 has recommended a final dividend of ₹3.00 per share (Previous Year ₹4.50 per share)

Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014	Amount in ₹ As at 31st March 2013
5. Deferred Tax Liabilities (net)		
Deferred tax liabilities		
On Fiscal Allowances on Fixed Assets	230,634,937	228,026,043
	230,634,937	228,026,043
Deferred tax assets :-		
On Employees' separation and retirement etc.	6,614,247	5,732,414
On State and Central taxes etc.	663,016	546,718
On Provision for doubtful debts / advances	646,601	864,272
Other timing differences	138,199	283,904
	8,062,063	7,427,308
Net Deferred Tax Liabilities	222,572,874	220,598,735
6. Other Long Term Liabilities		
Trade Payable	5,792,650	9,192,250
Others -		
Security Deposit Received	1,355,000	1,005,000
Total	7,147,650	10,197,250
7. Long Term Provisions		
Provision for employee benefits		
Provision for gratuity (refer note 26)	12,096,551	10,285,098
Provision for leave benefits (refer note 26)	3,811,105	3,778,082
Total	15,907,656	14,063,180
8. Trade Payables		
Trade Payable (including acceptances) (refer note 34 for details of dues to micro and small enterprise)	89,818,964	63,866,127
Total	89,818,964	63,866,127
9. Other Current Liabilities		
Advance from Customers	32,099,371	19,270,206
Salary Payable	3,463,830	8,065,854
Unpaid Dividend	2,819,847	1,703,953
Other Payables -		
Statutory Dues	5,459,005	4,456,277
Security Deposit	60,000	60,000
Total	43,902,053	33,556,290
10. Short Term Provisions		
Provision for employee benefits		
Provision for gratuity (refer note 26)	477,338	353,211
Provision for leave benefits (refer note 26)	224,304	158,572
Total (A)	701,642	511,783
Other provisions		
Proposed equity dividend	34,321,755	51,482,633
Dividend tax	5,832,982	8,351,770
Total (B)	40,154,737	59,834,403
Total (A+B)	40,856,379	60,346,186

Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

11. Fixed Assets

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	Balance as at 1st April 2013	Additions	Deduction during the year	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation for the period	Deduction during the year	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
Tangible Assets										
Lease Hold Land	255,755,628	—	—	255,755,628	—	—	—	—	255,755,628	255,755,628
Buildings	994,901,359	—	—	994,901,359	163,961,788	16,216,900	—	180,178,688	814,722,671	830,939,571
Plant & Equipment	729,812,270	3,195,798	561,375	732,446,693	359,758,707	34,326,117	441,079	393,643,745	338,802,948	370,053,563
Furniture and Fixtures	173,085,832	1,131,347	463,487	173,753,693	159,481,994	2,062,993	440,313	161,104,674	12,649,018	13,603,838
Vehicles	10,232,339	—	—	10,232,339	5,947,094	765,191	—	6,712,285	3,520,054	4,285,245
Total	2,163,787,428	4,327,145	1,024,862	2,167,089,711	689,149,583	53,371,201	881,392	741,639,392	1,425,450,319	1,474,637,845
<i>Previous Year</i>	2,135,103,479	34,543,222	5,859,273	2,163,787,428	627,735,912	65,430,870	4,017,199	689,149,583	1,474,637,845	1,507,367,567
Capital Work-in-progress	15,948,040	3,699,722	—	19,647,762	—	—	—	—	19,647,762	15,948,040
<i>Previous Year</i>	15,774,447	20,815,792	20,642,199	15,948,040	—	—	—	—	15,948,040	15,774,447
Total	2,179,735,468	8,026,867	1,024,862	2,186,737,473	689,149,583	53,371,201	881,392	741,639,392	1,445,098,081	1,490,585,885
<i>Previous Year</i>	2,150,877,926	55,359,014	26,501,472	2,179,735,468	627,735,912	65,430,870	4,017,199	689,149,583	1,490,585,885	1,523,142,014

	As at 31st March 2014	As at 31st March 2013
12. Non-Current Investments		
Trade, Unquoted, Fully Paid Up		
In Equity Shares of Subsidiary Companies		
91,652 (Previous Year 91,652) equity shares of ₹10 each of Regency Convention Centre & Hotels Limited	257,901,724	257,901,724
1,09,61,000 (Previous Year 1,09,61,000) equity shares of ₹10 each of GJS Hotels Limited	2,346,365,000	2,346,365,000
In Preference Shares of Subsidiary Company (Refer Note 40)		
43,00,000 (Previous Year 43,00,000) 12% Cumulative Redeemable Preference Shares of Robust Hotels Private Limited of ₹100 each.	615,374,060	615,374,060
Total (A)	3,219,640,784	3,219,640,784
Non Trade, Quoted, Fully Paid up		
In Bonds of Indian Railways Financial Corporation Limited		
150,000 (Previous Year: NIL) 8.23% Bonds of ₹1000 each	150,000,000	—
Total (B)	150,000,000	—
Total (A+B)	3,369,640,784	3,219,640,784
Aggregate Market Value of Quoted Investment	150,000,000	—
Aggregate amount of Unquoted Investment	3,219,640,784	3,219,640,784
Aggregate Provision for diminution in value of Investments	—	—
13. Long Term Loans and Advances		
(Unsecured, considered good)		
Security Deposits	3,132,445	3,170,845
Advance for acquisition of shares from shareholders of Regency Convention Centre & Hotels Limited	33,448,275	33,448,275
Other Loans and Advances:		
Advance Tax & TDS (Net of Provision for taxes ₹26,26,99,733 (Previous Year - ₹19,88,52,568))	18,033,279	23,085,345
MAT Credit Entitlement	6,886,345	—
Total	61,500,344	59,704,465

Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	Amount in ₹ As at 31st March 2013
	No. of Shares	No. of Shares	₹	₹
14. Current Investments				
Non-Trade, Quoted, fully paid-up				
In Equity Shares				
(Face Value of ₹10 each, unless otherwise stated)				
Ahlcon Parenterals Limited	800	—	364,920	—
Atul Auto Limited	890	—	152,590	—
Capital First Limited	3,122	700	460,245	93,329
Cinemax Exhibition India Limited	1,227	—	170,591	—
City Union Bank Limited - EQ (Face Value ₹1 each)	—	2,000	—	105,100
City Union Bank Limited - E2 (Face Value ₹1 each)	—	6,000	—	242,700
Dhanuka Agritech Limited (Face Value ₹2 each)	2,800	—	362,917	—
Finolex Cables Limited (Face Value ₹2 each)	981	—	74,683	—
Gateway Distriparks Limited	3,600	—	381,933	—
Glaxo Smithkline Pharmaceuticals Limited	28	—	72,050	—
GMM Pfudler Limited (Face Value ₹2 each)	—	90	—	7,544
Gujarat Pipavav Port Limited	6,872	—	386,770	—
Greenply Industries Limited (Face Value ₹5 each)	825	—	290,615	—
Indusind Bank Limited	1,177	—	460,561	—
Jyothy Laboratories Limited (Face Value ₹1 each)	1,931	—	294,447	—
KCP Sugar & Industries Corporation Limited (Face Value ₹1 each)	17,365	—	286,517	—
KPIT Cummins Infosystems Limited (Face Value - ₹2 each)	3,793	1,000	405,537	96,700
Mahindra & Mahindra Financial Services Limited (Face Value ₹2 each)	1,436	—	352,812	—
Mahindra Holidays & Resorts India Limited	—	1,156	—	297,034
Mazda Limited	—	525	—	60,611
NRB Bearkings Limited (Face Value ₹2 each)	5,682	—	181,540	—
Oriental Carbon & Chemicals Limited	3,364	—	341,527	—
Orient Refractories Limited (Face Value ₹1 each)	—	2,000	—	77,100
Persistent Systems Limited	360	—	189,783	—
Redington India Limited (Face Value ₹2 each)	5,556	—	385,721	—
Selan Exploration Technology Limited	1,417	—	434,263	—
Shilpa Medicare Limited (Face Value ₹2 each)	1,274	—	264,475	—
Shriram Transport Finance Company Limited	969	—	547,692	—
South Indian Bank Limited (Face Value ₹1 each)	12,000	8,000	237,334	196,000
Strides Arcolab Limited	1,247	—	472,123	—
Sunteck Realty Limited (Face Value ₹2 each)	1,755	—	461,237	—
Suprajit Engineering Limited (Face Value ₹1 each)	1,404	—	45,346	—
Take Solutions Limited (Face Value ₹1 each)	9,690	—	316,562	—
Technofab Engineering Limited	1,219	—	88,987	—
The Paper Products Limited (Face Value ₹2 each)	—	2,000	—	124,600
Thinksoft Global Services Ltd.	955	—	228,382	—
TTK Prestige Limited	70	—	200,189	—
Wintac Limited	—	4,000	—	372,670
Total			8,912,349	1,673,388

(Market Value as on 31st March 2014 is ₹1,21,65,268/- (Previous Year - ₹16,93,984/-))

Notes to Financial Statements for the Year Ended 31st March 2014

Non-Trade, Unquoted, fully paid-up	Amount in ₹			
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
	No. of Units	No. of Units	₹	₹
In Mutual Funds (Face Value of ₹10 each, unless otherwise stated)				
Birla Sun Life Floating Rate Long Term-DDR (Face Value ₹100 each)	1,129,063	—	113,352,493	—
Birla Sun Life Cash Plus -DDR (Face Value ₹100 each)	—	926,469	—	92,827,546
Birla Sunlife Fixed Term Plan-Series ET -Growth	—	21,296,534	—	212,965,340
DSP BlackRock Liquidity Fund-Inst.-DDR (Face Value ₹1000 each)	89,655	378,714	89,683,203	378,833,966
DSP BlackRock Short Term Fund Regular Plan- Growth	11,252,127	—	224,673,474	—
DWS Insta Cash Plus Fund - DDR (Face Value ₹100 each)	—	1,700,037	—	170,520,541
DWS Short Maturity Fund - Regular Plan - Growth	8,101,478	—	170,650,337	—
HDFC FMP 370D April 2012(1)-Growth-Series XXI	—	11,021,399	—	110,213,990
HDFC FMP 391D March 2012(1)-Growth Series XXI	—	1,784,913	—	17,849,130
HDFC Income Fund - Growth	5,117,276	—	140,696,443	—
HDFC Liquid Fund - DDR	11,949,393	13,440,752	121,862,234	137,071,480
ICICI Prudential Dynamic Bond Fund - (Growth)	11,208,615	—	150,297,441	—
ICICI Prudential Fixed Maturity Plan-Series 68	10,000,000	—	100,000,000	—
ICICI Prudential Long Term Plan Premium Plus-Cumul	—	11,523,403	—	137,228,750
IDFC Money Manager Fund - Treasury Plan A - DDR	—	11,386,844	—	114,664,377
Kotak Bond Scheme Plan A - Growth	21,903,566	9,565,503	742,783,504	323,338,723
Kotak Floater Long Term-DDR	4,869,657	16,234,734	49,085,170	163,642,871
Kotak FMP Series 80-Growth	—	37,751,658	—	377,516,580
Kotak FMP Series 89-Growth	—	4,270,835	—	42,708,350
Kotak FMP Series 106-Growth	7,341,116	—	73,411,160	—
Pramerica Liquid Fund (Face Value ₹1000 each)	1,369	6,200	1,812,084	7,704,396
SBI Ultra Short Term Debt Fund-DDR (Face Value ₹1000 each)	—	10,474	—	10,487,092
UTI Bond Fund-Growth Plan-Regular	5,544,223	5,544,223	194,145,538	194,145,538
UTI Treasury Advantage Fund-Inst. Plan-DDR (Face Value ₹1000 each)	97,429	80,402	97,476,574	80,419,604
(Market Value as on 31st March 2014 is ₹2,33,18,29,389/-)				
Total (B)			2,269,929,655	2,572,138,274
Total (A+B)			2,278,842,004	2,573,811,662
Basis of Valuation - Lower of Cost or Market Value on an individual investment basis				
Aggregate Amount of Quoted Investments			8,912,349	1,673,388
Aggregate Amount of Unquoted Investments			2,269,929,655	2,572,138,274
Aggregate amount of Adjustments to Carrying amount of Current Investments			406,588	64,219

Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014	Amount in ₹ As at 31st March 2013
15. Inventories		
(Valued at cost or Net Realisable Value whichever is lower)		
Food, Liquor & Tobacco	12,483,207	9,783,414
Crockery, Cutlery, Silverware, Linen	3,937,672	7,858,501
General Stores and Spares	2,784,255	1,879,988
Total	19,205,134	19,521,903
16. Trade Receivable		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured , Considered good	5,523,752	715,527
Doubtful	1,902,328	2,542,723
	7,426,080	3,258,250
Less: Provision for Doubtful Debts	1,902,328	2,542,723
(A)	5,523,752	715,527
Other receivables		
Unsecured ,Considered good (B)	51,853,377	59,729,052
Total (A+B)	57,377,129	60,444,579
17. Cash & Bank Balances		
Cash and Cash Equivalents		
Balance with banks (Refer Note 17.1)	13,974,387	25,468,073
Cash on hand (Including Stamps in Hand ₹189,673 (Previous Year ₹189,673))	1,177,668	2,086,854
Cheques on Hand	568,685	1,617,900
Other Bank Balances		
Fixed Deposits- under lien for cash credit limit / guarantee to Electricity Department	20,000,000	20,000,000
Unpaid Dividend Accounts	2,819,847	1,703,953
Total	38,540,587	50,876,780
17.1 The Company maintains a cash credit (secured against Fixed Deposit Receipt) and collection account with IDBI Bank Ltd. As at the reporting date, the Company has in aggregate an overall favourable balance.		
18. Short Term Loans and Advances		
(Unsecured, Considered Good)		
Advance to Related Parties (Refer Note 18.1 & 42)		
GJS Hotels Limited, a Wholly Owned Subsidiary Company	1,437,675,000	991,025,000
Regency Convention Centre and Hotels Limited, a Subsidiary Company	11,569,474	10,869,474
Chartered Hotels Private Limited	210,947	210,947
Other loans and advances		
Inter Corporate Deposits	75,000,000	75,000,000
Balances with Statutory Authorities	6,584,803	-
Advance to Suppliers & Other Parties	3,265,997	7,520,557
Prepaid Expenses	8,463,697	4,499,746
Stamp Duty Recoverable from Odisha Govt.	14,000,000	14,000,000
Others	1,434,150	2,273,091
Total	1,558,204,068	1,105,398,815
18.1 Additional Disclosure under clause 32 of the listing agreement		
Maximum amount outstanding at anytime during the year		
– Regency Convention Centre & Hotels Limited	11,569,474	10,869,474
– GJS Hotels Limited	1,437,675,000	991,025,000
– Chartered Hotels Private Limited	210,947	210,947
19. Other Current Assets		
Interest accrued but not due	1,859,424	157,124
Interest accrued and due	4,549,315	4,038,905
Total	6,408,739	4,196,029

Notes to Financial Statements for the Year Ended 31st March 2014

	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
20. Revenue From Operations		
Sale of Products		
Beverages, Wines and Liquor	82,123,969	70,687,157
Food and Smokes	365,246,319	327,455,885
	447,370,288	398,143,042
Less: Excise Duty	599,312	380,289
	446,770,976	397,762,753
Sale of Services		
Rooms	384,230,016	398,392,642
Banquet Income (Only Rental Portion)	24,245,254	23,030,495
Communication	13,683,070	13,225,824
	422,158,340	434,648,961
Auto Rental	16,129,979	16,465,645
Health & Spa	13,363,146	14,277,757
Other Operating revenue	28,595,672	39,258,156
Total	927,018,113	902,413,272
21. Other Income		
Interest Income from Non-Current Investments	1,826,383	—
Interest Income - Others	10,825,206	21,032,314
Dividend on Current Investment	47,146,798	94,772,592
Net Gain on Sale of Current Investments	100,703,538	105,865,540
Profit on Sale of Fixed Assets	—	157,400
Excess Provision Written Back	357,487	15,297,136
Miscellaneous Income	611,287	350,000
Total	161,470,699	237,474,982
22. Consumption of Provisions, Beverages, Smokes & Others		
Beverages, Wine & Liquor		
Opening Stock	8,458,048	8,202,798
Add : Purchases	22,890,370	18,493,677
	31,348,418	26,696,475
Less : Closing Stock	10,381,479	8,458,048
(A)	20,966,939	18,238,427
Food and Smokes		
Opening Stock	1,325,366	2,972,911
Add : Purchases	95,805,189	76,405,733
	97,130,555	79,378,644
Less : Closing Stock	2,101,728	1,325,366
(B)	95,028,827	78,053,278
Cost of Communication		
Cost of Calls	49,994	71,709
Lease Line Rentals	2,736,000	3,605,430
(C)	2,785,994	3,677,139
Cost of Guest Transportation		
Guest Transportation including fuel	14,513,820	14,447,254
Vehicle upkeep	78,803	361,622
(D)	14,592,623	14,808,876
Total Cost of Consumption (A+B+C+D)	133,374,383	114,777,720

Notes to Financial Statements for the Year Ended 31st March 2014

	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
23. Employee Benefit Expenses		
Salaries, Wages & Bonus	153,512,504	152,943,829
Contribution to Provident & other funds	10,835,515	10,320,885
Staff Welfare Expenses	18,479,486	16,019,355
Recruitment & Training	2,979,220	5,320,717
Total	185,806,725	184,604,786
24. Finance Cost		
Interest on Service Tax	—	756,734
Interest on TDS	1,500	17,712
Interest on Entry Tax	—	4,948
Total	1,500	779,394
25. Other Expenses		
Contract Labour and Service	29,204,219	26,884,293
Room, Catering & other supplies	43,304,262	44,632,471
Linen & Operating equipments Consumption	10,279,564	14,582,433
Fuel, Power & Light	108,211,311	111,670,867
Repairs, Maintenance & Refurbishing*	46,495,962	36,802,523
Satellite & Television Charges	4,956,003	5,040,383
Lease Rent	308,268	308,268
Rates & Taxes	6,493,414	8,178,262
Insurance	2,417,105	4,581,622
Directors' Sitting Fees	540,000	515,000
Legal & Professional Expenses	11,937,666	8,844,797
Payment to Auditors	837,500	784,023
Printing & Stationery	3,978,149	2,502,378
Travelling & Conveyance**	9,504,754	10,217,303
Communication Expenses	2,130,770	1,584,627
Technical Services	31,188,514	33,632,302
Advertisement & Publicity	31,152,388	31,148,783
Commission & Brokerage	34,978,849	30,524,565
Charity & Donation	573,500	10,031,500
Adjustments to Carrying Amount of Current Investments	406,588	64,219
Bank charges and Commission	379,431	403,082
Provision for Bad & Doubtful Debts	1,043,565	142,030
Loss on sale of Fixed Assets	109,533	820,974
Loss on sale of Current Investments	1,165,966	—
Miscellaneous	1,907,413	2,190,885
Total	383,504,694	386,087,590
* Repairs, Maintenance & Refurbishing includes		
Repairs & Maintenance - Building	7,617,171	4,859,083
Repairs & Maintenance - Plant & Machinery	21,595,765	16,679,086
Repairs & Maintenance - Others	17,283,026	15,264,354
** Travelling & Conveyance includes		
Travel of Directors	672,762	764,179

Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

26. Gratuity and other post-employment benefit plans

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

a) Defined contribution plans

i. Provident fund

Contribution to Defined Contribution Plans, recognized as expense for the year is as under:-

	31st March 2014	31st March 2013
Employer's Contribution to Provident Fund	6,824,504	6,453,480
Employer's Contribution to Pension Scheme	2,042,009	1,938,128

b) Defined benefit plans

i. Contribution to Gratuity fund

ii. Compensated absences Earned leave

In accordance with Accounting Standard 15, Employee Benefits, actuarial valuation was done in respect of the aforesaid defined plans based on the following assumptions: -

Economic Assumptions

The discount rate and salary increases assumed are 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 gross redemption yield on medium to long-term risk free investments. For the current valuation a discount rate of 8.50 % p.a. compound, has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. 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 the 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.

i. Change in benefit obligations:

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Present value of obligations as at the beginning of the year	10,638,309	8,773,362	3,936,654	3,742,143
Current service cost	2,647,817	2,740,684	1,252,739	1,488,975
Interest cost	904,256	745,736	334,616	318,082
Benefit Paid	(1,354,935)	(1,731,893)	(685,571)	(745,178)
Actuarial (gain)/ loss on obligation	(261,558)	110,420	(803,029)	(867,368)
Present value of obligations as at the year end	12,573,889	10,638,309	4,035,409	3,936,654
Current liability	477,338	353,211	224,304	158,572
Non-Current liability	12,096,551	10,285,098	3,811,105	3,778,082
Total	12,573,889	10,638,309	4,035,409	3,936,654

ii. Expenses recognized in the Statement of Profit and Loss:

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (unfunded)	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Current Service Cost	2,647,817	2,740,684	1,252,739	1,488,975
Interest Cost	904,256	745,736	334,616	318,082
Actuarial (Gain) / loss recognized during the year	(261,558)	110,420	(803,029)	(867,368)
Expenses recognised in Statement of Profit and Loss	3,290,515	3,596,840	784,326	939,689

Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

iii. Principal Actuarial assumptions:

Particulars	Refer Note below	Year ended 31.03.2014	Year ended 31.03.2013
Discount rate (p.a.)	1	8.50%	8.50%
Salary Escalation Rate (p.a.)	2	8.00%	8.00%

Notes:

1. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
2. The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
3. The gratuity plan and earned leave is unfunded.

Demographic assumptions:

- a. Retirement age : 58 years
- b. Mortality rate : Published rates under LIC (1994-96) mortality table.

	31st March 2014	31st March 2013
27. Earnings per share (Basic & Diluted)		
A. Basic		
(i) Profit / (Loss) for the period	273,615,009	317,321,124
(ii) Provision for Preference Dividend	—	—
(iii) Profit Available for Equity Shareholders	273,615,009	317,321,124
(iv) Weighted average number of Equity Shares of ₹10 each	11,440,585	11,440,585
(v) Earnings / (Loss) per share	23.92	27.74
B. Diluted		
(i) Profit / (Loss) for the period	273,615,009	317,321,124
(ii) Provision for Preference Dividend	—	—
(iii) Profit Available for Equity Shareholders	273,615,009	317,321,124
(iv) Weighted average number of Equity Shares of ₹10 each for diluted EPS	11,440,585	11,440,585
(v) Earnings / (Loss) per share	23.92	27.74
28. C.I.F. Value of Imports:		
Stores & Spares	2,419,681	8,552,366
Capital Goods	748,218	2,629,167
Beverages - through canalizing agencies	13,930,196	10,170,206
Total	17,098,095	21,351,739
29. Expenditure in Foreign Currency (on payment basis)		
Technical Services	29,744,777	39,095,010
Commission & Brokerage	23,735,572	16,010,541
Training & Recruitment	1,300,869	1,293,977
Others	5,274,172	10,746,881
Total	60,055,390	67,146,410

Notes to Financial Statements for the Year Ended 31st March 2014

	31st March 2014	Amount in ₹ 31st March 2013
30. Earnings in Foreign Currency (on receipt basis)	335,565,981	348,533,629
31. The Company has paid dividend in respect of shares held by Non-Residents. The total amount remitted in this respect is given herein below:-		
Number of Non Resident Shareholders	627	659
Number of Equity Shares held by Non Resident Shareholders	4,507,862	3,938,872
Amount of Dividend Paid	20,285,453	17,724,924
Year to which Dividend Relates	2012-13	2011-12
32. Leases:		
The Company has entered into Operating lease agreements for letting out space. The lease agreements are made for specific period as per agreement. Lease payments received recognized in the Statement of Profit & Loss for the year ended amounted to Rs. 5,238,915/-.		
The future Payments for operating lease are as follows:		
	31st March 2014	31st March 2013
Not Later than 1 year	2,184,022	1,431,150
Later than one year and not later than five years	2,338,312	1,085,000
Later than five years	1,590,000	—
33. As the Company is engaged in only one segment of Hotel Business, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable. Further the Company operates only in India; hence additional information under geographical segments is also not applicable.		
34. The disclosures relating to Micro, Small & Medium Enterprises Development Act, 2006 are as under :-		
i. The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.		
ii. The disclosures relating to Micro and Small Enterprises are as under :-		
	31st March 2014	31st March 2013
The principal amount remaining unpaid to supplier as at the end of the accounting year.	463,615	341,453
The interest due thereon remaining unpaid to Supplier as at the end of the accounting year.	NIL	NIL
The amount of interest paid in terms of Section 16 alongwith the amount of payment made to the Supplier beyond the appointed day during the year.	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	NIL	NIL
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	NIL	NIL
The amount of further interest due and payable even in the succeeding year, until such date when interest dues as above are actually paid.	NIL	NIL
35. Contingent Liabilities :		
Contingent Liabilities	31st March 2014	31st March 2013
Corporate Guarantee to IDBI Bank for Robust Hotels Pvt. Ltd.	2,400,000,000	2,400,000,000
Letter of Credit issued by IDBI Bank Ltd. in favour of West Bengal Electricity Distribution Company Limited	6,000,000	6,000,000
Sales Tax under West Bengal Sales Tax Act, 1994 pertaining to F.Y. 2007-08	—	211,767
Sales Tax under West Bengal Sales Tax Act, 1994 pertaining to F.Y. 2008-09	—	528,286
VAT under West Bengal Value Added Tax Act, 2003 pertaining to F.Y. 2006-07	—	2,531,538
VAT under West Bengal Value Added Tax Act, 2003 pertaining to F.Y. 2008-09	—	2,197,722
Service Tax under the Finance Act, 1994 pertaining to prior to F.Y. 2004-05	4,374,245	4,374,245
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2003-04 to F.Y. 2006-07	10,217,937	10,217,937
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2007-08 to F.Y. 2009-10	26,753,749	26,753,749
ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 2004-05	2,180,235	2,180,235
ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 2007-08	—	243,659
States Consumer Disputes Redressal Commission West Bengal	—	9,800,000
Commitments		
Export Obligation in respect of EPCG Licences	24,301,279	24,301,279

Notes to Financial Statements for the Year Ended 31st March 2014

	31st March 2014	Amount in ₹ 31st March 2013
36. Payment to Auditors		
– Statutory Audit Fees	600,000	500,000
– Tax Audit Fees	150,000	150,000
– Fees for other services	27,500	27,500
– Reimbursement of Expenses	60,000	106,523

- 37.** As on date, the Company holds 91,652 Equity shares of ₹10 each of its subsidiaries, Regency Convention Centre and Hotels Limited (RCC), representing 58.99% of the paid up capital of RCC. Apart from the above, the Company had also made an advance of ₹33,448,275 for acquiring further shares of RCC from their existing shareholders and paid advances to Regency Convention Centre and Hotels Limited amounting to ₹11,569,474 up to the Balance Sheet date which has been disclosed as Short Term Loans and Advances.

The principal assets of Regency Convention Centre and Hotels Limited comprise of an interest in a parcel of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court. However Regency Convention Centre and Hotels Limited, as per opinion obtained, has a reasonable chance of winning the ongoing legal dispute. Such assets form part of the Company's undertaking at book values. Meanwhile the authorities have offered alternate land and negotiations on commercial terms are in progress. Consequently in view of the above, no impairment is considered necessary.

As per the terms of agreement with the Regency Convention Centre and Hotels Limited and its shareholders, the Company has to make additional payment for acquiring the balance shares of Regency Convention Centre and Hotels Limited, the amount of which is unascertainable and dependent on the outcome of the dispute pending in the Bombay High Court.

- 38.** The leasehold land upon which Hotel Hyatt Regency Kolkata is situated has been registered in the name of the Company.
- 39.** In the opinion of the Board, all the assets of the Company have a value on realization in ordinary course of business at least equal to the amount at which they are stated. Therefore, the Company has not recognised any loss on impairment in respect of any of the assets of the Company. In respect of subsidiaries, such decision is based on the audited accounts of the subsidiaries.
- 40.** The Company has extended the date of redemption of 43,00,000 12% Cumulative Redeemable Preference Shares of Robust Hotels Private Limited to July 5, 2016 unless mutually agreed upon for further rollover.
- 41.** The Board of Directors of the Company at their meeting held on 26th November 2012 and 23rd May 2013 and in consideration of SEBI Circular Nos. CIR/CFD/DIL/5/2013 and CIR/CFD/DIL/8/2013 dated 4th February 2013 and 21st May 2013 respectively, approved the amalgamation of Forex Finance Private Limited, Promoter Body Corporate with the Company w.e.f. 1st April 2012 (appointed date). Post amalgamation, Robust Hotels Private Limited, owner of Hyatt Regency Chennai, will be a wholly owned subsidiary of the Company; partially by having direct holding and balance through GJS Hotels Limited (wholly owned subsidiary of the Company). The Company is in the process of obtaining regulatory approvals for the amalgamation.
- 42.** In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transactions with them are as follows: -

Related Party Disclosures

(i) List of Related Parties

- (a) Subsidiaries :
- GJS Hotels Limited
 - Regency Convention Centre & Hotels Limited
 - Robust Hotels Private Limited (subsidiary of GJS Hotels Limited)
- (b) Key Management Personnel :
- Radhe Shyam Saraf, Chairman
 - Umesh Saraf, Joint Managing Director
 - Arun Kumar Saraf, Joint Managing Director
- (c) Entities over which directors or their relatives can exercise significant influence/control :
- (i) Nepal Travel Agency Pvt. Ltd.
 - (ii) Unison Hotels Private Limited
 - (iii) Vedic Hotels Limited
 - (iv) Unison Power Limited
 - (v) Unison Hotels South Private Limited
 - (vi) Juniper Hotels Private Limited
 - (vii) Yak & Yeti Hotels Limited, Nepal
 - (viii) Taragaon Regency Hotels Limited, Nepal
 - (ix) Saraf Investments Limited, Mauritius
 - (x) Saraf Industries Limited, Mauritius
 - (xi) Sara Hospitality Limited, Hong Kong
 - (xii) Juniper Investments Limited
 - (xiii) Chartered Hotels Private Limited
 - (xiv) Blue Energy Private Limited
 - (xv) Footsteps of Buddha Hotels Private Limited
 - (xvi) Sara International limited, Hong Kong
 - (xvii) Samra Importex Private Limited
 - (xviii) Forex Finance Private Limited
 - (xix) Saraf Hotels Limited, Mauritius
 - (xx) Chartered Hampi Hotels Private Limited

Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

(ii) Details of Transactions with Related Parties during the year :

Transactions during the year	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sale of Services								
Robust Hotels Private Limited	59,203	—	—	—	—	—	59,203	—
Dividend Paid								
Forex Finance Private Limited	—	—	—	—	14,071,824	14,071,824	14,071,824	14,071,824
Saraf Industries Limited	—	—	—	—	16,337,835	16,337,835	16,337,835	16,337,835
Radhe Shyam Saraf	—	—	2,573,685	—	—	—	2,573,685	—
Services Availed during the Year								
Nepal Travel Agency Pvt. Ltd.	—	—	—	—	—	117,960	—	117,960
Expenses Incurred including Reimbursement								
Robust Hotels Private Limited	310,772	546,363	—	—	—	—	310,772	546,363
Chartered Hotels Private Limited	—	—	—	—	—	210,947	—	210,947
Juniper Hotels Private Limited	—	—	—	—	10,518	17,031	10,518	17,031
Triumph Realty Private Limited	—	—	—	—	—	198,748	—	198,748
Unison Hotels Private Limited	—	—	—	—	57,821	137,192	57,821	137,192
Advance Given								
GJS Hotels Limited	446,650,000	322,500,000	—	—	—	—	446,650,000	322,500,000
Regency Convention Centre and Hotels Limited	700,000	800,000	—	—	—	—	700,000	800,000
Managerial Remuneration								
Umesh Saraf	—	—	12,931,000	14,203,455	—	—	12,931,000	14,203,455
Arun Kr. Saraf	—	—	12,931,000	15,653,455	—	—	12,931,000	15,653,455

Closing Balance as on 31st March 2014	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Account Payables								
Umesh Saraf	—	—	—	1,819,455	—	—	—	1,819,455
Arun Kr. Saraf	—	—	—	3,269,455	—	—	—	3,269,455
Account Receivables								
GJS Hotels Limited	1,437,675,000	991,025,000	—	—	—	—	1,437,675,000	991,025,000
Regency Convention Centre and Hotels Limited	11,569,474	10,869,474	—	—	—	—	11,569,474	10,869,474
Chartered Hotels Private Limited	—	—	—	—	210,947	210,947	210,947	210,947
Investments as at year end								
GJS Hotels Limited	2,346,365,000	2,346,365,000	—	—	—	—	2,346,365,000	2,346,365,000
Regency Convention Centre and Hotels Limited	257,901,724	257,901,724	—	—	—	—	257,901,724	257,901,724
Robust Hotels Private Limited	615,374,060	615,374,060	—	—	—	—	615,374,060	615,374,060

43. Previous Year figures have been regrouped / reclassified, wherever necessary to confirm to current year's classification.

44. There is no other additional material information required to be disclosed pursuant to the provisions of the Companies Act, 1956, Schedule VI to the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006 and other material applicable enactments, circulars, orders, notifications etc.

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhawar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sl. No.	Particulars	GJS Hotels Limited	Regency Convention Centre And Hotels Limited	Robust Hotels Private Limited
1	Financial Year of the Subsidiary ended on	31-Mar-14	31-Mar-14	31-Mar-14
2	Date from which it became subsidiary	31-Oct-09	31-Oct-09	26-Jul-12
3	(a) Number of shares in the subsidiary held by the Holding Company in its own name / name of the nominee(s) at the end of the previous financial year of the subsidiary (b) Extent of interest of the Holding Company at the end of the previous financial year of the subsidiary	10,961,000 100%	91,652 58.994%	N.A. 68.06%
4	The net aggregate amount of the subsidiary company's profit / (loss) so far it concerns the members of the Holding Company and is not dealt with in the Holding Company's Accounts : (a) for the subsidiary's financial year ended on 31-Mar-2014 (b) for prior years since becoming subsidiary	(1,964,541) 18,534,911	(74,379) (130,568)	(346,341,174) (209,446,267)
5	The net aggregate amount of the subsidiary company's profit / (loss) so far it concerns the members of the Holding Company and has been dealt with in the Holding Company's Accounts : (a) for the subsidiary's financial year ended on 31-Mar-2014 (b) for prior years since becoming subsidiary	Nil Nil	Nil Nil	Nil Nil
6	Changes, if any, in the Holding Company's interest in the subsidiary between the end of the previous financial year of the subsidiary and the end of the previous financial year of the Holding Company	Nil	Nil	Nil
7	Details of material changes, if any, which occurred between the end of the previous financial year of the subsidiary and the end of previous financial year of Holding Company, in respect of : (a) The subsidiary's Fixed Assets (b) The subsidiary's Investments (c) The moneys lent by it (d) The moneys borrowed by it for any purpose other than that of meeting Current Liabilities	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhavar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Asian Hotels (East) Limited

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES**

Sl. No.	Particulars	GJS Hotels Limited	Regency Convention Centre and Hotels Limited	Robust Hotels Private Limited
1	Issued and Subscribed Share Capital	109,610,000	1,553,570	1,448,445,960
2	Reserves	2,253,325,370	(347,426)	1,956,955,834
3	Total Assets	3,800,650,301	17,430,583	7,294,102,416
4	Total Liabilities	3,800,650,301	17,430,583	7,294,102,416
5	Investments - Long Term	—	—	6,329,000
6	Investments - Current	—	—	—
7	Investments - Total	—	—	6,329,000
8	Turnover	—	—	876,192,834
9	Profit / (Loss) before Taxation	(1,755,008)	(126,087)	(508,876,247)
10	Provision for Taxation	209,533	—	—
11	Profit After Taxation	(1,964,541)	(126,087)	(508,876,247)
12	Proposed Dividend	—	—	—

As per our report of even date

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

For and on behalf of the Board of Directors

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhavar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjhunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ASIAN HOTELS (EAST) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Asian Hotels (East) Limited (the 'Company') and its subsidiaries (together referred to as 'Group') which comprises of the consolidated Balance Sheet as at 31 March 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India more particularly in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 the material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

We did not audit the financial statements of Subsidiaries, whose financial statements reflect the Group's share of total assets (net) of Rs.79,887.58 lakhs as at 31 March, 2014, total revenues of Rs.8761.92 lakhs and net cash inflows amounting to Rs.279.08 Lakhs for the year then ended; as considered in these consolidated financial statements and other related financial information which have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the report of the other auditors, in so far as it relates to the amounts included in respect of the subsidiaries in these consolidated financial statements.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No: 000756N

K K Tulshan
Partner
Membership No: 085033

Place: Kolkata
Date: 22nd May 2014

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET as at 31st March 2014

	Note	As at 31st March 2014	Amount in ₹ As at 31st March 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
(a) Share Capital	4	114,405,850	114,405,850
(b) Reserves & Surplus	5	7,760,783,426	7,876,105,360
		7,875,189,276	7,990,511,210
MINORITY INTEREST			
		408,258,338	570,845,119
NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	6	3,457,573,866	3,343,055,866
(b) Deferred tax liabilities (Net)	7	222,572,874	220,598,735
(c) Other Long Term Liabilities	8	7,210,554	10,493,618
(d) Long-term Provisions	9	25,941,256	22,246,361
		3,713,298,550	3,596,394,580
CURRENT LIABILITIES			
(a) Short Term Borrowings	10	53,862,768	53,817,573
(b) Trade Payables	11	285,105,412	236,939,117
(c) Other Current Liabilities	12	220,477,987	414,424,900
(d) Short -term Provisions	13	40,856,379	60,346,186
		600,302,546	765,527,776
Total		12,597,048,710	12,923,278,685
ASSETS			
NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	14	8,015,654,182	8,237,131,891
(ii) Intangible Assets		1,087,319,328	1,092,240,993
(iii) Capital Work-in-Progress		39,239,182	19,537,747
(b) Non-Current Investments	15	156,329,000	6,524,000
(c) Long-term Loans and Advance	16	101,087,712	87,706,303
		9,399,629,404	9,443,140,934
CURRENT ASSETS			
(a) Current Investments	17	2,278,842,004	2,573,811,662
(b) Inventories	18	27,494,142	30,710,808
(c) Trade Receivable	19	105,740,653	102,467,311
(d) Cash and Bank Balances	20	93,991,497	78,419,289
(e) Short-term Loans and Advances	21	658,552,138	654,293,652
(f) Other Current Assets	22	32,798,872	40,435,029
		3,197,419,306	3,480,137,751
Total		12,597,048,710	12,923,278,685
Notes forming part of Consolidated Financial Statements	1-49		

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhawar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2014

	Note	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
I INCOME			
(a) Revenue from Operations	23	1,796,563,344	1,511,116,953
(b) Other Income	24	168,047,554	241,639,760
		1,964,610,898	1,752,756,713
II EXPENDITURE			
(a) Consumption of Provisions, Beverages, Smokes & Others	25	246,024,986	200,951,511
(b) Employee Benefit Expense	26	369,245,887	318,634,502
(c) Finance Cost	27	488,960,801	306,332,537
(d) Depreciation and Amortization Expenses	14	248,104,841	186,847,799
(e) Other Expenses	28	790,601,416	660,484,837
		2,142,937,931	1,673,251,186
III PROFIT BEFORE TAX (I - II)		(178,327,033)	79,505,527
IV TAX EXPENSE			
(a) Current Tax		60,639,299	56,384,086
(b) Deferred Tax		1,974,139	9,950,540
(c) MAT Credit		(6,886,345)	-
(d) Tax adjustments for earlier years		3,297,740	4,591,936
V PROFIT/(LOSS) AFTER TAX (before adjustment for Minority Interest) (III-IV)		(237,351,866)	8,578,965
Add: Share of Loss transferred to Minority Interest		162,586,781	98,382,187
VI PROFIT AFTER TAX (after adjustment for Minority Interest)		(74,765,085)	106,961,152
VII EARNING PER SHARE			
(a) Basic	29	(6.54)	9.35
(b) Diluted		(6.54)	9.35
Notes forming part of Consolidated Financial Statements	1-49		

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhawar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2014

	Year Ended 31st March, 2014	Amount in ₹ Year Ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(178,327,033)	79,505,527
Adjustment for :		
Depreciation/amortization	248,104,841	186,847,799
Loss/(profit) on sale of fixed assets	117,446	2,356
Provision for bad and doubtful debts	1,043,565	—
Excess Provision written back	(357,487)	(15,344,735)
Miscellaneous Balance Written off	—	40,005
Adjustment to Carrying Amount of Investment	406,588	64,219
Bad Debt written off	—	412,617
Pre operative expenses written off	—	5,048,898
Interest expenses	488,959,301	305,553,142
Preliminary expenses written off	—	17,680
Provision for bad and doubtful debts written back	—	(211,418)
Provision for leave benefits	483,386	3,036,978
Provision for gratuity	3,401,368	1,890,349
Liability provided for statutory authorities	—	(6,281,799)
Net loss/(gain) on sale of current investments	(99,537,572)	(105,865,540)
Interest income	(16,298,014)	(22,322,601)
Dividend income	(47,146,798)	(94,772,592)
Operating profit before working capital changes	400,849,591	337,620,885
Movements in working capital :		
Increase/(decrease) in trade payables	48,523,782	66,121,070
Increase/(decrease) in other current liabilities	(51,610,297)	25,326,337
Increase/(decrease) in other long term liabilities	(3,049,600)	10,197,250
Decrease/(increase) in trade receivables	(4,316,907)	(43,355,255)
Decrease/(increase) in inventories	3,216,666	(4,189,317)
Decrease/(increase) in other current assets	10,293,094	21,824,182
Increase / (Decrease) in Advance from Customers	2,724,986	—
Increase / (Decrease) in Stale cheque	(233,464)	—
Decrease / (increase) in long term loans and advances	(3,763,342)	(10,762,359)
Decrease / (increase) in short term loans and advances	(4,872,979)	(15,778,498)
Cash generated from / (used in) operations	397,761,530	387,004,295
Direct taxes paid (net of refunds)	66,666,607	68,705,490
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)	331,094,923	318,298,805
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for fixed assets	(41,561,778)	(181,204,594)
Decrease / (Increase) in Capital Advance	612,337	2,229,784
Proceeds from sale of fixed assets	37,430	10,253,931
Purchase of Non-current investments	(150,000,000)	—
Sale of Non-current investments	195,000	—
Purchase of current investments	(550,642,353)	(1,245,100,738)
Proceeds from sale/maturity of current investments	944,742,998	797,867,176
Short term loans and advances given	—	(210,947)
Interest received	13,641,077	17,894,606
Dividend received	47,146,798	94,772,592
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	264,171,509	(503,498,190)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest and finance charges paid	(520,618,798)	(352,959,378)
Repayment of long term borrowings	—	(32,142,000)
Proceeds from short term borrowings	45,195	5,180,588
Dividend paid on shares	(50,370,507)	(50,905,372)
Tax on dividend paid	(8,750,114)	(8,351,770)
NET CASH FLOW FROM/(USED IN) IN FINANCING ACTIVITIES (C)	(579,694,224)	(439,177,932)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	15,572,208	(624,377,317)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer Note 20)	78,419,289	656,131,819
ADD: CASH INFLOW OF ROBUST HOTELS PRIVATE LIMITED (Refer Note 43)	—	46,664,787
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note 20)	93,991,497	78,419,289

Notes forming part of Consolidated Financial Statements

1-49

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf Joint Managing Director
Umesh Saraf Joint Managing Director
A. C. Chakrabortti Director
Rama Shankar Jhawar Director
Padam Kumar Khaitan Director
Ramesh Kumar Chokhani Director

Bimal K Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

1. Corporate Information

Asian Hotels (East) Limited is a Public Limited Company listed with Bombay Stock Exchange and National Stock Exchange and is primarily engaged in the Hotel business through "Hyatt Regency Kolkata" a five-star Hotel situated in the city of Kolkata.

2. Basis of preparation

The financial statements have been prepared to comply with all material respects with the mandatory Accounting Standards (AS) notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

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, if any.

3. Significant Accounting Policies

a. 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.

b. Tangible Fixed Assets

Tangible Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/amortization. Cost represents the direct expenses incurred on acquisition/construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.

c. Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase. No depreciation is charged for the quarter on the assets sold/ discarded during the year.

d. Impairment of Tangible 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 impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is determined for assets or group of assets which are capable of generating independent cash flows i.e. cash generating units.

e. 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

f. Inventories

Inventory is valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated realizable value in the normal course of business less the estimated costs necessary to make the sale.

Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

Shares held as Stock- in -trade are valued at cost or market value whichever is lower.

g. 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.

- i. Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- ii. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Dividend income from investments is recognized when the Company's right to receive payment is established.
- iv. Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

h. Foreign Currency Transaction

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 the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences are recognized as income or as expenses in the period in which they arise.

Income in Foreign Exchange

The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.

Expenses remittable in foreign exchange

These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.

i. Retirement and other employee benefits

Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an independent actuary using the projected unit credit method.

All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

j. Income 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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. 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.

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.

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.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

k. 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.

l. 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.

m. 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.

n. Cash and Cash Equivalents

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

o. Dividend

Dividend recommended by the Board of Directors, if any, is provided for in the accounts pending shareholders approval.

p. Principles of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements".

The Consolidated Financial Statements comprise the financial statements of Asian Hotels (East) Limited and the following subsidiaries:-

Name of the Company	Country of Incorporation	% of Holding as on 31-March 2014
GJS Hotels Limited	India	100
Regency Convention Centre & Hotels Limited	India	58.99
Robust Hotels Private Limited	India	68.06

The Consolidated Financial Statements have been prepared on the following basis:

The Financial Statements of the Company and its subsidiaries companies have been combined on a line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Goodwill arising in Consolidated Financial Statements on consolidation of Financial Statements of the Company and its subsidiary companies have been capitalised and shown as part of fixed assets to the extent not impaired in the books of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

4. Share Capital	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013
Authorised Shares		
14,000,000 (Previous Year : 14,000,000) Equity Shares of ₹10/- each	140,000,000	140,000,000
1,000,000 (Previous Year : 1,000,000) Preference Shares of ₹10/- each	10,000,000	10,000,000
Total	150,000,000	150,000,000
Issued, Subscribed and Paid-up		
11,440,585 (Previous Year : 11,440,585) Equity Shares of ₹10/- each	114,405,850	114,405,850
	114,405,850	114,405,850

4.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	11,440,585	114,405,850	11,440,585	114,405,850
Issued during the year	—	—	—	—
Deducted during the year	—	—	—	—
At the end of the year	11,440,585	114,405,850	11,440,585	114,405,850

4.2 Terms / rights attached to Equity Shares

Equity Shares

The Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference Shares

The rights, preferences and restrictions attached to the preference shares are in accordance with the provisions of the Companies Act, 1956, unless stated otherwise.

4.3 Details of shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Saraf Industries Limited	3,630,630	31.73	3,630,630	31.73
Forex Finance Private Limited	3,127,072	27.33	3,127,072	27.33
Jesmin Investments Limited	121,851	1.07	693,851	6.06
Axis Bank Limited	641,695	5.61	636,065	5.56

4.4 1,14,01,782 equity shares of ₹10 each fully paid up have been issued during the fiscal year ended 31st March 2010 pursuant to the scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide order dated 13th January 2010.

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	Amount in ₹	
5. Reserves and Surplus	As at 31st March 2014	As at 31st March 2013
Capital Reserve	141,043	141,043
Capital Redemption Reserve (for redeemed Non Convertible Preference Shares -NCPS)	2,000,000	2,000,000
Securities Premium Account	14,612,822	14,612,822
Tourism Development Utilised Reserve		
Opening Balance	—	533,202,000
Less: Transferred to General Reserve	—	533,202,000
Closing Balance	—	—
General Reserve		
Opening Balance	6,404,812,615	5,839,878,503
Add: Transferred from Tourism Development Utilised Reserve	—	533,202,000
Add: Transferred from Statement of Profit & Loss	27,361,501	31,732,112
Closing Balance	6,432,174,116	6,404,812,615
Surplus in the Statement of Profit and Loss		
Opening Balance	1,454,538,880	1,439,144,243
Add: Profit for the Year	(74,765,085)	106,961,152
Less: Dividend Paid for Previous Year	3,768	—
Less: Appropriations-		
Amount transferred to General Reserve	27,361,501	31,732,112
Proposed final dividend on equity shares*	34,321,755	51,482,633
Corporate Dividend Tax (including earlier years adjustment)	6,231,326	8,351,770
Closing Balance	1,311,855,445	1,454,538,880
Total	7,760,783,426	7,876,105,360

* The Board of Directors at their meeting held on 22nd May 2014 has recommended a final dividend of ₹3.00 per share (Previous Year ₹4.50 per share)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014	Amount in ₹ As at 31st March 2013
6. Long Term Borrowings		
Secured - Term Loans		
From IDBI Bank - Loan I (refer note 'a' & 'b' below)		
Gross Amount	1,729,123,866	1,729,123,866
Less: Repayable within one year	10,700,000	128,568,000
	1,718,423,866	1,600,555,866
From IDBI Bank - Loan II (refer note 'a' & 'b' below)		
Gross Amount	250,000,000	250,000,000
Less: Repayable within one year	1,550,000	7,500,000
	248,450,000	242,500,000
From HDFC Bank (refer note 'a' & 'b' below)		
Gross Amount	1,500,000,000	1,500,000,000
Less: Repayable within one year	9,300,000	—
	1,490,700,000	1,500,000,000
Total	3,457,573,866	3,343,055,866

a) Security Clause

The above term loans are secured by pari passu charge by way of hypothecation of entire movable properties both present and future and equitable mortgage by way of deposit of title deeds of immovable properties together with buildings & structures, plant & machineries, furniture & fittings installed/to be installed thereon situated at 365 Anna Salai, Teynampet, Chennai in the state of Tamilnadu. Above securities are ranking pari passu for the Bank Guarantee facility granted by IDBI Bank Limited. Further, the above term loans are also secured by second charge on all book debts, operating cash flows, revenues, commission and receivables of Robust Hotels Private Limited both present and future, ranking pari passu with each other. The Term Loan I from IDBI Bank Ltd is further secured by corporate guarantee of Asian Hotels (East) Limited and Term Loan II is further secured by Corporate Guarantee of Asian Hotels (East) Limited. The term loan from HDFC Limited is further secured by corporate guarantee of Forex Finance Private Limited.

b) Terms of Repayment and Rate of Interest

i) IDBI Bank -Loan-I @ 12.50% p.a.: As per revised repayment schedule dated June 6, 2013, the loan is repayable in 32 Quarterly Instalments being:

2 quarterly instalments of ₹ 1,07,00,000/- each commencing from January 1, 2015 and ending on April 1,2015, 4 quarterly instalments of ₹ 1,09,00,000/- each commencing from July 1, 2015 and ending on April 01, 2016, 4 quarterly instalments of ₹ 2,16,00,000/- each commencing from July 1, 2016 and ending on April 1, 2017, 3 quarterly instalments of ₹ 3,89,00,000/- each commencing from July 1, 2017 and ending on January 1,2018 and 3 quarterly instalments of ₹ 4,75,00,000/- each commencing from April 1, 2018 and ending on October 1,2018 , 6 quarterly instalments of ₹ 6,13,00,000/- each commencing from January 1,2019 and ending on April 1,2020 , 4 quarterly instalments of ₹ 6,92,00,000/- each commencing from July 1,2020 and ending on April 1,2021, 4 quarterly instalments of ₹ 10,32,00,000/- each commencing from July 1,2021 and ending on April 1,2022, 1 quarterly instalment of ₹ 13,05,00,000/- on July 1,2022 and last instalment of ₹ 13,06,23,866/- on October 1,2022.

(Earlier repayable in 24 Quarterly Instalments being: 6 quarterly instalments of ₹ 3,21,42,000/- each commencing from April 1, 2013 and ending on July 1, 2014,6 quarterly instalments of Rs. 6,42,86,000/- each commencing from October 1, 2014 and ending on January 1, 2016,11 quarterly instalments of ₹ 9,64,29,000/- each commencing from April 1, 2016 and ending on October 1, 2018 and balance in last instalment of ₹ 8,98,36,866/- on January 1, 2019)

ii) IDBI Bank -Loan-II @ 12.50% p.a.: As per revised repayment schedule dated June 6, 2013, the loan is repayable in 32 Quarterly Instalments being:

2 quarterly instalments of ₹ 15,50,000/- each commencing from January 1, 2015 and ending on April 1,2015, 4 quarterly instalments of ₹ 15,75,000/- each commencing from July 1, 2015 and ending on April 1, 2016, 4 quarterly instalments of ₹ 31,25,000/- each commencing from July 1, 2016 and ending on April 1, 2017, 3 quarterly instalments of ₹ 56,25,000/- each commencing from July 1, 2017 and ending on January 1,2018 and 3 quarterly instalments of ₹ 68,75,000/- each commencing from April 1, 2018 and ending on October 1 ,2018, 6 quarterly instalments of ₹ 88,50,000/- each commencing from January 1,2019 and ending on April 1,2020, 4 quarterly instalments of ₹ 1,00,00,000/- each commencing from July 1,2020 and ending on April 1,2021, 4 quarterly instalments of ₹ 1,50,00,000/- each commencing from July 1,2021 and ending on April 1,2022, 2 quarterly instalments of ₹ 1,87,50,000/- commencing from July 1,2022 and ending on October 1,2022.

(Earlier repayable in 32 Quarterly instalments being: 20 quarterly instalments of ₹ 37,50,000/- each commencing from October 1, 2013 and ending on July 1, 2018, 6 quarterly instalments of ₹ 83,33,000/- each commencing from October 1, 2018 and ending on January 1, 2020, 5 quarterly instalments of ₹ 2,08,33,000/- each commencing from April 1, 2020 and ending on July 1, 2021 and balance in last instalment of ₹ 2,08,37,000/- on October 1, 2021)

iii) HDFC Limited @ 14.19% p.a.: The loan is repayable in 42 Quarterly Instalments being:

2 Quarterly instalments of ₹ 93,00,000 each commencing from March 31, 2015 and ending on June 30, 2015, 4 Quarterly instalments of ₹ 94,50,000 each commencing from September 30, 2015 and ending on June 30, 2016, 4 Quarterly instalments of ₹ 1,50,00,000 each commencing from September 30, 2016 and ending on June 30, 2017, 4 Quarterly instalments of ₹ 1,95,00,000 each commencing from September 30, 2017 and ending on June 30, 2018, 4 Quarterly instalments of ₹ 2,53,50,000 each commencing from September 30, 2018 and ending on June 30, 2019, 4 Quarterly instalments of ₹ 3,09,00,000 each commencing from September 30, 2019 and ending on June 30, 2020, 4 Quarterly instalments of ₹ 3,75,00,000 each commencing from September 30, 2020 and ending on June 30, 2021, 4 Quarterly instalments of ₹ 4,50,00,000 each commencing from September 30, 2021 and ending on June 30, 2022 and 12 Quarterly instalments of ₹ 6,25,50,000 each commencing from September 30, 2022 and ending on June 30, 2025 as per revised Repayments Schedule letter dated August 16, 2012.

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014	Amount in ₹ As at 31st March 2013
7. Deferred Tax Liabilities (net)		
Deferred tax liabilities :-		
On Fiscal Allowances on Fixed Assets	230,634,937	228,026,043
Gross deferred tax liabilities	230,634,937	228,026,043
Deferred tax assets :-		
On Employees' separation and retirement etc.	6,614,247	5,732,414
On State and Central taxes etc.	663,016	546,718
On Provision for doubtful debts / advances	646,601	864,272
Other timing differences	138,199	283,904
Gross deferred tax assets	8,062,063	7,427,308
Net Deferred Tax Liabilities	222,572,874	220,598,735
8. Other Long Term Liabilities		
Trade Payable	5,792,650	9,192,250
Others -		
Security Deposit Received	1,355,000	1,005,000
Stale Cheque Liabilities	62,904	296,368
Total	7,210,554	10,493,618
9. Long Term Provisions		
Provision for employee benefits		
Provision for gratuity (refer note 30)	13,599,695	10,322,454
Provision for leave benefits (refer note 30)	12,341,561	11,923,907
Total	25,941,256	22,246,361
10. Short Term Borrowings		
Unsecured		
From Other parties - interest free borrowing repayable on demand	4,615,784	4,615,784
Secured		
Cash Credit		
From IDBI Bank Limited (Interest Rate :12.75% p.a.) {Refer Note below}	49,246,984	49,201,789
Total	53,862,768	53,817,573

Secured by first charge by way of hypothecation of entire stocks of raw materials, semi finished and finished goods, consumables stores and spare parts including book debts, bills whether documentary or clean, outstanding monies receivable, both present and future and second charge by way of hypothecation of entire movable properties including movable machineries, tools & accessories present and future and further secured by second charge by way of Equitable Mortgage on Immovable property situated at 365, Anna Salai, Chennai - 600018 and by Corporate Guarantee of Asian Hotels (East) Limited.

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013.
11. Trade Payables		
Trade Payable (including acceptances) (refer note 37 for details of dues to micro and small enterprise)	285,105,412	236,939,117
Total	285,105,412	236,939,117
12. Other Current Liabilities		
Advance from Customers	42,851,721	27,297,570
Current Maturities of Long Term Debt		
– From IDBI Bank -Loan I (Refer Note No. 6 'b')	10,700,000	128,568,000
– From IDBI Bank -Loan II (Refer Note No. 6 'b')	1,550,000	7,500,000
– From HDFC Bank (Refer Note No. 6 'b')	9,300,000	—
Salary Payable	3,463,830	8,065,854
Unpaid Dividend	2,819,847	1,703,953
Book Overdraft with a Bank	—	364,709
Interest accrued but not due	21,266,227	21,353,967
Interest accrued and due *	42,342,408	73,914,165
Other Payables -		
Statutory Dues	19,882,816	20,806,879
Others	66,301,138	124,849,803
Total	220,477,987	414,424,900
* Includes disputed liability of ₹ Nil (Previous Year ₹ 1,28,43,650/-) payable on Term Loan		
13. Short Term Provisions		
Provision for employee benefits -		
Provision for gratuity (refer note 30)	477,338	353,211
Provision for leave benefits (refer note 30)	224,304	158,572
Total (A)	701,642	511,783
Other provisions		
Proposed equity dividend	34,321,755	51,482,633
Dividend tax	5,832,982	8,351,770
Total (B)	40,154,737	59,834,403
Total (A+B)	40,856,379	60,346,186

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

14. Fixed Assets

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	Balance as at 1st April 2013	Additions	Deduction during the year	Balance as at 31 March 2014	Balance as at 1st April 2013	Depreciation for the period	Deduction during the year	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
Tangible Assets										
Lease Hold Land	326,991,814	631,915	—	327,623,729	—	—	—	—	327,623,729	326,991,814
Freehold Land	1,541,566,797	—	—	1,541,566,797	—	—	—	—	1,541,566,797	1,541,566,797
Buildings	4,075,545,251	3,596,100	—	4,079,141,351	207,603,906	63,976,356	—	271,580,262	3,807,561,089	3,867,941,345
Plant & Equipment	2,378,114,847	10,250,083	576,063	2,387,788,867	440,111,634	120,778,418	444,361	560,445,691	1,827,343,176	1,938,003,213
Furniture and Fixtures	753,319,658	3,979,278	463,487	756,835,449	208,391,851	54,946,590	440,313	262,898,128	493,937,321	544,927,807
Vehicles	13,925,487	—	—	13,925,487	9,640,242	765,191	—	10,405,433	3,520,054	4,285,245
Office Equipments	15,152,100	1,405,194	—	16,557,294	1,736,430	718,848	—	2,455,278	14,102,016	13,415,670
Total	9,104,615,954	19,862,570	1,039,550	9,123,438,974	867,484,063	241,185,403	884,674	1,107,784,792	8,015,654,182	8,237,131,891
Previous Year	3,766,353,855	5,352,957,043	14,694,944	9,104,615,954	634,282,260	237,951,621	4,749,818	867,484,063	8,237,131,891	
Capital Work-in-progress	19,537,747	31,428,871	11,727,436	39,239,182	—	—	—	—	39,239,182	19,537,747
Previous Year	15,774,447	24,405,499	20,642,199	19,537,747	—	—	—	—	19,537,747	15,774,447
Intangible Assets										
Softwares	34,599,339	1,997,773	—	36,597,112	6,033,556	6,919,438	—	12,952,994	23,644,118	28,565,783
Goodwill on Consolidation*	1,063,675,210	—	—	1,063,675,210	—	—	—	—	1,063,675,210	1,063,675,210
Total	1,098,274,549	1,997,773	—	1,100,272,322	6,033,556	6,919,438	—	12,952,994	1,087,319,328	1,092,240,993
Previous Year	257,052,618	841,289,345	67,414	1,098,274,549	67,414	6,033,556	67,414	6,033,556	1,092,240,993	256,985,204
Total	10,222,428,250	53,289,214	12,766,986	10,262,950,478	873,517,619	248,104,841	884,674	1,120,737,786	9,142,212,692	9,348,910,631
Previous Year	4,039,180,920	6,218,651,887	35,404,557	10,222,428,250	634,349,674	243,985,177**	4,817,232	873,517,619	9,348,910,631	

* Goodwill represents the difference between the net assets of Subsidiary Companies as at the date of its becoming subsidiary of the Company and Company's investment therein as at that date.

** Share of Holding Company – ₹ 186,847,799.

15. Non-Current Investments

Non Trade, Quoted, Fully Paid up

In Bonds of Indian Railways Financial Corporation Limited

150,000 (Previous Year: NIL) 8.23% Bonds of ₹1000 each

150,000,000

—

Non Trade, Unquoted, Fully Paid Up

In Equity Shares

630,000 (Previous Year 650,000) Equity Shares of

Maple Renewable Power Private Limited of ₹ 10/- each

6,300,000

6,500,000

In Government Securities

– National Savings Certificate

29,000

24,000

Total

156,329,000

6,524,000

Aggregate Market Value of Quoted Investment

150,000,000

—

Aggregate amount of Unquoted Investment

6,329,000

6,524,000

Aggregate Provision for diminution in value of Investments

—

—

16. Long Term Loans and Advances

(Unsecured, considered good)

Security Deposits

25,848,325

22,084,983

Advance for acquisition of shares from shareholders of Regency

Convention Centre & Hotels Limited

33,448,275

33,448,275

Advances recoverable in cash or in kind

84,770

84,770

Other Loans and Advances:

Advance Tax & TDS (Net of Provision for taxes ₹26,32,23,781

(Previous Year - ₹19,88,52,568)

34,819,997

32,088,275

MAT Credit Entitlement

6,886,345

—

Total

101,087,712

87,706,303

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014 No. of Shares	As at 31st March 2013 No. of Shares	As at 31st March 2014 ₹	Amount in ₹ As at 31st March 2013 ₹
17. Current Investments				
Non-Trade, Quoted, fully paid-up				
In Equity Shares				
(Face Value of ₹10 each, unless otherwise stated)				
Ahlcon Parenterals Limited	800	—	364,920	—
Atul Auto Limited	890	—	152,590	—
Capital First Limited	3,122	700	460,245	93,329
Cinemax Exhibition India Limited	1,227	—	170,591	—
City Union Bank Limited - EQ (Face Value ₹1 each)	—	2,000	—	105,100
City Union Bank Limited - E2 (Face Value ₹1 each)	—	6,000	—	242,700
Dhanuka Agritech Limited (Face Value ₹2 each)	2,800	—	362,917	—
Finolex Cables Limited (Face Value ₹2 each)	981	—	74,683	—
Gateway Distriparks Limited	3,600	—	381,933	—
Glaxo Smithkline Pharmaceuticals Limited	28	—	72,050	—
GMM Pfadler Limited (Face Value ₹2 each)	—	90	—	7,544
Gujarat Pipavav Port Limited	6,872	—	386,770	—
Greenply Industries Limited (Face Value ₹5 each)	825	—	290,615	—
Indusind Bank Limited	1,177	—	460,561	—
Jyothy Laboratories Limited (Face Value ₹1 each)	1,931	—	294,447	—
KCP Sugar & Industries Corporation Limited (Face Value ₹1 each)	17,365	—	286,517	—
KPIT Cummins Infosystems Limited (Face Value - ₹2 each)	3,793	1,000	405,537	96,700
Mahindra & Mahindra Financial Services Limited (Face Value ₹2 each)	1,436	—	352,812	—
Mahindra Holidays & Resorts India Limited	—	1,156	—	297,034
Mazda Limited	—	525	—	60,611
NRB Bearings Limited (Face Value ₹2 each)	5,682	—	181,540	—
Oriental Carbon & Chemicals Limited	3,364	—	341,527	—
Orient Refractories Limited (Face Value ₹1 each)	—	2,000	—	77,100
Persistent Systems Limited	360	—	189,783	—
Redington India Limited (Face Value ₹2 each)	5,556	—	385,721	—
Selan Exploration Technology Limited	1,417	—	434,263	—
Shilpa Medicare Limited (Face Value ₹2 each)	1,274	—	264,475	—
Shriram Transport Finance Company Limited	969	—	547,692	—
South Indian Bank Limited (Face Value ₹1 each)	12,000	8,000	237,334	196,000
Strides Arcolab Limited	1,247	—	472,123	—
Sunteck Reality Limited (Face Value ₹2 each)	1,755	—	461,237	—
Suprajit Engineering Limited (Face Value ₹1 each)	1,404	—	45,346	—
Take Solutions Limited (Face Value ₹1 each)	9,690	—	316,562	—
Technofab Engineering Limited	1,219	—	88,987	—
The Paper Products Limited (Face Value ₹2 each)	—	2,000	—	124,600
Thinksoft Global Services Ltd.	955	—	228,382	—
TTK Prestige Limited	70	—	200,189	—
Wintac Limited	—	4,000	—	372,670
Total			8,912,349	1,673,388

(Market Value as on 31st March 2014 is ₹1,21,65,268/- (Previous Year - ₹16,93,984/-))

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014 No. of Shares	As at 31st March 2013 No. of Shares	As at 31st March 2014 ₹	Amount in ₹ As at 31st March 2013 ₹
17. Current Investments (Contd.)				
Non -Trade ,Unquoted, fully paid-up				
In Mutual Funds				
(Face Value of ₹10 each, unless otherwise stated)				
Birla Sun Life Floating Rate Long Term-DDR (Face Value ₹100 each)	1,129,063	—	113,352,493	—
Birla Sun Life Cash Plus -DDR (Face Value ₹100 each)	—	926,469	—	92,827,546
Birla Sunlife Fixed Term Plan-Series ET -Growth	—	21,296,534	—	212,965,340
DSP BlackRock Liquidity Fund-Inst.-DDR (Face Value ₹1000 each)	89,655	378,714	89,683,203	378,833,966
DSP BlackRock Short Term Fund Regular Plan- Growth	11,252,127	—	224,673,474	—
DWS Insta Cash Plus Fund - DDR (Face Value ₹100 each)	—	1,700,037	—	170,520,541
DWS Short Maturity Fund - Regular Plan - Growth	8,101,478	—	170,650,337	—
HDFC FMP 370D April 2012(1)-Growth-Series XXI	—	11,021,399	—	110,213,990
HDFC FMP 391D March 2012(1)-Growth Series XXI	—	1,784,913	—	17,849,130
HDFC Income Fund - Growth	5,117,276	—	140,696,443	—
HDFC Liquid Fund - DDR	11,949,393	13,440,752	121,862,234	137,071,480
ICICI Prudential Dynamic Bond Fund - (Growth)	11,208,615	—	150,297,441	—
ICICI Prudential Fixed Maturity Plan-Series 68	10,000,000	—	100,000,000	—
ICICI Prudential Long Term Plan Premium Plus-Cumul	—	11,523,403	—	137,228,750
IDFC Money Manager Fund - Treasury Plan A - DDR	—	11,386,844	—	114,664,377
Kotak Bond Scheme Plan A - Growth	21,903,566	9,565,503	742,783,504	323,338,723
Kotak Floater Long Term-DDR	4,869,657	16,234,734	49,085,170	163,642,871
Kotak FMP Series 80-Growth	—	37,751,658	—	377,516,580
Kotak FMP Series 89-Growth	—	4,270,835	—	42,708,350
Kotak FMP Series 106-Growth	7,341,116	—	73,411,160	—
Pramerica Liquid Fund (Face Value ₹1000 each)	1,369	6,200	1,812,084	7,704,396
SBI Ultra Short Term Debt Fund-DDR (Face Value ₹1000 each)	—	10,474	—	10,487,092
UTI Bond Fund-Growth Plan-Regular	5,544,223	5,544,223	194,145,538	194,145,538
UTI Treasury Advantage Fund-Inst. Plan-DDR (Face Value ₹1000 each)	97,429	80,402	97,476,574	80,419,604
(Market Value as on 31st March 2014 is ₹2,33,18,29,389/-)				
Total (B)			2,269,929,655	2,572,138,274
Total (A+B)			2,278,842,004	2,573,811,662
Basis of Valuation - Lower of Cost or Market Value on an individual investment basis				
Aggregate Amount of Quoted Investments			8,912,349	1,673,388
Aggregate Amount of Unquoted Investments			2,269,929,655	2,572,138,274
Aggregate amount of Adjustments to Carrying amount of Current Investments			406,588	64,219

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014	Amount in ₹ As at 31st March 2013
18. Inventories		
(Valued at cost or Net Realisable Value whichever is lower)		
Food, Liquor & Tobacco	20,772,215	20,972,319
Crockery, Cutlery, Silverware, Linen	3,937,672	7,858,501
General Stores and Spares	2,784,255	1,879,988
Total	27,494,142	30,710,808
19. Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	15,504,177	715,527
Doubtful	1,902,328	2,542,723
	17,406,505	3,258,250
Less: Provision for Doubtful Debts	1,902,328	2,542,723
	(A)	715,527
Other receivables		
Unsecured, Considered good	(B)	101,751,784
Total (A+B)	105,740,653	102,467,311
20. Cash & Bank Balances		
Cash and Cash Equivalents		
Balance with banks (Refer Note 20.1)	25,221,039	30,084,481
Cash on hand (Including Stamps in Hand ₹189,673 (Previous Year ₹189,673))	2,561,613	2,875,686
Cheques on Hand	568,685	4,154,387
Other Bank Balances		
Fixed Deposits- under lien for cash credit limit / guarantee to Electricity Department	20,000,000	20,000,000
Fixed Deposit* (DSRA)(having maturity more than 12 months)	5,632,495	5,221,448
Margin Money Deposit (having maturity more than 12 months)	14,850,344	14,379,334
Fixed Deposit	22,337,474	-
Unpaid Dividend Accounts	2,819,847	1,703,953
Total	93,991,497	78,419,289
* under lien with Bank		
20.1 The Company maintains a cash credit (secured against Fixed Deposit Receipt) and collection account with IDBI Bank Ltd. As at the reporting date, the Company has in aggregate an overall favourable balance.		
21. Short Term Loans & Advances		
(Unsecured, Considered Good)		
Capital Advance	407,663	1,020,000
Advance to Related Parties (Refer Note 45)		
Chartered Hotels Private Limited	210,947	210,947
Forex Finance Private Limited	532,000,000	532,000,000
Other loans and advances -		
Inter Corporate Deposits	75,000,000	75,000,000
Balances with Statutory Authorities	6,584,803	—
Advance to Suppliers & Other Parties	19,445,778	8,764,339
Prepaid Expenses	8,463,697	4,499,746
Stamp Duty Recoverable from Odisha Govt.	14,000,000	14,000,000
Advance to Employees	5,100	29,535
Advance Tax {net of provision for taxation ₹ Nil (31-03-2013: ₹ 4,963,908/-)}	—	2,153
Others	2,434,150	18,766,932
Total	658,552,138	654,293,652

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	As at	Amount in ₹
	31st March 2014	As at 31st March 2013
22. Other Current Assets		
Preoperative Expenditure (Pending Allocation)		
Consumption of Beverages, Smokes & Others		
Food, Provisions, Other Beverages & Smokes	—	78,308,594
Cost of Telephone	—	1,732,371
Employee Benefit Expenses		
Salary & Wages	—	393,844,348
Contribution to Provident & Other Funds	—	6,488,629
Staff Welfare	—	31,974,599
Recruitment & Training	—	2,754,385
Contract Labour & Service	—	26,431,783
Linen, Room, Catering & Other Supplies	—	11,245,755
Operating Equipment Consumption	—	6,122,757
Watch & Ward Expenses	—	15,345,154
Fuel, Power & Light	—	151,519,764
Rent	—	17,270,727
Rates & Taxes	—	37,489,034
Business Promotion & Advertisement	—	26,333,690
Postage, Telegram & Telephone	—	4,983,515
Printing & Stationery	—	6,855,015
Insurance Expenses	—	10,411,023
Motor Car Expenses	—	3,687,307
Advertisement	—	153,721
Repairs & Maintenance		
Building	—	14,922,746
Plant & Equipment	—	14,080,029
Others	—	11,454,186
Brokerage & Commission	—	27,361,829
Travelling & Conveyance	—	33,957,860
Freight Charges	—	8,893,402
Filing Fees	—	4,660,544
Legal & Professional Fees	—	45,424,321
Consultancy Fees for Technical Services	—	182,487,815
Loss on Sale of Assets	—	16,534
Miscellaneous Expenses	—	37,087,668
Audit Fees	—	460,900
Provision for Doubtful Debts	—	519,777
Depreciation	—	7,095,596
Finance Cost		
Debenture Interest	—	758,207,392
Interest on Rupee Term Loan	—	894,553,873
Interest on Cash Credit Facility	—	541,281
Interest-Others	—	51,955,329
Other Borrowing Cost	—	2,229,117
	—	2,928,862,370
		<i>(carried over)</i>

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	As at 31st March 2014	Amount in ₹ As at 31st March 2013
22. Other Current Assets (Contd.)		
<i>Brought forward</i>	—	2,928,862,372
Less : Pre-Operative Income		
Sale of Products		
Foods, Smokes and Other Beverages	—	254,495,924
Wines & Liquor	—	4,955,829
	—	259,451,753
Less: Excise Duty	—	239,719
	—	259,212,034
Sale of Services		
Room Revenue	—	158,826,450
Banquets & Others	—	27,812,828
Communication	—	4,567,738
On others	—	14,066,046
Interest (Gross)		
On Term Deposit from Bank	—	4,587,971
On Income Tax Refund	—	130
From Others	—	52,400
Income from sale of tender forms	—	203,000
Foreign Exchange Fluctuation Gain	—	347,813
Profit on sale of Investments	—	2,489
Profit on sale of Assets	—	190,624
Dividend on Long Term Investments	—	11,669,558
Sale of Scraps	—	220,000
Miscellaneous	—	964,000
	—	482,723,081
Add:		
Provision for Income Tax	—	1,198,908
Provision for Fringe Benefit Tax	—	398,613
	—	2,447,736,810
Less: Capitalised / Written Off / Adjusted	—	2,447,736,810
	—	—
Prepaid Expenses	10,385,891	14,423,652
Interest accrued but not due	1,859,424	157,124
Interest accrued on Term Deposit	153,158	153,158
Interest accrued on Others	5,609,424	4,654,787
Service Tax	14,790,975	17,679,868
Vat Receivable	—	389,563
Others	—	2,976,877
Total	32,798,872	40,435,029

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
23. Revenue from Operations		
Sale of Products		
Beverages, Wines and Liquor	152,052,945	73,227,010
Food and Smokes	665,485,874	591,114,584
	817,538,819	664,341,594
Less: Excise Duty	599,312	380,289
	816,939,507	663,961,305
Sale of Services		
Rooms	862,801,085	721,819,449
Banquet Income (Only Rental Portion)	24,245,254	23,030,495
Communication	18,144,682	18,591,395
	905,191,021	763,441,339
Other Operating revenue	74,432,816	83,714,309
Total	1,796,563,344	1,511,116,953
24. Other Income		
Interest Income from Non-Current Investments	1,826,383	-
Interest Income from Others	14,471,631	22,322,601
Dividend on Current Investment	47,146,798	94,772,592
Net Gain on Sale of Current Investments	100,703,538	105,865,540
Profit on Sale of Fixed Assets	—	818,618
Excess Provision Written Back	357,487	15,711,776
Miscellaneous Income	3,541,717	2,148,633
Total	168,047,554	241,639,760
25. Consumption of Provisions, Beverages, Smokes & Others		
Beverages, Wine & Liquor		
Opening Stock	18,205,122	14,481,312
Add : Purchases	39,833,606	41,715,638
	58,038,728	56,196,950
Less : Closing Stock	17,420,725	18,205,122
(A)	40,618,003	37,991,828
Food and Smokes		
Opening Stock	2,767,197	5,115,869
Add : Purchases	183,095,019	138,654,249
	185,862,216	143,770,118
Less : Closing Stock	3,351,490	2,767,197
(B)	182,510,726	141,002,921
Cost of Communication		
Cost of Calls	3,182,895	2,081,558
Lease Line Rentals	5,120,739	5,066,326
(C)	8,303,634	7,147,884
Cost of Guest Transportation		
Guest Transportation including fuel	14,513,820	14,447,254
Vehicle upkeep	78,803	361,622
(D)	14,592,623	14,808,876
Total (A+B+C+D)	246,024,986	200,951,511

Asian Hotels (East) Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
26. Employee Benefit Expenses		
Salaries, Wages & Bonus	303,488,227	256,723,666
Contribution to Provident & other funds	19,910,805	17,107,965
Staff Welfare Expenses	40,646,082	37,512,686
Recruitment & Training	5,200,773	7,290,185
Total	369,245,887	318,634,502
27. Finance Cost		
Interest on		
Term Loan	478,031,635	299,754,694
Cash Credit	6,249,986	4,143,459
Service Tax	—	756,734
TDS	1,500	17,712
Entry Tax	—	4,948
Others	27,987	240,801
Other Borrowing Cost	4,649,693	1,414,189
Total	488,960,801	306,332,537
28. Other Expenses		
Contract Labour and Service	85,157,774	63,996,941
Room, Catering & other supplies	68,756,220	65,186,466
Linen & Operating equipments Consumption	24,394,090	18,241,464
Fuel, Power & Light	228,103,491	194,013,266
Repairs, Maintenance & Refurbishing*	73,934,667	57,384,196
Site Maintenance Charges	103,000	202,020
Satellite & Television Charges	4,956,003	5,040,383
Lease Rent	3,905,334	2,741,776
Rates & Taxes	36,293,337	28,015,140
Insurance	6,228,612	6,219,123
Directors' Sitting Fees	540,000	515,000
Legal & Professional Expenses	16,801,517	12,179,270
Payment to Auditors	1,228,906	1,040,398
Printing & Stationery	7,556,950	4,714,134
Travelling & Conveyance**	18,960,392	16,308,119
Communication Expenses	2,212,387	1,636,215
Technical Services	39,751,766	38,460,231
Advertisement & Publicity	50,344,199	42,466,878
Commission & Brokerage	101,433,829	76,703,949
Charity & Donation	573,500	10,031,500
Net Gain / (Loss) on Foreign Currency Translation	10,299,343	—
Adjustments to Carrying Amount of Current Investments	406,588	64,219
Bank charges and Commission	379,431	403,082
Provision for Bad & Doubtful Debts	1,043,565	142,030
Loss on sale of Fixed Assets	117,446	820,974
Loss on sale of Current Investments	1,165,966	—
Interest on Wealth Tax	185,544	—
Filing Fees	11,667	2,120,872
Motor Car Expenses	404,714	397,231
Freight Charges	38,238	45,518
Preliminary Expenses written off	—	17,680
Bad Debts written off	—	412,617
Pre Operative Expenses written off	—	5,048,898
Miscellaneous	5,312,940	5,915,247
Total	790,601,416	660,484,837
* Repairs, Maintenance & Refurbishing includes		
Repairs & Maintenance - Building	12,654,457	9,647,671
Repairs & Maintenance - Plant & Machinery	40,476,138	29,674,278
Repairs & Maintenance - Others	20,804,072	18,062,247
** Travelling & Conveyance includes		
Travel of Directors	672,762	764,179

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

	Amount in ₹	
	31st March 2014	31st March 2013
29. Earnings per share (Basic & Diluted)		
A. Basic		
(i) Profit / (Loss) for the period	(74,765,085)	106,961,152
(ii) Provision for Preference Dividend	—	—
(iii) Profit Available for Equity Shareholders	(74,765,085)	106,961,152
(iv) Weighted average number of Equity Shares of ₹10 each	11,440,585	11,440,585
(v) Earnings / (Loss) per share	(6.54)	9.35
B. Diluted		
(i) Profit / (Loss) for the period	(74,765,085)	106,961,152
(ii) Provision for Preference Dividend	—	—
(iii) Profit Available for Equity Shareholders	(74,765,085)	106,961,152
(iv) Weighted average number of Equity Shares of ₹10 each for diluted EPS	11,440,585	11,440,585
(v) Earnings / (Loss) per share	(6.54)	9.35

30. Gratuity and other post-employment benefit plans

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

a) Defined contribution plans

i. Provident fund

Contribution to Defined Contribution Plans, recognized as expense for the year is as under:-

Particulars	31st March 2014	31st March 2013
Employer's Contribution to provident Fund	6,824,504	6,453,480
Employer's Contribution to Pension Scheme	2,042,009	1,938,128

b) Defined benefit plans

i. Contribution to Gratuity fund

ii. Compensated absences Earned leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined plans based on the following assumptions: -

Economic Assumptions

The discount rate and salary increases assumed are 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 gross redemption yield on medium to long-term risk free investments. For the current valuation a discount rate of 8.50 % p.a. compound, has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. 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 the 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.

i. Change in benefit obligations:

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Present value of obligations as at the beginning of the year	10,675,665	8,773,362	12,082,479	7,707,869
Current service cost	4,113,605	2,778,040	1,637,370	5,669,074
Interest cost	904,256	745,736	334,616	318,082
Benefit Paid	(1,354,935)	(1,731,893)	(685,571)	(745,178)
Actuarial (gain)/ loss on obligation	(261,558)	110,420	(803,029)	(867,368)
Present value of obligations as at the year end	14,077,033	10,675,665	12,565,865	12,082,479
Current liability	477,338	353,211	224,304	158,572
Non-Current liability	13,599,695	10,322,454	12,341,561	11,923,907
Total	14,077,033	10,675,665	12,565,865	12,082,479

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

ii. Expenses recognised in the Statement of Profit and Loss :

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Current Service Cost	4,113,605	2,778,040	1,637,370	5,669,074
Interest Cost	904,256	745,736	334,616	318,082
Actuarial (Gain) / loss recognized during the year	(261,558)	110,420	(803,029)	(867,368)
Expenses recognised in Statement of Profit and Loss	4,756,303	3,634,196	1,168,957	5,119,788

iii. Principal Actuarial assumptions:

Particulars	Refer Note below	Year ended 31.03.2014	Year ended 31.03.2013
Discount rate (p.a.)	1	8.50%	8.50%
Salary Escalation Rate (p.a.)	2	8.00%	8.00%

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- The gratuity plan and earned leave is unfunded.

Demographic assumptions:

- Retirement age : 58 years
- Mortality rate : Published rates under LIC (1994-96) mortality table.

	31st March 2014	31st March 2013
31. C.I.F. Value of Imports:		
Stores & Spares	2,419,681	8,552,366
Capital Goods	1,169,738	7,140,417
Beverages through canalizing agencies	13,930,196	10,170,206
Total	17,519,616	25,862,989
32. Expenditure in Foreign Currency (on payment basis)		
Technical Services	37,399,770	41,331,854
Commission & Brokerage	70,711,329	56,238,671
Training & Recruitment	1,704,853	10,731,105
Travelling Expenses	—	5,530,726
Contract Labour and Services	—	289,486
Professional & Consultancy	999,763	—
Business Promotion and Advertisement	2,733,895	18,758,025
Repair and Maintenance	5,191,218	1,413,199
Staff Welfare	328,630	3,594,184
Cost of Supplies	173,000	—
Others	6,693,182	11,901,759
Total	126,357,160	149,789,009
33. Earnings in Foreign Currency (on receipt basis)	757,651,153	763,437,418
34. The Company has paid dividend in respect of shares held by Non-Residents. The total amount remitted in this respect is given herein below:-		
Number of Non Resident Shareholders	627	659
Number of Equity Shares held by them	4,507,862	3,938,872
Amount of Dividend Paid	20,285,453	17,724,924
Year to which Dividend Relates	2012-13	2011-12

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

35. Leases:

The Company has entered into Operating lease agreements for letting out space. The lease agreements are made for specific period as per agreement. Lease payments received recognized in the Statement of Profit & Loss for the year ended amounted to Rs. 5,238,915/-.

The future Payments for operating lease are as follows:

	31st March 2014	31st March 2013
Not Later than 1 year	2,184,022	1,431,150
Later than one year and not later than five years	2,338,312	1,085,000
Later than five years	1,590,000	—

36. As the Group is engaged in only one segment of Hotel Business, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable. Further the Group operates only in India, hence additional information under geographical segment is also not applicable.

37. The disclosures relating to Micro, Small & Medium Enterprises Development Act, 2006 are as under :-

i. The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

ii. The disclosures relating to Micro and Small Enterprises are as under :-

	31st March 2014	31st March 2013
The principal amount remaining unpaid to supplier as at the end of the accounting year.	463,615	341,453
The interest due thereon remaining unpaid to Supplier as at the end of the accounting year.	NIL	NIL
The amount of interest paid in terms of Section 16 alongwith the amount of payment made to the Supplier beyond the appointed day during the year.	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	NIL	NIL
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	NIL	NIL
The amount of further interest due and payable even in the succeeding year, until such date when interest dues as above are actually paid.	NIL	NIL

38. Contingent Liabilities :

Bank Guarantee	126,593,275	126,593,275
Letter of Credit issued by IDBI Bank Ltd. in favour of West Bengal Electricity Distribution Company Limited	6,000,000	6,000,000
Sales Tax under West Bengal Sales Tax Act, 1994 pertaining to F.Y. 2007-08	—	211,767
Sales Tax under West Bengal Sales Tax Act, 1994 pertaining to F.Y. 2008-09	—	528,286
VAT under West Bengal Value Added Tax Act, 2003 pertaining to F.Y. 2006-07	—	2,531,538
VAT under West Bengal Value Added Tax Act, 2003 pertaining to F.Y. 2008-09	—	2,197,722
Service Tax under the Finance Act, 1994 pertaining to prior to F.Y. 2004-05	4,374,245	4,374,245
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2003-04 to F.Y. 2006-07	10,217,937	10,217,937
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2007-08 to F.Y. 2009-10	26,753,749	26,753,749
ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 2004-05	2,180,235	2,180,235
ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 2007-08	—	243,659
States Consumer Disputes Redressal Commission	—	9,800,000

Commitments

Export Obligation in respect of EPCG Licenses	1,037,047,479	1,037,047,479
---	----------------------	---------------

39. Payment to Auditors

– Statutory Audit Fees	850,562	688,962
– Tax Audit Fees	200,000	190,800
– Fees for other services	97,170	52,261
– Reimbursement of Expenses	81,174	108,375

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

- 40.** As on date, the Company holds 91,652 Equity shares of ₹10 each of its subsidiaries, Regency Convention Centre and Hotels Limited (RCC), representing 58.99% of the paid up capital of RCC. Apart from the above, the Company had also made an advance of ₹33,448,275 for acquiring further shares of RCC from their existing shareholders and paid advances to Regency Convention Centre and Hotels Limited amounting to ₹11,569,474 up to the Balance Sheet date which has been disclosed as Short Term Loans and Advances.

The principal assets of Regency Convention Centre and Hotels Limited comprise of an interest in a parcel of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court. However Regency Convention Centre and Hotels Limited, as per opinion obtained, has a reasonable chance of winning the ongoing legal dispute. Such assets form part of the Company's undertaking at book values. Meanwhile the authorities have offered alternate land and negotiations on commercial terms are in progress. Consequently in view of the above, no impairment is considered necessary.

As per the terms of agreement with the Regency Convention Centre and Hotels Limited and its shareholders, the Company has to make additional payment for acquiring the balance shares of Regency Convention Centre and Hotels Limited, the amount of which is unascertainable and dependent on the outcome of the dispute pending in the Bombay High Court.

- 41.** The Company has extended the date of redemption of 43,00,000 12% Cumulative Redeemable Preference Shares of Robust Hotels Private Limited to July 5, 2016 unless mutually agreed upon for further rollover.
- 42.** During the year Robust Hotels Private Limited (Subsidiary Company) has incurred loss of Rs. 5088.76 Lacs. The loss is mainly attributable to the long gestation period of Robust Hotels Private Limited due to its size and scale and the Company is hopeful of improvement in the consolidated results in coming years.
- 43.** The Consolidated accounts for the year 2012-13 includes the financials of Robust Hotels Private Limited, the owner of Hyatt Regency Chennai for part of the year, as it has become subsidiary of GJS Hotels Limited, a wholly owned subsidiary of the Company w.e.f. 26th July 2012. As a result, the consolidated accounts for the year 2013-14 are not comparable with the year 2012-13.
- 44.** The leasehold land upon which Hotel Hyatt Regency Kolkata is situated has been registered in the name of the Company.
- 45.** In accordance with the Accounting Standard on " Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transactions with them are as follows: -

Related Party Disclosures

(i) List of Related Parties

(a) Subsidiaries :

GJS Hotels Limited
Regency Convention Centre and Hotels Limited
Robust Hotels Private Limited (Subsidiary of GJS Hotels Limited)

(b) Key Management Personnel :

(i) Mr. Umesh Saraf	(iii) Mr. A Srinivasan
(ii) Mr. Arun Kumar Saraf	(iv) Mr. Amit Saraf (resigned w.e.f. 24.08.2013)

(c) Entities over which directors or their relatives can exercise significant influence/control :

(i) Nepal Travel Agency Pvt. Ltd.	(xi) Sara Hospitality Limited, Hong Kong
(ii) Unison Hotels Private Limited	(xii) Juniper Investments Limited
(iii) Vedic Hotels Limited	(xiii) Chartered Hotels Private Limited
(iv) Unison Power Limited	(xiv) Blue Energy Private Limited
(v) Unison Hotels South Private Limited	(xv) Footsteps of Buddha Hotels Private Limited
(vi) Juniper Hotels Private Limited	(xvi) Sara International Limited, Hong Kong
(vii) Yak & Yeti Hotels Limited, Nepal	(xvii) Samra Importex Private Limited
(viii) Taragaon Regency Hotels Limited, Nepal	(xviii) Forex Finance Private Limited
(ix) Saraf Investments Limited, Mauritius	(xix) Saraf Hotels Limited, Mauritius
(x) Saraf Industries Limited, Mauritius	(xx) Chartered Hampi Hotels Private Limited

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

Amount in ₹

(ii) Details of Transactions with Related Parties during the year :

Transactions during the year	Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Dividend Paid						
Forex Finance Private Limited	—	—	14,071,824	14,071,824	14,071,824	14,071,824
Saraf Industries Limited	—	—	16,337,835	16,337,835	16,337,835	16,337,835
Radhe Shyam Saraf	2,573,685	—	—	—	2,573,685	—
Scrap Sales						
Chartered Hotels Private Limited	—	—	12,366	121,165	12,366	121,165
Services Availed during the Year						
Nepal Travel Agency Pvt. Ltd.	—	—	—	117,960	—	117,960
Expenses Incurred including Reimbursement						
Unison Hotels Private Limited	—	—	333,010	146,333	333,010	146,333
Chartered Hotels Private Limited	—	—	149,036	1,557,614	149,036	1,557,614
Chartered Hampi Hotels Pvt. Ltd.	—	—	79,073	—	79,073	—
Juniper Hotels Private Limited	—	—	328,309	17,031	328,309	17,031
Triumph Realty Private Limited	—	—	—	198,748	—	198,748
Loans and Advance Taken						
Juniper Hotels Private Limited	—	—	—	1,500,000	—	1,500,000
Managerial Remuneration						
Umesh Saraf	12,931,000	14,203,455	—	—	12,931,000	14,203,455
Arun Kr. Saraf	12,931,000	15,653,455	—	—	12,931,000	15,653,455
A Srinivasan	4,970,087	4,361,004	—	—	4,970,087	4,361,004

Closing Balance as on 31st March, 2014	Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Account Payables						
Umesh Saraf	—	1,819,455	—	—	—	1,819,455
Arun Kr. Saraf	—	3,269,455	—	—	—	3,269,455
Loans & Advances given to						
Forex Finance Private Limited	—	—	532,000,000	532,000,000	532,000,000	532,000,000
Chartered Hotels Private Limited	—	—	210,947	210,947	210,947	210,947
Corporate Gurantee given in favour of Robust Hotels Pvt. Ltd.						
Forex Finance Private Limited	—	—	1,500,000,000	3,450,000,000	1,500,000,000	3,450,000,000
Trade Payables						
Chartered Hampi Hotels Pvt. Ltd.	—	—	9,529	—	9,529	—
Other Payables						
Chartered Hotels Private Limited	—	—	270,386	784,752	270,386	784,752
Unison Hotels Private Limited	—	—	326,415	428,502	326,415	428,502

46. In the opinion of the Board all the assets of the Company have a value on realization in ordinary course of business atleast equal to the amount at which they are stated. Therefore, the Company has not recognised any loss on impairment in respect of any of the assets of the Company. In respect of subsidiaries, such decision is based on the audited accounts of the subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Notes to Financial Statements for the Year Ended 31st March 2014

47. The Board of Directors of the Company at their meeting held on 26th November 2012 and 23rd May 2013 and in consideration of SEBI Circular Nos. CIR/CFD/DIL/5/2013 and CIR/CFD/DIL/8/2013 dated 4th February 2013 and 21st May 2013 respectively, approved the amalgamation of Forex Finance Private Limited, Promoter Body Corporate with the Company w.e.f. 1st April 2012 (appointed date). Post amalgamation, Robust Hotels Private Limited, owner of Hyatt Regency Chennai, will be a wholly owned subsidiary of the Company; partially by having direct holding and balance through GJS Hotels Limited (wholly owned subsidiary of the Company). The Company is in the process of obtaining regulatory approvals for the amalgamation.
48. Previous Year figures have been regrouped / reclassified, wherever necessary to confirm to current year's classification.
49. There is no other additional material information required to be disclosed pursuant to the provisions of the Companies Act, 1956, Schedule VI to the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006 and other material applicable enactments, circulars, orders, notifications etc.

As per our report of even date

For and on behalf of the Board of Directors

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.: 000756N

K K Tulshan
Partner
Membership No. 085033

Place : Kolkata
Date : 22nd May 2014

Arun K Saraf	Joint Managing Director
Umesh Saraf	Joint Managing Director
A. C. Chakrabortti	Director
Rama Shankar Jhavar	Director
Padam Kumar Khaitan	Director
Ramesh Kumar Chokhani	Director

Bimal K Jhunjhunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

BLANK



Asian Hotels (East) Limited

Registered Office: Hyatt Regency Kolkata,
JA - 1, Sector - III, Salt Lake City,
Kolkata - 700 098, West Bengal, India