

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **ROBUST HOTELS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying Financial Statements of ROBUST HOTELS PRIVATE LIMITED ("the Company") which comprise 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 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'). 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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 the Company's internal control. An audit also includes evaluating the appropriateness of accounting principles 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 the Statement of Profit and Loss, of the loss 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 sub-section (4A) of section 227 of the Act, 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 Act, 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; and
 - e) on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **V. SINGHI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 311017E

(V.K. SINGHI)
Partner
Membership No. :050051

Place : Kolkata
Date : 21st May 2014

Annexure to the Auditors' Report

Referred in Paragraph 1 of the Report on other Legal and Regulatory Requirements of our Report of even date.

1.
 - a) The Company is in process of preparing its fixed assets register for the year to show full particulars including quantitative details and situation of its Fixed Assets.
 - b) The Fixed Assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verification.
 - c) During the year, the Company has not disposed off any substantial/major part of Fixed Assets.
2.
 - a) The inventories have been physically verified during the year at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
3.
 - a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act, during the year. Accordingly, clause 4(iii) (b), (c) and (d), of the Order are not applicable.
 - b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act during the year. Therefore, clause 4 (iii) (e), (f) and (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and sale of products and services. Further during the course of our audit, no major weaknesses have been noticed in the internal control procedure, which would require corrective action.
5.
 - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that Section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereon.
7. According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and the nature of its business.
8. In our opinion, the Company does not require to maintain the cost records as mentioned under section 209(1)(d) of the Act.
9.
 - a) As per records of the Company and according to the information and explanations given to us, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Income-tax, Sales-Tax, Service tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities and there are no undisputed amount payable in respect of the same which were in arrears as on 31st March, 2014 for a period of more than six months from the date they became payable.
 - b) According to information and explanations given to us, there are no dues outstanding on account of any dispute.
10. In our opinion the accumulated losses of the Company as at the end of the financial year has not exceeded fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.
12. As informed to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities during the year.

Robust Hotels Private Limited

13. In our opinion, the Company is not a Chit fund or a nidhi / Mutual Benefit Fund/ Society and therefore, clause 4(xiii) of the Order is not applicable.
14. In our opinion, the Company is not dealing or trading in Shares, Debentures and other Investments, therefore, clause 4 (xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. According to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that no term loan has been obtained during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that no fund has been raised on short term basis during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor we have been informed of such case by the management.

Place : Kolkata
Date : 21st May 2014

For **V. SINGHI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 311017E
(V.K. SINGHI)
Partner
Membership No. :050051

Robust Hotels Private Limited

BALANCE SHEET as at 31st March 2014

				Amount in ₹	
	Note	As at 31st March 2014		As at 31st March 2013	
I. EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
a) Share Capital	4	1,448,445,960		1,369,427,690	
b) Reserves and Surplus	5	1,956,955,834	3,405,401,794	845,957,546	2,215,385,236
2 SHARE APPLICATION MONEY PENDING ALLOTMENT					
	6		—		723,293,810
3 NON-CURRENT LIABILITIES					
a) Long Term Borrowings	7	3,457,573,866		3,343,055,866	
b) Other Long Term Liabilities	8	62,904		296,368	
c) Long Term Provisions	9	10,033,600	3,467,670,370	8,183,181	3,351,535,415
4 CURRENT LIABILITIES					
a) Short-term Borrowings	10	49,246,984		49,201,789	
b) Trade Payables	11	195,286,448		173,072,990	
c) Other Current Liabilities	12	176,496,820	421,030,252	912,799,523	1,135,074,301
TOTAL			7,294,102,416		7,425,288,762
II. ASSETS					
1 NON-CURRENT ASSETS					
A) FIXED ASSETS					
i) Tangible Assets	13	6,518,335,761		6,691,257,860	
ii) Intangible Assets		23,644,118		28,565,783	
iii) Capital Work-in-progress		19,591,420		3,589,707	
b) Non Current Investments	14	6,329,000		6,524,000	
c) Long-Term Loans and Advances	15	39,500,598	6,607,400,897	27,915,068	6,757,852,418
2 CURRENT ASSETS					
a) Inventories	16	8,289,008		11,188,904	
b) Trade Receivables	17	48,363,524		42,022,732	
c) Cash and Cash Equivalents	18	55,066,310		27,198,550	
d) Short-Term Loans and Advances	19	548,592,544		550,787,158	
e) Other Current Assets	20	26,390,133	686,701,519	36,239,000	667,436,344
TOTAL			7,294,102,416		7,425,288,762

Significant Accounting Policies 1 - 3

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **V. Singhi & Associates**
Chartered Accountants
Firm Regn. No. 311017E

(V. K. Singhi)
Partner
Membership No. 050051
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

A. Srinivasan
Whole-time Director

T. N. Thanikachalam
Company Secretary

Robust Hotels Private 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
I INCOME:			
Revenue from Operations	21	869,615,979	895,152,471
Other Income	22	6,576,855	6,104,684
		876,192,834	901,257,155
II EXPENSES:			
Cost of Materials Consumed	23	112,650,603	126,726,161
Employee Benefits Expense	24	183,038,749	196,625,160
Finance Costs	25	488,959,301	449,342,856
Depreciation and Amortization Expense		194,733,640	178,554,307
Other Expenses	26	405,686,789	402,505,569
		1,385,069,082	1,353,754,052
III LOSS BEFORE TAX (I-II)		508,876,247	452,496,897
IV TAX EXPENSE:			
Current Tax			
– Provision for Earlier Years		—	58,518
V LOSS FOR THE YEAR (III-IV)		508,876,247	452,555,415
Earnings per Equity Share (Nominal value per Share ₹ 10/-) (Refer Note No. 36)			
i) Basic		(5.42)	(6.16)
ii) Diluted		(5.42)	(6.16)

Significant Accounting Policies 1 - 3

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **V. Singhi & Associates**
Chartered Accountants
Firm Regn. No. 311017E

(V. K. Singhi)
Partner
Membership No. 050051
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

A. Srinivasan
Whole-time Director

T. N. Thanikachalam
Company Secretary

CASH FLOW STATEMENT for the year ended 31st March 2014

	Year Ended 31st March 2014	Year Ended 31st March 2013	Amount in ₹
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) after Tax	(508,876,247)		(452,555,415)
Adjustment for:			
Depreciation and Amortization Expense	194,733,640	178,554,307	
(Loss)/Profit on sale of Fixed Assets	(7,913)	(972,379)	
Interest Income	(3,646,425)	(1,897,481)	
Tax Provision for Earlier Years	—	58,518	
Liabilities written Back	—	(69,998)	
Preliminary Expenses Written Off	—	26,000	
Provision for Leave Benefits & LTA	384,631	4,180,099	
Provision for Gratuity	1,465,788	37,356	
Provision for bad & doubtful debts written back	(20,264)	(519,777)	
Bad Debts Written Off	—	606,790	
Pre-operative Expenses written off	—	7,424,850	
Interest Expenses(Term Loan & Others Borrowing Cost)	488,959,301	449,342,856	636,771,141
Changes in Working Capital			
(Increase) / Decrease in Inventories	2,899,896	(2,767,432)	
(Increase) / Decrease in Trade Receivables	(6,320,527)	(19,808,476)	
Increase / (Decrease) in Trade Payables	22,213,458	92,697,736	
(Increase) / Decrease in Other Receivables	1,582,277	(25,719,009)	
(Increase) / Decrease in Other Current Assets	10,293,094	(38,539,298)	
Increase / (Decrease) in Advance from Customers	2,724,986	(1,600,930)	
Increase / (Decrease) in Other Payables	(60,719,078)	55,867,415	
Net changes in Working Capital	(27,325,894)	60,130,005	
Direct Tax paid	(7,783,788)	(7,305,891)	52,824,114
NET CASH GENERATED FROM OPERATIONS	137,882,828		237,039,840
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of Fixed Assets	(28,628,717)	(3,133,980)	
Increase in Capital Work in progress	(4,274,277)	(669,890,055)	
Decrease in Capital Advance	612,337	547,145,581	
Increase/(Decrease) in Deposits	(3,801,742)	—	
Proceeds from sale of Fixed Assets	19,319	9,075,431	
Sale of Investment during the year (Net)	195,000	(10,000)	
Interest Received	3,202,198	1,325,289	
NET CASH GENERATED FROM INVESTING ACTIVITIES	(32,675,882)		(115,487,734)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest & Finance Charges paid	(520,618,798)	(441,199,223)	
Share Application Money Received During the Year	443,599,125	321,712,240	
Proceeds from Long Term Borrowings	—	—	
Repayment of Long Term Borrowings	—	(32,142,000)	
Proceeds from Short Term Borrowings	45,195	7,618,512	
Subscription for Preference Shares	—	—	
NET CASH GENERATED FROM FINANCING ACTIVITIES	(76,974,478)		(144,010,471)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	28,232,469		(22,458,365)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (REFER NOTE 19)	27,198,550		49,292,206
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE 19)	55,066,310		27,198,550
Increase / Decrease In Bank Overdraft	364,709		(364,709)
Net Increase / (Decrease) as disclosed above	28,232,469		(22,458,365)

- a) The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006
- b) Also Refer Note No. 30 of the Financial Statements
- c) Previous year figures have been regrouped/ rearranged wherever found necessary.

As per our report of even date
For **V. Singhi & Associates**
Chartered Accountants
Firm Regn. No. 311017E

(V. K. Singhi)
Partner
Membership No. 050051
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

A. Srinivasan
Whole-time Director

T. N. Thanikachalam
Company Secretary

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

1. Corporate Overview

The Company was incorporated as Private Limited Company and became a subsidiary of Forex Finance Private Limited and subsequently in the financial year 2012-13 it become a subsidiary of GJS Hotels Limited. GJS Hotels Limited is a wholly owned subsidiary of Asian Hotels (East) Limited, shares of which are listed in BSE Ltd. and National Stock Exchange Ltd. The Company became a step down subsidiary of Asian Hotels (East) Limited w.e.f 26.06.2012. The Company is primarily engaged in the Hotel business through "Hyatt Regency Chennai" a Five Star- Deluxe Premium Hotel situated in the city of Chennai.

2. Basis of Preparation

The financial statements have been prepared under historical cost convention method on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India and comply with the Accounting Standards notified under the Companies(Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

3 Significant Accounting Policies

i) Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of revenues, expenses, assets and liabilities (including contingent liabilities) on the date of financial statements. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and the estimates are recognised in the period in which the results are known / materialized.

ii) Fixed Assets

- a) Tangible Assets are stated at cost of acquisition, construction and expenses incurred for its acquisition, construction and other directly attributable cost of bringing the assets to its working condition for the intended use.
- b) Intangible Assets are stated at cost.
- c) Capital Work-in-progress includes cost of acquisition, construction and expenses including cost directly incurred and attributable to the assets in process.
- d) Additions to fixed assets during the year include pre- operative expenses and borrowing cost apportioned proportionately according to cost of assets.

iii) Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method which are based on useful life of assets estimated by the management and are equal to or higher than the rates specified in Schedule XIV of the Companies Act, 1956. Cost of assets where value does not exceed Rs. 5,000 are being fully depreciated in the year of purchase. The rates of depreciation adopted for various assets are as follows:

<u>Tangible Assets</u>	<u>Rates</u>
Building	1.63%
Plant & Equipment	4.75%
Computers	16.21%
Furniture & Fixtures	9.50%
Motor Cars	33.33%
<u>Intangible Assets</u>	
Computer Software	20.00%

iv) Inventories

Inventories are 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.

v) 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 really measured.

- a) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customers.
- b) Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

Amount in ₹

vi) Investments

Non- Current Investments are stated at cost unless there is permanent diminution.

vii) Retirement and Other Employee Benefits

- a) Retirement benefit in the form of provident fund is a defined contribution scheme and the contribution is charged in the Financial Statements as and when contribution is done. The Company has no obligation, other than the contributions payable to the provident fund.
- b) Gratuity Liability in respect of retirement benefits to the employees has been ascertained and provided for in the Financial Statements as per the Payment of Gratuity Act, 1972.
- c) Liability for Leave Encashment Benefits has been ascertained and provided for in the Financial Statements.

viii) Borrowing Cost

Borrowing costs that are directly attributable to acquisition or construction of an asset that necessarily takes substantial period of time to get ready for its intended use, have been capitalized/allocated as part of such assets.

ix) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding for the year.

x) Taxes on Income

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 Indian Income Tax Act.

Deferred tax is calculated at current statutory Income Tax rates as applicable and is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence are recognized and carried forward 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 realised.

xi) Impairment of Assets

The carrying amount 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 whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' 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.

The Impairment loss, if any, is recognized in accordance with the Accounting Standard- 28.

xii) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Expenses remittable in Foreign Exchange are charged on invoices as approved and accepted by appropriate Authorities as applicable. Gain or Loss on settled transactions are recognized in the statement of Profit and loss. And settled transactions at the yearend are translated at closing rate and the gain or loss is recognized in the statement of profit and loss.

xiii) Provisions

A provision is recognised 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 period. These estimates are reviewed at each reporting date and adjusted to reflect the current based estimate.

xiv) Contingent Liabilities and Contingent Assets

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements. The Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

Amount in ₹

4) Share Capital	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	₹	No. of Shares	₹
a) Authorised				
Equity Shares of ₹10/- each	95,000,000	950,000,000	95,000,000	950,000,000
Redeemable Preference Shares of ₹100/- each	4,300,000	430,000,000	4,300,000	430,000,000
Preference Shares of ₹10/- each	14,000,000	140,000,000	14,000,000	140,000,000
		1,520,000,000		1,520,000,000
b) Issued, Subscribed and Paid Up				
Equity Shares of ₹10/- each fully paid up in cash	93,942,769	939,427,690	93,942,769	939,427,690
12% Cumulative Redeemable Preference Shares of ₹100/- each fully paid up in cash {Refer Note 'd' below}	4,300,000	430,000,000	4,300,000	430,000,000
1% Cumulative Redeemable Optionally Convertible Preference Shares of ₹10/- each fully paid up in cash {Refer Note 'e' below}	7,901,827	79,018,270	—	—
		1,448,445,960		1,369,427,690

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity Shares

At the beginning of the year	93,942,769	30,010,000
Add: Allotted during the year	—	63,932,769
At the end of the year	93,942,769	93,942,769

0.001 % Cumulative Redeemable Optionally Convertible Preference Shares of ₹10/- each

At the beginning of the year	—	8,119,575
Less: Converted into Equity Shares during the year	—	8,119,575
At the end of the year	—	—

1 % Cumulative Redeemable Optionally Convertible Preference Shares of ₹10/- each

At the beginning of the year	—	1,396,000
Add: Allotted during the year	7,901,827	—
Less: Converted into Equity Shares during the year	—	1,396,000
At the end of the year	7,901,827	—

- c) The Company has only one class of Equity Shares having a par value of ₹10/- each. Each shareholder is entitled to one vote per share.
- d) The holders of Cumulative Redeemable Preference Shares have accepted the request to extend the date of redemption for a further period of one year from July 5, 2013 to July 5, 2014 vide their letter dated May 27, 2013. Accordingly, the said shares are redeemable at a premium of 10% on 5th July, 2014 unless mutually agreed upon for further rollover.
- e) The Shareholders of Cumulative Redeemable Optionally Convertible Preference Shares have a right either to seek redemption or conversion of the said shares into equity shares of the Company or to seek part redemption and part conversion of the said shares at its sole discretion. In the eventuality, the redemption is sought, the said shares shall be fully redeemed at a premium of ₹205 per share. In case conversion is sought, the total proceeds in respect of the number of shares sought to be converted, would be converted into such number of Equity Shares of face value of ₹10 each as would result on conversion of such Equity Shares at a conversion price of ₹32 per share. The right for conversion of preference shares to equity in part or whole amount is exercised by the applicant either at its own or through its Holding Company on 21st March, 2015 for 77,94,850 Shares and 29th March, 2015 for 1,06,977 shares.
- f) The shareholders have the right to declare and approve dividends, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than is recommended by the Board of Directors.
- g) The rights, preferences and restrictions attached to the Preference Shares are in accordance with the terms of issue and provisions of the Companies Act, 1956 unless stated otherwise.
- h) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution of all or any of the assets in specie among the shareholder's would be in accordance with their rights.

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

Amount in ₹

4) Share Capital (contd.)

i) **Name of the Shareholders holding shares more than 5%**

	As at 31st March 2014		As at 31st March 2013	
	No. of Share	% of Holding	No. of Share	% of Holding
Equity Shares				
Forex Finance Private Limited	30,010,000	32	30,010,000	32
GJS Hotels Limited (Holding Company)	63,932,769	68	63,932,769	68
12% Cumulative Redeemable Preference Shares				
Asian Hotels (East) Limited (Holding Company of GJS Hotels Limited)	4,300,000	100	4,300,000	100
1% Cumulative Redeemable Optionally Convertible Preference Shares				
GJS Hotels Limited (Holding Company)	7,901,827	100	—	—

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

	As at 31st March 2014	As at 31st March 2013
5) Reserves & Surplus		
Securities Premium Reserve		
As per last Financial Statement	1,298,512,961	1,842,684,918
Add: Created upon conversion of 81,19,575 0.001% and 13,96,000 1% Cumulative Redeemable Optionally Convertible Preference Shares into 6,39,32,769 Equity Shares of ₹ 10/- each at a premium of ₹ 22 per share.	—	1,406,520,918
Add: Created upon allotment of 79,01,827 1% Cumulative Redeemable Optionally Convertible Preference Shares ₹10/- each at a premium of ₹ 205 per share.	1,619,874,535	—
Less: Utilised for conversion of 81,19,575 0.001% Cumulative Redeemable Optionally Convertible Preference Shares and 13,96,000 1% Cumulative Redeemable Optionally Convertible Preference Shares of ₹10/- each at a premium of ₹ 205 per share.	—	1,950,692,875
	2,918,387,496	1,298,512,961
Surplus		
As per last Financial Statement	(452,555,415)	—
Add: Loss for the year as per Statement of Profit and Loss	(508,876,247)	(452,555,415)
	1,956,955,834	845,957,546

6) Share Application Money (Pending Allotment)

a) As per last Financial Statement	723,293,810	933,581,440
Add: Transferred back from Current Liabilities	531,999,870	—
Add: Received during the year	443,599,125	321,712,240
	1,698,892,805	1,255,293,680
Less: Transferred to Current Liabilities to the extent refundable	—	531,999,870
Less: Allotted during the year	1,698,892,805	—
	—	723,293,810
	—	723,293,810

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

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

b) **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 & equipment, 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 of ₹ 15 crore 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 the Company both present and future, ranking pari passu with each other. The Term Loan I and Term Loan II and Bank Guarantee of ₹ 15 crore from IDBI Bank Ltd are 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.

c) **Terms of Repayment**

i) IDBI Bank -Loan-I: 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 Rs. 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 ₹ 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: 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/- each 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: 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 Repayments Schedule letter dated August 16, 2012.

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

	As at 31st March 2014	As at 31st March 2013	Amount in ₹
8) Other Long Term Liabilities			
Stale Cheque Liabilities	62,904	296,368	
	62,904	296,368	
9) Long Term Provisions			
Provision for Leave Benefits	8,530,456	8,145,825	
Provision for Gratuity	1,503,144	37,356	
	10,033,600	8,183,181	
10) Short Term Borrowings			
Secured			
a) Cash Credit			
– From IDBI Bank Limited {Refer Note 'b' below}	49,246,984	49,201,789	
	49,246,984	49,201,789	
b) 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.			
11) Trade Payables			
Other Payables	195,286,448	173,072,990	
	195,286,448	173,072,990	
12) Other Current Liabilities			
Current Maturities of Long Term Debt			
– From IDBI Bank -Loan I (Refer Note No. 7 'c')	10,700,000	128,568,000	
- From IDBI Bank -Loan II (Refer Note No. 7 'c')	1,550,000	7,500,000	
- From HDFC Limited (Refer Note No. 7 'c')	9,300,000	—	136,068,000
Share Application Money (to the extent refundable)	—		531,999,870
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
Advance from Customers	10,752,350		8,027,364
Other Liabilities			
– Others	66,184,126	124,732,795	
– Payable to Statutory Authorities	14,401,709	16,338,654	141,071,449
	176,496,820	912,799,523	

* Includes disputed liability of ₹ NIL (Previous Year ₹ 1,28,43650/-) payable on Term Loan

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

Amount in ₹

13) Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2013	Additions during the year	Sale / Adjustments during the year	As at 31.03.2014	Upto 31.03.2013	For the year	Adjustments for the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
i. Tangible Assets										
Freehold Land	1,541,566,797	—	—	1,541,566,797	—	—	—	—	1,541,566,797	1,541,566,797
Buildings	3,080,643,892	3,596,100	—	3,084,239,992	43,642,118	47,759,456	—	91,401,574	2,992,838,418	3,037,001,774
Plant & Equipments	1,648,302,577	7,054,285	14,688	1,655,342,174	80,537,584	86,452,301	3,282	166,986,603	1,488,355,571	1,567,764,993
Furniture & Fixture	580,233,826	2,847,931	—	583,081,757	48,909,857	52,883,597	—	101,793,454	481,288,302	531,323,969
Vehicles	3,693,148	—	—	3,693,148	3,508,491	—	—	3,508,491	184,657.00	184,657
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	6,869,592,340	14,903,509	14,688	6,884,481,161	178,334,480	187,814,202	3,282	366,145,400	6,518,335,761	6,691,257,860
Previous Year	1,560,453,056	5,317,974,955	8,835,671	6,869,592,340	6,546,348	172,520,751	732,619	178,334,480	6,691,257,860	
ii. 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
Previous Year	67,414	34,599,339	67,414	34,599,339	67,414	6,033,556	67,414	6,033,556	28,565,783	
Grand Total	6,904,191,679	16,901,282	14,688	6,921,078,273	184,368,036	194,733,640	3,282	379,098,394	6,541,979,879	6,719,823,643
Previous Year	1,560,520,470	5,352,574,294	8,903,085	6,904,191,679	6,613,762	178,554,307	800,033	184,368,036	6,719,823,643	
iii. Capital Work in Progress	3,589,707	27,729,149	11,727,436	19,591,420	—	—	—	—	19,591,420	3,589,707
Previous Year	2,241,092,839	669,890,054	2,907,393,186	3,589,707	—	—	—	—	3,589,707	

Amount in ₹

**As at
31st March 2014**

**As at
31st March 2013**

14) Non- Current Investments

Unquoted, At cost-other than trade

6,30,000 (Previous Year : 6,50,000) Class-B 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

6,329,000

6,524,000

15) Long Term Loans and Advances

(Unsecured, considered good by the management)

Security Deposit

22,713,880

18,912,138

Advance Income Tax (Net) *

16,786,718

9,002,930

Advance Fringe Benefit Tax (Net) **

—

—

39,500,598

27,915,068

* Net of Provision of ₹ 5,24,048/- (Previous Year ₹ 5,24,048/-)

** Net of Provision of ₹ 2,73,237/- (Previous Year ₹ 2,73,237/-)

16) Inventories

(As taken valued and certified by the management)

(Valued at Cost or Net Realisable Value, whichever is lower)

Food

1,164,661

1,379,269

Beverages

7,039,246

9,747,074

Tobacco

85,101

8,289,008

62,562

11,188,904

8,289,008

11,188,904

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

	As at 31st March 2014	As at 31st March 2013	Amount in ₹
17) Trade Receivables			
(Unsecured, considered good by the management)			
Debts outstanding for a period exceeding six months	9,980,425	-	
Others	38,383,099	42,022,732	
	48,363,524	42,022,732	
18) Cash and Cash Equivalents			
Balance with Banks			
- In Current Accounts	10,868,505	4,284,660	
- Cheques in Hand	—	2,536,487	
- Margin Money Deposit (having maturity more than 12 months)	14,850,344	14,379,334	
- Fixed Deposit (DSRA)(having maturity more than 12 months)*	5,632,495	5,221,448	
- Fixed Deposit	22,337,474	—	
Cash in hand (as certified by the management)	1,377,492	776,621	
	55,066,310	27,198,550	
* under lien with Bank			
19) Short Term Loans And Advances			
(Unsecured, considered good by the management)			
Capital Advance	407,663	1,020,000	
Advance to Related Parties			
Associates			
Forex Finance Private Limited	532,000,000	532,000,000	
Other Advances			
To Employees	5,100	29,535	
To Suppliers	16,179,781	1,243,782	
Others	—	16,493,841	17,767,158
	548,592,544	550,787,158	

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

Amount in ₹

	As at 31st March 2014	As at 31st March 2013	
20) 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	80,040,965
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	435,061,962
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	40,456,962
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			
Interest Charges			
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	1,705,257,875
Other Borrowing Cost	—	—	2,229,117
	—	—	1,707,486,992
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	205,273,062
Interest (Gross) {Refer note below}	—	—	
On Term Deposit from Bank	—	4,587,971	
On Income Tax Refund	—	130	
From Others	—	52,400	4,640,501
Rent	—	—	
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
	—	—	2,447,736,812
Less: Capitalised/ Written off/ Adjusted	—	—	2,447,736,812
	—	—	—
Prepaid Expenses	—	10,385,891	14,423,652
Other Receivables:			
Interest accrued on Term Deposit	153,158	—	153,158
Interest accrued on Others	1,060,109	—	615,882
Service Tax	14,790,975	—	17,679,868
VAT receivable	—	—	389,563
Others	—	16,004,242	2,976,877
	—	26,390,133	21,815,348
	—	—	36,239,000

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

	As at 31st March 2014		As at 31st March 2013	
Amount in ₹				
21) REVENUE FROM OPERATIONS				
Sale of Products				
a) Food, Other Beverages, Smokes	335,015,288		359,073,643	
b) Wines and Liquor	35,188,491	370,203,779	32,394,816	391,468,459
Sale of Services				
a) Rooms & Banquets	478,596,069		475,627,658	
b) Communications	4,461,612		7,890,545	
c) Others	16,354,519	499,412,200	20,165,810	503,684,012
		869,615,979		895,152,471
22) OTHER INCOME				
a) Interest Income On (TDS Deducted for the Year ₹ 4,96,733/-) (Previous Year ₹ 2,66,960/-)				
- Term Deposits	2,331,781		1,127,629	
- Others	1,314,644	3,646,425	769,852	1,897,481
c) Profit on Sale of Assets(Net)		—		972,379
d) Miscellaneous Income		2,910,166		2,645,049
e) Provision for doubtful debts written back		20,264		519,777
f) Liabilities written back		—		69,998
		6,576,855		6,104,684
23) COST OF MATERIALS CONSUMED				
a) Food				
Opening Stock	1,379,269		2,101,591	
Add: Purchases	86,338,361		91,115,791	
	87,717,630		93,217,382	
Less: Closing Stock	1,164,661	86,552,969	1,379,269	91,838,113
b) Beverages, Wines & Liquor				
Opening Stock	9,747,074		6,278,514	
Add: Purchases	16,943,236		32,517,679	
	26,690,310		38,796,193	
Less: Closing Stock	7,039,246	19,651,064	9,747,074	29,049,119
c) Smokes & Others				
Opening Stock	62,562		41,367	
Add: Purchases	951,469		756,088	
	1,014,031		797,455	
Less: Closing Stock	85,101	928,930	62,562	734,893
d) Cost of Communication				
Cost of Calls	3,132,901		2,955,660	
Lease Line Rentals	2,384,739	5,517,640	2,148,376	5,104,036
		112,650,603		126,726,161
24) EMPLOYEE BENEFITS EXPENSE				
a) Salaries, Wages and Bonus		149,597,782		152,167,227
b) Contribution to Gratuity, Provident and Other Funds		9,075,290		9,981,000
c) Recruitment and Training		2,221,553		2,896,277
d) Staff Welfare Expenses*		22,144,124		31,580,656
		183,038,749		196,625,160

*includes cost of provisions consumed in staff cafeteria

NOTES TO FINANCIAL STATEMENTS for the Year Ended 31st March 2014

	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013
25) FINANCE COST		
a) Interest		
- on Term Loans	478,031,635	440,815,726
- on Cash Credit	6,249,986	6,093,322
- to Others	27,987	354,119
	484,309,608	447,263,167
b) Other Borrowing Cost	4,649,693	2,079,689
	488,959,301	449,342,856
26) OTHER EXPENSES		
Contract Labour and Service	55,953,555	54,577,423
Linen, Room, Catering and Other Supplies	25,451,958	30,226,463
Operating Equipment Consumption	14,114,526	5,380,928
Fuel, Power and Light	119,892,180	121,091,763
Repairs & Maintenance		
- On Building	5,037,286	7,042,041
- On Plant & Equipment	18,880,373	19,110,577
- On Others	3,521,046	4,114,549
Rent	3,597,066	3,578,688
Rates and Taxes	29,279,530	29,168,203
Business Promotion & Advertisement	19,191,811	16,644,258
Insurance	3,811,507	2,408,089
Net Gain / (loss) on Foreign currency translation and transaction	10,299,343	434,856
Motor Car Expenses	404,714	584,163
Printing and Stationery	3,545,079	3,209,157
Travelling and Conveyance	9,259,863	8,506,507
Professional and Consultancy Fees	4,570,015	4,773,210
Freight Charges	38,238	66,938
Filing Fees*	10,000	3,117,367
Technical Services	8,563,252	7,099,896
Brokerage & Commission	66,454,980	67,910,859
Telephone Charges	81,617	75,865
Auditors' Remuneration		
- As Auditor	200,000	200,000
- For Taxation Matters	50,000	60,000
- For Other Services	69,670	69,501
- For Reimbursement of Expenses	21,174	5,950
Profit on Sale of Assets(Net)	7,913	—
Miscellaneous Expenditure	3,380,092	4,990,678
Preliminary Expenses written off	—	26,000
Bad Debts written off	—	606,790
Pre Operative Expenses written off	—	7,424,850
	405,686,789	402,505,569

* Includes ₹ Nil (Previous Year ₹ 31,14,367/- for increase in Authorised Share Capital)

27) Contingent Liabilities and Commitments not provided for

i) Contingent Liabilities

a) Bank Guarantee **12,65,93,275** 12,65,93,275

ii) Commitments

Estimated amount of Capital Contracts pending to be executed
[net of advances ₹ 4,07,663 (Previous year ₹ 10,10,250)] — —

iii) **Export Obligation in Respect of EPCG licenses** **1,01,27,46,200** 1,01,27,46,200

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

Amount in ₹

28. The Company has not provided liability on account of dividend payable on Cumulative Preference Shares as detailed below:

Class of Preference Share	Number of Shares	Date of Allotment	Dividend Payable (Rs.) As at 31.03.2014
1% Cumulative Redeemable Optionally Convertible Preference Shares of ₹ 10 each	77,94,850 1,06,977	21.03.14 29.03.14	23,491 88
12% Cumulative Redeemable Preference Shares of ₹10 each	43,00,000	04.09.08	28,75,46,301

29) As per information available with the Company and as certified by the Management, there is no amount due to any Small Scale Industrial Undertaking as on 31st March, 2014.

30) In the opinion of the Management, the value of realization of Long Term Loans and Advances and Current Assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

31) Salary includes Remuneration paid to a Whole Time Director ₹ 49,70,087/- (Previous Year ₹43,61,004/-)

32) The timing difference relating mainly to depreciation and unabsorbed losses result in net deferred credit as per Accounting Standard 22 "Accounting for Taxes on Income". As a prudent measure the net Deferred Tax Assets' relating to the above has not been recognized in the financial statements.

33) Disclosure in respect of related parties as defined in Accounting Standard 18 are given below:-

A. Key Managerial Personnel and Relatives

- a. Mr. Arun Kumar Saraf, Director
- b. Mr. A. Srinivasan, Whole-time Director
- c. Mr. Umesh Saraf, Director
- d. Mr. Varun Saraf, Director
- e. Mr. Amit Saraf, Director (resigned w.e.f 24.08.2013)

B. Holding Company:

GJS Hotels Limited (GJS)
Asian Hotels (East) Limited (AHEL) holding company of GJS Hotels Limited.

C. Enterprises over which Key Managerial Personnel are able to exercise Significant Influence :

- a. Juniper Hotels Private Limited (JHPL)
- b. Juniper Investments Limited (JIL)
- c. Chartered Hotels Private Limited (CHPL)
- d. Chartered Hampi Hotels Private Limited (CHHPL)
- e. Unison Hotels Limited (UHL)
- f. Forex Finance Private Limited (FFPL)

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

Amount in ₹

D. Disclosure of Transactions during the year		Year Ended	Year Ended
Name of Person	Nature of Transactions	31st March, 2014	31st March, 2013
AHEL	Consultancy Fees	—	5,46,363
	Travelling Expenses	48,703	15,163
	Reimbursement of Expenses	2,25,595	—
	Contract Labour and Services	17,193	—
	Sales Promotion	56,439	—
	Sale of Services	11,545	—
	Other Expenses	10,500	—
JHPL	Reimbursement of Expenses	1,06,079	—
	Advance Taken	—	15,00,000
	Refund of Advance Taken	—	15,00,000
	Contract Labour and Services	43,188	—
	Sales Promotion	1,68,524	—
CHPL	Scrap Sales	12,366	1,21,165
	Reimbursement of Expenses	1,10,927	13,46,667
	Travelling Expenses	17,638	—
	Sale of service	18,471	—
	Freight	2,000	—
UHL	Travelling Expenses	2,75,189	1,46,333
CHHPL	Reimbursement of Expenses	65,125	—
	Contract Labour and Services	13,948	—
GJS	Share Application Money Received	44,35,99,125	32,17,12,240
Mr. A. Srinivasan	Remuneration	49,70,087	43,61,004
E. Balances as at year end			
Name of Person	Nature of Balances		
FFPL	Long Term Advances	53,20,00,000	53,20,00,000
	Corporate Guarantee	1,50,00,00,000	3,45,00,00,000
AHEL	Corporate Guarantee	2,40,00,00,000	2,40,00,00,000
CHPL	Other Payables	2,70,386	7,84,752
UHL	Other Payables	3,26,415	4,28,502
CHHPL	Trade Payables	9,529	—
GJS	Share Application Money Pending Allotment	—	72,32,93,810
	Share Application Money Refundable	—	53,19,99,870
34) Earnings in Foreign Currency (Net):-			
	-On Receipt Basis	42,20,85,172	41,55,22,772
35) Earnings Per Share			
<u>Numerator</u>			
	Loss after Tax	50,88,76,247	45,25,55,415
<u>Denominator</u>			
	Weighted average number of Equity Share	9,39,42,769	7,34,49,251
Earnings Per Share			
	-Basic	(5.42)	(6.16)
	-Diluted	(5.42)	(6.16)
36) C. I. F. Value of Capital Goods imported		4,21,520	45,11,250

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

	Amount in ₹	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
37) Expenditure in Foreign Currency:-		
a) Fees for Technical Services	76,54,993	22,36,844
b) Professional & Consultancy	9,99,763	—
c) Travelling Expenses	—	55,30,726
d) Commission	4,69,75,757	4,02,28,130
e) Recruitment & Training	4,03,984	94,37,128
f) Contract Labour & Service	—	2,89,486
g) Cost of Supplies	1,73,000	—
h) Business Promotion & Advertisement	27,33,895	1,87,58,025
i) Repair & Maintenance	51,91,218	14,13,199
j) Staff Welfare	3,28,630	35,94,184
k) Others	14,19,010	11,54,878
38) 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.		
39) There are no other disclosure requirements which need to be disclosed as per Accounting Standards and Revised Schedule VI to the Company.		
40) Previous year figures have been regrouped / rearranged wherever necessary.		

As per our report of even date

For **V. Singhi & Associates**
Chartered Accountants
Firm Regn. No. 311017E

(V. K. Singhi)
Partner
Membership No. 050051
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

A. Srinivasan
Director

T. N. Thanikachalam
Company Secretary