

ROBUST HOTELS PRIVATE LIMITED

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CIN: U55101TN2007PTC062085

**NOTICE OF MEETING OF UNSECURED CREDITORS
(CONVENED PURSUANT TO ORDER DATED 17th MAY, 2018 AS MODIFIED BY AN ORDER DATED 16th JULY,
2018 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH)**

| MEETING | |
|----------------|--|
| Day | Tuesday |
| Date | 21 st August, 2018 |
| Time | 12:00 Noon |
| Venue | Hyatt Regency Chennai, 365, Anna Salai, Teynampet, Chennai 600 018 |

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
COMPANY APPLICATION NO.40 OF 2017**

In the matter of Section 230 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders

Robust Hotels Private Limited,
a Company incorporated under the Companies Act, 1956, having its Registered Office at 365, Anna Salai, Teynampet, Chennai 600 018 represented by Mr. Thanikachalam Tenampet Natarajan, Company Secretary

.....Applicant

NOTICE CONVENING MEETING OF UNSECURED CREDITORS

**To,
The Unsecured Creditors of
Robust Hotels Private Limited**

NOTICE is hereby given that by an order dated 17th May, 2018 as modified by an order dated 16th July, 2018, the Hon'ble National Company Law Tribunal, Chennai Bench ("**Tribunal**") has directed a meeting of the Unsecured Creditors of Robust Hotels Private Limited, the Applicant Company abovenamed ("**RHPL**"), to be held for the purpose of their considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between GJS Hotels Limited (hereinafter referred to as "**GJSHL**"), Asian Hotels (East) Limited (hereinafter referred to as "**AHEL**") and the said RHPL and their respective shareholders ("**Scheme**").

In pursuance of the said order and as directed therein, **further notice** is hereby given that a meeting of the Unsecured Creditors of RHPL will be held at the registered office of the Applicant Company at 365, Anna Salai, Teynampet, Chennai 600 018 on Tuesday, the 21st day of August, 2018 at 12:00 Noon to consider, and if thought fit, to pass the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) of the Companies Act, 2013:-

***"RESOLVED THAT** pursuant to Section 230 of the Companies Act, 2013, the Scheme of Arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited, and their respective shareholders presented in Company Application (CAA) No.40/2018 filed by Robust Hotels Private Limited before the Hon'ble National Company Law Tribunal, Chennai Bench ("**Tribunal**"), be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board of Directors of Robust Hotels Private Limited (hereinafter referred to as the "**Board**" which term shall be deemed to mean and include any other person authorized by it to exercise its power including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to the above resolution and effectively implement the*

arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal or its appellate authority(ies) / while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme of Arrangement, as the Board may deem fit and proper."

Votes may be cast at the venue of the meeting by you personally or by proxy provided that in the latter case, a proxy in the prescribed form, duly signed by you, is deposited at the registered office of RHPL, not later than 48 (forty eight) hours before the time for holding the meeting. In case of a Body Corporate, being an Unsecured Creditor of RHPL, opting to attend and vote at the venue of the meeting, as aforesaid, through its authorised representative, such Body Corporate may do so provided a certified copy of the resolution of its Board of Directors or other governing body authorising such representative to attend and vote at the meeting on its behalf is deposited at the registered office of RHPL not later than 48 (forty eight) hours before the time for holding the meeting.

The value of the unsecured creditors shall be considered as on 30th June, 2018 for the purpose of the meeting of the said creditors of RHPL in terms of the said order of the Hon'ble Tribunal. This notice is being dispatched accordingly to all the unsecured creditors of RHPL whose names are appearing in the records of RHPL as on 30th June, 2018.

The aforesaid resolution for approval of the Scheme shall, if passed by a majority in number representing three-fourths in value of the Unsecured Creditors of RHPL casting their votes, as aforesaid, shall be deemed to have been duly passed on the date of the said meeting (i.e. 21st August, 2018) of the Unsecured Creditors of RHPL under Section 230(1) of the Companies Act, 2013.

A copy each of the said Scheme of Arrangement; form of proxy; attendance slip; and the Explanatory Statement under Section 230(3) of the Companies Act, 2013 along with all annexures thereto are enclosed herewith. A copy of this notice and the accompanying documents are also placed on the website of the RHPL's Holding Company viz. www.ahleast.com.

The Hon'ble Tribunal has appointed Mr. Soumya Saha, Director, as the Chairperson of the said meeting. The abovementioned Scheme of Arrangement, if approved at the said meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

Dated this 17 day of July, 2018.

Sd/-
Soumya Saha
Chairperson appointed for
the Meeting

Drawn on behalf of Applicant by
Sd/-
Pavitra Venkateswaran
Advocate for the Applicant
J&M Legal
No.5, 2nd Floor, 8th Street,
Dr. R. K. Salai, Chennai – 600 004

Notes:-

- 1) Only Unsecured Creditors of RHPL may attend (either in person or by proxy or by authorised representative) at the said meeting of the Unsecured Creditors of RHPL ("**Meeting**"). The authorised representative of a body corporate which is a registered Unsecured Creditor of RHPL may attend the Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is deposited at the Registered Office of RHPL not later than 48 hours before the scheduled time of the commencement of the Meeting.
- 2) **AN UNSECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A UNSECURED CREDITOR OF RHPL.** The Form of Proxy duly completed should, however, be deposited at the Registered Office of RHPL not later than 48 hours before the scheduled time of the commencement of the Meeting. All alterations made in the form of Proxy should be initialled by the Unsecured Creditor.
- 3) An Unsecured Creditor or his Proxy or authorized representative is requested to bring copy of the notice to the Meeting and produce at the entrance of the Meeting venue, the attendance slip duly completed and signed.
- 4) Voting rights shall be reckoned on the value of the Unsecured Creditors as on 30th June, 2018 being the date fixed in this regard by the Hon'ble Tribunal.
- 5) Relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the Unsecured Creditors at the registered office of RHPL as mentioned in the Explanatory Statement.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
COMPANY APPLICATION NO.40 OF 2017**

In the matter of Section 230 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders

Robust Hotels Private Limited,
a Company incorporated under the Companies Act, 1956, having its Registered Office at 365, Anna Salai, Teynampet, Chennai 600 018 represented by Mr. Thanikachalam Tenampet Natarajan, Company Secretary

.....Applicant

Explanatory Statement under Section 230(3) of the Companies Act, 2013.

1. Meeting for Scheme of Arrangement

This is a Statement accompanying the Notice convening meeting of Unsecured Creditors of Robust Hotels Private Limited, being the Applicant Company abovenamed (hereinafter referred to as "RHPL") for the purpose of their considering and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between GJS Hotels Limited (hereinafter referred to as "GJSHL"), Asian Hotels (East) Limited (hereinafter referred to as "AHEL") and the said RHPL and their respective shareholders whereby and whereunder it is proposed to (1) reconstruct GJSHL and AHEL by demerger of the Demerged Undertaking of GJSHL (including investment in RHPL) to AHEL and (2) reorganise and convert the outstanding 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each of RHPL ("**Specified Preference Shares**") and 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each of RHPL ("**Specified Debentures**") into Equity Shares of RHPL, in the manner and on the terms and conditions stated in the said Scheme of Arrangement. The salient features of the Scheme of Arrangement are given in paragraph 5 of this Statement. The detailed terms of the arrangement will appear from the enclosed draft of the Scheme.

2. Date, time and venue of Meeting

Pursuant to an order dated 17th May, 2018 as modified by an order dated 16th July, 2018, passed by the Hon'ble National Company Law Tribunal, Chennai Bench ("**Tribunal**") in Company Application No. (CAA) No.40 of 2017, a meeting of the Unsecured Creditors of RHPL will be held for the purpose of their considering and if thought fit approving of, with or without modification(s), the said Scheme of Arrangement at 365, Anna Salai, Teynampet, Chennai 600 018 on Tuesday, the 21st day of August, 2018 at 12 Noon.

3. Rationale and benefits

The circumstances which justify and/or have necessitated the said Scheme of Arrangement and the benefits of the same are, inter alia, as follows:-

- (a) AHEL is a well established hospitality company engaged primarily in the business of running the 'Hyatt Regency' hotel at Salt Lake in Kolkata. In addition, AHEL holds and is engaged in the business of investing in shares and securities of other bodies corporate on both, a short term basis (current investments) and long term basis (non-current investments). AHEL thus also has substantial interests in the hospitality business through its subsidiaries, being GJSHL which is a direct and wholly owned (100%) subsidiary of AHEL and RHPL which is a subsidiary of GJSHL. While RHPL is running the 'Hyatt Regency' hotel at Anna Salai, Teynampet in Chennai, GJSHL is pursuing a project for establishing a hotel in Bhubaneswar, Odisha. The operations of GJSHL have been funded primarily by AHEL by a combination of equity capital and loan while the operations of RHPL have also been funded primarily by AHEL and GJSHL by a combination of equity capital, preference capital and debt. While AHEL has been in the hospitality business for several years, the business of GJSHL and RHPL is relatively new. The said Companies have been looking at suitable proposals for restructuring with the objective, inter alia, of simplifying and rationalising their holding and financial structure and pursuing their business more conveniently and beneficially.
- (b) In the circumstances and as part of an overall restructuring plan, it is considered desirable and expedient to (1) reconstruct GJSHL and AHEL by demerging the Demerged Undertaking of GJSHL (including investment in RHPL) to AHEL and (2) reorganise and convert the outstanding 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each of RHPL ("Specified Preference Shares") and 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each of RHPL ("Specified Debentures") into Equity Shares of RHPL, in the manner and on the terms and conditions stated in the said Scheme of Arrangement.
- (c) The demerger will simplify the holding structure of the subsidiaries of AHEL and result in RHPL also becoming a direct wholly owned (100%) subsidiary of AHEL consequent to transfer of the investment of GJSHL in RHPL to AHEL as part of the demerger. Accordingly, following the demerger, both companies, GJSHL and RHPL will be directly held by AHEL. The same will enable AHEL to optimise returns from its investments in its subsidiaries and to hold such investments more conveniently. The activity of holding and monitoring investments in shares and securities of other bodies corporate, including taking decisions and exercising rights in respect of such investments is already undertaken by AHEL on a much larger scale. As such the investment in RHPL will be held and monitored in AHEL more efficiently and advantageously without detracting from the hotel operating business carried on directly by AHEL or diluting focus thereon.
- (d) The demerger will enable GJSHL to pursue operating business with greater focus and attention and facilitate the business considerations and factors applicable to the same to be addressed more effectively and adequately by GJSHL without the responsibility of monitoring investments in RHPL. The demerger will also enable independent evaluation of the said business of GJSHL and facilitate running and operation of such business and growth and development plans thereof to be funded independently.
- (e) The demerger will result in appropriate combination and consolidation of the investment business (Demerged Undertaking) of GJSHL with the investment business of AHEL. Such

combined and consolidated investment business in AHEL will be managed and pursued more advantageously and effectively in AHEL.

- (f) The reorganisation and conversion of the Specified Preference Shares and Specified Debentures of RHPL into Equity Share Capital in terms of the Scheme will suitably simplify and rationalise the financial structure of RHPL. The same will also enable RHPL to improve its performance with better operating parameters, including a more appropriate debt equity ratio, and enhance its capacity to raise and access funds for growth and development of its business. The conversion into equity will also link returns more closely to performance and provide greater flexibility to the financial structure of RHPL.
- (g) As such, the Scheme will enable AHEL and its subsidiaries to pursue their businesses more conveniently and advantageously and unlock shareholders value.
- (h) The Scheme will suitably realign and adjust the relationship between the capital and assets of the respective Companies and have beneficial results for the said Companies, their shareholders and all concerned.

4. **Background of the Companies**

A. Particulars of the Applicant Company (RHPL)

- i. The Applicant Company, Robust Hotels Private Limited (“RHPL”) was incorporated on the 19th day of January, 2007 under the provisions of the Companies Act, 1956 as a Company limited by shares. RHPL is a company within the meaning of the Companies Act, 2013. RHPL is registered with the Registrar of Companies, Tamil Nadu having CIN U55101TN2007PTC062085. Its PAN Number with the Income Tax Department is AADCR5418B. During the last five years, there has been no change in the name, registered office and objects of RHPL. The email address of RHPL is info@sarafhotels.com. RHPL is an unlisted Company. RHPL having its registered office in the State of Tamil Nadu has filed an application in relation to the said Scheme under Section 230(1) of the Companies Act, 2013 in the Hon’ble Chennai Bench of the National Company Law Tribunal.
- ii. The main objects of RHPL as contained in Clause III of the Memorandum of Association amongst others include carrying on the business of constructing, building, erecting, acquiring, purchasing, establishing, administrating, managing, running or in any manner and in all respects dealing in hotels and lodging houses of every kind and description, including all conveniences, amenities and facilities relating or adjunct thereto and to carry on the business of hotel, restaurant, refreshment rooms, beauty parlour, souvenir shop, café, coffee pubs, roadhouse, motel, holiday camp, holiday resorts, country clubs, caravan site, and apartment house keepers, entertainment malls, multiplexes and to let out on contract conference halls, Dancing halls, Marriage halls, convention centres; carrying on the business as proprietors of restaurant, hotel refreshment and tea rooms, cafes and milk and snack bars, tavern, beer house and lodging-house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, malsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, and as caterers and as contractors in all their respective branches and to buy, sell, import, export, and

produce or deal/trade in groceries, confectionaries, food products, wines, spirits, and beverages of all kinds; promoting and developing tourism and develop sports and other allied activities specially to cater to the taste of foreign national and to act as business consultants and advisors for technical, engineering, marketing, financing and management assignments in relation to hospitality industry for tourists both for residents and foreign nationals.

- iii. RHPL is a step down subsidiary of AHEL. All the Equity and Preference Shares of RHPL are held by and between AHEL and GJSHL. At present, RHPL is running the 'Hyatt Regency' hotel at Anna Salai, Teynampet in Chennai. The operations of RHPL have been funded primarily by AHEL and GJSHL by a combination of equity capital, preference capital and debt. Such business of RHPL is relatively new.
- iv. The Authorised Share Capital of RHPL is Rs. 2,12,00,00,000/-divided into 15,50,00,000 Equity Shares of Rs.10/- each, 43,00,000 Redeemable Preference Shares of Rs.100/- each and 1,40,00,000 Preference Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of RHPL is Rs.1,97,17,38,290/- divided into 15,41,73,829 Equity Shares of Rs.10/- each and 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each ("CRPS"). All Equity Shares issued by RHPL are held by GJSHL which is a wholly owned subsidiary of AHEL and its nominee and, accordingly, RHPL is a wholly owned (100%) subsidiary of GJSHL at present. RHPL is presently a 80.53% subsidiary of GJSHL. Thus, RHPL is also a step down subsidiary of AHEL. All the Equity and Preference Shares of RHPL are held by and between AHEL and GJSHL, as aforesaid.
- v. The latest financial statements of RHPL have been audited for the financial year ended on 31st March, 2018. Extracts of the balance sheet and profit and loss account of RHPL for the said financial year ended on 31st March, 2018 are included in **Annexure "ES-1"** attached hereto. RHPL has not issued any debentures. The following summary extracted from the said financial statements as at 31st March, 2018 indicates the financial position of RHPL as on the said date as follows:-

| Particulars | Amount in Rupees |
|---|-----------------------|
| A. Paid up Share Capital | 1,54,17,38,290 |
| B. Reserves and Surplus | 1,40,07,17,569 |
| Net Shareholders Fund (A+B) | 2,94,24,55,859 |
| C. Assets | |
| Non Current Assets | 5,87,41,45,388 |
| Current Assets | 15,80,29,363 |
| Total (C) | 6,03,21,74,751 |
| D. Liabilities | |
| Non Current Liabilities | 2,37,57,44,273 |
| Current Liabilities | 71,39,74,619 |
| Total (D) | 3,08,97,18,892 |
| Excess of Assets over Liabilities (C – D) | 2,94,24,55,859 |

Subsequent to the date of the aforesaid financial statements, i.e., 31st March, 2018, there has been no substantial change in the financial position of RHPL excepting those arising or resulting from the usual course of business.

- vi. The details of Directors and Promoters of RHPL along with their addresses are mentioned herein below:-

| Sl. No. | Name | Category | Address |
|-------------------|-----------------------------|--------------------------|--|
| Directors: | | | |
| 1. | Umesh Saraf | Non Independent Director | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 |
| 2. | Arun Kumar Saraf | Non Independent Director | Western Express Highway, Santacruz (E), Mumbai – 400 055 |
| 3. | Varun Saraf | Non Independent Director | 6 th Floor, Grand Hyatt Residencies, Vakola, Santacruz (East), Mumbai – 400 055 |
| 4. | Avali Srinivasan | Non Independent Director | 5, Bethel Chedda Nagar, Mumbai – 400 089 |
| 5. | Pawan Kumar Kakarania | Independent Director | 1/1A, Hari Pal Lane, Kolkata – 700 006 |
| 6. | Soumya Saha | Independent Director | 29, Prasana Kumar Tagore Street, Kolkata – 700 006 |
| Promoters: | | | |
| 1. | GJS Hotels Limited | Promoter Group | Hyatt Regency Kolkata, JA-1, Sector – III Salt Lake City, Kolkata – 700 098 |
| 2. | Asian Hotels (East) Limited | Promoter Group | Hyatt Regency Kolkata, JA-1, Sector – III Salt Lake City, Kolkata – 700 098 |

B. Particulars of GJSHL

- i. GJS Hotels Limited (GJSHL) was incorporated on the 9th day of December, 2002 under the provisions of the Companies Act, 1956 as a Company limited by shares. GJSHL is a company within the meaning of the Companies Act, 2013. GJSHL, is registered with the Registrar of Companies, West Bengal having CIN U55101WB2002PLC160608. Its PAN Number with the Income Tax Department is AACCG7683A. The email id of GJSHL is saumen.chatterjee@ahleast.com. During the last five years, there has been no change in the name, registered office and objects of GJSHL. GJSHL is an unlisted Company.
- ii. The main objects of GJSHL as contained in Clause III of the Memorandum of Association amongst others include undertaking and carrying on the business of hotels, motels, resorts, restaurants cafe, tavern, beer house, refreshment room, boarding and lodging house keepers, licensed victuallers, inns, wine, beer and spirit merchants, brewers, merchants importers and manufacturers of aerated mineral and artificial waters and other drinks, importers and dealers of all kinds of foods and food stuffs, vegetarian and non-vegetarian natural or synthetic, purveyors, caters for public amusement, coach, cab carriage, and motor car and proprietors of clubs, baths shopping commercial arcades

beauty parlours laundries, libraries, grounds and place of amusement, health, beauty and recreation sport or otherwise; acquiring, purchasing, altering, repairing, upholding, maintaining, furnishing, land buildings, immoveable properties for the purpose of hotels, motels, resorts, restaurants, club house, holiday inns, tourist homes, cottages, shopping arcades, commercial and trading activities; managing existing hotels, motels, resorts, restaurants and to plan build furnish, equip, decorate and set up independently and/or in collaboration with other hoteliers either Indian or foreigners new hotels, motels, resorts, restaurants and to carry on the business as proprietors, managers consultants of hotels, motels, restaurants, canteen, cafeteria, travellers, lodging, guest houses and place for the purpose of providing boarding and lodging in India and abroad on a management contract or otherwise, on a franchise arrangement or otherwise; and dealing with or acting as an investor by way of acquiring, holding, selling, buying, transferring, subscribing any shares, bonds, stocks, or any other securities, of any kind, issued by or guaranteed by any government, public body, authority, state, sovereign, commissioners, trusts, provincial, municipal body, or otherwise, whether in India or elsewhere and to act as guarantors, financiers, underwrites, and to lend money or deal with money, either with interest or without interest to such individuals, firms, body corporate, and institutions and upon such terms and conditions as the Company may deem expedient but not amounting to banking business as defined under the Banking Regulations Act, 1949.

- iii. GJSHL is a direct and wholly owned (100%) subsidiary of AHEL. GJSHL is pursuing a project for establishing a hotel in Bhubaneswar, Odisha. The operations of GJSHL have been funded primarily by AHEL by a combination of equity capital and loan. Such business of GJSHL is relatively new. In addition, GJSHL is also engaged in the business of investing in shares and securities.
- iv. The Authorised Share Capital of GJSHL is Rs.14,00,00,000/-divided into 1,40,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of GJSHL is Rs.10,96,10,000/- divided into 1,09,61,000 Equity Shares of Rs.10/- each fully paid up., All Equity Shares issued by GJSHL are held by AHEL and its nominees and, accordingly, GJSHL is a wholly owned (100%) subsidiary of AHEL.
- v. The latest financial statements of GJSHL have been audited for the financial year ended on 31st March, 2018. Extracts of the balance sheet and profit and loss account of GJSHL for the said financial year ended on 31st March, 2018 are included in **Annexure “ES-1”** attached hereto. GJSHL has not issued any debentures. The following summary extracted from the said financial statements as at 31st March, 2018 indicates the financial position of GJSHL as on the said date as follows:-

| Particulars | Amount in Rupees |
|-----------------------------|-----------------------|
| A. Paid up Share Capital | 1,09,61,000 |
| B. Reserves and Surplus | 1,41,31,17,628 |
| Net Shareholders Fund (A+B) | 1,52,27,27,628 |
| C. Assets | |
| Non Current Assets | 4,75,19,78,520 |

| | |
|---|-----------------------|
| Current Assets | 6,44,432 |
| Total (C) | 4,75,26,22,952 |
| D. Liabilities | |
| Non-Current Liabilities | 0 |
| Current Liabilities | 3,22,98,95,324 |
| Total (D) | 3,22,98,95,324 |
| Excess of Assets over Liabilities (C – D) | 1,52,27,27,628 |

Subsequent to the date of the aforesaid unaudited financial statements, i.e., 31st March, 2018, there has been no substantial change in the financial position of GJSHL excepting those arising or resulting from the usual course of business.

- vi. The details of Directors and Promoters of GJSHL along with their addresses are mentioned herein below:

| Sl. No. | Name | Category | Address |
|-------------------|-----------------------------|--------------------------|---|
| Directors: | | | |
| 1. | Umesh Saraf | Non Independent Director | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 |
| 2. | Padam Kumar Khaitan | Independent Director | 3, Queens Park, Kolkata – 700 019 |
| 3. | Basab Chakraborty | Independent Director | 5E, Beltala Road, Bhowanipur, Kolkata – 700 026 |
| 4. | Pawan Kumar Kakarania | Independent Director | 1/1A, Hari Pal Lane, Kolkata – 700 006 |
| Promoters: | | | |
| 1. | Asian Hotels (East) Limited | Promoter Group | Hyatt Regency Kolkata, JA-1, Sector – III Salt Lake City, Kolkata – 700 098 |

C. Particulars of AHEL

- i. Asian Hotels (East) Limited (“AHEL”) was incorporated on the 8th day of January, 2007 under the provisions of the Companies Act, 1956 as a Private Company limited by shares by the name and style of ‘Vardhaman Hotels Private Limited’. With effect from 28th July, 2007, AHEL was converted into a Public Company with the name and style ‘Vardhaman Hotels Limited’. Further, the name of Vardhaman Hotels Limited changed to its present one, i.e., ‘Asian Hotels (East) Limited’ with effect from 16th February, 2010. AHEL is a company within the meaning of the Companies Act, 2013. AHEL, is registered with the Registrar of Companies, West Bengal having CIN L15122WB2007PLC162762. Its PAN Number with the Income Tax Department is AACCV4634N. The email address of AHEL is investorrelations@ahleast.com. During the last five years, there has been no change in the name, registered office and objects of AHEL. The equity shares of AHEL are listed on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). GJSHL & AHEL having their registered offices in the State of West Bengal has have filed a similar

application in relation to the said Scheme under Section 230(1) of the Companies Act, 2013 in the Hon'ble Kolkata Bench of the National Company Law Tribunal.

- ii. The main objects of AHEL as contained in Clause III of the Memorandum of Association amongst others include undertaking and carrying on the business of acquiring by purchase, lease, exchange hire or otherwise lands, plots, buildings and hereditaments of any tenure or description situated in anywhere in India and any estate or interest and rights therein in particular by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels, motels, restaurants, reverts, dining rooms, bars, catering rooms, garages, stables, lodging houses, commercial buildings, farm houses, warehouses, clubs, health clubs, dressing rooms, beauty salera, baths, laundry rooms, reading, writing and library rooms, indoor and outdoors play grounds and stadiums, swimming pool, theatre, opera and cinema houses, internet café, museum and art rooms, video and other fun games room, race courses, mediation centres, boating clubs, flying clubs, freezing hot-preservation and banking chambers and by consolidating or connecting or subdividing properties and by leasing hiring and disposing of same; carrying on the business of establishing and operating of hotels, restaurants, inns, resorts, cinema, café, tavern, beer house, bars, business and commercial centres, refreshment rooms and lodging house keepers, licensed victuallers, wine, beer and, brewers, maltsters, distillers, importers and manufacturers of aerated mineral and artificial waters and other drinks, purveyors, caterers, whether in meals provided door or outdoor, carriage, taxi, motor car and motor lorry proprietors, livery stable keepers job masters, farmers dairy men, ice merchants, importers and dealers of all kinds of food and foodstuff, vegetarian and non-vegetarian, live or dead stocks, whether half prepared, fully prepared or raw form, colonial and foreign produce of all descriptions, hotel ware, hairdressers, perfumers, chemists, proprietors of clubs, night clubs, seminar, fashions shows and cultural programmes, bath, dressing rooms, grounds, places of amusements, recreation, sports, games, conduct tours and travels, entertainment and instruction of all kinds, tobacco, cigar and cigarettes merchants, agents for railways, roadways, airways and shipping companies and transporters and earners, the articles and opera box office proprietors; acting as consultants, managers, trainers, operators, advisors, hotel management advisors, planners, valuers to and impart technical know-how, in the field of planning, construction, operations of hotels, restaurants, resorts, recreation and entertainment centres and in the field of hospitality and tourism industry whether in India or abroad; dealing with or to act as an investors by the way of acquiring, holding, selling, buying, transferring, subscribing any shares, bonds, stocks, debentures, or any other securities, of any kind, issued by or guaranteed by any government, public body, authority, state, sovereign, commissioners, trusts, provincial, municipal body, or otherwise, whether in India or elsewhere and to act as guarantors, financiers, underwriters, and to lend money or deal with money, either with or without interest to such individuals, firms, body corporates, and institutions and upon such terms and conditions as the Company may deem expedient but not amounting to banking business as defined under the Banking Regulations Act, 1949.
- iii. AHEL is a well established hospitality company engaged primarily in the business of running the 'Hyatt Regency' hotel at Salt Lake in Kolkata. In addition, AHEL holds and is engaged in the business of investing in shares and securities of other bodies corporate on both, a short term basis (current investments) and long term basis (non-current

investments). AHEL also has substantial interests in the hospitality business through its subsidiaries, being GJSHL which is a direct and wholly owned (100%) subsidiary of AHEL and RHPL which is a subsidiary of GJSHL.

- iv. The Authorised Share Capital of AHEL is Rs.90,00,00,000/-divided into 8,90,00,000 Equity Shares of Rs.10/- each and 10,00,000 Preference Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of AHEL is Rs.11,52,77,970/-divided into 1,15,27,797 Equity Shares of Rs.10/- each fully paid up.
- v. The latest financial statements of AHEL have been audited for the financial year ended on 31st March, 2018. Extracts of the balance sheet and profit and loss account of AHEL for the said financial year ended on 31st March, 2018 are included in **Annexure “ES-1”** attached hereto. AHEL has not issued any debentures. The following summary extracted from the said financial statements as at 31st March, 2018 indicates the financial position of AHEL as on the said date as follows:-

| Particulars | Amount in Rupees |
|---|-----------------------|
| A. Paid up Share Capital | 11,52,77,970 |
| B. Reserves and Surplus | 8,91,16,30,434 |
| Net Shareholders Fund (A+B) | 9,02,69,08,404 |
| C. Assets | |
| Non Current Assets | 5,03,92,26,556 |
| Current Assets | 4,31,03,47,180 |
| Total (C) | 9,34,95,73,736 |
| D. Liabilities | |
| Non Current Liabilities | 9,01,31,482 |
| Current Liabilities | 23,25,33,850 |
| Total (D) | 32,26,65,332 |
| Excess of Assets over Liabilities (C – D) | 9,02,69,08,404 |

Subsequent to the date of the aforesaid financial statements, i.e., 31st March, 2018, there has been no substantial change in the financial position of AHEL excepting those arising or resulting from the usual course of business.

- vi. The details of Directors and Promoters of AHEL along with their addresses are mentioned herein below:

| Sl. No. | Name | Category | Address |
|-------------------|-------------------|--------------------------|--|
| Directors: | | | |
| 1. | Radhe Shyam Saraf | Non Independent Chairman | Flat D20/G Caing Mansion, 80-88 Caing Road, Hong Kong |
| 2. | Arun Kumar Saraf | Joint Managing Director | Western Express Highway, Santacruz (E), Mumbai – 400 055 |

| | | | |
|-------------------|---------------------------|-------------------------|---|
| 3. | Umesh Saraf | Joint Managing Director | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 |
| 4. | Amal Chandra Chakrabortti | Independent Director | 22/2A, Gora Chand Road, Kolkata – 700 014 |
| 5. | Padam Kumar Khaitan | Independent Director | 3, Queens Park, Kolkata – 700 019 |
| 6. | Rama Shankar Jhawar | Independent Director | 29/13, Ballygunge Park, Kolkata – 700 019 |
| 7. | Rita Bhimani | Independent Director | 12/4 Sunny Park Apartments, 6 Sunny Park, Kolkata – 700 019 |
| Promoters: | | | |
| 1. | Saraf Industries Limited | Promoter Group | IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius |
| 2. | Radhe Shyam Saraf | Promoter | Flat D20/G Caing Mansion, 80-88 Caing Road, Hong Kong, Nepal |
| 3. | Ratna Saraf | Promoter | Flat D20/G Caing Mansion, 80-88 Caing Road, Hong Kong, Nepal |
| 4. | Umesh Saraf | Promoter | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 |
| 5. | Arun Kumar Saraf | Promoter | Western Express Highway, Santacruz (E), Mumbai – 400 055 |

5. **SALIENT FEATURES OF THE SCHEME**

The salient features of the Scheme are, inter alia, as follows:-

- (a) The Scheme shall be operative from the Appointed Date, i.e. the close of business hours on the 31st day of March, 2016.
- (b) In terms of Clause 20 of the Scheme, the same is conditional upon and subject to:
 - i. Approval of the Scheme by the requisite majorities of the shareholders of GJSHL, AHEL and RHPL and such other classes of persons, if any, as may be directed by the Hon'ble Benches of NCLT at Kolkata and Chennai pursuant to Section 230 of the Companies Act, 2013 (“the Act”). In so far as approval of shareholders of AHEL, as aforesaid, is concerned, it is clarified that in terms of paragraphs I(A)9(a) and I(A)9(b) of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015, the Scheme shall be acted upon only if the votes cast by the public shareholders of AHEL in favor of the Scheme are more than the number of votes cast by them against it;
 - ii. Sanction of the Scheme by the Hon'ble Benches of NCLT at Kolkata and Chennai.

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which all the statutory approvals and sanctions are obtained and certified copies

of the order of the Hon'ble Benches of NCLT at Kolkata and Chennai sanctioning the Scheme are filed with the Registrar of Companies. It is clarified that the Scheme was also made subject to approval of the Stock Exchanges where the equity shares of AHEL is listed in terms of the Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015. The said Stock Exchanges have since already given their Observation letter to AHEL as stated in paragraph 15 hereinafter.

- (c) On the approval of the Scheme by the members of GJSHL, AHEL and RHPL pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 48, 61 and 62(1)(c) of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable.
- (d) The Scheme provides for (1) Demerger of Demerged Undertaking of GJSHL to AHEL and (2) Reorganisation of Share Capital and Debentures of RHPL.
- (e) Demerger of Demerged Undertaking of GJSHL to AHEL
 - i. With effect from the Appointed Date, the Demerged Undertaking of GJSHL, including all assets, property, rights and powers as well as all debts, liabilities, duties and obligations of GJSHL relating to the Demerged Undertaking shall be transferred to AHEL in the manner and subject to the modalities for transfer and vesting detailed in the Scheme.
 - ii. The transfer and vesting of the Demerged Undertaking of GJSHL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof.
 - iii. AHEL undertakes to engage all the employees of GJSHL engaged in the Demerged Undertaking on the Effective Date on the same terms and conditions on which they are engaged by GJSHL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the Demerged Undertaking to AHEL. Accordingly, the services of the said employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with GJSHL. The accumulated balances, if any, standing to the credit of the said employees of the Demerged Undertaking in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by AHEL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by AHEL. Pending the transfer as aforesaid, the dues of the employees of the Demerged Undertaking relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

- iv. All legal or other proceedings by or against GJSHL and relating to the Demerged Undertaking of GJSHL, on the Effective Date and all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the Demerged Undertaking of GJSHL, will be transferred to AHEL and will be enforceable by or against AHEL.
- v. With effect from the Appointed Date and up to the Effective Date, GJSHL undertakes to carry on the business of the Demerged Undertaking in the ordinary course of business and GJSHL shall be deemed to have carried on and to be carrying on all business and activities relating to the Demerged Undertaking for and on account of and in trust for AHEL. All profits accruing to GJSHL (including taxes paid thereon) or losses arising or incurred by GJSHL in relation to the Demerged Undertaking for the period falling on and after the Appointed Date to the Effective date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of AHEL. GJSHL shall be deemed to have held and stood possessed of the properties to be transferred to AHEL for and on account of and in trust for AHEL and, accordingly, GJSHL shall not (without the prior written consent of AHEL) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business.
- vi. Since all the Equity Shares of GJSHL are held by AHEL itself and AHEL cannot issue any shares to itself, no shares whatsoever shall be issued by AHEL in consideration of the demerger.
- vii. The demerger and transfer of the Demerged Undertaking of GJSHL to AHEL in terms of the said Scheme shall be deemed to have taken place and come into effect prior to reorganisation of Share Capital and Debentures of RHPL in terms of the said Scheme.
- viii. The transfer of assets and liabilities of the Demerged Undertaking from GJSHL to AHEL shall be accounted for in the books of account of GJSHL and AHEL in terms of the Scheme with effect from the Appointed Date. The assets and liabilities of the Demerged Undertaking of GJSHL shall accordingly be transferred to AHEL and incorporated in the books of account of AHEL at their values as appearing in the books of account of GJSHL as on the Appointed Date. A Statement of assets and liabilities of the Demerged Undertaking as appearing in the books of account of GJSHL as on March 31, 2016 is set out in Schedule I of the said Scheme. In the books of GJSHL, the difference between the assets and liabilities of the Demerged Undertaking, being a sum of Rs.2,32,88,33,185/- shall be first adjusted against the Securities Premium Account and credit balance in Profit and Loss Account of GJSHL aggregating to Rs.2,22,15,23,405/- and the remaining difference of Rs.10,73,09,780/- shall be adjusted against the Equity Share Capital of GJSHL by cancelling 1,07,30,978 Equity Shares of Rs.10/- each in the Share Capital of GJSHL.
- ix. In the books of AHEL, the said difference between the book value of the assets and liabilities of the Demerged Undertaking of Rs. 2,32,88,33,185/- shall be adjusted in Business Reconstruction Reserves. The value of the investment of AHEL in the Equity Share Capital of GJSHL shall stand reduced from Rs. 2,34,63,65,000/- to Rs.3,92,04,730/- consequent to the demerger and cancellation of Equity Shares of

GJSHL, as aforesaid. Such reduction in value of investment shall be accounted for by adjusting the same against the Business Reconstruction Reserves account in the books of AHEL. After giving effect to the accounting, as aforesaid, the net credit amount of Rs. 2,16,72,915/- lying in the Business Reconstruction Reserve shall be adjusted against the General Reserve Account of AHEL.

- x. Subject to the aforesaid, the Board of Directors of GJSHL and AHEL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.
- xi. Save and except the Demerged Undertaking of GJSHL and as expressly provided in the said Scheme of Arrangement nothing contained in the said Scheme of Arrangement shall affect the rest of the business, assets and liabilities of GJSHL which shall continue to belong to and be vested in and be managed by GJSHL.
- xii. It is clarified and provided that cancellation of Securities Premium Account and Equity Share Capital of GJSHL in terms of the Scheme shall be effected as an integral part of the Scheme. Such cancellation does not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital. Further, since such cancellation is an integral part of the Scheme, the provisions of Section 66 of the Act are not applicable. It is further clarified and provided that notwithstanding such cancellation of Share Capital and Securities Premium Account of GJSHL, it shall not be required to add "And Reduced" as suffix to its name.

(f) Reorganisation of Share Capital and Debentures of RHPL

- i. Consequent to demerger of the Demerged Undertaking of GJSHL to AHEL in terms of the Scheme, AHEL shall become the holder of all Preference Shares and Debentures of RHPL. With effect from the Appointed Date, and upon the demerger of the Demerged Undertaking of GJSHL to AHEL being effective in terms of the Scheme, the Specified Preference Shares and Specified Debentures of RHPL shall, without any further act or deed, be appropriated towards Equity Share Capital of RHPL to the extent and in the manner as stated hereunder:-
 - a. 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each (Specified Preference Shares) issued by RHPL shall stand appropriated towards 3,20,35,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs10/- per share with effect from the Appointed Date.
 - b. 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each (Specified Debentures) issued by RHPL shall stand appropriated towards 3,79,75,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs.10/-per share with effect from the Appointed Date.

- ii. It is clarified that another (1) 50,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each which were outstanding as on the Appointed Date have since been already redeemed on 21st September, 2016 and (2) all 89,64,623 1% Preference Shares of Rs.10/- each of RHPL which were outstanding as on the Appointed Date stand converted into Equity Shares of RHPL on 6th March, 2017 in accordance with their terms.
- iii. Upon the Scheme becoming effective, the Authorised Share Capital of RHPL shall stand reorganised and increased to Rs.2,24,18,38,300/- divided into 22,41,83,830 Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of RHPL shall stand altered accordingly. Consequently, the capital clause of the Memorandum of Association of RHPL shall, upon the Scheme being effective and without any further act, deed, instrument, resolution or writing stand substituted by the following clause:

"The Authorized Share Capital of the Company is Rs.2,24,18,38,300/- divided into 22,41,83,830 Equity Shares of Rs.10/- each "
- iv. It is clarified that the consent of the members of RHPL to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in authorised share capital of RHPL and no further resolution under Sections 13 and 61 or any other applicable provisions of the Act would be required to be separately passed.
- v. Upon the Scheme becoming effective, RHPL shall without any further application, act or deed, record, issue and allot an aggregate of 7,00,10,000 Equity Shares credited as fully paid up in RHPL in favour of AHEL consequent to appropriation of the Specified Preference Shares and Specified Debentures of RHPL towards Equity Shares in terms of the said Scheme.
- vi. The Specified Preference Shares and Specified Debentures of RHPL shall stand reorganised and converted accordingly into 7,00,10,000 Equity Shares of Rs.10/- each of RHPL with effect from the Appointed Date. AHEL shall accept such Equity Shares to be issued and allotted to it in RHPL, as above, in full and final satisfaction of all claims in respect of such Specified Preference Shares and Specified Debentures, including in lieu of the amount paid up thereon and all arrears of dividend and interest thereon. It is clarified that the value of such arrears of dividend has been included in the valuation for conversion of the Specified Preference Shares into Equity Shares, as above. Instead of obtaining value of such arrears of dividend in cash, AHEL by the said Scheme has accordingly exercised and shall be deemed to have exercised its option to accept Equity Shares in RHPL in which such value is included.
- vii. The conversion of the Specified Preference Shares and Specified Debentures into Equity Share Capital, as aforesaid, shall be accounted for in the books of account of RHPL and AHEL in terms of the Scheme with effect from the Appointed Date.

- viii. In the books of RHPL, the conversion of the Specified Preference Shares and Specified Debentures, as aforesaid, shall be accounted for as on the Appointed Date by debiting the face value of the Specified Preference Shares (Rs.43,00,00,000/-) and face value of the Specified Debentures (Rs.1,55,00,00,000/-) to the respective Preference Share Capital Account and Debentures Account and crediting the face value of the 7,00,10,000 Equity Shares of Rs.10/- each (Rs.70,01,00,000/-) issued in lieu thereof and the premium thereon (Rs.70,01,00,000/-) to the respective Equity Share Capital Account and Securities Premium Account and crediting the balance sum of Rs.57,98,00,000/- to the Business Reconstruction Reserve Account of RHPL. After giving effect to the accounting, as aforesaid, the said amount lying in the Business Reconstruction Reserve shall be adjusted against the Capital Reserve Account of RHPL.
- ix. In the books of AHEL, the conversion of the Specified Preference Shares and Specified Debentures, as aforesaid, shall be accounted for as on the Appointed Date by crediting the Investment Account of AHEL by the entire carrying amounts of AHEL recorded therein towards such Specified Preference Shares (Rs.61,53,74,060/-) and Specified Debentures (Rs.1,55,00,00,000/-) and debiting a sum of Rs. 1,40,02,00,000 to such Investment account towards the aggregate of the face value and premium on the said 7,00,10,000 Equity Shares of Rs.10/- each issued on conversion and debiting the balance sum of Rs.76,51,74,060/- to the Business Reconstruction Reserve of AHEL. The resulting debit balance in Business Reconstruction Reserve shall be adjusted against General Reserves in the books of AHEL.
- (g) GJSHL, AHEL and RHPL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:
- i. To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Benches of NCLT at Kolkata and Chennai and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.
 - ii. To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of the Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing GJSHL, AHEL and RHPL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from the Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

Note: The above details are the salient features of the Scheme. The unsecured creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

6. **Board approvals**

- i. The Board of Directors of RHPL has at its Board Meeting held on 10th February 2017 by resolution passed unanimously approved the Scheme, as detailed below :

| Name of Director | Voted in favour / against / did not participate or vote |
|-------------------------|--|
| Avali Srinivasan | Voted in favour |
| Pawan Kumar Kakarania | Voted in favour |
| Soumya Saha | Voted in favour |
| Arun Kumar Saraf | Did not Participate |
| Umesh Saraf | Did not Participate |
| Varun Saraf | Leave of Absence was granted |

- ii. The Board of Directors of GJSHL has at its Board Meeting held on 10th February 2017 by resolution passed unanimously approved the Scheme, as detailed below :

| Name of Director | Voted in favour / against / did not participate or vote |
|-------------------------|--|
| Padam Kumar Khaitan | Voted in favour |
| Pawan Kumar Kakarania | Voted in favour |
| Umesh Saraf | Did not Participate |

Note – Mr. Basab Chakraborty was appointed as an Additional Director of the Company w.e.f. 2nd March, 2017 and then regularised as an Independent Director w.e.f. 28th July, 2017.

- iii. The Board of Directors of AHPL has at its Board Meeting held on 10th February 2017 by resolution passed unanimously approved the Scheme, as detailed below :

| Name of Director | Voted in favour / against / did not participate or vote |
|---------------------------|--|
| Padam Kumar Khaitan | Voted in favour |
| Rama Shankar Jhawar | Voted in favour |
| Amol Chandra Chakrabortti | Voted in favour |
| Rita Bhimani | Voted in favour |
| Umesh Saraf | Did not Participate |

| | |
|-------------------|------------------------------|
| Arun Kumar Saraf | Did not Participate |
| Radhe Shyam Saraf | Did not Participate . |

7. **Relationship between GJSHL, AHEL and RHPL**

GJSHL, AHEL and RHPL presently hold shares inter se as follows:-

| | In GJSHL | In AHEL | In RHPL | | |
|---|-------------------------------|-------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | Equity Shares | Equity Shares | Equity Shares | 12% Preference Shares (CRPS) | 1% Preference Shares (CCPS) |
| by GJSHL | Nil | Nil | 12,41,63,829 (80.53%) | Nil | Nil |
| by AHEL | 1,09,61,000 (100%) | Nil | 3,00,10,000 (19.47%) | 43,00,000 (100%) | Nil |
| by RHPL | Nil | Nil | Nil | Nil | Nil |
| Total cross- holdings | 1,09,61,000 (100%) | Nil | 15,41,73,829 (100%) | 43,00,000 (100%) | Nil |
| Total Shares issued by the Companies | 1,09,61,000 (100%) | 1,15,27,797 (100%) | 15,41,73,829 (100%) | 43,00,000 (100%) | Nil |

As apparent from the aforesaid table, GJSHL is a wholly owned (100%) subsidiary of AHEL while RHPL is 80.53% subsidiary of GJSHL. Thus, RHPL is also a step down subsidiary of AHEL. All the Equity and Preference Shares of RHPL are held by and between AHEL and GJSHL.

8. **Effect of Scheme on stakeholders.**

The effect of the Scheme on the shareholders, creditors, debenture holders, employees, Directors, key managerial personnel, promoter and non-promoter shareholders is given in the attached report (**Annexure “ES-2”**) adopted by the Board of Directors of RHPL at its meeting 10th July, 2018. There will be no adverse effect on account of the Scheme on the said persons. The Scheme is proposed for the advantage of all concerned, including the said persons.

9. **Interest of Directors, Key Managerial Personnel and their relatives and Debenture Trustees**

The shareholdings of the Directors and Key Managerial Personnel (“KMP”) of the RHPL, GJSHL and AHEL and their relatives is set out in **Annexure “ES-3”** attached herewith. Save as aforesaid none of the Directors, KMPs and their relatives have any concern or interest in the Scheme of Arrangement. Since all the Equity Shares of GJSHL are held by AHEL and AHEL cannot issue any shares to itself, no shares whatsoever shall be issued by AHEL in consideration of the demerger.

10. **No investigation proceedings**

There are no proceedings pending under Sections 235 to 251 of the Companies Act, 1956 or Sections 210 to 227 of the Companies Act, 2013 against any of RHPL, GJSHL and AHEL.

11. Amounts due to unsecured creditors

- i. The respective amounts due to unsecured creditors, as on 31st March, 2018 are as follows:-

| Sl. No. | Name of Company | Amount in Rupees |
|---------|-------------------------------|------------------|
| 1. | GJS Hotels Limited | 3,22,98,82,600 |
| 2. | Asian Hotels (East) Limited | 4,02,90,798 |
| 3. | Robust Hotels Private Limited | 1,98,13,13,426 |

- ii. RHPL has a substantial excess of assets over liabilities. Further, there is no transfer or release of any assets of RHPL under the Scheme. The Scheme is an internal restructuring exercise and there would be no change in control or management of the enterprises as such under the Scheme. The creditors of RHPL are not adversely affected in any manner by the Scheme. On the contrary, the Scheme will inure to their benefit and is in their interest.

12. Valuation report and Fairness Opinion

- i. The share entitlement ratio for the reorganisation of share capital and debentures of RHPL has been fixed on a fair and reasonable basis and on the basis of the Report of Messrs. NSBP & Co, Chartered Accountants.
- ii. The said valuers used Discounted Cashflow method for valuation of the Specified Preference Shares and Specified Debentures of RHPL and average of Discounted Cashflow method and Net Assets Value method for valuation of Equity Shares of RHPL.
- iii. Further details of the valuation will appear from the Valuation Report dated 2nd February, 2017 of Messrs. NSBP & Co, Chartered Accountant on the share entitlement ratio for the reorganisation of share capital and debentures of RHPL, including opinion of Shreenidhi Valuation Consultancy Services on market value of assets of RHPL as mentioned in such opinion, which is attached to this explanatory statement as **Annexure "ES-4"**
- iv. D&A Financial Services (P) Limited, independent Merchant Bankers, have also confirmed that the entitlement ratio is fair and proper by their fairness opinion which is annexed to this explanatory statement as **Annexure "ES-5"**. The said Merchant Bankers concluded as follows -

Based on the examination of the draft Scheme of Arrangement and the Valuation Report of M/s NSBP & Co. dated 02 February, 2017, the proposed share entitlement ratio as recommended by the valuer for conversion of 12% Cumulative Redeemable Preference Shares ("CRPS") and 0.1% Unsecured Redeemable Non-Convertible Debentures ("Unsecured NCD") of Robust Hotels Private Limited, as under pursuant to proposed scheme of arrangement is fair.

A. Fair value of Equity Share of RHPL Rs.20/- per share.

B. Fair Value of Preference Shares and Debentures and Recommended fair Share Entitlement Ratio:

| Particulars | Value (In Rs. Crores) | Number of Units | Value per Unit | Equity Share Entitlement (per 100 units) |
|--|------------------------------|------------------------|-----------------------|---|
| 12% Cumulative Redeemable Preference Shares of RHPL | 64.10 | 43,00,000 | 149.06 | 745 |
| 0.1% Unsecured Redeemable Non-Convertible Debentures of RHPL | 100.62 | 2,05,00,000 | 49.09 | 245 |

13. **Shareholding pattern**

A. The pre/post-shareholding pattern of AHEL is as follows:-

| | Category | Pre Arrangement AHEL | | Post Arrangement AHEL | |
|------------|--|-----------------------------|-------|------------------------------|-------|
| | | No of Equity Shares | % | No of Equity Shares | % |
| (A) | Shareholding of Promoter & Promoter group | | | | |
| (1) | Indian | | | | |
| (a) | Individuals/Hindu undivided Family | 33463 | 0.29 | 33463 | 0.29 |
| (b) | Central Government/State Government(s) | 0 | 0 | 0 | 0 |
| (c) | Financial Institutions/Banks | 0 | 0 | 0 | 0 |
| (d) | Any Other (specify): | 0 | 0 | 0 | 0 |
| | Bodies Corporate | 0 | 0 | 0 | 0 |
| | Sub-Total (A)(1) | 33463 | 0.29 | 33463 | 0.29 |
| (2) | Foreign | | | | |
| (a) | Individuals (Non-Resident Individuals/Foreign Individuals) | 3902027 | 33.85 | 3902027 | 33.85 |
| (b) | Government | 0 | 0 | 0 | 0 |
| (c) | Institutions | 0 | 0 | 0 | 0 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 |

| | | Pre Arrangement AHEL | | Post Arrangement AHEL | |
|------------|---|----------------------|-------|-----------------------|-------|
| (e) | Any Other (specify) | | | | |
| | Bodies Corporate | 3630630 | 31.49 | 3630630 | 31.49 |
| | Sub-Total (A)(2) | 7532657 | 65.34 | 7532657 | 65.34 |
| | Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | 7566120 | 65.63 | 7566120 | 65.63 |
| (B) | Public Shareholding | | | | |
| (1) | Institutions | | | | |
| (a) | Mutual Funds / UTI | 425 | 0 | 425 | 0 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0 |
| (e) | Foreign Portfolio Investors | 53314 | 0.46 | 53314 | 0.46 |
| (f) | Financial Institutions / Banks | 639134 | 5.54 | 639134 | 5.54 |
| (g) | Insurance Companies | 603576 | 5.24 | 603576 | 5.24 |
| (h) | Provident Funds / Pension Funds | 0 | 0 | 0 | 0 |
| (i) | Any Other (specify) | | | | |
| | FCB | 38803 | 0.34 | 38803 | 0.34 |
| | Foreign Institutional Investors | 0 | 0 | 0 | 0 |
| | Sub Total (B)(1) | 1296449 | 11.24 | 1296449 | 11.24 |
| (2) | Central Government / State Government(s) / President of India | 0 | 0 | 0 | 0 |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0 |
| (3) | Non-Institutions | | | | |
| (a) | Individuals | | | | |

| | | Pre Arrangement AHEL | | Post Arrangement AHEL | |
|-----|---|----------------------|--------------|-----------------------|--------------|
| | i. Individual shareholders holding nominal share capital upto Rs.2 lakhs | 1134161 | 9.84 | 1134161 | 9.84 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs | 254683 | 2.21 | 254683 | 2.21 |
| (b) | NBFCs registered with RBI | 242 | 0 | 242 | 0 |
| (c) | Employee Trusts | 0 | 0 | 0 | 0 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | 0 |
| (e) | Any Other (specify) | | | | |
| | Bodies Corporate | 1023446 | 8.88 | 1023446 | 8.88 |
| | Clearing Member | 6363 | 0.06 | 6363 | 0.06 |
| | Non Resident Individual | 111830 | 0.97 | 111830 | 0.97 |
| | Non Resident Indian Non Repatriable | 22192 | 0.19 | 22192 | 0.19 |
| | HUF | 0 | 0 | 0 | 0 |
| | Domestic Corporate Unclaimed Shares Account | 0 | 0 | 0 | 0 |
| | Trusts | 10 | 0 | 10 | 0 |
| | Foreign National | 0 | 0 | 0 | 0 |
| | IEPF | 73498 | 0.64 | 73498 | 0.64 |
| | Sub Total (B)(3) | 2665228 | 23.12 | 2665228 | 23.12 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) | 3961677 | 34.37 | 3961677 | 34.37 |
| (C) | Shareholding of Non Promoter - Non Public shareholder | | | | |
| (1) | Custodian / DR Holder | 0 | 0 | 0 | 0 |

| | | Pre Arrangement AHEL | | Post Arrangement AHEL | |
|-----|--|-------------------------|------------|--------------------------|------------|
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0 |
| | Total Non Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2) | 0 | 0 | 0 | 0 |
| | TOTAL (A) + (B) + (C) | 11527797 | 100 | 11527797 | 100 |

B. Pre and Post Arrangement shareholding pattern of GJSHL:-

The entire existing Issued, Subscribed and Paid up Share Capital of GJSHL of Rs.10,96,10,000/-divided into 1,09,61,000 Equity Shares of Rs.10/- each fully paid is held by AHEL and its nominees. Accordingly, all (100%) shares of GJSHL are held by its said promoter (AHEL). Since all the Equity Shares are held by AHEL itself and AHEL cannot issue any shares to itself, no shares whatsoever shall be issued by AHEL in consideration of the demerger and hence there will be no change in the shareholding pattern of GJSHL.

C. Pre and Post Arrangement shareholding pattern of RHPL

i. Pre-Shareholding Pattern

| Sl. No. | Shareholder Name | Type | No. of Shares | % of holding |
|---------|-----------------------------|---|---------------|--------------|
| 1. | GJS Hotels Limited | Equity Shares | 12,41,63,829 | 80.53 |
| 2. | Asian Hotels (East) Limited | Equity Shares | 3,00,10,000 | 19.47 |
| 3. | Asian Hotels (East) Limited | 12% Cumulative Redeemable Preference Shares of Rs. 100/- each | 43,00,000 | 100 |

Upon the demerger of the Demerged Undertaking of GJSHL to AHEL in terms of the Scheme, (a) all the Equity Shares held by GJSHL will stand transferred to AHEL and (b) the Specified Preference Shares and Specified Debentures of RHPL shall stand converted into 22,41,83,829 Equity Shares of Rs. 10/- each.

ii. Post-Shareholding Pattern

| Sl. No. | Shareholder Name | Type | No. of Shares | % of holding |
|---------|-----------------------------|---------------|---------------|--------------|
| 1. | Asian Hotels (East) Limited | Equity Shares | 22,41,83,829 | 100 |

D. Pre/post Arrangement capital structure of GJSHL, AHEL and RHPL.

- i. The pre-Arrangement capital structure of GJSHL, AHEL and RHPL is given in paragraphs 4.A(iv), 4.B(iv) and 4.C(iv) above. There will be no change in the capital structure of AHEL consequent to the Scheme. 1,07,30,978 existing Equity Shares of Rs.10/- each of GJSHL will stand cancelled consequent to the demerger in terms of the Scheme. The post arrangement capital structure of RHPL will be as follows:-

| Robust Hotels Private Limited | | | | |
|---|---------------------------|-----------------------|---------------------------|------------------------|
| Class of Shares – Equity Shares | Authorised Capital | Issued Capital | Subscribed Capital | Paid up Capital |
| Number of equity shares | 22,41,83,830 | 22,41,83,829 | 22,41,83,829 | 22,41,83,829 |
| Nominal value per share (in rupees) | 10 | 10 | 10 | 10 |
| Total amount of equity shares (in rupees) | 224,18,38,300 | 224,18,38,290 | 224,18,38,290 | 224,18,38,290 |

14. Auditors Certificate of conformity of accounting treatment in the Scheme with Accounting Standards

The Auditors of the Applicants have by their respective certificates confirmed that the accounting treatment in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

15. Approvals and intimations in relation to the Scheme

- i. GJSHL and RHPL are unlisted Companies while AHEL is a listed Company. The equity shares of AHEL are listed on BSE Limited (“BSE”) and The National Stock Exchange of India Limited (“NSE”). Pursuant to SEBI Circular No.CIR/CFD/DIL/8/2013 dated 30th November, 2015, (“the Circular”) AHEL duly filed the Scheme with the said Stock Exchanges on 10th March, 2017. Apart from the same, AHEL has also submitted the Report of its Audit Committee on the Scheme and various other documents to the stock exchanges and also displayed the same on its website and addressed all queries on the said documents. The Complaints Report required to be filed in terms of the said Circular was also filed by AHEL, a copy whereof is attached as **Annexure “ES-6”** hereto. BSE and NSE by their respective letters dated 18th May, 2017 and 23rd May, 2017 have since confirmed that they have ‘no adverse observation’ on the Scheme pursuant to the said SEBI Circular. Copies of the said observation letters are attached as **Annexure “ES-7”** hereto.
- ii. In terms of the order of the Hon’ble NCT, Kolkata Bench dated 21st December, 2017 meetings of equity shareholders and creditors of GJSHL were dispensed with and separate meetings of the Equity Shareholders and Unsecured Creditors of AHEL were held on 21st February, 2018. The resolutions approving the Scheme were duly approved by requisite majority by the said meetings.
- ii. Further, the Applicant confirm that notice in the prescribed form is also being served on all Authorities in terms of the Order of the Hon’ble Tribunal dated 17th May, 2018 as modified by an order dated 16th July, 2018 along with copy of this notice, Scheme and other documents accompanying the same.

16. **Inspection of Documents**

In addition to the documents annexed hereto, the following documents will be open for inspection at the Registered Office of RHPL on any working day, (between 11.00 A.M. to 01:00 P.M.) except Saturdays, Sundays and Public Holidays prior to the date of the meeting:

- a. Certified copies of the order dated 17th May, 2018 and order dated 16th July, 2018 modifying the same as passed by the National Company Law Tribunal, Chennai Bench in Company Application (CAA) No.40 of 2017;
- b. Memoranda and Articles of Association of GJSHL, AHPL and RHPL;
- c. Annual Financial Statements of GJSHL, AHPL and RHPL for the financial years ended 31st March, 2017 and 31st March, 2018;
- d. Certificates of the Auditors of the Applicant confirming the accounting treatment under the Scheme;
- e. Register of Shareholding of Directors' and Key Managerial Personnel of the Applicant and its relatives; and
- f. All other documents submitted displayed on the AHPL's website in terms of the SEBI Circular dated 30th September, 2016, including Report of the Audit Committee of AHPL.

Dated this 17 day of July, 2018

Sd/-
Soumya Saha
Chairperson appointed for
the Meeting

Drawn on behalf of Applicant by

Sd/-
Pavitra Venkateswaran
Advocate for the Applicant
J&M Legal
No.5, 2nd Floor, 8th Street,
Dr. R. K. Salai, Chennai – 600 004

SCHEME OF ARRANGEMENT
(Pursuant to Section 230 of the Companies Act, 2013)

BETWEEN

GJS HOTELS LIMITED
AND

ASIAN HOTELS (EAST) LIMITED

AND

ROBUST HOTELS PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

FOR

**DEMERGER OF INVESTMENT DIVISION (DEMERGED UNDERTAKING) OF
GJS HOTELS LIMITED TO ASIAN HOTELS (EAST) LIMITED**

AND

**REORGANISATION OF SHARE CAPITAL AND DEBENTURES OF ROBUST
HOTELS PRIVATE LIMITED**

PART – I

(Preliminary)

Definitions:

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- i. **“Act”** means the Companies Act, 2013 or any statutory modifications or re-enactment thereof.
- ii. **“NCLT”** means the Hon’ble National Company Law Tribunal.
- iii. **“GJSHL”** means GJS Hotels Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act, having its registered office at Hyatt Regency Kolkata, JA-1, Sector-3, Salt Lake City, Kolkata 700 098 in the State of West Bengal.

- iv. **“AHEL”** means Asian Hotels (East) Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act having its registered office at Hyatt Regency Kolkata, JA-1, Sector-3, Salt Lake City, Kolkata 700 098 in the State of West Bengal.

- v. **“RHPL”** means Robust Hotels Private Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act having its registered office at 365, Anna Salai, Teynampet, Chennai 600 018 in the State of Tamil Nadu.

- vi. **“Appointed Date”** means the close of business hours on the 31st day of March, 2016.

- vii. **“Demerged Undertaking”** means the undertaking of GJSHL engaged in the business of investing in shares and securities and shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of GJSHL pertaining to the Demerged Undertaking, including:
 - (a) all properties and assets, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Demerged Undertaking, including all receivables, inventories, cash and bank balances, loans and advances and other assets as appearing in the books of account of GJSHL in relation to the Demerged Undertaking and all other interests or rights in or arising out of or relating to the Demerged Undertaking together with all respective powers, interests, charges, privileges, benefits, entitlements, registrations, intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, etcetera), deferred tax benefits and other benefits appertaining to the Demerged Undertaking and/or to which GJSHL is entitled to in respect of the Demerged Undertaking of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Demerged Undertaking;

 - (b) all debts, liabilities, duties and obligations of GJSHL in relation to the Demerged Undertaking, including liabilities on account of secured loans, unsecured loans and sundry creditors, bonus, gratuity, service tax and other

taxation and contingent liabilities of GJSHL pertaining to the Demerged Undertaking;
and

(c) all employees of GJSHL engaged in or in relation to the Demerged Undertaking.

viii. **“Effective Date”** means the date or last of the dates on which all the requisite approvals and sanction to the Scheme are obtained and certified copies of the order of the Hon’ble Benches of NCLT at Kolkata and Chennai sanctioning the Scheme are filed with the Registrar of Companies by GJSHL, AHEL and RHPL.

ix. **“Scheme”** means this Scheme of Arrangement pursuant to Section 230 of the Act in the present form or with such modification(s) as sanctioned by the Hon’ble Benches of NCLT at Kolkata and Chennai.

x. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

2. Share Capital:

2.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of GJSHL, AHEL and RHPL as on the date of approval of this Scheme by their Boards of Directors, i.e as on 10th February, 2017 is as under:

i. GJSHL:

| | |
|---|----------------|
| <u>Authorised Share Capital:</u> | <u>(Rs.)</u> |
| 1,40,00,000 Equity Shares of Rs.10/- each | 14,00,00,000/- |
| <u>Issued, Subscribed and Paid up Share Capital:</u> | |
| 1,09,61,000 Equity Shares of Rs.10/- each fully paid up | 10,96,10,000/- |

ii. AHEL:

| | |
|---|----------------|
| <u>Authorised Share Capital:</u> | <u>(Rs.)</u> |
| 8,90,00,000 Equity Shares of Rs.10/- each | 89,00,00,000/- |
| 10,00,000 Preference Shares of Rs.10/- each | 1,00,00,000/- |
| | ----- |
| | 90,00,00,000/- |

Issued, Subscribed and Paid up Share Capital:

1,15,27,797 Equity Shares of Rs.10/- each fully paid up 11,52,77,970/-

iii. RHPL:

Authorised Share Capital: (Rs.)

9,50,00,000 Equity Shares of Rs.10/- each 95,00,00,000/-

43,00,000 Redeemable Preference Shares of Rs.100/- each 43,00,00,000/-

1,40,00,000 Preference Shares of Rs.10/- each 14,00,00,000/-

152,00,00,000/-

Issued, Subscribed and Paid up Share Capital:

9,39,42,769 Equity Shares of Rs.10/- each 93,94,27,690/-

43,00,000 12% Cumulative Redeemable
Preference Shares of Rs.100/- each ("CRPS") 43,00,00,000/-

89,64,623 1% Compulsorily Convertible
Preference Shares of Rs.10/- each ("CCPS") 8,96,46,230/-

145,90,73,920/-

2.2 GJSHL, AHEL and RHPL hold shares inter se as follows:-

| | In | In | In | | |
|---|-------------------------------|-------------------------------|-------------------------------|---|--------------------------------------|
| | GJSHL Equity Shares | AHEL Equity Shares | Equity Shares | RHPL 12% Preference Shares (CRPS) | 1% Preference Shares (CCPS) |
| by GJSHL | Nil | Nil | 6,39,32,769 (68.06%) | Nil | 89,64,623 (100%) |
| by AHEL | 1,09,61,000 (100%) | Nil | 3,00,10,000 (31.94%) | 43,00,000 (100%) | Nil |
| by RHPL | Nil | Nil | Nil | Nil | Nil |
| Total cross- holdings | 1,09,61,000 (100%) | Nil | 9,39,42,769 (100%) | 43,00,000 (100%) | 89,64,623 (100%) |
| Total Shares issued by the Companies | 1,09,61,000 (100%) | 1,15,27,797 (100%) | 9,39,42,769 (100%) | 43,00,000 (100%) | 89,64,623 (100%) |

As will be apparent from the aforesaid table, GJSHL is a wholly owned (100%) subsidiary of AHEL while RHPL is a 68.06% subsidiary of GJSHL. Thus RHPL is also a step down subsidiary of AHEL. All the Equity and Preference Shares of RHPL are held by and between AHEL and GJSHL, as aforesaid.

2.3 In addition to the above, AHEL had also given a loan (short term borrowing) of Rs.373.14 crores to GJSHL and GJSHL had subscribed to and held 2,05,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each issued by RHPL as on the Appointed Date. It is clarified that 50,00,000 Debentures out of the said 2,05,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each issued by RHPL have since been redeemed by RHPL on 27th September, 2016. It is further clarified that the terms applicable to 89,64,623 1% Cumulative Redeemable Optionally Convertible Preference Shares of Rs.10/- each issued earlier by RHPL were varied on 1st October 2016 to make the said Preference Shares convertible compulsorily. Such Compulsorily Convertible Preference Shares of Rs.10/- each will stand converted into Equity Shares accordingly before 31st March, 2017 in accordance with their terms.

3. Objects and Reasons:

- i. AHEL is a well established hospitality company engaged primarily in the business of running the `Hyatt Regency` hotel at Salt Lake in Kolkata. In addition, AHEL holds and is engaged in the business of investing in shares and securities of other bodies corporate on both, a short term basis (current investments) and long term basis (non-current investments). AHEL thus also has substantial interests in the hospitality business through its subsidiaries, being GJSHL which is a direct and wholly owned (100%) subsidiary of AHEL and RHPL which is a subsidiary of GJSHL. While RHPL is running the `Hyatt Regency` hotel at Anna Salai, Teynampet in Chennai, GJSHL is pursuing a project for establishing a hotel in Bhubaneswar, Odisha. The operations of GJSHL have been funded primarily by AHEL by a combination of equity capital and loan while the operations of RHPL have also been funded primarily by AHEL and GJSHL by a combination of equity capital, preference capital and debt. While AHEL has been in the hospitality business for several years, the business of GJSHL and RHPL is relatively new. The said Companies have been looking at suitable proposals for restructuring with the objective, inter alia, of simplifying and rationalising their holding and financial structure and pursuing their business more conveniently and beneficially.

- ii. In the circumstances and as part of an overall restructuring plan, it is considered desirable and expedient to (1) reconstruct GJSHL and AHEL by demerging the Demerged Undertaking of GJSHL (including investment in RHPL) to AHEL and (2) reorganise and convert the outstanding 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each of RHPL (“Specified Preference Shares”) and 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each of RHPL (“Specified Debentures”) into Equity Shares of RHPL, in the manner and on the terms and conditions stated in this Scheme of Arrangement.

- iii. The demerger will simplify the holding structure of the subsidiaries of AHEL and result in RHPL also becoming a direct wholly owned (100%) subsidiary of AHEL consequent to transfer of the investment of GJSHL in RHPL to AHEL as part of the demerger. Accordingly, following the demerger, both companies, GJSHL and RHPL will be directly held by AHEL. The same will enable AHEL to optimise returns from its investments in its subsidiaries and to hold such investments more conveniently. The activity of holding and monitoring investments in shares and securities of other bodies corporate, including taking decisions and exercising rights in respect of such investments is already undertaken by AHEL on a much larger scale. As such the investment in RHPL will be held and monitored in AHEL more efficiently and advantageously without detracting from the hotel operating business carried on directly by AHEL or diluting focus thereon.

- iv. The demerger will enable GJSHL to pursue operating business with greater focus and attention and facilitate the business considerations and factors applicable to the same to be addressed more effectively and adequately by GJSHL without the responsibility of monitoring investments in RHPL. The demerger will also enable independent evaluation of the said business of GJSHL and facilitate running and operation of such business and growth and development plans thereof to be funded independently.
- v. The reorganisation and conversion of the Specified Preference Shares and Specified Debentures of RHPL into Equity Share Capital in terms of the Scheme will suitably simplify and rationalise the financial structure of RHPL. The same will also enable RHPL to improve its performance with better operating parameters, including a more appropriate debt equity ratio, and enhance its capacity to raise and access funds for growth and development of its business. The conversion into equity will also link returns more closely to performance and provide greater flexibility to the financial structure of RHPL.
- vi. As such, the Scheme will enable AHEL and its subsidiaries to pursue their businesses more conveniently and advantageously and unlock shareholders value.
- vii. The Scheme will suitably realign and adjust the relationship between the capital and assets of the respective Companies and have beneficial results for the said Companies, their shareholders and all concerned.

PART – II

(Demerger of Demerged Undertaking of GJSHL to AHEL)

4. Transfer of Demerged Undertaking of GJSHL:

- 4.1 With effect from the Appointed Date, the Demerged Undertaking of GJSHL shall stand demerged to AHEL. Accordingly, the Demerged Undertaking of GJSHL shall, pursuant to the provisions contained in Section 232 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and transfer of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in AHEL, as a going concern with effect from the Appointed Date for all the estate and interest of GJSHL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.

- 4.2 It is expressly provided that in respect of such of the said assets of the said Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall be so transferred by GJSHL and shall become the property of AHEL accordingly as an integral part of the Demerged Undertaking transferred to AHEL, without requiring any deed or instrument of conveyance for the same.
- 4.3 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in AHEL pursuant to an order passed under the provisions of Section 232 of the Act.
- 4.4 All debts, liabilities, duties and obligations of GJSHL relating to the Demerged Undertaking as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of GJSHL relating to the Demerged Undertaking which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to AHEL, without any further act or deed, pursuant to an order passed under the provisions of Section 232 of the Act, so as to become the debts, liabilities, duties and obligations of AHEL.
- 4.5 The transfer and vesting of the Demerged Undertaking of GJSHL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof.
- 4.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by GJSHL for the operations of the Demerged Undertaking /or to which GJSHL is entitled to in relation to the Demerged Undertaking in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in AHEL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of AHEL. Since the Demerged Undertaking will be transferred to and vested in AHEL as a going concern without any break or interruption in the operation thereof, AHEL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Cenvat), Sales Tax etc to which GJSHL is entitled in relation to the Demerged Undertaking in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in AHEL upon this Scheme becoming effective.

4.7 For the removal of doubts, it is clarified that to the extent that there are inter-company loans, deposits, balances or other outstandings as between AHEL and GJSHL in relation to the Demerged Undertaking, the same shall stand cancelled consequent to transfer of the Demerged Undertaking to AHEL and the obligations in respect thereof shall come to an end. Due effect of such cancellation shall be given in the books of account accordingly with effect from the Appointed Date as a result of such cancellation of inter-company loans, deposits, balances or other outstandings and there would be no accrual of interest or any other charges in respect of the same. The loan (short term borrowing) taken by GJSHL from AHEL in relation to the Demerged Undertaking as on the Appointed Date shall stand cancelled accordingly consequent to transfer of the Demerged Undertaking to AHEL.

4.8 The demerger and transfer of the Demerged Undertaking of GJSHL to AHEL in terms of this Scheme shall be deemed to have taken place and come into effect prior to reorganisation of Share Capital and Debentures of RHPL in terms of Part III of this Scheme.

5. Legal Proceedings:

All legal or other proceedings by or against GJSHL and relating to the Demerged Undertaking of GJSHL shall be continued and enforced by or against AHEL only. If proceedings are taken against GJSHL, GJSHL will defend on notice or as per advice of AHEL at the costs of AHEL and AHEL will indemnify and keep indemnified GJSHL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

6. Contracts and Deeds:

Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the Demerged Undertaking to which GJSHL is a party or to the benefit of which GJSHL may be eligible, and which have not lapsed and are subsisting on the Effective Date shall remain in full force and effect against or in favour of AHEL as the case may be, and may be enforced by or against AHEL as fully and effectually as if, instead of GJSHL, AHEL had been a party thereto.

7. Saving of Concluded Transactions:

The transfer and vesting of the properties and liabilities of the Demerged Undertaking under Clause 4 above, the continuance of the legal proceedings by or against AHEL under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceeding relating to the Demerged Undertaking already completed by GJSHL on or before the Effective Date to the end and intent that AHEL accepts all acts, deeds and things relating to the Demerged Undertaking done and executed by and/or on behalf of GJSHL as acts, deeds and things done and executed by and on behalf of AHEL.

8. Employees:

On and from the Effective Date:

- 8.1 AHEL undertakes to engage all the employees of GJSHL engaged in the Demerged Undertaking on the Effective Date on the same terms and conditions on which they are engaged by GJSHL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the Demerged Undertaking to AHEL.
- 8.2 Accordingly, the services of the said employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with GJSHL.
- 8.3 The accumulated balances, if any, standing to the credit of the said employees of the Demerged Undertaking in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by AHEL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by AHEL. Pending the transfer as aforesaid, the dues of the employees of the Demerged Undertaking relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

9. Business in trust for AHEL:

With effect from the Appointed Date and upto and including the Effective Date:

- 9.1 GJSHL undertakes to carry on the business of the Demerged Undertaking in the ordinary course of business and GJSHL shall be deemed to have carried on and to be carrying on all business and activities relating to the Demerged Undertaking for and on account of and in trust for AHEL.
- 9.2 All profits accruing to GJSHL (including taxes paid thereon) or losses arising or incurred by GJSHL in relation to the Demerged Undertaking for the period falling on and after the Appointed Date to the Effective date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of AHEL.

9.3 GJSHL shall be deemed to have held and stood possessed of the properties to be transferred to AHEL for and on account of and in trust for AHEL and, accordingly, GJSHL shall not (without the prior written consent of AHEL) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business.

10. No issue of Shares:

Since all the Equity Shares of GJSHL are held by AHEL itself and AHEL cannot issue any shares to itself, no shares whatsoever shall be issued by AHEL in consideration of the demerger.

11. Accounting:

11.1 The transfer of assets and liabilities of the Demerged Undertaking from GJSHL to AHEL shall be accounted for in the books of account of GJSHL and AHEL in terms of this Scheme with effect from the Appointed Date.

11.2 The assets and liabilities of the Demerged Undertaking of GJSHL shall accordingly be transferred to AHEL and incorporated in the books of account of AHEL at their values as appearing in the books of account of GJSHL as on the Appointed Date. A Statement of assets and liabilities of the Demerged Undertaking as appearing in the books of account of GJSHL as on March 31, 2016 is set out in Schedule I hereto.

11.3 In the books of GJSHL, the difference between the assets and liabilities of the Demerged Undertaking, being a sum of Rs.232,88,33,185/- shall be first adjusted against the Securities Premium Account and credit balance in Profit and Loss Account of GJSHL aggregating to Rs.222,15,23,405/- and the remaining difference of Rs.10,73,09,780/- shall be adjusted against the Equity Share Capital of GJSHL by cancelling 1,07,30,978 Equity Shares of Rs.10/- each in the Share Capital of GJSHL.

11.4 In the books of AHEL, the said difference between the book value of the assets and liabilities of the Demerged Undertaking of Rs.232,88,33,185/- shall be adjusted in Business Reconstruction Reserves. The value of the investment of AHEL in the Equity Share Capital of GJSHL shall stand reduced from Rs.234,63,65,000/- to Rs.3,92,04,730/- consequent to the demerger and cancellation of Equity Shares of GJSHL, as aforesaid. Such reduction in value of investment shall be accounted for by adjusting the same against the Business Reconstruction Reserves account in the books of AHEL. After giving effect to the accounting, as aforesaid, the net credit amount of Rs.2,16,72,915/- lying in the Business Reconstruction Reserve shall be adjusted against the General Reserve Account of AHEL.

11.5 Subject to the aforesaid, the Board of Directors of GJSHL and AHEL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.

12. Post Scheme conduct of business:

Even after this Scheme becomes operative, AHEL shall be entitled to operate all Bank Accounts and Demat Accounts and realise all monies and complete and enforce all pending contracts and transactions relating to the Demerged Undertaking in the name of GJSHL and in so far as may be necessary until the transfer of rights and obligations of the said Demerged Undertaking to AHEL under this Scheme is formally accepted by the parties concerned.

13. Remaining Business:

Save and except the Demerged Undertaking of GJSHL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the rest of the business, assets and liabilities of GJSHL which shall continue to belong to and be vested in and be managed by GJSHL.

PART – III

(Reorganisation of Share Capital and Debentures of RHPL)

14. Appropriation to Equity Share Capital

14.1 Consequent to demerger of the Demerged Undertaking of GJSHL to AHEL in terms of this Scheme, AHEL shall become the holder of all Preference Shares and Debentures of RHPL. With effect from the Appointed Date, and upon the demerger of the Demerged Undertaking of GJSHL to AHEL being effective in terms of this Scheme, the Specified Preference Shares and Specified Debentures of RHPL shall, without any further act or deed, be appropriated towards Equity Share Capital of RHPL to the extent and in the manner as stated hereunder:-

- i. 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each (Specified Preference Shares) issued by RHPL shall stand appropriated towards 3,20,35,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs10/- per share with effect from the Appointed Date.
- ii. 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each (Specified Debentures) issued by RHPL shall stand appropriated towards 3,79,75,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs.10/-per share with effect from the Appointed Date.

14.2 It is clarified that another (1) 50,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each which were outstanding as on the Appointed Date have since been already redeemed on 27th September, 2016 and (2) all 89,64,623 1% Preference Shares of Rs.10/- each of RHPL which were outstanding as on the Appointed Date will stand converted into Equity Shares of RHPL before 31st March, 2017 in accordance with their terms, as stated in clause 2.3 above, and hence are not required to be dealt with in clause 14.1 above.

15. Increase of Authorised Share Capital of RHPL

15.1 Upon the Scheme becoming effective, the Authorised Share Capital of RHPL shall stand reorganised and increased to Rs.224,18,38,300/- divided into 22,41,83,830 Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of RHPL shall stand altered accordingly. Consequently, the capital clause of the Memorandum of Association of RHPL shall, upon the Scheme being effective and without any further act, deed, instrument, resolution or writing stand substituted by the following clause:

“The Authorized Share Capital of the Company is Rs.224,18,38,300/- divided into 22,41,83,830 Equity Shares of Rs.10/- each “.

15.2 It is clarified that for the purposes of Clause 15.1 above, the consent of the members of RHPL to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in authorised share capital of RHPL and no further resolution under Sections 13 and 61 or any other applicable provisions of the Act would be required to be separately passed.

16. Conversion to Equity Share Capital

16.1 Upon the Scheme becoming effective, RHPL shall without any further application, act or deed, record, issue and allot an aggregate of 7,00,10,000 Equity Shares credited as fully paid up in RHPL in favour of AHEL consequent to appropriation of the Specified Preference Shares and Specified Debentures of RHPL towards Equity Shares in terms of Clause 14.1 hereof.

16.2 The Specified Preference Shares and Specified Debentures of RHPL shall stand reorganised and converted accordingly into 7,00,10,000 Equity Shares of Rs.10/- each of RHPL with effect from the Appointed Date. AHEL shall accept such Equity Shares to be issued and allotted to it in RHPL, as above, in full and final satisfaction of all claims in respect of such Specified Preference Shares and Specified Debentures, including in lieu of the amount paid up thereon and all arrears of dividend and interest thereon.. It is clarified that the value of such arrears of dividend has been included in the valuation for conversion of the Specified

Preference Shares into Equity Shares, as above. Instead of obtaining value of such arrears of dividend in cash, AHEL by this Scheme has accordingly exercised and shall be deemed to have exercised its option to accept Equity Shares in RHPL in which such value is included.

17. Accounting

- 17.1 The conversion of the Specified Preference Shares and Specified Debentures into Equity Share Capital, as aforesaid, shall be accounted for in the books of account of RHPL and AHEL in terms of this Scheme with effect from the Appointed Date.
- 17.2 In the books of RHPL, the conversion of the Specified Preference Shares and Specified Debentures, as aforesaid, shall be accounted for as on the Appointed Date by debiting the face value of the Specified Preference Shares (Rs.43,00,00,000/-) and face value of the Specified Debentures (Rs.155,00,00,000/-) to the respective Preference Share Capital Account and Debentures Account and crediting the face value of the 7,00,10,000 Equity Shares of Rs.10/- each (Rs.70,01,00,000/-) issued in lieu thereof and the premium thereon (Rs.70,01,00,000/-) to the respective Equity Share Capital Account and Securities Premium Account and crediting the balance sum of Rs.57,98,00,000/- to the Business Reconstruction Reserve Account of RHPL. After giving effect to the accounting, as aforesaid, the said amount lying in the Business Reconstruction Reserve shall be adjusted against the Capital Reserve Account of RHPL.
- 17.3 In the books of AHEL, the conversion of the Specified Preference Shares and Specified Debentures, as aforesaid, shall be accounted for as on the Appointed Date by crediting the Investment Account of AHEL by the entire carrying amounts of AHEL recorded therein towards such Specified Preference Shares (Rs.61,53,74,060/-) and Specified Debentures (Rs.155,00,00,000/-) and debiting a sum of Rs.140,02,00,000 to such Investment account towards the aggregate of the face value and premium on the said 7,00,10,000 Equity Shares of Rs.10/- each issued on conversion and debiting the balance sum of Rs.76,51,74,060/- to the Business Reconstruction Reserve of AHEL. The resulting debit balance in Business Reconstruction Reserve shall be adjusted against General Reserves in the books of AHEL.

PART – IV

(General/ Miscellaneous Provisions)

18. Applications:

GJSHL and AHEL shall, with all reasonable dispatch, make necessary applications pursuant to Sections 230 and 232 of the Act to the Hon'ble Bench of NCLT at Kolkata for sanction and carrying out of the Scheme. RHPL shall, with all reasonable dispatch, also make necessary applications pursuant to Section 230 of the Act to the Hon'ble Bench of NCLT at Chennai for sanction of the Scheme. GJSHL, AHEL and RHPL shall also apply for such other approvals as may be necessary in law, if any, for bringing the Scheme into effect. Further, GJSHL, AHEL and RHPL shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

19. Approvals and Modifications:

GJSHL, AHEL and RHPL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

- 19.1 To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Benches of NCLT at Kolkata and Chennai and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.
- 19.2 To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing GJSHL, AHEL and RHPL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

20. Scheme Conditional Upon:

The Scheme is conditional upon and subject to:

- 20.1 Approval of the Scheme by the requisite majorities of the shareholders of GJSHL, AHEL and RHPL and such other classes of persons, if any, as may be directed by the Hon'ble Benches of NCLT at Kolkata and Chennai pursuant to Section 230 of the Act. In so far as approval of shareholders of AHEL, as aforesaid, is concerned, it is clarified that in terms of paragraphs I(A)9(a) and I(A)9(b) of Annexure I of SEBI Circular dated 30th November, 2015, the Scheme shall be acted upon only if the votes cast by the public shareholders of AHEL in favor of the Scheme are more than the number of votes cast by them against it;
- 20.2 Approval of the Scheme by the Stock Exchanges where AHEL is listed in terms of the Securities and Exchange Board of India (SEBI) Circular dated 30 November 2015; and
- 20.3 Sanction of the Scheme by the Hon'ble Benches of NCLT at Kolkata and Chennai.

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which all the aforesaid approvals and sanction are obtained and certified copies of the order of the Hon'ble Benches of NCLT

at Kolkata and Chennai sanctioning the Scheme are filed with the Registrar of Companies.

21. Costs, Charges and Expenses:

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto upto the stage of sanction of this Scheme, shall be borne and paid by AHEL.

22. Residual Provisions:

- 22.1 GJSHL, AHEL and RHPL shall not at any time during the period commencing from the date of approval of this Scheme by the Board of Directors of the said Companies and ending with the Effective Date make any change in their capital structure either by way of increase (by issue of equity shares on a rights or preferential allotment basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner except by mutual consent of the respective Boards of Directors of GJSHL, AHEL and RHPL.
- 22.2 The transition adjustments, if any, due to transition to the new Indian Accounting Standards prescribed by the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2016 are to be made only after giving effect to the accounting for the demerger and reorganisation and conversion of Share Capital and Debentures as per this Scheme, in accordance with the earlier Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 which were applicable upto the Appointed Date. Accordingly, it is clarified that no such transition adjustments shall be required to be made in the books of GJSHL and AHEL in respect of the assets and liabilities of the Demerged Undertaking or in the books of RHPL and AHEL in respect of conversion of the Specified Preference Shares and Debentures. Such transition adjustments, if any, shall be required to be made only in respect of the other assets and liabilities of the companies.
- 22.3 On the approval of the Scheme by the members of GJSHL, AHEL and RHPL pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 48, 61 and 62(1)(c) of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable.
- 22.4 Without prejudice to the generality of the foregoing, it is clarified and provided that cancellation of Securities Premium Account and Equity Share Capital of GJSHL in terms of this Scheme shall be effected as an integral part of this Scheme. Such cancellation does not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital. Further, since such cancellation is an integral part of the Scheme, the provisions of Section 66 of the Act are not applicable. It is further clarified and provided that notwithstanding such cancellation of Share Capital and Securities Premium Account of GJSHL, it shall not be required to add "And Reduced" as suffix to its name.
- 22.5 The demerger and transfer and vesting of the Demerged Undertaking of GJSHL to AHEL under

this Scheme has been proposed in compliance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date, including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

Schedule I

Statement of Assets and Liabilities of Demerged Undertaking as on March 31, 2016

| Assets | Rs. in Lakhs |
|--|-----------------------|
| Fixed Assets | - |
| Long term loans & advances | - |
| Other non-current assets | - |
| Investments | 602,32,42,553 |
| <u>Current Assets, Loans and Advances</u> | |
| Inventories | - |
| Trade receivables | - |
| Cash and Bank Balances | 75,034 |
| Loans & Advances | 2,18,500 |
| Advance to Hotel division | 3,49,11,362 |
| Other Current & Non- Current Assets | 18,45,000 |
| Net Current Assets | |
| Total Assets | 6,06,02,92,449 |
| Current Liabilities & Provisions | |
| Short term borrowings from AHEL | 373,14,18,600 |
| Trade payables | - |
| Other Current Liabilities | 26,212 |
| Short-term provisions | - |
| <u>Non-Current Liabilities</u> | |
| Long Term provisions | 14,452 |
| Total Liabilities | 3,73,14,59,264 |
| Net Asset (Credit) | 2,32,88,33,185 |

ROBUST HOTELS PRIVATE LIMITED
BALANCE SHEET AS AT 31st March, 2018

(Amount in Rs.)

| | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|--------------------------------------|----------|------------------------------|------------------------------|
| ASSETS | | | |
| Non - current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 5,62,60,87,065 | 5,85,90,46,451 |
| (b) Other Intangible Assets | 4 | 46,02,702 | 91,93,726 |
| (c) Financial Assets | | | |
| (i) Investments | 5 | 3,07,77,880 | 4,13,94,844 |
| (ii) Other Financial Assets | 6 | 2,53,63,063 | 2,53,03,003 |
| (d) Non Current Tax Assets | 7 | 3,54,12,864 | 3,02,06,710 |
| (e) Other Non Current Assets | 8 | 15,19,01,814 | - |
| | | <u>5,87,41,45,388</u> | <u>5,96,51,44,734</u> |
| Current Assets | | | |
| (a) Inventories | 9 | 1,92,44,424 | 81,71,634 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 10 | 8,71,66,754 | 5,50,66,965 |
| (ii) Cash and Cash Equivalents | 11 | 73,59,542 | 1,42,55,449 |
| (iii) Loans | 12 | 58,400 | 51,903 |
| (iv) Other Financial Assets | 13 | 7,08,859 | 7,35,402 |
| (c) Current Tax Assets | 14 | 1,10,74,361 | 50,91,458 |
| (d) Other Current Assets | 15 | 3,24,17,023 | 2,95,92,916 |
| | | <u>15,80,29,363</u> | <u>11,29,65,727</u> |
| Total Assets | | <u>6,03,21,74,751</u> | <u>6,07,81,10,461</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 16 | 1,54,17,38,290 | 1,54,17,38,290 |
| (b) Other Equity | 17 | 1,40,07,17,569 | 1,68,10,51,706 |
| Total Equity | | <u>2,94,24,55,859</u> | <u>3,22,27,89,996</u> |
| Liabilities | | | |
| Non - current Liabilities | | | |
| (a) Financial Liabilities | | | |
| Borrowings | 18 | 2,36,77,65,105 | 2,38,88,18,845 |
| (b) Provisions | 19 | 79,79,168 | 82,25,888 |
| Total non-current liabilities | | <u>2,37,57,44,273</u> | <u>2,39,70,44,733</u> |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 26,83,77,706 | 4,04,49,886 |
| (ii) Trade Payables | 21 | 20,33,92,093 | 17,51,69,238 |
| (iii) Other Financial Liabilities | 22 | 17,82,71,316 | 19,55,97,939 |
| (b) Provisions | 23 | 4,31,405 | 69,672 |
| (c) Other Current Liabilities | 24 | 6,35,02,099 | 4,69,88,997 |
| Total current liabilities | | <u>71,39,74,619</u> | <u>45,82,75,732</u> |
| Total Equity and Liabilities | | <u>6,03,21,74,751</u> | <u>6,07,81,10,461</u> |

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For P LUNAWAT & ASSOCIATES

Chartered Accountants

Firm Registration No.: 328946E

Pankaj Lunawat

(Pankaj Lunawat)

Proprietor

Membership No.: 067104

Place: Chennai

Date: 25th April 2018



FOR AND ON BEHALF OF THE BOARD

Director

Director

N. Muthukrishnan
Chief Financial Officer

V. V. V. V.
Vice President &
Company Secretary

ROBUST HOTELS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

Amount in Rs.

| | Note No. | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|-------------|--------------------------------|--------------------------------|
| Income | | | |
| (a) Revenue from Operations | 25 | 87,48,33,800 | 96,89,50,995 |
| (b) Other Income | 26 | 94,59,354 | 1,84,46,491 |
| Total | | 88,42,93,154 | 98,73,97,486 |
| Expenditure | | | |
| (a) Consumption of Provisions, Beverages, Smokes & Others | 27 | 10,15,90,077 | 12,18,27,709 |
| (b) Employee Benefits Expense | 28 | 15,64,19,880 | 17,44,46,228 |
| (c) Finance Costs | 29 | 24,64,30,061 | 41,52,74,806 |
| (d) Depreciation and Amortization Expense | | 24,39,03,075 | 24,58,64,557 |
| (e) Other Expenses | 30 | 41,47,47,524 | 42,41,38,610 |
| Total | | 1,16,30,90,616 | 1,38,15,51,910 |
| Profit/(Loss) Before Exceptional Items and Tax | | (27,87,97,463) | (39,41,54,424) |
| Exceptional Items | | - | - |
| Profit/(Loss) Before Tax | | (27,87,97,463) | (39,41,54,424) |
| Tax Expense | | | |
| Current Tax | | - | - |
| For Earlier Years | | 6,73,874 | - |
| Profit/(Loss) for the year | | (27,94,71,337) | (39,41,54,424) |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit liability | | (8,62,800) | (3,01,141) |
| Total Comprehensive Income for the year | | (28,03,34,137) | (39,44,55,565) |
| Earnings per Equity Shares (Nominal value per Equity Share Rs. 10/-) (Refer Note No. 40) | | | |
| (a) Basic | | (1.81) | (4.02) |
| (b) Diluted | | (1.81) | (4.02) |

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached
For P LUNAWAT & ASSOCIATES
Chartered Accountants
Firm Registration No.: 328946E

Pankaj Lunawat

(Pankaj Lunawat)
Proprietor
Membership No.: 067104
Place: Chennai
Date: 25th April 2018



FOR AND ON BEHALF OF THE BOARD

[Signature]

Director

Director

N. Muthukrishni
Chief Financial Officer

[Signature]
Vice President &
Company Secretary

ROBUST HOTELS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY

| | Equity Share Capital | Other Equity | | | Total | Total Equity attributable to equity holders of the Company |
|---|----------------------|-----------------------|-------------------|----------------------------|----------------|--|
| | | Share Premium Reserve | Retained Earnings | Other Comprehensive Income | | |
| Balance as at 1st April, 2017 | 1,54,17,38,290 | 2,62,35,96,281 | (93,96,89,390) | 1,68,10,51,706 | 3,22,27,89,996 | |
| Remeasurement of the net defined benefit liability/ assets, net of tax Profit/(Loss) for the year | - | - | (27,94,71,337) | (8,62,800) | (8,62,800) | |
| Balance as at 31st March, 2018 | 1,54,17,38,290 | 2,62,35,96,281 | (1,21,91,60,727) | 1,40,07,17,569 | (27,94,71,337) | |

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date attached
For **P LUNAWAT & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 328946E



Pankaj Lunawat

(Pankaj Lunawat)
Proprietor
Membership No.: 067104
Place: Chennai
Date: 25th April 2018

FOR AND ON BEHALF OF THE BOARD

[Signature]
Director

Director

N. Muthulakshmi
Chief Financial Officer

[Signature]
Vice President & Company Secretary

Vice President & Company Secretary

ROBUST HOTELS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018 (As per IndAS)

| | Year Ended 31st March 2018 | (Amount in Rs.) Year Ended 31st March 2017 |
|---|-------------------------------|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before tax | (27,87,97,463) | (39,41,54,424) |
| Adjustment for : | | |
| Depreciation/amortization | 24,39,03,075 | 24,58,64,557 |
| Loss/(profit) on sale of fixed assets | - | 79,69,392 |
| Interest Expense on Borrowings | 15,76,73,090 | 18,10,73,170 |
| Provision for Gratuity | 24,17,059 | 24,42,288 |
| Provision for Leave Encashment | 27,96,771 | 25,44,536 |
| Interest income | (14,17,872) | (4,63,502) |
| Interest on Debentures | 15,50,000 | - |
| Sundry balances written back (net) | (52,13,826) | - |
| IndAS Adjustments : | | |
| Difference in Fair value of Investment in Maple Renewable Power Private Ltd | 91,02,964 | (69,88,887) |
| Interest on Debentures and Preference Shares | 7,44,96,261 | 22,87,37,289 |
| Operating profit before working capital changes | 20,65,10,059 | 26,70,24,420 |
| Movements in working capital : | | |
| Increase/(decrease) in trade payables in Financial Liabilities | 3,34,36,681 | (1,15,62,731) |
| Increase/(decrease) in other current liabilities | 1,65,13,102 | 39,02,439 |
| Increase/(decrease) in other current financial liabilities | (3,93,76,623) | - |
| Increase/(decrease) in non current provisions | (63,23,350) | - |
| Increase/(decrease) in current provisions | 3,61,733 | - |
| Decrease/(increase) in trade receivables in Financial Assets | (3,20,99,789) | 65,79,051 |
| Decrease/(increase) in inventories in Current Assets | (1,10,72,791) | (16,06,080) |
| Decrease / (increase) in other Financial Assets | (60,060) | (53,40,411) |
| Decrease / (increase) in other Financial Assets under current asset | 26,543 | 1,79,238 |
| Decrease / (increase) in loans in Financial Assets | (6,497) | 53,20,30,346 |
| Decrease / (increase) in other Current Assets in Financial Assets | (28,24,107) | (23,26,553) |
| Decrease / (increase) in other Non current asset | (15,19,01,814) | - |
| Cash generated from/(used in) operations | 1,31,83,088 | 78,88,79,719 |
| Less: Direct taxes paid (net of refunds) | 1,18,62,931 | - |
| Net cash flow from/(used in) Operating Activities (A) | 13,20,157 | 78,88,79,719 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (63,52,666) | (3,41,23,705) |
| Increase / (Decrease) in Capital Work in progress | - | 21,59,643 |
| Proceeds from sale of fixed assets | - | 14,65,109 |
| Purchase of current investments | (7,50,000) | (21,00,000) |
| Sale of current Investments | 22,40,000 | - |
| Sale of National Saving Certificates | 24,000 | - |
| Refund during Conversion | - | (25) |
| Interest received | 14,17,872 | 4,63,502 |
| Net cash flow from/(used in) Investing Activities (B) | (34,20,794) | (3,21,35,476) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of Long Term Borrowings | (7,35,00,000) | (57,35,00,000) |
| Proceeds from Short Term Borrowings - CC | 54,27,820 | (76,57,569) |
| Proceeds from Short Term Borrowings - Unsecured Loan | 22,25,00,000 | - |
| Interest paid on borrowings | (15,76,73,090) | (18,10,73,170) |
| Interest paid on Debentures | (15,50,000) | - |
| Net cash flow from/(used in) in Financing Activities (C) | (47,95,270) | (76,22,30,739) |
| Net increase/(decrease) in Cash and Cash Equivalents (A + B + C) | (68,95,907) | (54,86,496) |
| Cash and Cash Equivalents at the beginning of the year | 1,42,55,449 | 1,97,41,945 |
| Cash and Cash Equivalents at the end of the year | 73,59,542 | 1,42,55,449 |

The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached
For P LUNAWAT & ASSOCIATES

Chartered Accountants
Firm Registration No.: 328946E

P. Lunawat

(Pankaj Lunawat)
Proprietor
Membership No.: 067104
Place: Chennai
Date: 25th April 2018



FOR AND ON BEHALF OF THE BOARD

Director

Director

N. Muthukrishnan
Chief Financial Officer

V. Subramanian
Vice President &
Company Secretary

ROBUST HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2018

3 Property, Plant and Equipments

| | Freehold Land | Building | Plant and Equipments | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|---|---------------|---------------|----------------------|------------------------|-------------------|-----------|---------------|
| Carrying Amount: | | | | | | | |
| As at 1st April 2017 | 1,540,585,512 | 3,124,223,547 | 1,663,721,887 | 587,403,703 | 17,951,744 | 3,664,688 | 6,937,551,081 |
| Additions | - | 38,624 | 3,969,966 | 213,938 | 737,235 | - | 4,959,763 |
| Deletions/ Adjustments | - | - | - | - | - | - | - |
| As at 31st March 2018 | 1,540,585,512 | 3,124,262,171 | 1,667,691,853 | 587,617,641 | 18,688,979 | 3,664,688 | 6,942,510,844 |
| Accumulated Depreciation and Impairment | | | | | | | |
| As at 1st April 2017 | - | 239,125,817 | 495,710,112 | 326,035,483 | 15,587,569 | 2,045,649 | 1,078,504,630 |
| Charge for the year | - | 49,503,570 | 112,852,053 | 74,614,269 | 791,002 | 158,255 | 237,919,149 |
| Impairment | - | - | - | - | - | - | - |
| Deletions/ Adjustments | - | - | - | - | - | - | - |
| As at 31st March 2018 | - | 288,629,387 | 608,562,165 | 400,649,752 | 16,378,571 | 2,203,904 | 1,316,423,779 |
| Net Carrying Amount | 1,540,585,512 | 2,835,632,784 | 1,059,129,688 | 186,967,889 | 2,310,408 | 1,460,784 | 5,626,087,065 |
| As at 31st March 2018 | 1,540,585,512 | 2,885,097,730 | 1,168,011,775 | 261,368,220 | 2,364,175 | 1,619,039 | 5,859,046,451 |

Notes:

- a) The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 1st April, 2015 as its deemed cost on the date of transition to Ind AS (i.e. 1st April, 2015.)
- b) The Company has availed the deemed cost exemption in relation to the property, plant & equipment on the date of transition and hence the carrying amount has been considered as the gross block amount on that date.

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4 Intangible Assets
Following are the changes in the carrying value of accured intangible assets for the year ended 31st March, 2018

| | (Amount in Rs.) |
|---|-----------------|
| Carrying Amount | Softwares |
| As at 1st April 2017 | 38,685,431 |
| Additions | 1,392,903 |
| Deletions/ Adjustments | - |
| As at 31st March 2018 | 40,078,334 |
| Accumulated Depreciation and Impairment | |
| As at 1st April 2017 | 29,491,705 |
| Charge for the period | 5,983,927 |
| Impairment | - |
| Deletions/ Adjustments | - |
| As at 31st March 2018 | 35,475,632 |
| Net Carrying Amount | 4,602,702 |
| As at 31st March 2018 | 9,193,726 |

Notes:

- a) The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 1st April, 2015 as its deemed cost on the date of transition to Ind AS (i.e. 1st April, 2015.)
- b) The Company has availed the deemed cost exemption in relation to the property, plant & equipment on the date of transition and hence the carrying amount has been considered as the gross block amount on that date.



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

(Amount in Rs.)

| | As at 31st March, 2018 | As at 31st March, 2017 |
|--|---------------------------|---------------------------|
| 5 Investments | | |
| Unquoted Equity Shares | | |
| Investments carried at fair value through Profit and Loss - fully 7,26,000 (Previous Year: 8,75,000) Class-A Equity Shares of Maple Renewable Power Private Limited of Rs. 10/- each | 30,767,880 | 41,360,844 |
| In Government Securities | | |
| Investments carried at amortised cost | | |
| National Savings Certificate | 10,000 | 34,000 |
| | <u>30,777,880</u> | <u>41,394,844</u> |
| 6 Other Financial Assets | | |
| (Unsecured, considered good by the management) | | |
| Security Deposits with | | |
| - Government Department | 13,300,290 | 13,744,330 |
| - Others | 3,557,000 | 2,667,900 |
| Fixed Deposit with Bank* | 8,505,773 | 8,890,773 |
| | <u>25,363,063</u> | <u>25,303,003</u> |
| *Includes Margin Money deposit of Rs. 12.33,000 (Previous Year: Rs. 88,90,773) | | |
| 7 Non Current Tax Assets (net) | | |
| Income Tax Refundable | 29,420,860 | |
| Tax Deducted at source and Tax collected at Source | 5,992,004 | 30,206,710 |
| | <u>35,412,864</u> | <u>30,206,710</u> |
| 8 Other Non-Current Assets | | |
| Deposits with High Court | 151,200,000 | - |
| Balances with Statutory Authorities | 701,814 | - |
| | <u>151,901,814</u> | <u>-</u> |
| 9 Inventories | | |
| (As taken valued and certified by the management) | | |
| (Valued at cost or Net Realisable Value, whichever is lower) | | |
| Food, Beverages & Tobacco | 11,237,572 | 7,459,804 |
| General Stores & Spares | 8,006,852 | 711,830 |
| | <u>19,244,424</u> | <u>8,171,634</u> |
| 10 Trade Receivables | | |
| (Unsecured, considered good by the management) | 87,166,754 | 55,066,965 |
| (includes Rs.8,80,302/- (Previous Year Rs. 10,97,735/-) from Related Parties Refer Note 38) | | |
| | <u>87,166,754</u> | <u>55,066,965</u> |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Refer Note 38 for Trade or Other Receivables due from Subsidiaries or from firms or private companies respectively in which any director is a partner, a director or a member.

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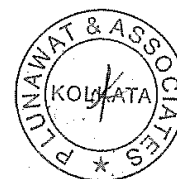


ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

(Amount in Rs.)

| | As at 31st March, 2018 | As at 31st March, 2017 |
|--|---------------------------|---------------------------|
| 11 Cash and Cash Equivalents | | |
| Balance with Banks | | |
| - In Current Accounts | 5,730,121 | 12,850,102 |
| - Margin Money Deposit | 385,000 | - |
| Cash on hand (as certified by the management) | 1,244,421 | 1,405,347 |
| | 7,359,542 | 14,255,449 |
| 12 Loans | | |
| (Unsecured, considered good by the management) | | |
| Advance to employees | 58,400 | 51,903 |
| | 58,400 | 51,903 |
| 13 Other Financial Assets | | |
| Interest accrued on Term deposits | 43,046 | - |
| Interest accrued on EB deposits | 661,564 | 718,649 |
| Interest accrued on NSC | 4,249 | 16,753 |
| | 708,859 | 735,402 |
| 14 Current Tax Assets (net) | | |
| Tax Deducted at source and Tax collected at Source | 11,074,361 | 5,091,458 |
| | 11,074,361 | 5,091,458 |
| 15 Other Current Assets | | |
| Balances with Statutory Authorities | 15,730,960 | 13,554,290 |
| Prepaid Expenses | 9,879,999 | 8,164,266 |
| Advance to Suppliers | 3,957,853 | 6,854,360 |
| Other Receivables | 2,848,212 | 1,020,000 |
| | 32,417,023 | 29,592,916 |



ROBUST HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2018

| | (Amount in Rs.) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| 16 Share Capital | | |
| a) Authorised | | |
| 15,50,00,000 (Previous year: 15,50,00,000) Equity Shares of Rs. 10 each | 1,550,000,000 | 1,550,000,000 |
| 43,00,000 (Previous year: 43,00,000) Preference Shares of Rs. 100 each | 430,000,000 | 430,000,000 |
| 1,40,00,000 (Previous year: 1,40,00,000) Preference Shares of Rs. 10 each | 140,000,000 | 140,000,000 |
| | 2,120,000,000 | 2,120,000,000 |
| Issued, Subscribed & Paid Up | | |
| 15,41,73,829 (Previous year: 15,41,73,829) Equity Shares of Rs. 10 each fully paid up | 1,541,738,290 | 1,541,738,290 |
| 43,00,000 (Previous year: 43,00,000) 12% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up | 430,000,000 | 430,000,000 |
| | 1,971,738,290 | 1,971,738,290 |
| Paid up Equity Share Capital | | |
| 15,41,73,829 (Previous year: 15,41,73,829) Equity Shares of Rs.10/- each fully paid up in cash | 1,541,738,290 | 1,541,738,290 |
| | 1,541,738,290 | 1,541,738,290 |

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

| | | |
|------------------------------|--------------------|--------------------|
| At the beginning of the year | 154,173,829 | 93,942,769 |
| Issued during the year | - | 60,231,060 |
| At the end of the year | 154,173,829 | 154,173,829 |

Shares held by Holding/ultimate Holding Company and/or their subsidiaries/associates

Out of Equity Shares issued by the Company, shares held by its Holding Company are as below:

GJS Hotels Limited, the Holding Company

| | | |
|--|---------------|---------------|
| 12,41,63,829 (Previous Year: 12,41,63,829) shares of Rs.10/- each fully paid | 1,241,638,290 | 1,241,638,290 |
| Asian Hotels (East) Limited, Holding Company of GJS Hotels Limited | | |
| 3,00,10,000 (Previous Year: 3,00,10,000) shares of Rs.10/- each fully paid | 300,100,000 | 300,100,000 |

c) The Company has only one class of Equity Shares having a par value of Rs. 10/- each. Each shareholder is entitled to one vote per share.

d) The shareholders have the right to declare and approve dividend, 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.

e) The details of shareholders holding more than 5% shares as at 31st March, 2018 and 31st March, 2017

| Name of the shareholder | As at March, 2018 | | As at March, 2017 | |
|---|-------------------|--------|-------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Equity Shares | | | | |
| GJS Hotels Limited (Holding Company) | 124,163,829 | 81 | 124,163,829 | 81 |
| Asian Hotels (East) Limited (Holding Company of GJS Hotels Limited) | 30,010,000 | 19 | 30,010,000 | 19 |

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 ownership of shares.



ROBUST HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2018

| | (Amount in Rs.) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| 17 Other Equity | | |
| Securities Premium Reserve | 2,623,596,281 | 2,623,596,281 |
| Retained Earnings | (1,219,160,727) | (939,689,390) |
| Other Comprehensive Income | (3,717,985) | (2,855,185) |
| | 1,400,717,569 | 1,681,051,706 |
| 18 Non-current Liabilities | | |
| Borrowings | | |
| 43,00,000 (Previous year: 43,00,000) 12% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up (Refer Note 'a' below and Note 48) | 430,000,000 | 430,000,000 |
| Term Loan (Secured) (Refer Note 'b' below) | | |
| From HDFC Limited | 1,325,100,000 | 1,398,600,000 |
| Less: Repayable within one year | 95,550,000 | 73,500,000 |
| | 1,229,550,000 | 1,325,100,000 |
| Unsecured - Debentures (Refer Note 'c' below & Note 38) | | |
| 1,55,00,000 (Previous year: 1,55,00,000 31 March, 2017) 0.1% Unsecured Non-Convertible Debentures of Rs. 100/- each | 708,215,105 | 633,718,845 |
| | 2,367,765,105 | 2,388,818,845 |

a) 12% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up in cash

The Cumulative Redeemable Preference Shares are redeemable at a premium of 10% on 5th July, 2021 unless mutually agreed upon for further rollover.

b) Security Clause

The above term loan is secured by pari passu first 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 with IDBI Bank Ltd. Above securities are ranking pari passu for the Bank Guarantee facility availed by the company and further, secured by way of second charge on all book debts, operating cash flows, revenues, commission and receivables both present and future, having first charge of IDBI Bank Ltd for Cash Credit facility granted to the Company. The Cash credit facility from IDBI Bank Ltd, BG facility from IDBI Bank Ltd and Term Loan from HDFC Ltd are further secured by corporate guarantee of Asian Hotels (East) Limited, Kolkata.

Terms of Repayment

The loan is repayable in 42 Quarterly Instalments being:

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

c) Unsecured Debentures

The above Debentures are issued as Unsecured Cumulative Non-Convertible Debentures to GJS Hotels Limited (Holding Company) carrying interest rate @ 0.1% or such other higher rate as may be agreed by both the parties from time to time having cumulative payment rights payable annually on 31st March. The Debentures are redeemable in one or more instalments within maximum period of 10 years from the date of allotment i.e. 31st March, 2015 on mutually agreed terms.



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

| | (Amount in Rs.) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| 19 Non Current Provisions | | |
| Provision for Gratuity | 4,060,339 | 4,239,227 |
| Provision for LTA | 2,468,302 | 2,425,174 |
| Provision for Leave Benefits | 1,450,527 | 1,561,487 |
| | <u>7,979,168</u> | <u>8,225,888</u> |
| 20 Borrowings | | |
| Secured | | |
| Cash Credit Account with IDBI Bank Limited (Refer Note 'a' below) | 45,877,706 | 40,449,886 |
| Unsecured | | |
| Loan from Holding Company repayable on demand (Refer Note 38) | 222,500,000 | - |
| | <u>268,377,706</u> | <u>40,449,886</u> |
| a) The above facility is secured by first charge by way of hypothecation of entire stocks of raw materials, semi finished and finished goods, consumable stores and spare parts including book debts, bills whether documentary or clean, outstanding monies receivable, both present and future and second charge in favour of HDFC Limited for Term Loan granted to the Company. The above facility is further secured by a pari pasu charge by way of hypothecation of entire movable properties including movable machineries, tools & accessories present and future and Equitable Mortgage on Immovable property situated at 365, Anna Salai, Chennai - 600018 with HDFC Ltd for the Term Loan facility and Corporate Guarantee of Asian Hotels (East) Limited. | | |
| 21 Trade Payables | 208,813,426 | 180,996,795 |
| Includes Related Parties Rs.6,17,787 (Previous Year : Rs.20,66,818) Refer Note 38 | | |
| Less: Electricity | 5,421,333 | 5,827,557 |
| | <u>203,392,093</u> | <u>175,169,238</u> |
| 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, 2018 and 31st March, 2017. There are no interest due or outstanding on the same. | | |
| 22 Other Current Financial Liabilities | | |
| Current Maturities of Long Term Debt | 95,550,000 | 73,500,000 |
| Interest Accrued and due on Loan and Cash Credit (Refer Note No. 38) | 5,058,143 | 1,451,343 |
| Salary Payable | 8,407,866 | 6,270,882 |
| Contract Payroll Payable | 1,904,368 | 2,613,886 |
| Electricity Expenses Payable | 5,421,333 | 5,827,557 |
| Other Payables | 61,929,606 | 105,934,271 |
| | <u>178,271,316</u> | <u>195,597,939</u> |
| 23 Provisions | | |
| Provision for employee benefits | | |
| Provision for Gratuity | 43,171 | 49,782 |
| Provision for Leave Benefits | 388,234 | 19,890 |
| | <u>431,405</u> | <u>69,672</u> |
| 24 Other Current Liabilities | | |
| Advance from Customers | 25,401,308 | 11,250,977 |
| Other Current Liabilities (Includes Related Parties Rs. 1,78,821 (Previous Year Rs. 1,78,821) Refer Note 38) | 15,543,747 | 19,544,519 |
| Statutory Dues | 22,557,044 | 16,193,503 |
| | <u>63,502,099</u> | <u>46,988,998</u> |

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ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

| | Year ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| 25 Revenue from Operations | | |
| Sale of Products | | |
| Soft Beverages, Wines and Liquor | 41,364,621 | 78,173,074 |
| Food and Smokes | 306,780,434 | 336,856,929 |
| | <u>348,145,055</u> | <u>415,030,003</u> |
| Sale of Services | | |
| Rooms Revenue | 420,081,178 | 420,107,460 |
| Banquet Income | 46,300,637 | 45,255,879 |
| Health & Spa Revenue | 7,666,476 | 7,933,796 |
| Laundry Revenue | 5,289,852 | 7,117,461 |
| Auto Rental Revenue | 14,364,281 | 24,184,243 |
| Communications | 638,617 | 1,442,671 |
| Equipment Revenue | 2,041,983 | 4,024,893 |
| Other Operating Revenue | 25,644,249 | 29,393,225 |
| Service Charge Revenue | 4,661,471 | 14,461,365 |
| | <u>526,688,744</u> | <u>553,920,993</u> |
| | <u>874,833,800</u> | <u>968,950,995</u> |
| 26 Other Income | | |
| Interest Income (Gross) | | |
| (Tax deducted at source Rs. 42,111/- , Previous Year Rs. 14,818/-) | | |
| From Term Deposits | 717,238 | 1,197,148 |
| From Others | 700,634 | 733,646 |
| Insurance Claim Received | - | 2,764,035 |
| Miscellaneous Income | 2,827,656 | 2,218,211 |
| (Tax deducted at source Rs. 1,43,719/- Previous Year Rs. 1,32,000/-) | | |
| Fair value gain on investment in shares of Maple Renewable Power Private Limited | - | 6,988,887 |
| Net Gain/ (Loss) on Foreign Currency Transaction and Translation | - | 4,544,564 |
| Sundry Balances written Back (Net) | 5,213,826 | - |
| Total | <u>9,459,354</u> | <u>18,446,491</u> |
| 27 Consumption of Provisions, Beverages, Smokes & Others | | |
| Opening Stock | 8,171,634 | 6,565,554 |
| Add : Purchases | 104,656,014 | 123,433,789 |
| | <u>112,827,648</u> | <u>129,999,343</u> |
| Less : Closing Stock | 11,237,572 | 8,171,634 |
| Total Cost of Consumption | <u>101,590,077</u> | <u>121,827,709</u> |
| 28 Employee Benefits Expense | | |
| Salaries, Wages & Bonus etc | 126,691,258 | 136,486,224 |
| Contribution to Provident & Other Funds | 9,475,586 | 11,178,550 |
| Staff Welfare Expenses * | 19,131,477 | 26,338,466 |
| Recruitment & Training | 1,121,558 | 442,988 |
| | <u>156,419,880</u> | <u>174,446,228</u> |

*Includes cost of provisions consumed in staff cafeteria



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| 29 Finance Costs | | |
| Interest | | |
| - On Term Loan | 154,003,741 | 176,649,294 |
| - On Cash Credit | 3,669,349 | 4,423,876 |
| - On Debentures | 76,046,261 | 121,435,422 |
| - On Unsecured Loan | 8,107,877 | - |
| - On Others | 4,509 | 6,239 |
| Dividend on Redeemable Preference Shares | - | 109,097,770 |
| Other Borrowing Cost | 4,598,324 | 3,662,205 |
| | <u>246,430,061</u> | <u>415,274,806</u> |
| 30 Other Expenses | | |
| Contract Labour and Service | 60,176,056 | 69,042,403 |
| Linen, Room, Catering, other supplies | 23,502,580 | 13,821,320 |
| Operating Equipments Consumption | 17,016,016 | 17,941,338 |
| Fuel, Power & Light | 97,632,383 | 101,035,455 |
| Repairs & Maintenance | | |
| - To Building | 7,127,469 | 6,583,873 |
| - To Plant & Equipment | 27,280,314 | 25,655,191 |
| - To Others | 2,836,620 | 2,455,766 |
| Equipment Hiring Charges | 5,860,600 | 3,835,447 |
| Rates & Taxes | 29,759,849 | 30,588,892 |
| Advertisement & Publicity | 34,020,511 | 39,456,114 |
| Insurance | 3,358,221 | 3,701,790 |
| Net Loss on Foreign Currency Transaction and Translation | 1,757,715 | - |
| Printing & Stationery | 2,701,631 | 2,432,800 |
| Directors' Sitting Fees | 24,000 | 17,000 |
| Travelling & Conveyance | 9,461,154 | 6,865,407 |
| Professional and Consultancy Fees | 8,137,191 | 7,643,494 |
| Filing Fees | 43,460 | 4,553,400 |
| Communication Expenses | | |
| Cost of Calls | 3,721,164 | 2,730,398 |
| Telephone Charges | 25,162 | 45,707 |
| Lease Line Rentals | 31,120 | 1,073,907 |
| Technical Services | 28,498,245 | 30,276,638 |
| Brokerage & Commission | 37,031,888 | 40,965,354 |
| Payment to Auditors | | |
| - As Auditor | 325,000 | 325,000 |
| - For Tax Audit | 75,000 | 75,000 |
| - For Other Services | 10,000 | 31,587 |
| Loss on sale of Fixed Assets (net) | - | 7,969,392 |
| Fair Value loss on Investment | 9,102,964 | - |
| Miscellaneous Expenses | 5,231,212 | 5,015,937 |
| | <u>414,747,524</u> | <u>424,138,610</u> |

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ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Other Notes

31. Contingent Liabilities and Commitments not provided for

| | As at 31 st March, 2018 Rs. | As at 31 st March, 2017 Rs. |
|--|--|--|
| i) Contingent Liabilities Bank Guarantees | 1,61,70,179 | 6,13,32,726 |
| ii) Commitments Estimated amount of Capital Contracts pending to be executed (net of advances Nil) (Previous year Nil) | - | 3,62,152 |
| iii) Export Obligation in Respect of EPCG Licenses | - | 49,06,61,808 |
| iv) Claims against the Company not acknowledged as debt | 9,05,697 | 6,66,381 |
| v) Disputed Income Tax demand for the A.Y 2010-11 | 17,12,83,635 | 17,12,83,635 |
| vi) Disputed Income Tax demand for the A.Y 2014-15 | 4,55,56,200 | 4,55,56,200 |
| vii) Disputed Excise Duty and Penalty from April 2012 to October 2015 (Net of payment Rs.7,01,814/-) Previous Year Rs. 3,30,424/-) | 45,59,117 | 49,30,507 |
| viii) Pending claims from IOC Limited for non-submission of 'C' forms for purchase of diesel | 4,00,000 | - |

32. 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 31.03.2018 |
|--|------------------|-------------------|--|
| 12% Cumulative Redeemable Preference Shares of Rs.100 each | 43,00,000 | 04.09.08 | 49,39,46,301 |

33. No amount is due to Micro, Small and Medium enterprises (identified on the basis of information made available during the year by such enterprises to the Company). No interest in terms of Micro, Small and Medium Enterprises Development Act, 2006 has been either paid or accrued during the year.

34. Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuation as on 31st March, 2018 and recognized in the financial statements in respect of Employee Benefit Scheme



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

| | | Gratuity Unfunded | | Leave Encashment Unfunded | | |
|-----|--|--|---|---|---|------------------------|
| | | Year ended 31 st March, 2018 | Year ended 31 st March, 2017 | Year ended 31 st March, 2018 | Year ended 31 st March, 2017 | |
| I | Components of Employer Expense | Rs. | Rs. | Rs. | Rs. | |
| | 1 | Current Service Cost | 13,24,801 | 14,74,822 | 5,76,010 | 9,83,553 |
| | 2 | Interest Cost | 2,29,458 | 2,74,044 | 23,938 | 52,766 |
| | 3 | Actuarial (Gains)/Losses | 8,62,800 | 3,01,141 | 21,96,823 | 8,84,053 |
| | 4 | Total expense recognised in the statement of Profit and Loss | 15,54,259 | 17,48,866 | 27,96,771 | 19,20,372 |
| II | Net Asset/(Liability) recognised in Balance Sheet as at 31st March | | | | | |
| | 1 | Present Value of Defined Benefit Obligation | 41,03,510 | 42,89,009 | 18,38,761 | 15,81,377 |
| | 2 | Status (Surplus/ Deficit) | (41,03,510) | (42,89,009) | (18,38,761) | (15,81,377) |
| | 3 | Net Asset/(Liability) recognised in Balance Sheet | (41,03,510) | (42,89,009) | (18,38,761) | (15,81,377) |
| III | Change in Defined Benefit Obligation (DBO) during the year | | | | | |
| | 1 | Present Value of DBO at the beginning of the year | 42,89,009 | 50,68,838 | 15,81,377 | 17,46,085 |
| | 2 | Current Service Cost | 13,24,801 | 14,74,822 | 5,76,010 | 9,83,553 |
| | 3 | Interest Cost | 2,29,458 | 2,74,044 | 23,938 | 52,766 |
| | 4 | Actuarial (Gains)/Losses | 8,62,800 | 3,01,141 | 21,96,823 | 8,84,053 |
| | 5 | Benefits Paid | 26,02,558 | 28,29,836 | 25,39,387 | 20,85,080 |
| | 6 | Present Value of DBO at the end of the year | 41,03,510 | 42,89,009 | 18,38,761 | 15,81,377 |
| IV | Actuarial Assumptions | | | | | |
| | 1 | Mortality Table | IALM(2006-08) Ultimate | IALM(2006-08) Ultimate | IALM(2006-08) Ultimate | IALM(2006-08) Ultimate |
| | 2 | Discount Rate (per annum) | 7.68% | 7.50% | 7.68% | 7.50% |
| | 3 | Rate of escalation in Salary (per annum) | 6.00% | 6.00% | 6.00% | 6.00% |
| V | Amount Recognized in Other Comprehensive Income (OCI): | | | | | |
| | Actuarial (Gain)/Loss recognized during the year | | 8,62,800 | 3,01,141 | - | - |



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuation as on 31st March, 2018 and recognized in the financial statements in respect of Employee Benefit Scheme (Contd...)

| Experience adjustment on account of actuarial assumption of Gratuity: | <u>2017-18</u> | <u>2016-17</u> | <u>2015-16</u> |
|---|----------------|----------------|----------------|
| | Rs. | Rs. | Rs. |
| 1. Defined Benefit Obligation as at 31st March | 41,03,510 | 42,89,009 | 50,68,838 |
| 2. Plan Assets as at 31st March | - | - | - |
| 3. Surplus/(Deficit) | (8,62,800) | (3,01,141) | (8,42,265) |
| Experience adjustment of Obligation | 10,05,479 | (73,282) | 7,12,305 |

Note:

1. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimates 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.
35. In the opinion of the Management, the value of realization of Current and Non Current Assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
36. The timing difference relating mainly to depreciation and unabsorbed losses result in net deferred credit as per IND AS 12 "Income Taxes". As a prudent measure the net Deferred Tax Assets' relating to the above has not been recognized in the financial statements.
37. The Company does not have more than one reportable segment in accordance with the principle outlined in IND AS 108, the disclosure requirements on "Segment Reporting" is not applicable. The Company operates presently only in India.
38. Disclosure in respect of related parties as defined in Indian Accounting Standard 24 are given below:-

A. Key Managerial Personnel and Relatives

- a. Mr. Arun Kumar Saraf, Director
- b. Mr. A. Srinivasan, Director
- c. Mr. Umesh Saraf, Director
- d. Mr. Varun Saraf, Director
- e. Mr. Pawan Kumar Kakarania, Independent Director
- f. Ms. Soumya Saha, Independent Director
- g. Mr. T.N. Thanikachalam, Company Secretary
- h. Ms. N. Muthulakshmi, CFO



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

38. Disclosure in respect of related parties as defined in Indian Accounting Standard 24 are given below:- (Contd...)

B. Holding Company:

- a. GJS Hotels Limited (GJS)
- b. 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. Asian Hotels (East) Limited (AHEL)
- b. Juniper Hotels Private Limited (JHPL)
- c. Juniper Investments Limited (JIL)
- d. Chartered Hotels Private Limited (CHPL)
- e. Chartered Hampi Hotels Private Limited (CHHPL)
- f. Unison Hotels Limited (UHL)
- g. Taragaon Regency Hotels Limited (TRHL)
- h. Samra Importex Private Limited
- i. Blue Energy Private Limited
- j. Polygon Management Advisory Private Limited
- k. Bodhgaya Guest House Pvt. Ltd.
- l. Salkia Estate Development Pvt. Ltd.

D. Disclosure of Transactions during the year

| Name of Person | Nature of Transactions | Year Ended 31st March, 2018 Rs. | Year Ended 31st March, 2017 Rs. |
|----------------|--|---------------------------------------|---------------------------------------|
| AHEL | Cost of Materials Consumed | 5,700 | 32,486 |
| | Reimbursement of Expenses(Net) | 2,89,858 | 8,586 |
| | Contract Labour and Services | - | 4,26,479 |
| | Sales Promotion | - | 2,88,503 |
| | Sale of Services | 11,65,021 | 6,72,386 |
| | Interest on Unsecured Loan (TDS deducted Rs. 8,10,788/-) | 81,07,877 | - |
| | Refund of Advance given to Forex Finance Private Limited | - | 53,20,00,000 |
| | Loan taken | 22,25,00,000 | - |
| | Advance Received | - | 7,50,00,000 |
| | Refund of Advance | - | 7,50,00,000 |



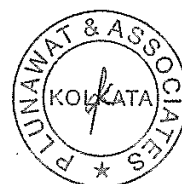
ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Disclosure of Transactions during the year (Contd...)

| Name of Person | Nature of Transactions | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|-----------------------------|---|--------------------------------|--------------------------------|
| JHPL | Reimbursement of Expenses | 39,627 | - |
| | Cost of Material Consumed | - | - |
| | Travelling and Conveyance | - | 2,37,018 |
| | Sale of Services | 2,48,675 | 3,23,338 |
| | Sales Promotion | 59,341 | 72,132 |
| UHL | Travelling Expenses | - | 68,512 |
| | Sale of Services | 17,308 | - |
| | Reimbursement of Expenses | 3,12,114 | - |
| | Sales Promotion | 6,85,169 | - |
| CHHPL | Sale of Services | 9,272 | - |
| CHL | Sale of Services | 1,57,713 | - |
| GJS | Interest on Debentures | 7,60,46,261 | 12,14,35,432 |
| | Issue of Equity shares on conversion of 1% Cumulative Convertible Preference Shares (Including Securities Premium Rs. 1,32,50,83,320) | - | 1,92,73,93,920 |
| Mr. A. Srinivasan | Remuneration* | - | 56,02,467 |
| | Legal Consultancy Fee | 12,00,000 | - |
| | Sitting Fee | 2,000 | 3,000 |
| Mr. Arun Kumar Saraf | Sitting Fee | 2,000 | 4,000 |
| Mr. Umesh Saraf | Sitting Fee | 6,000 | 7,000 |
| Mr. Soumya Saha | Sitting Fee | 5,000 | 1,000 |
| Mr. Pawan Kumar Kakarnia | Sitting Fee | 4,000 | 1,000 |
| | Sitting Fee | 5,000 | 1,000 |
| Mr. T.N. Thanikachalam | Remuneration* | 33,21,873 | 30,44,013 |
| Ms. N. Muthulakshmi | Remuneration* | 11,40,873 | 9,70,052 |

* The post employment benefits of KMPs excludes gratuity which cannot be separately identified from the composite amount advised by the actuary.



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

E. Balances as at year end

| Name of Person | Nature of Balances | Year Ended | Year Ended |
|----------------|--|------------------|------------------|
| | | 31st March, 2018 | 31st March, 2017 |
| | | Rs. | Rs. |
| AHEL | Corporate Guarantee | 160,95,00,000 | 160,95,00,000 |
| | Unsecured Loan | 22,25,00,000 | - |
| | Trade Payables | 13,956 | 8,27,589 |
| | Trade Receivables | 6,51,458 | 5,40,535 |
| | Interest accrued and due (net of TDS Rs. 5,32,535/-) | 47,92,808 | - |
| JHPL | Trade Payables | 6,03,831 | 12,39,229 |
| | Trade Receivables | 44,177 | 5,57,200 |
| UHL | Other Payables | 1,78,821 | 1,78,821 |
| | Trade Receivables | 17,682 | - |
| CHL | Trade Receivables | 1,57,713 | - |
| CHHPL | Trade Receivables | 9,272 | - |
| GJS | Interest accrued and due | - | 13,95,000 |
| | 0.1% Unsecured Cumulative Non- Convertible Debentures. | 70,82,15,105 | 63,37,18,844 |

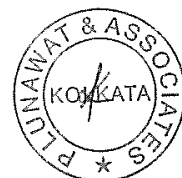
39. Earnings in Foreign Currency (Net):-

| | | |
|--------------------|------------------|-----------------|
| -On Receipt Basis* | Rs. 27,15,89,441 | Rs.40,22,32,691 |
|--------------------|------------------|-----------------|

*On the basis of Foreign Inward Remittance Certificates received.

40. Earnings Per Share

| <u>Numerator</u> | | |
|--|----------------|----------------|
| Profit/(Loss) for the year (Rs.) | (27,94,71,337) | (39,41,54,424) |
| <u>Denominator</u> | | |
| Weighted average number of Equity Shares | 15,41,73,829 | 9,80,68,184 |
| Face Value per Share (Rs.) | 10 | 10 |
| Earnings Per Share (Rs.) | | |
| -Basic | (1.81) | (4.02) |
| -Diluted | (1.81) | (4.02) |



ROBUST HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2018

41 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as on 31st March, 2018 are as follows:

| Particulars | Amortised Cost | Fair Value through PL | Fair Value through OCI | Total Carrying Value | Amount in Rs. Total Fair Value |
|--|----------------------|--------------------------|---------------------------|-------------------------|--------------------------------------|
| ASSETS | | | | | |
| Non - current Assets | | | | | |
| i) Investments | 10,000 | 30,767,880 | - | 30,777,880 | 30,777,880 |
| ii) Other Financial Assets | 25,363,063 | - | - | 25,363,063 | 25,363,063 |
| | <u>25,373,063</u> | <u>30,767,880</u> | <u>-</u> | <u>56,140,943</u> | <u>56,140,943</u> |
| Current Assets | | | | | |
| i) Trade Receivables | 87,166,754 | - | - | 87,166,754 | 87,166,754 |
| ii) Cash and Cash Equivalents | 7,359,542 | - | - | 7,359,542 | 7,359,542 |
| iii) Loans | 58,400 | - | - | 58,400 | 58,400 |
| iv) Other Financial Assets | 708,859 | - | - | 708,859 | 708,859 |
| | <u>95,293,555</u> | <u>-</u> | <u>-</u> | <u>95,293,555</u> | <u>95,293,555</u> |
| Total | <u>120,666,618</u> | <u>30,767,880</u> | <u>-</u> | <u>151,434,498</u> | <u>151,434,498</u> |
| LIABILITIES | | | | | |
| Non - current Liabilities | | | | | |
| (i) Borrowings | 1,229,550,000 | - | - | 1,229,550,000 | 1,229,550,000 |
| (ii) 12% Cumulative Redeemable Preference Shares of 100/- each fully paid up in cash | 430,000,000 | - | - | 430,000,000 | 430,000,000 |
| (iii) Unsecured Debentures | - | 708,215,105 | - | 708,215,105 | 708,215,105 |
| | <u>1,659,550,000</u> | <u>708,215,105</u> | <u>-</u> | <u>2,367,765,105</u> | <u>2,367,765,105</u> |
| Current Liabilities | | | | | |
| (i) Borrowings | 268,377,706 | - | - | 268,377,706 | 268,377,706 |
| (ii) Trade Payables | 203,392,093 | - | - | 203,392,093 | 203,392,093 |
| (iii) Other Financial Liabilities | 178,271,316 | - | - | 178,271,316 | 178,271,316 |
| | <u>650,041,115</u> | <u>-</u> | <u>-</u> | <u>650,041,115</u> | <u>650,041,115</u> |
| | <u>2,309,591,115</u> | <u>708,215,105</u> | <u>-</u> | <u>3,017,806,220</u> | <u>3,017,806,220</u> |



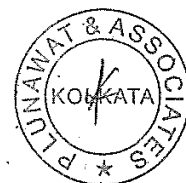
ROBUST HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2018

41 FINANCIAL INSTRUMENTS (Contd...)

Financial instruments by category

The carrying value and fair value of financial instruments by categories as on 31st March, 2017 are as follows:

| Particulars | Amount in Rs. | | | | |
|---|----------------------|-----------------------|------------------------|----------------------|----------------------|
| | Amortised Cost | Fair Value through PL | Fair Value through OCI | Total Carrying Value | Total Fair Value |
| ASSETS | | | | | |
| Non - current Assets | | | | | |
| i) Investments | 34,000 | 41,360,844 | - | 41,394,844 | 41,394,844 |
| ii) Other Financial Assets | 25,303,003 | - | - | 25,303,003 | 25,303,003 |
| | <u>25,337,003</u> | <u>41,360,844</u> | <u>-</u> | <u>66,697,847</u> | <u>66,697,847</u> |
| Current Assets | | | | | |
| i) Trade Receivables | 55,066,965 | - | - | 55,066,965 | 55,066,965 |
| ii) Cash and Cash Equivalents | 14,255,449 | - | - | 14,255,449 | 14,255,449 |
| iii) Loans | 51,903 | - | - | 51,903 | 51,903 |
| iv) Other Financial Assets | 735,402 | - | - | 735,402 | 735,402 |
| | <u>70,109,719</u> | <u>-</u> | <u>-</u> | <u>70,109,719</u> | <u>70,109,719</u> |
| Total Assets | <u>95,446,722</u> | <u>41,360,844</u> | <u>-</u> | <u>136,807,566</u> | <u>136,807,566</u> |
| LIABILITIES | | | | | |
| Non - current Liabilities | | | | | |
| i) Borrowings | 1,325,100,000 | - | - | 1,325,100,000 | 1,325,100,000 |
| ii) 12% Cumulative Redeemable Preference Shares of 100/- each fully paid up in cash | 430,000,000 | - | - | 430,000,000 | 430,000,000 |
| iii) Unsecured Debentures | - | 633,718,845 | - | 633,718,845 | 633,718,845 |
| | <u>1,755,100,000</u> | <u>633,718,845</u> | <u>-</u> | <u>2,388,818,845</u> | <u>2,388,818,845</u> |
| Current Liabilities | | | | | |
| (i) Borrowings | 40,449,886 | - | - | 40,449,886 | 40,449,886 |
| (ii) Trade Payables | 175,169,238 | - | - | 175,169,238 | 175,169,238 |
| (iii) Other Financial Liabilities | 195,597,939 | - | - | 195,597,939 | 195,597,939 |
| | <u>411,217,063</u> | <u>-</u> | <u>-</u> | <u>411,217,063</u> | <u>411,217,063</u> |
| Total | <u>2,166,317,063</u> | <u>633,718,845</u> | <u>-</u> | <u>2,800,035,908</u> | <u>2,800,035,908</u> |



ROBUST HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2018

42 Fair value hierarchy

This explains the estimates and judgements made in determining the fair values of Financial Instruments that are measured at fair value and amortised cost and for which fair values are disclosed in financial statements. To Provide an indication about reliability of the inputs used in determining the fair values, the company has classified its financial instruments into the three levels prescribed under accounting standards. An explanation of each level follows underneath the table:

Level 1 : includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of 31st March, 2018:

| Particulars | Fair Value | Fair value measurement using | | |
|---|----------------------|------------------------------|--------------------|----------------------|
| | | Level 1 | Level 2 | Level 3 |
| ASSETS | | | | |
| Non - current Assets | | | | |
| i) Investments | 30,777,880 | - | 30,767,880 | - |
| ii) Other Financial Assets | 25,363,063 | - | - | 25,363,063 |
| | 56,140,943 | - | 30,767,880 | 25,363,063 |
| Current Assets | | | | |
| i) Trade Receivables | 87,166,754 | - | - | 87,166,754 |
| ii) Cash and Cash Equivalents | 7,359,542 | - | - | 7,359,542 |
| iii) Loans | 58,400 | - | - | 58,400 |
| iv) Other Financial Assets | 708,859 | - | - | 708,859 |
| | 95,293,555 | - | - | 95,293,555 |
| Total | 151,434,498 | - | 30,767,880 | 120,656,618 |
| LIABILITIES | | | | |
| Non - current Liabilities | | | | |
| i) Term Loan | 1,229,550,000 | - | - | 1,229,550,000 |
| Preference Shares of 100/- each fully paid up in cash | 430,000,000 | - | - | 430,000,000 |
| iii) Unsecured Debentures | 708,215,105 | - | 708,215,105 | - |
| | 2,367,765,105 | - | 708,215,105 | 1,659,550,000 |
| Current Liabilities | | | | |
| (i) Term Loan | 268,377,706 | - | - | 268,377,706 |
| (ii) Trade Payables | 203,392,093 | - | - | 203,392,093 |
| (iii) Other Financial Liabilities | 178,271,316 | - | - | 178,271,316 |
| | 650,041,115 | - | - | 650,041,115 |
| Total | 3,017,806,220 | - | 708,215,105 | 2,309,591,115 |

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ROBUST HOTELS PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2018

42 Fair value hierarchy (Contd...)

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of 31st March, 2017

| Particulars | Fair Value | Fair value measurement using | | |
|---|----------------------|------------------------------|--------------------|----------------------|
| | | Level 1 | Level 2 | Level 3 |
| ASSETS | | | | |
| Non - current Assets | | | | |
| i) Investments | 41,394,844 | - | 41,360,844 | 34,000 |
| ii) Other Financial Assets | 25,303,003 | - | - | 25,303,003 |
| | <u>66,697,847</u> | <u>-</u> | <u>41,360,844</u> | <u>25,337,003</u> |
| Current Assets | | | | |
| i) Trade Receivables | 55,066,965 | - | - | 55,066,965 |
| ii) Cash and Cash Equivalents | 14,255,449 | - | - | 14,255,449 |
| iii) Loans | 51,903 | - | - | 51,903 |
| iv) Other Financial Assets | 735,402 | - | - | 735,402 |
| | <u>70,109,719</u> | <u>-</u> | <u>-</u> | <u>70,109,719</u> |
| Total | <u>136,807,566</u> | <u>-</u> | <u>41,360,844</u> | <u>95,446,722</u> |
| LIABILITIES | | | | |
| Non - current Liabilities | | | | |
| i) Term Loan | 1,325,100,000 | - | - | 1,325,100,000 |
| ii) 12% Cumulative Redeemable Preference Shares of 100/- each fully paid up in cash | 430,000,000 | - | - | 430,000,000 |
| iii) Unsecured Debentures | 633,718,845 | - | 633,718,845 | - |
| | <u>2,388,818,845</u> | <u>-</u> | <u>633,718,845</u> | <u>1,755,100,000</u> |
| Current Liabilities | | | | |
| (i) Term Loan | 40,449,886 | - | - | 40,449,886 |
| (ii) Trade Payables | 175,169,238 | - | - | 175,169,238 |
| (iii) Other Financial Liabilities | 195,597,939 | - | - | 195,597,939 |
| | <u>411,217,063</u> | <u>-</u> | <u>-</u> | <u>411,217,063</u> |
| Total | <u>2,800,035,908</u> | <u>-</u> | <u>633,718,845</u> | <u>2,166,317,063</u> |

The carrying amount of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair value due to their short term nature and are in close approximation of fair value.

43 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to liquidity risk and credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company maintains sufficient cash and cash equivalent to manage day to day operation. The Company has financial support from Asian Hotels (East) Limited, the holding company, to meet its financial liabilities for repayment.



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

43 FINANCIAL RISK MANAGEMENT (Contd...)

The table below provides details regarding the contractual maturities of financial liabilities as of 31st March, 2018:

| Particulars | | | | | Amount in Rs. |
|---|--------------------|--------------------|-------------|---------------|---------------|
| | less than 3 months | 3 months to 1 year | 1 - 5 years | 5 to 20 years | Total |
| Term Loan | - | 268,377,706 | 762,150,000 | 467,400,000 | 1,497,927,706 |
| 12% Cumulative Redeemable Preference Shares of 100/- each fully paid up in cash | - | - | 430,000,000 | - | 430,000,000 |
| Unsecured Debentures | - | - | - | 708,215,105 | 708,215,105 |
| Trade payables | - | 203,392,093 | - | - | 203,392,093 |
| Other Financial Liabilities | - | 178,271,316 | - | - | 178,271,316 |

The table below provides details regarding the contractual maturities of financial liabilities as of 31st March, 2017:

| Particulars | | | | | Amount in Rs. |
|---|--------------------|--------------------|-------------|---------------|---------------|
| | less than 3 months | 3 months to 1 year | 1 - 5 years | 5 to 20 years | Total |
| Term Loan | - | 40,449,886 | 529,500,000 | 795,600,000 | 1,365,549,886 |
| 12% Cumulative Redeemable Preference Shares of 100/- each fully paid up in cash | - | - | 430,000,000 | - | 430,000,000 |
| Unsecured Debentures | - | - | - | 633,718,845 | 633,718,845 |
| Trade payables | - | 175,169,238 | - | - | 175,169,238 |
| Other Financial Liabilities | 15,000,000 | 180,597,939 | - | - | 195,597,939 |

Credit Risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument leading to a financial loss. The company is exposed to credit risk from investments, trade receivables, cash and cash equivalents loans and other financial assets.

The Company's credit risk is minimised as the Company's financial assets are carefully allocated to counter parties reflecting the credit worthiness.

The Company's credit risk is minimised as the Company's financial assets are carefully allocated to counter parties reflecting the credit worthiness.

The maximum exposure of financial asset to credit risk are as follows :

| Particulars | Amount in Rs. | |
|-------------------------|-----------------|-----------------|
| | 31st March 2018 | 31st March 2017 |
| Investments | 30,777,880 | 41,394,844 |
| Trade Receivables | 87,166,754 | 55,066,965 |
| Cash & cash equivalents | 7,359,542 | 14,255,449 |
| Loans | 58,400 | 51,903 |
| Other Financial Assets | 26,071,922 | 26,038,405 |

44 CAPITAL MANAGEMENT

For the purpose of managing capital, Capital includes issued equity share capital and reserves attributable to the equity holders.

The objective of the company's capital management are to:

- Safeguard their ability to continue as going concern so that they can continue to provide benefits to their shareholders.
- Maximisation of wealth of the shareholder.
- Maintain optimum capital structure to reduce the cost of the capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings.

Gearing Ratio is as follows :

| Particulars | Amount in Rs. | |
|---------------------------|-----------------|-----------------|
| | 31st March 2018 | 31st March 2017 |
| Net debt | 2,367,765,105 | 2,388,818,845 |
| Total net debt and equity | 5,310,220,964 | 5,611,608,840 |
| Gearing Ratio | 44.59% | 42.57% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any loans and borrowing in the current period.



ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

45. C. I. F. Value of Capital Goods imported Rs.6,68,199 Rs.77,25,542

46. Expenditure in Foreign Currency:-

| Expenditure | Year Ended 31 st March,2018 | Year Ended 31 st March,2017 |
|------------------------------------|---|---|
| | Rs. | Rs. |
| Fees for Technical Services | 1,50,58,571 | 1,86,93,855 |
| Professional & Consultancy | - | 7,88,706 |
| Travelling Expenses | 5,50,993 | 1,88,756 |
| Commission | 2,21,11,073 | 93,65,670 |
| Insurance | - | 9,93,629 |
| Recruitment & Training | - | 4,03,894 |
| Cost of Supplies | - | 5,58,746 |
| Business Promotion & Advertisement | - | 7,23,966 |
| Repair & Maintenance | - | 8,61,867 |
| Management Fee | 2,66,72,879 | 5,48,54,347 |
| Others | 7,18,216 | 4,07,497 |

47. Pursuant to Sections 230 and 232 of the Companies Act, 2013 the Board of Directors of the Company (RHPL) has approved a Scheme of Arrangement on 10th February, 2017 for (1) demerger of the investment division (Demerged Undertaking) of its holding company GJS Hotels Limited (GJS) for merger with Asian Hotels (East) Limited AHEL (the holding company of GJS) and (2) to reorganise the Share Capital and Debentures of RHPL with effect from the Appointed Date, being close of business hours on 31st March, 2016. Consequent to the demerger of the Demerged Undertaking of GJS with AHEL under the Scheme, all shares held by GJS in RHPL will stand transferred to AHEL and RHPL will become a wholly owned subsidiary of AHEL. The Share Capital and Debentures of RHPL will also stand reorganised pursuant to the said Scheme. The Scheme has been approved by National Stock Exchange of India Limited (NSE) and BSE Limited and approval by National Company Law Tribunal (NCLT) awaited.

48. 12% Cumulative Redeemable Preference Shares issued by the Company are covered under the Scheme of Arrangement among GJS Hotels Limited, Asian Hotels (East) limited and the Company and will be implemented after approval from NCLT, Kolkata and Chennai. Post implementation of this scheme of Arrangement, these Cumulative Redeemable Preference Shares held by Asian Hotels (East) Limited will eventually be converted into Equity Shares of the Company. The Dividend on these Preference Shares may not be payable by the Company. However arrear liability on these shares has been disclosed under Note No. 32 of the Financial Statements.



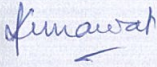
ROBUST HOTELS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2018

49. Derivative instruments and foreign currency exposures
- a. Foreign currency exposure outstanding as at the Balance Sheet date is Rs. 11,80,91,292/- (previous year Rs.13,29,41,655)
 - b. Particulars of un-hedged foreign currency exposures as at the balance sheet date is NIL (previous year NIL)
50. Previous year figures have been regrouped / rearranged wherever necessary.

Signature to Notes 1 to 51

As per our Report annexed
For P. Lunawat & Associates
Chartered Accountants
Firm Registration No.: 328946E

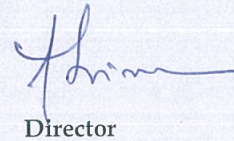


(Pankaj Lunawat)
Proprietor
Membership No.: 067104
Place: Chennai
Date: 25th April 2018

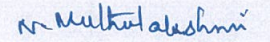


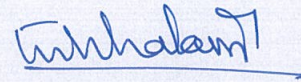
FOR AND ON BEHALF OF THE BOARD

Director



Director


Chief Financial Officer


VP & Company Secretary

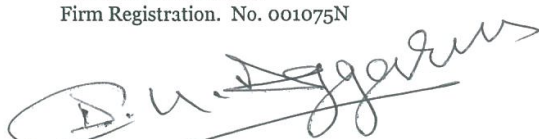
GJS HOTELS LIMITED
CIN: U55101WB2002PLC160608
BALANCE SHEET AT MARCH 31, 2018

| | Note | As at 31.03.2018 | Amount in Rs As at 31.03.2017 |
|--|------|----------------------|----------------------------------|
| ASSETS | | | |
| (1) Non - current assets | | | |
| (a) Property, plant and equipment | 2 | 54,409,175 | 68,539,349 |
| (b) Capital work in progress | 3 | 15,508,429 | 781,731 |
| (c) Financial assets | | | |
| (i) Investments | 4 | 4,681,457,634 | 4,606,961,373 |
| (ii) Other financial assets | 5 | 2,000 | 2,000 |
| (d) Deferred tax assets | 6 | 351,282 | 351,282 |
| (e) Other non-current assets | 7 | 250,000 | - |
| Total Non Current Assets | | 4,751,978,520 | 4,676,635,735 |
| (2) Current assets | | | |
| (a) Financial assets | | | |
| (i) Cash and cash equivalents | 8 | 386,354 | 16,392 |
| (ii) Other financial assets | 5 | - | 1,395,000 |
| (b) Income tax assets (net) | 9 | 258,078 | 103,078 |
| Total Current Assets | | 644,432 | 1,514,470 |
| Total assets | | 4,752,622,952 | 4,678,150,205 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 10 | 109,610,000 | 109,610,000 |
| (b) Other equity | 11 | 1,413,117,628 | 1,338,293,065 |
| | | 1,522,727,628 | 1,447,903,065 |
| LIABILITIES | | | |
| (1) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12 | 3,229,844,800 | 3,230,204,800 |
| (ii) Other financial liabilities | 13 | 46,634 | 38,470 |
| (b) Other current liabilities | 14 | 3,890 | 3,870 |
| Total Current Liabilities | | 3,229,895,324 | 3,230,247,140 |
| Total Equity & Liabilities | | 4,752,622,952 | 4,678,150,205 |
| Significant Accounting Policies | 1 | | |

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For **NSBP & Co.**
Chartered Accountants
Firm Registration. No. 001075N



Deepak K. Aggarwal
Partner
Membership No. : 095541

Place: Delhi
Date: April 28, 2018

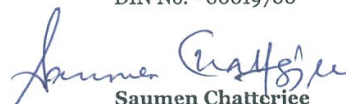


For and on behalf of the Board of Directors of GJS Hotels Limited


Umesh Saraf
Director
DIN No. - 00017985


Padam Khaitan
Director
DIN No. - 00019700


Bimal K Jhunjhunwala
Chief Financial Officer
Place: Kolkatta
Date: April 27, 2018


Saumen Chatterjee
Company Secretary

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

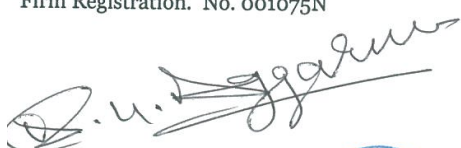
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

| | Note | Year ended 31.03.2018 | Amount in ₹ Year ended 31.03.2017 |
|---|------|--------------------------|---|
| Revenue | | | |
| I Revenue from operations | | - | - |
| II Other income | 15 | 76,046,261 | 230,533,192 |
| Total income (A) | | 76,046,261 | 230,533,192 |
| Expenses | | | |
| III Employee benefits expenses | 16 | 1,038,729 | 599,791 |
| IV Other expenses | 17 | 182,969 | 232,882 |
| Total Expenses (B) | | 1,221,698 | 832,673 |
| V Profit before exceptional items and tax (A-B) | | 74,824,563 | 229,700,519 |
| VI Exceptional items | | - | - |
| Profit before tax | | 74,824,563 | 229,700,519 |
| VII Tax Expense : | | | |
| (1) Current tax | | - | 132,782 |
| (2) Deferred tax | | - | (132,782) |
| VIII Profit for the year | | 74,824,563 | 229,700,519 |
| IX Other comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | - | - |
| X Total comprehensive income for the Year | | 74,824,563 | 229,700,519 |
| XI Earnings per equity share (Face Value of Rs 10/-each) | | | |
| (1) Basic | 18 | 6.83 | 20.96 |
| (2) Diluted | 18 | 6.83 | 20.96 |
| Significant Accounting Policies | 1 | | |

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

As per our report of even date

For **NSBP & Co.**
Chartered Accountants
Firm Registration. No. 001075N



Deepak K. Aggarwal
Partner
Membership No. : 095541

Place: Delhi
Date: April 28, 2018



For and on behalf of the Board of Directors of GJS Hotels Limited



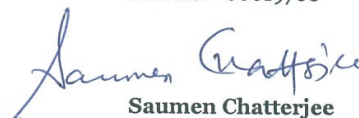
Umesh Saraf
Director
DIN No. - 00017985



Padam Khaitan
Director
DIN No. - 00019700



Bimal K Jhunjunwala
Chief Financial Officer
Place: Kolkatta
Date: April 27, 2018



Saumen Chatterjee
Company Secretary

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | Equity Share Capital | Other Equity | | | Total equity attributable to equity holders of the Company |
|---|----------------------|----------------------|----------------------------|----------------------------|--|
| | | Reserves and Surplus | | Other Comprehensive Income | |
| | | Retained earnings | Securities premium account | | |
| As at 01.4.2016 | 109,610,000 | (1,128,162,454) | 2,236,755,000 | - | 1,218,202,546 |
| Change in equity for the year ended March 31, 2016 Profit for the year | - | 229,700,519 | - | - | 229,700,519 |
| As at 31.3.2017 | 109,610,000 | (898,461,935) | 2,236,755,000 | - | 1,447,903,065 |
| Change in equity for the year ended March 31, 2017 Profit for the year | - | 74,824,563 | - | - | 74,824,563 |
| As at 31.3.2018 | 109,610,000 | (823,637,372) | 2,236,755,000 | - | 1,522,727,628 |

Significant Accounting Policies

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

As per our report of even date attached

For **NSBP & Co.**
Chartered Accountants
Firm Registration. No. 001075N



(Signature)
Deepak K. Aggarwal
Partner
Membership No. : 095541

Place: Delhi
Date: April 28, 2018

For and on behalf of the Board of Directors of GJS Hotels Limited

(Signature)
Umesh Saraf
Director
DIN No. - 00017985

(Signature)
Padam Khaitan
Director
DIN No. - 00019700

(Signature)
Bimal K Jhunjhunwala
Chief Financial Officer
Place: Kolkatta

(Signature)
Saumen Chatterjee
Company Secretary

Date: April 27, 2018

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | Amount in Rs | |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2018 | Year ended 31.03.2017 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 74,824,563 | 22,700,519 |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Interest income | (76,046,261) | (230,533,192) |
| Operating (loss)/profit before working capital changes | (1,221,698) | (832,673) |
| Other financial liabilities | 8,164 | (7,275) |
| Other current liabilities | 20 | (510) |
| Cash generated from operations | (1,213,514) | (840,458) |
| Direct taxes | 155,000 | 250,312 |
| Net Cash generated from/(used in) Operations | (1,368,514) | (1,090,770) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from redemption of debentures | - | 500,000,000 |
| Received fractional amount on conversion of preference shares into equity shares | - | 25 |
| Capital Expenditure- Land Development Fees | (596,524) | - |
| Interest received on investments | 2,945,000 | 2,245,903 |
| Other Non Current Assets | (250,000) | - |
| Net Cash flow from/(used in) Investing Activities | 2,098,476 | 502,245,928 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short-term borrowings | 2,140,000 | 631,200 |
| Repayment of short-term borrowings | (2,500,000) | (501,845,000) |
| Net cash flow from/(used in) Financing Activities | (360,000) | (501,213,800) |
| Net increase/(decrease) in Cash and Cash Equivalents (A+B+C) | 369,962 | (58,642) |
| Cash and cash equivalents at the beginning of the year | 16,392 | 75,034 |
| Cash and cash equivalents at the end of the year | 386,354 | 16,392 |

Significant Accounting Policies

Notes

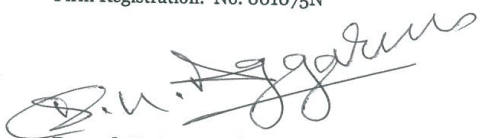
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1. Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 specified as per Companies Act 2013. The accompanying notes form an integral part of the financial statements. As per our report of even date attached

For NSBP & Co.

Chartered Accountants

Firm Registration. No. 001075N



Deepak K. Aggarwal
Partner
Membership No. : 095541

Place: Delhi
Date: April 28, 2018



For and on behalf of the Board of Directors OF GJS Hotels Limited



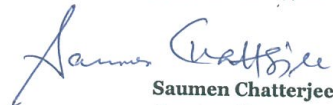
Umesh Saraf
Director
DIN No. - 00017985



Padam Khaitan
Director
DIN No. - 00017700



Bimal K Jhunjhunwala
Chief Financial Officer
Place: Kolkatta
Date: April 27, 2018



Saumen Chatterjee
Company Secretary

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

2. PROPERTY, PLANT & EQUIPMENT

| Particulars | Amount in Rs | | |
|----------------------------------|----------------|------------------|--------|
| | Leasehold Land | Property & Plant | Others |
| Gross Block (at cost) | | | |
| As at 01.04.2016 | 68,539,349 | - | - |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at 31.03.2017 | 68,539,349 | - | - |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at 31.03.2018 | 68,539,349 | - | - |
| Amortisation/Depreciation | | | |
| As at 01.04.2016 | - | - | - |
| Charge for the year | - | - | - |
| As at 31.03.2017 | - | - | - |
| Charge for the year | 14,130,174 | - | - |
| As at 31.03.2018 | 14,130,174 | - | - |
| Net Block | | | |
| As at 31.03.2017 | 68,539,349 | - | - |
| As at 31.03.2018 | 54,409,175 | - | - |

3. CAPITAL WORK IN PROGRESS

| Particulars | Amount in Rs | | |
|-------------------------------|----------------------|------------|----------------------|
| | As at March 31, 2018 | Additions | As at March 31, 2017 |
| Pre-operative expenses | | | |
| Rates & taxes | 436,456 | 436,456 | - |
| Travelling expense | 90,068 | 90,068 | - |
| Legal & professional charges | 781,731 | - | 781,731 |
| Miscellaneous expenses | 70,000 | 70,000 | - |
| Amortisation of Land | 14,130,174 | 14,130,174 | - |
| | 15,508,429 | 14,726,698 | 781,731 |

4. INVESTMENTS

| Particulars | Amount in Rs | |
|---|------------------|------------------|
| | As at 31.03.2018 | As at 31.03.2017 |
| Non-current | | |
| Unquoted | | |
| Investment carried at cost | | |
| Investment in equity instruments of subsidiary - Robust Hotels Pvt. Ltd. 124,163,829 (previous year: 124,163,829) equity shares of Rs 10/- each fully paid up | 3,973,242,528 | 3,973,242,528 |
| | 3,973,242,528 | 3,973,242,528 |
| Investment carried at amortised cost | | |
| Investment in debentures of subsidiary - Robust Hotels Pvt. Ltd. 15,500,000 (previous year: 15,500,000) 0.10% unsecured redeemable non-convertible debentures of Rs 100/-each fully paid up | 708,215,106 | 633,718,845 |
| | 708,215,106 | 633,718,845 |
| | 4,681,457,634 | 4,606,961,373 |
| Aggregate value of unquoted investments | 4,681,457,634 | 4,606,961,373 |
| Aggregate value of provision for impairment in value of investments | - | - |

5. OTHER FINANCIAL ASSETS

| Particulars | Amount in Rs | |
|-----------------------------------|------------------|------------------|
| | As at 31.03.2018 | As at 31.03.2017 |
| Non-current | | |
| Unsecured, Considered Good | | |
| Security deposits | 2,000 | 2,000 |
| | 2,000 | 2,000 |
| Current | | |
| Interest accrued and due | - | 1,395,000 |
| | - | 1,395,000 |



GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

6. DEFERRED TAX ASSETS

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|------------------------|------------------|------------------|
| Non-current | | |
| MAT credit entitlement | 351,282 | 351,282 |
| | <u>351,282</u> | <u>351,282</u> |

7. OTHERS NON -CURRENT ASSETS

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|-----------------------------------|------------------|------------------|
| Non-current | | |
| Unsecured, Considered Good | | |
| Capital Advances | 250,000 | - |
| | <u>250,000</u> | <u>-</u> |

8. CASH & CASH EQUIVALENTS

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| Current | | |
| Balances with banks in current account | 377,445 | 8,817 |
| Cash on hand | 8,909 | 7,575 |
| | <u>386,354</u> | <u>16,392</u> |

9. INCOME TAX ASSETS (net)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|-------------------------|------------------|------------------|
| Current | | |
| Income tax assets | 610,312 | 455,312 |
| Less: Provision for tax | 352,234 | 352,234 |
| | <u>258,078</u> | <u>103,078</u> |

10. SHARE CAPITAL

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|--------------------|--------------------|
| Authorised Shares | | |
| 14,000,000 (Previous Year 14,000,000) Equity Shares of R10/- each | 140,000,000 | 140,000,000 |
| Issued, subscribed & paid up | | |
| 10,961,000 (Previous Year 10,961,000) Equity Shares of R10/- each | 109,610,000 | 109,610,000 |
| Total | <u>109,610,000</u> | <u>109,610,000</u> |

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

| Equity Shares | As at 31.03.2018 | As at 31.03.2017 |
|------------------------------|-------------------|-------------------|
| At the beginning of the year | 10,961,000 | 10,961,000 |
| Changes during the Year | - | - |
| At the end of the year | <u>10,961,000</u> | <u>10,961,000</u> |

Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by Holding/ultimate Holding Company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its Holding Company is as below:

| | As at 31.03.2018 | | As at 31.03.2017 | |
|---|------------------|-------------|------------------|-------------|
| | No. of shares | Amount | No. of shares | Amount |
| Asian Hotels (East) Limited, the Holding Company and its Nominees | 10,961,000 | 109,610,000 | 10,961,000 | 109,610,000 |

Details of shareholders Holding more than 5% shares in the Company

| Equity shares | % of Holding | As at 31.03.2018 | As at 31.03.2017 |
|--|--------------|------------------|------------------|
| | | No. of Shares | No. of Shares |
| Asian Hotels (East) Limited and its Nominees | 100% | 10,961,000 | 10,961,000 |

11. OTHER EQUITY

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|----------------------------|----------------------|----------------------|
| Securities premium reserve | 2,236,755,000 | 2,236,755,000 |
| Retained earnings | (823,637,372) | (898,461,935) |
| | <u>1,413,117,628</u> | <u>1,338,293,065</u> |



GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

12. BORROWINGS

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|----------------------|----------------------|
| Current | | |
| Unsecured, repayable on demand | | |
| Loan from related party (holding company, interest free) | 3,229,844,800 | 3,230,204,800 |
| | <u>3,229,844,800</u> | <u>3,230,204,800</u> |

13. OTHER FINANCIAL LIABILITIES

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|------------------|------------------|------------------|
| Current | | |
| Expenses payable | 46,634 | 38,470 |
| | <u>46,634</u> | <u>38,470</u> |

14. OTHER CURRENT LIABILITIES

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|----------------|------------------|------------------|
| Current | | |
| Statutory Dues | 3,890 | 3,870 |
| | <u>3,890</u> | <u>3,870</u> |

15. OTHER INCOME

| Particulars | Amount in Rs | |
|---|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| Interest income on debentures | 1,550,000 | 1,795,903 |
| Finance income (unwinding) on debentures | 74,496,261 | 119,639,519 |
| Finance income (unwinding) on preference shares | - | 109,097,770 |
| Liabilities written back | - | - |
| | <u>76,046,261</u> | <u>230,533,192</u> |

16. EMPLOYEE BENEFIT EXPENSES

| Particulars | Amount in Rs | |
|------------------------|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| Salaries and wages | 1,014,894 | 575,114 |
| Staff welfare expenses | 23,835 | 24,677 |
| | <u>1,038,729</u> | <u>599,791</u> |

17. OTHER EXPENSES

| Particulars | Amount in Rs | |
|-------------------------------|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| Travelling and conveyance | 53,778 | 106,384 |
| Payment to auditor | | |
| Audit Fees | 35,000 | 35,000 |
| Taxes on Fees | 7,050 | 5,250 |
| Certification fees | 5,000 | |
| Rates and taxes | 2,500 | 2,500 |
| Legal & professional expenses | 37,600 | 21,513 |
| Lease rent | 2,100 | 2,100 |
| Filing fees | 2,489 | 10,244 |
| Printing & stationery | 7,195 | 14,310 |
| Telephone expenses | 12,967 | 13,396 |
| Miscellaneous expenses | 17,290 | 25,185 |
| | <u>182,969</u> | <u>232,882</u> |

18. EARNINGS PER SHARE

| Particulars | Note | Amount in Rs | |
|--|------|-------------------------------|-------------------------------|
| | | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| (i) Profit available for Equity Shareholders | | 74,824,563 | 229,700,519 |
| (ii) Weighted average number of Equity Shares @ Rs 10 each | | 10,961,000 | 10,961,000 |
| (iii) Basic Earnings per share (R) | | 6.83 | 20.96 |
| (iv) Diluted Earnings per share (R) | | 6.83 | 20.96 |
| (v) Face Value per share | | 10.00 | 10.00 |



GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

19. In accordance with the Accounting Standard on "Related Party Disclosures" (Ind AS-24), the disclosures in respect of Related Parties and transactions with them, as identified and certified by the management, are as follows: -

Related Party Disclosures

(i) List of Related Parties

- | | |
|---|---|
| <p>(a) Holding Company : Asian Hotels (East) Limited</p> <p>(c) Fellow Subsidiary Company : Regency Convention Centre and Hotels Limited</p> <p>(c) Entities over which directors or their relatives can exercise significant influence/control :</p> <ul style="list-style-type: none"> (i) Samra Importex Private Limited (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) Juniper Investments Limited (viii) Chartered Hotels Pvt. Ltd. (ix) Blue Energy Private Limited (x) Footsteps of Buddha Hotels Private Limited (xi) Chartered Hampi Hotels Pvt. Ltd. (xii) Sara Hospitality Limited, Hong Kong (xiii) Sara International Limited, Hong Kong | <p>(b) Subsidiary Company : Robust Hotels Private Limited</p> <ul style="list-style-type: none"> (xiv) Triumph Realty Pvt. Ltd. (xv) Nepal Travel Agency Pvt. Ltd., Nepal (xvi) Yak & Yeti Hotels Limited, Nepal (xvii) Taragaon Regency Hotels Limited, Nepal (xix) Saraf Industries Limited, Mauritius (xx) Saraf Hotels Limited, Mauritius (xxi) Saraf Investments Limited, Mauritius |
|---|---|

(ii) Details of transactions with related parties during the year :

| Transactions | 31st March 2018 | 31st March 2017 |
|--|-----------------|-----------------|
| Interest on Debentures from Subsidiary Company | 76,046,261 | 121,435,422 |
| Interest on Preference shares from Subsidiary Company | - | 109,097,770 |
| Interest Accrued on Debentures from Subsidiary Company | - | 1,550,000 |
| Investment made by Holding Company in Share Capital & Securities Premium | | |
| During the year | - | - |
| Closing balance | 2,346,365,000 | 2,346,365,000 |
| Investment in Equity Shares of Subsidiary Company | | |
| Opening balance | 3,973,242,528 | 2,045,848,608 |
| Conversion of preference share into equity shares during the year | - | 1,927,393,920 |
| Closing balance | 3,973,242,528 | 3,973,242,528 |
| Investment in Preference Shares of Subsidiary Company | | |
| Opening balance | - | 1,818,296,175 |
| Interest (unwinding) during the year | - | 109,097,770 |
| Conversion into equity shares during the year | - | (1,927,393,920) |
| Redemption during the year | - | -25 |
| Closing balance | - | - |
| Investment in Non Convertible Debenture of Subsidiary Company | | |
| Opening balance | 633,718,845 | 1,014,079,326 |
| Interest (unwinding) during the year | 74,496,261 | 119,639,519 |
| Redemption during the year | - | (500,000,000) |
| Closing balance | 708,215,106 | 633,718,845 |
| Advances taken from Holding Company | | |
| Opening balance | 3,230,204,800 | 3,731,418,600 |
| Taken/(repaid) during the year | (360,000) | (501,213,800) |
| Closing balance | 3,229,844,800 | 3,230,204,800 |

20. The loans outstanding to Holding Company carrying no interest and repayable on demand as at 31st March 2018 :

| | Maximum amount outstanding during the year | |
|-----------------------------|--|-----------------|
| Holding Company | 31st March 2018 | 31st March 2017 |
| Asian Hotels (East) Limited | 3,231,844,800 | 3,731,418,600 |
| Holding Company | Outstanding as on | |
| Asian Hotels (East) Limited | 31st March 2018 | 31st March 2017 |
| | 3,229,844,800 | 3,230,204,800 |



GJS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

21. FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as on March 31, 2018 are as follows:

| Particulars | Amortised Cost | Fair Value through PL | Fair Value through OCI | Total Carrying Value | Amount in Rs |
|-----------------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|
| | | | | | Total Fair Value |
| Assets: | | | | | |
| Investments | | | | | |
| Debentures | 708,215,106 | - | - | 708,215,106 | 708,215,106 |
| Preference Shares | - | - | - | - | - |
| Cash & cash equivalents | 386,354 | - | - | 386,354 | 386,354 |
| Other financial assets | 2,000 | - | - | 2,000 | 2,000 |
| Total | 708,603,460 | - | - | 708,603,460 | 708,603,460 |
| Liabilities: | | | | | |
| Borrowings | 3,229,844,800 | - | - | 3,229,844,800 | 3,229,844,800 |
| Other financial liabilities | 46,634 | - | - | 46,634 | 46,634 |
| Total | 3,229,891,434 | - | - | 3,229,891,434 | 3,229,891,434 |

The carrying value and fair value of financial instruments by categories as on March 31, 2017 are as follows:

| Particulars | Amortised Cost | Fair Value through PL | Fair Value through OCI | Total Carrying Value | Amount in Rs |
|-----------------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|
| | | | | | Total Fair Value |
| Assets: | | | | | |
| Investments | | | | | |
| Debentures | 633,718,845 | - | - | 633,718,845 | 633,718,845 |
| Preference Shares | - | - | - | - | - |
| Cash & cash equivalents | 16,392 | - | - | 16,392 | 16,392 |
| Other financial assets | 1,397,000 | - | - | 1,397,000 | 1,397,000 |
| Total | 635,132,237 | - | - | 635,132,237 | 635,132,237 |
| Liabilities: | | | | | |
| Borrowings | 3,230,204,800 | - | - | 3,230,204,800 | 3,230,204,800 |
| Other financial liabilities | 38,470 | - | - | 38,470 | 38,470 |
| Total | 3,230,243,270 | - | - | 3,230,243,270 | 3,230,243,270 |

Fair value hierarchy

This section explains the estimates and judgements made in determining the fair values of Financial Instruments that are measured at fair value and amortised cost and for which fair values are disclosed in financial statements. To provide an indication about reliability of the inputs used in determining the fair values, the company has classified its financial instruments into the three levels prescribed under accounting standards. An explanation of each level follows underneath the table:

Level 1 : Includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2018:

| Particulars | Fair Value | Fair value measurement using | | |
|-----------------------------|----------------------|------------------------------|----------|----------------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Investments | | | | |
| Debentures | 708,215,106 | - | - | 708,215,106 |
| Preference Shares | - | - | - | - |
| Other financial assets | 2,000 | - | - | 2,000 |
| Total | 708,217,106 | - | - | 708,217,106 |
| Liabilities: | | | | |
| Borrowings | 3,229,844,800 | - | - | 3,229,844,800 |
| Other financial liabilities | 46,634 | - | - | 46,634 |
| Total | 3,229,891,434 | - | - | 3,229,891,434 |

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2017:

| Particulars | Fair Value | Fair value measurement using | | |
|-----------------------------|----------------------|------------------------------|----------|----------------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Investments | | | | |
| Debentures | 633,718,845 | - | - | 633,718,845 |
| Preference Shares | - | - | - | - |
| Other financial assets | 1,397,000 | - | - | 1,397,000 |
| Total | 635,115,845 | - | - | 635,115,845 |
| Liabilities: | | | | |
| Borrowings | 3,230,204,800 | - | - | 3,230,204,800 |
| Other financial liabilities | 38,470 | - | - | 38,470 |
| Total | 3,230,243,270 | - | - | 3,230,243,270 |

The carrying amount of other financial assets, borrowings and expenses payable are considered to be the same as their fair value due to their short term nature and are close approximation of fair value.

The Company's investment in the equity shares of its subsidiaries is recognised at cost. The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates and joint ventures as deemed cost as on the date of transition to Ind AS.

The Company's investment in debentures of the subsidiaries have been valued at amortized cost using effective interest rate method.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

22. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to liquidity risk and credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company maintains sufficient cash and cash equivalent to manage its operating requirements. The Company has the financial support and call for additional loan from Asian Hotels (East) Limited, the holding company, to settle to its financial liabilities when they fall due for repayment.

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2018:

| Particulars | Amount in Rs | | | |
|-----------------------------|--------------------|--------------------|---------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1 - 5 years | Total |
| Borrowings | - | - | - | - |
| Other financial liabilities | 46,634 | - | 3,229,844,800 | 3,229,844,800 |
| | | | | 46,634 |

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2017:

| Particulars | Amount in Rs | | | |
|-----------------------------|--------------------|--------------------|---------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1 - 5 years | Total |
| Borrowings | - | - | - | - |
| Other financial liabilities | 38,470 | - | 3,230,204,800 | 3,230,204,800 |
| | | | | 38,470 |

Credit Risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument leading to a financial loss. The company is exposed to credit risk from investments, cash and cash equivalents and other financial assets.

The Company's credit risk is minimised as the Company's financial assets are carefully allocated to counter parties reflecting the credit worthiness.

The maximum exposure of financial asset to credit risk are as follows :

| Particulars | Amount in Rs | |
|-------------------------|-----------------|-----------------|
| | 31st March 2018 | 31st March 2017 |
| Investments | 4,681,457,634 | 4,606,961,373 |
| Other financial assets | 4,000 | 1,399,000 |
| Cash & cash equivalents | 386,354 | 16,392 |

23. CAPITAL MANAGEMENT

For the purpose of managing capital, Capital includes issued equity share capital and reserves attributable to the equity holders.

The objective of the company's capital management are to:

- Safeguard their ability to continue as going concern so that they can continue to provide benefits to their shareholders.
- Maximise the wealth of the shareholder.
- Maintain optimum capital structure to reduce the cost of the capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares . The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings , less cash and cash equivalents.

Gearing Ratio is as follows :

| Particulars | Amount in Rs | |
|---------------------------|-----------------|-----------------|
| | 31st March 2018 | 31st March 2017 |
| Net debt | 3,229,844,800 | 3,230,204,800 |
| Total net debt and equity | 4,752,572,428 | 4,678,107,865 |
| Gearing Ratio | 67.96% | 69.05% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

24. There is no Contingent liabilities as on 31st March 2018 (Previous Year - Nil).

25. The Estimated amount of Capital Contracts pending to be executed is of Rs 930,000 under the Head Fixed Asset as on 31.03.2018 (Previous Year - NIL). Other commitments- Nil (Previous year - NIL)

26. No amount is due to Micro, Small and Medium enterprises (identified on the basis of information made available during the year by such enterprises to the Company). No interest in terms of Micro, Small and Medium Enterprises Development Act, 2006 has been either paid or accrued during the year.

27. The Company has filed drawings with Bhubaneswar Municipal Corporation (BMC) for its hotel project on the leasehold land. The sanction of the drawing is awaited. Further in view of expiry of lease extension granted by the General Administration (GA) Department, Government of Odisha, the Company has written to it requesting for lease extension to undertake the project. The Company is yet to get the extension from the Government and has been actively following up with the Department. The Company is hopeful of a positive response.

28. The Company is not liable for Provident Fund and/or any other retirement benefit for its employees under the relevant applicable Laws, Rules & Regulations.

29. The Company does not have more than one reportable segment in accordance with the principle outlined in Ind AS 108, "Operating Segment ", the disclosure requirements on Operating Segment is not applicable. The Company operates presently only in India. Thus there is no geographical segment apart from India.



GJS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

30. (a) The Company holds Equity shares, Debentures & Cumulative Redeemable Optional Convertible Preference Shares (Securities) in its subsidiary Robust Hotels Pvt Ltd. (RHPL) valued at cost of Rs.204,58,48,608/-, Rs.205,00,00,000/- and Rs.192,73,93,945/- respectively i.e aggregating to Rs.602,32,42,553/- as on 31st March 2016 being the appointed date. These Securities form part of investment division of the Company. Pursuant to section 230 of the Companies Act, 2013 and other provisions applicable, the Company has filed on 31st October 2017 a Scheme of Arrangement, merging its investment division with its holding company, Asian Hotels (East) Limited (AHEL) before NCLT, Kolkata Bench. The said Scheme also provides for reorganization of the Securities of RHPL. Pursuant to Sections 230 and 232 of the Companies Act, 2013, the Board of Directors of the Company has approved the Scheme of Arrangement on 10th February, 2017. Consequently to this scheme, all the Securities held by the Company in its subsidiary RHPL will stand transferred to AHEL and RHPL will become a direct wholly owned subsidiary of AHEL. The Scheme is subject to requisite statutory approvals, including sanction by the National Company Law Tribunal (NCLT) and approval of the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), wherein AHEL Shares are listed. As on the date of signing of these financials, no adverse observations or comments have been received by AHEL from Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

(b) Subsequent to the Scheme becoming effective, in the books of the Company, the difference between the assets and liabilities of the Demerged undertaking, being a sum of Rs 232,88,33,185/- shall be first adjusted against the securities premium Account and credit balance in Profit & loss Account of the Company aggregating to Rs 222,15,23,405/- and the remaining difference of Rs 10,73,09,780/- shall be adjusted against the Equity Share Capital of the Company by cancelling 1,07,30,978 Equity Shares of Rs 10- each in the Share capital of the Company. After taking effect of the Scheme, the net worth of the Company will become negative which will raise the issue about the Company being a going concern. A letter of comfort has been provided by the holding company namely AHEL, as a commitment to support the company financially. Considering the above, the financial statements have been prepared on a going concern basis.

(c) The structure of the scheme tends to reflect a reduction in the cancellation of the shares of RHPL. As a matter of abundant caution the management of the Company has obtained a fair valuation report as on 31st March 2018 of the shares of RHPL. Based on this valuation report, no provision is required for diminution in the value of investments as on the balance sheet date.

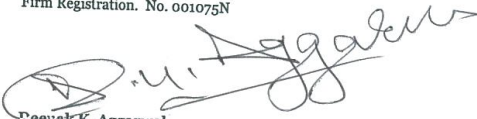
31. Derivative instruments and foreign currency exposures.

- a) Foreign currency exposure outstanding as at the balance sheet date is Nil (previous year Nil).
- b) Particulars of un-hedged foreign currency exposures as at the balance sheet date is Nil (previous year Nil).

32. The previous year figures have been regrouped/reclassified, wherever considered necessary to confirm the current year classification.

As per our report of even date attached

For **NSBP & Co.**
Chartered Accountants
Firm Registration. No. 001075N



Deepak K. Aggarwal
Partner
Membership No. : 095541

Place: Delhi
Date: April 28, 2018



For and on behalf of the Board of Directors of GJS Hotels Limited


Umesh Saraf
Director
DIN No. - 00017985


Padam Khaitan
Director
DIN No. - 00019700


Binjal K Jhunjunwala
Chief Financial Officer
Place: Kolkatta
Date: April 27, 2018


Saumen Chatterjee
Company Secretary

ASIAN HOTELS (EAST) LIMITED
CIN: L15122WB2007PLC162762
BALANCE SHEET AS AT 31.03.2018

| Particulars | Note | Amount in Rs | |
|---|------|-----------------------------|-----------------------------|
| | | As at 31.03.2018 | As at 31.03.2017 |
| ASSETS | | | |
| (1) Non - current assets | | | |
| (a) Property, plant and equipment | 2 | 1,122,545,879 | 1,160,845,560 |
| (b) Intangible Assets | 2 | 2,548,811 | 946,639 |
| (c) Capital work in progress | 3 | 614,290 | 90,450 |
| (d) Financial assets | | | |
| (i) Investments | 4 | 3,807,375,872 | 3,773,867,363 |
| (ii) Other financial assets | 5 | 11,418,055 | 11,537,025 |
| (e) Income tax assets (net) | 6 | 94,723,643 | 85,504,434 |
| (f) Other non-current assets | 7 | - | 274,879 |
| | | <u>5,039,226,556</u> | <u>5,033,063,350</u> |
| (2) Current assets | | | |
| (a) Inventories | 8 | 24,112,124 | 26,366,280 |
| (b) Financial assets | | | |
| (i) Investments | 4 | 461,132,898 | 664,449,739 |
| (ii) Trade receivables | 9 | 65,325,679 | 57,612,270 |
| (iii) Cash and cash equivalents | 10 | 203,176,202 | 49,585,412 |
| (iv) Loans | 11 | 3,500,329,617 | 3,277,975,549 |
| (v) Other financial assets | 5 | 16,849,231 | 12,166,013 |
| (c) Other current assets | 7 | 39,421,429 | 25,748,700 |
| | | <u>4,310,347,180</u> | <u>4,113,903,963</u> |
| Total Assets | | <u>9,349,573,736</u> | <u>9,146,967,313</u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 12 | 115,277,970 | 115,277,970 |
| (b) Other equity | 13 | 8,911,630,434 | 8,770,056,839 |
| | | <u>9,026,908,404</u> | <u>8,885,334,809</u> |
| LIABILITIES | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Other financial liabilities | 15 | 1,863,000 | 1,574,000 |
| (b) Provisions | 16 | 15,398,590 | 19,877,612 |
| (c) Deferred tax liabilities (net) | 17 | 73,869,897 | 102,166,952 |
| | | <u>90,131,487</u> | <u>123,618,564</u> |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 14 | - | - |
| - Total outstanding dues of Micro, Small and Medium Enterprise | | 552,518 | 276,700 |
| - Total outstanding dues of creditors other than Micro, Small and Medium Enterprise | | 39,684,166 | 30,409,930 |
| (ii) Other financial liabilities | 15 | 98,438,968 | 74,114,916 |
| (b) Provisions | 16 | 7,407,482 | 3,091,294 |
| (c) Other current liabilities | 18 | 86,450,716 | 30,121,100 |
| | | <u>232,533,850</u> | <u>138,013,940</u> |
| Total Equity & Liabilities | | <u>9,349,573,736</u> | <u>9,146,967,313</u> |

The accompanying notes form an integral part of the standalone financial statements.

For Singhi & Co.
Chartered Accountants
Firm Registration. No. 302049E

Rajiv Singh

Rajiv Singhi
Partner
Membership No. : 053518
Place : Chennai
Date: 9th May 2018

Arun Kr Saraf

Arun Kr Saraf
Jt. Managing Director
DIN - 00339772

A.C Chakraborti

A.C Chakraborti
Director
DIN - 00015622

Padam Kr Khaitan

Padam Kr Khaitan
Director
DIN - 00019700

Dimal Kr Jhunjhunwala

Dimal Kr Jhunjhunwala
CFO & Vice President- Corporate Finance

Umesh Saraf

Umesh Saraf
Jt. Managing Director
DIN 00017985

Rama Shankar Jhawar

Rama Shankar Jhawar
Director
DIN - 00023792

Rita Shrivastava

Rita Shrivastava
Director
DIN - 07106069

Saumen Chatterjee

Saumen Chatterjee
Chief Legal Officer &
Company Secretary



ASIAN HOTELS (EAST) LIMITED
CIN: L15122WB2007PLC162762
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018

| Particulars | Note | Amount in Rs | |
|---|------|--------------------------|--------------------------|
| | | Year ended 31.03.2018 | Year ended 31.03.2017 |
| I Revenue from operations | 19 | 1,021,395,820 | 983,179,371 |
| II Other income | 20 | 56,073,325 | 87,927,684 |
| III Total income | | 1,077,469,145 | 1,071,107,055 |
| IV Expenses | | | |
| Consumption of provisions, beverages, smokes & others | 21 | 139,396,221 | 132,022,685 |
| Employee benefits expenses | 22 | 194,406,126 | 200,292,418 |
| Finance cost | 23 | - | 5,005,323 |
| Depreciation and amortization expenses | 2 | 54,360,077 | 63,779,181 |
| Other expenses | 24 | 501,901,593 | 467,489,988 |
| Total expenses | | 890,064,017 | 868,589,595 |
| V Profit / (loss) before exceptional items and tax | | 187,405,128 | 202,517,460 |
| VI Exceptional items | | - | 33,623,719 |
| VII Profit / (loss) before tax | | 187,405,128 | 168,893,741 |
| VIII Tax expense | 25 | | |
| (1) Current tax | | 68,912,626 | 52,331,941 |
| (2) Deferred tax | | (30,262,660) | (12,189,422) |
| (3) MAT Credit | | - | - |
| (4) Tax for earlier years | | 1,325,746 | (826,826) |
| IX Profit / (loss) for the period | | 147,429,416 | 129,578,048 |
| X Other comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit liability | | (1,040,641) | (24,686) |
| Equity instruments through other comprehensive income | | 22,573,846 | 22,806,801 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 360,145 | 8,543 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XI Total comprehensive income for the period | | 21,893,350 | 22,790,658 |
| XII Earnings per equity share | | 169,322,766 | 152,368,706 |
| (1) Basic | 26 | 12.79 | 11.28 |
| (2) Diluted | 26 | 12.79 | 11.28 |

The accompanying notes form an integral part of the standalone financial statements.

For Singhi & Co.
Chartered Accountants
Firm Registration. No. 302049E

Rajiv Singh

Rajiv Singhi
Partner
Membership No. : 053518

Place : Chennai
Date: 9th May 2018

Arun Kr Saraf

Jt. Managing Director
DIN - 00339772

A.C Chakraborti

Director
DIN - 00015622

Padam Kr Khaitan
Director
DIN - 00019700

Bimal Kr Jhunjhunwala
CFO & Vice President- Corporate Finance

Umesh Saraf

Jt. Managing Director
DIN 00017985

Rama Shankar Jhavar
Director
DIN - 00023792

Rita Bhimani
Director
DIN - 07106069

Saumen Chatterjee
Saumen Chatterjee
Chief Legal Officer & Company Secretary



ASIAN HOTELS (EAST) LIMITED
CIN: L45122WB2007PLC62762
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2018

| Particulars | Equity Share Capital | Reserves and Surplus | | | | Other Comprehensive Income | | | Total equity attributable to equity holders of the Company |
|--|----------------------|----------------------|-----------------|----------------------------|----------------------------|----------------------------|---|---|--|
| | | Retained earnings | General Reserve | Securities premium account | Capital Redemption Reserve | Capital reserve | Equity instruments through other comprehensive income | Other items of other comprehensive income | |
| As at 01.4.2016 | 114,405,850 | 2,369,461,550 | 6,462,174,116 | 14,612,822 | 2,000,000 | 141,043 | - | 304,234 | 8,957,099,615 |
| Change in equity for the year ended March 31, 2017 | | | | | | | | | |
| Shares issue during the year | 32,142,840 | | | | | | | | 32,142,840 |
| Shares cancelled on merger | -31,270,720 | | | | | | | | -31,270,720 |
| Profit for the period | | 129,578,048 | | | | | | | 129,578,048 |
| Dividend | | -22,881,170 | | | | | | | -22,881,170 |
| Corporate dividend tax | | -4,658,068 | | | | | | | -4,658,068 |
| Remeasurement of defined benefit liability, net of tax | | | | | | | | -16,143 | -16,143 |
| Equity instruments through OCI | | | | | | | 22,806,801 | | 22,806,801 |
| Share premium reserve utilised on cancellation of shares | | -983,253,246 | | | | | | | -983,253,246 |
| Addition on account of merger | | 260,930,829 | 121,611,685 | -14,612,822 | | | | | 367,929,692 |
| Profit transferred to general reserve | | -15,000,000 | 15,000,000 | | | 417,857,160 | | | |
| As at 31.3.2017 | 115,277,970 | 2,711,431,189 | 5,615,532,555 | - | 2,000,000 | 417,998,203 | 22,806,801 | 288,091 | 8,885,334,809 |
| Change in equity for the year ended March 31, 2018 | | | | | | | | | |
| Profit for the period | | 147,429,416 | | | | | | | 147,429,416 |
| Dividend | | -23,055,594 | | | | | | | -23,055,594 |
| Corporate dividend tax | | -4,693,577 | | | | | | | -4,693,577 |
| Remeasurement of defined benefit liability, net of tax | | | | | | | | -680,496 | -680,496 |
| Equity instruments through OCI | | | | | | | 22,573,846 | | 22,573,846 |
| Profit transferred to general reserve | | -15,000,000 | 15,000,000 | | | | | | |
| As at 31.3.2018 | 115,277,970 | 2,816,111,434 | 5,630,532,555 | - | 2,000,000 | 417,998,203 | 45,380,647 | -392,405 | 9,026,908,404 |

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration. No. 302049E

Rajiv Singhi

Partner

Membership No. : 053518

Place : Chennai

Date: 9th May 2018

Arun Kr Saraf
Jt. Managing Director
DIN - 00339772

A.C Chakrabarti
Director
DIN - 00045622

Padam Kr Khaitan
Director
DIN - 00019700

Umesh Saraf
Jt. Managing Director
DIN 00017985

Rama Shankar Jhawar
Director
DIN - 0023792

Rita Bhimani
Director
DIN - 07106069

Saumen Chatterjee
Chief Legal Officer & Company Secretary

Sanjay Kr Jhunjhunwala
CFO & Vice President- Corporate Finance

ASIAN HOTELS (EAST) LIMITED
CIN: L15122WB2007PLC162762
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

| Particulars | Amount in Rs | |
|---|--------------------------|--------------------------|
| | Year ended 31.03.2018 | Year ended 31.03.2017 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 187,405,128 | 168,893,741 |
| Adjustment for : | | |
| Depreciation/amortization | | |
| Loss/(profit) on sale of fixed assets (Net) | 54,360,077 | 63,779,181 |
| Interest expense | 346,820 | 328,620 |
| Other borrowing cost | - | 5,005,221 |
| Provision for bad and doubtful debts | | |
| Excess provision written back | 0 | 1,199,223 |
| Provision for gratuity | (1,594,862) | (1,214,360) |
| Provision for leave encashment | 242,543 | 2,272,004 |
| Interest income | (1,446,018) | 1,462,669 |
| Dividend income | (21,702,877) | (20,862,097) |
| Assets written off (Non cash item) | (17,290,167) | (11,542,125) |
| Net gain on current investments | 1,634,316 | 33,623,719 |
| Fair value gain on mutual funds | - | (24,142,469) |
| Operating profit before working capital changes | (14,908,913) | (29,916,633) |
| Movements in working capital : | 187,046,047 | 188,886,694 |
| Increase/(decrease) in current trade payables | 9,550,054 | (3,637,541) |
| Increase/(decrease) in non-current trade payables | - | - |
| Increase/(decrease) in other current financial liabilities | 24,233,113 | (53,970,347) |
| Increase/(decrease) in other non-current financial liabilities | 289,000 | (653,500) |
| Increase/(decrease) in other current liabilities | 56,329,615 | 2,112,034 |
| Decrease/(increase) in trade receivables | (6,118,547) | (4,131,397) |
| Decrease/(increase) in inventories | 2,254,156 | (7,894,824) |
| Decrease/(increase) in non-current financial assets | 118,970 | - |
| Decrease/(increase) in non-current loans | - | 116,999 |
| Decrease/(increase) in current loans | 215,932 | 32,200 |
| Decrease/(increase) in other assets | (13,672,729) | 7,314,579 |
| Cash generated from/(used in) operations | 260,245,611 | 128,174,897 |
| Less: Direct taxes paid | 78,134,841 | 58,240,321 |
| Net cash flow from/ (used in) Operating Activities (A) | 182,110,770 | 69,934,576 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for fixed assets | (19,773,760) | (7,727,581) |
| Decrease/(Increase) in capital work in progress | (523,840) | 477,132 |
| Decrease/(Increase) in capital advance | 274,879 | (41,045) |
| Proceeds from sale of fixed assets | 130,057 | 94,276 |
| Purchase of non current investments | (10,934,664) | (1,213,017,125) |
| Proceeds from sale/maturity of current investments | 218,225,754 | 2,555,512,037 |
| Non-current loans given/(repaid) | (222,570,000) | 597,212,800 |
| Interest received | 17,019,659 | 22,694,426 |
| Dividend received | 17,290,167 | 11,542,125 |
| Net cash flow from/(used in) Investing Activities (B) | (861,748) | 1,966,747,045 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of borrowings | - | (2,004,474,259) |
| Proceeds from borrowings | - | - |
| Interest paid on borrowings | - | (5,005,221) |
| Payment of other borrowing cost | - | - |
| Dividend paid on shares | (22,964,655) | (22,449,960) |
| Tax on dividend paid | (4,693,577) | (4,658,068) |
| Net cash flow from/(used in) in Financing Activities (C) | (27,658,232) | (2,036,587,508) |
| Net increase/(decrease) in Cash and Cash Equivalents (A + B + C) | 153,590,790 | 94,113 |
| Cash and Cash Equivalents at the beginning of the year | 49,585,412 | 49,491,299 |
| Cash and Cash Equivalents at the end of the year | 203,176,202 | 49,585,412 |

For Singhi & Co.
Chartered Accountants
Firm Registration. No. 302049E

Rajiv Singh

Rajiv Singhi
Partner
Membership No. : 053518
Place : Chennai
Date: 9th May 2018



Arun Kr Saraf

Jt. Managing Director
DIN - 00339772

A.C Chakrabortti

Director
DIN - 00015622

Padam Kr Khaitan
Director
DIN - 00019700

Bhaskar Kr Jhurjhuwala
CFO & Vice President- Corporate Finance

Umesh Saraf

Jt. Managing Director
DIN 00017985

Rama Shanar Jhawa
Director
DIN - 0003792

Rita Bhimani
Director
DIN - 07106009

Saumen Chatterjee
Chief Legal Officer & Company Secretary

ASIAN HOTELS (EAST) LIMITED
CIN: L15122WB2007PLC162762

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

2. PROPERTY, PLANT & EQUIPMENT & INTANGIBLE ASSETS

| Tangible Assets | Amount in Rs | | | | | Total |
|------------------------------|----------------|---------------|-------------------|----------------------|-----------|---------------|
| | Leasehold Land | Building | Plant & Equipment | Furniture & Fixtures | Vehicles | |
| Gross Block (at cost) | | | | | | |
| As at 01.04.2016 | 267,042,819 | 999,017,100 | 738,809,910 | 182,548,417 | 9,185,489 | 2,196,603,735 |
| Additions | - | 1,706,231 | 3,197,379 | 2,048,832 | - | 6,952,442 |
| Disposals | - | - | 123,924,086 | 18,007,990 | - | 141,932,076 |
| As at 31.03.2017 | 267,042,819 | 1,000,723,331 | 618,083,203 | 166,589,259 | 9,185,489 | 2,061,624,101 |
| Additions | - | 1,626,526 | 4,130,006 | 12,158,048 | - | 17,914,580 |
| Disposals | - | 1,634,316 | 182,624 | 471,384 | - | 2,288,324 |
| As at 31.03.2018 | 267,042,819 | 1,000,715,541 | 622,030,585 | 178,275,923 | 9,185,489 | 2,077,250,357 |
| Depreciation | | | | | | |
| As at 01.04.2016 | - | 212,650,650 | 575,638,532 | 164,575,082 | 7,883,041 | 960,747,305 |
| Charge for the year | - | 16,250,187 | 45,577,775 | 1,529,959 | 333,224 | 63,691,145 |
| Disposals | - | - | 106,606,950 | 17,052,959 | - | 123,659,909 |
| As at 31.03.2017 | - | 228,900,837 | 514,609,357 | 149,052,082 | 8,216,265 | 900,778,541 |
| Charge for the year | - | 15,792,331 | 36,033,191 | 1,944,325 | 333,222 | 54,103,069 |
| Disposals | - | - | 173,493 | 3,639 | - | 177,132 |
| As at 31.03.2018 | - | 244,693,168 | 550,469,055 | 150,992,768 | 8,549,487 | 954,704,478 |
| Net Block | | | | | | |
| As at 31.03.2017 | 267,042,819 | 771,822,494 | 103,473,846 | 17,537,177 | 969,224 | 1,160,845,560 |
| As at 31.03.2018 | 267,042,819 | 756,022,373 | 71,561,530 | 27,283,155 | 636,002 | 1,122,545,879 |

| Intangible Assets | Softwares |
|------------------------------|-----------|
| Gross Block (at cost) | |
| As at 01.04.2016 | 7,097,307 |
| Additions | 775,139 |
| Disposals | - |
| As at 31.03.2017 | 7,872,446 |
| Additions | 1,859,180 |
| Disposals | - |
| As at 31.03.2018 | 9,731,626 |
| Depreciation | |
| As at 01.04.2016 | 6,837,771 |
| Charge for the year | 88,036 |
| Disposals | - |
| As at 31.03.2017 | 6,925,807 |
| Charge for the year | 257,008 |
| Disposals | - |
| As at 31.03.2018 | 7,182,815 |
| Net Block | |
| As at 31.03.2017 | 946,639 |
| As at 31.03.2018 | 2,548,811 |

3. CAPITAL WORK IN PROGRESS

| Particulars | Amount in Rs | | | |
|------------------|--------------|-------------------|----------------------|------------|
| | Building | Plant & Equipment | Furniture & Fixtures | Total |
| As at 01.04.2016 | | | | |
| Additions | 16,342,029 | - | - | 16,342,029 |
| Deductions | - | - | - | - |
| As at 31.03.2017 | 16,251,579 | - | - | 16,251,579 |
| Additions | 90,450 | - | - | 90,450 |
| Deductions | 1,170,768 | 5,845,470 | - | 7,016,238 |
| As at 31.03.2018 | 614,290 | 5,845,470 | - | 6,492,398 |
| | 614,290 | - | - | 614,290 |

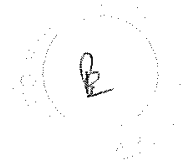


4. INVESTMENTS

| Particulars | Amount in Rs | |
|--|----------------------|----------------------|
| | Non - current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Unquoted | | |
| Investment in Equity Shares carried at cost | | |
| Investment in equity shares of subsidiary - GJS Hotels Limited | | |
| 10,961,000 (previous year: 10,961,000) equity shares of Rs 10/- each fully paid up | 2,346,365,000 | 2,346,365,000 |
| Investment in equity shares of subsidiary - Robust Hotels Private Limited | | |
| 30,010,000 (previous year: 30,010,000) equity shares of Rs 10/- each fully paid up | 300,175,000 | 300,175,000 |
| Investment in equity shares of subsidiary - Regency Convention Centre & Hotels Limited | | |
| 91,652 (previous year: 91,652) equity shares of Rs 10/- each fully paid up | 257,901,724 | 257,901,724 |
| | <u>2,904,441,724</u> | <u>2,904,441,724</u> |
| Investment in Preference Shares carried at amortised cost | | |
| Investment in preference shares of subsidiary - Robust Hotels Pvt. Ltd. | | |
| 4,300,000 (previous year: 4,300,000) 12% cumulative redeemable preference shares of Rs 100/-each fully paid up | 615,374,060 | 615,374,060 |
| | <u>615,374,060</u> | <u>615,374,060</u> |
| Quoted | | |
| Investment carried at FVTOCI | | |
| Investment in equity shares of Asian Hotels (West) Limited | | |
| 524,438 (previous year: 458,377) equity shares of Rs 10/- each fully paid up | 137,560,088 | 104,051,579 |
| Investment carried at amortised cost | | |
| Investment in Bonds of Indian Railways Financial Corporation Limited | | |
| 150,000 (previous year: 150,000) 8.23% tax free bonds of Rs 1000/-each | 150,000,000 | 150,000,000 |
| | <u>287,560,088</u> | <u>254,051,579</u> |
| | <u>3,807,375,872</u> | <u>3,773,867,363</u> |
| Aggregate value of quoted investments | 287,560,088 | 254,051,579 |
| Aggregate value of unquoted investments | 3,519,815,784 | 3,519,815,784 |
| Aggregate amount of provision for diminution in value of investments | - | - |

4. INVESTMENTS

| Particulars | Amount in Rs | | | |
|--|--------------|--------------|--------------------|--------------------|
| | As at | | Current | |
| | 31.03.2018 | 31.03.2017 | As at 31.03.2018 | As at 31.03.2017 |
| | No. of units | No. of units | Rs | Rs |
| Unquoted, fully paid up | | | | |
| Investment carried at FVTPL | | | | |
| Investment in units of mutual funds [face value (FV) of Rs 10 each, unless otherwise stated] | | | | |
| Aditya Birla Sun Life Cash Plus - DDR | 805,494 | - | 80,768,621 | - |
| Franklin India Ultra Short Bond Fund-SIP-DDR | 941,561 | - | 9,488,863 | - |
| ICICI Prudential Flexible Income Plan-Daily Dividend Reinvestment | - | 1,887,968 | - | 199,625,766 |
| ICICI Prudential Savings Fund - Daily Dividend Reinvestment | - | 1,014,163 | - | 102,862,505 |
| UTI Short Term Income Fund-Institutional Plan - Growth | 13,007,280 | 13,007,280 | 274,743,677 | 259,345,659 |
| UTI Treasury Advantage Fund - Instt.-Plan-Daily Dividend Reinvestment (FV Rs 1000) | 95,909 | 102,368 | 96,131,737 | 102,615,809 |
| | | | <u>461,132,898</u> | <u>664,449,739</u> |
| | | | <u>461,132,898</u> | <u>664,449,739</u> |
| Aggregate amount of quoted investments | | | - | - |
| Aggregate amount of unquoted investments | | | 461,132,898 | 664,449,739 |
| Aggregate amount of adjustments to impairment in value of investments | | | - | - |



ASIAN HOTELS (EAST) LIMITED

CIN: L15122WB2007PLC162762

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

5. OTHER FINANCIAL ASSETS

| Particulars | Amount in Rs | |
|------------------------------|------------------|------------------|
| | Non - current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Security deposits | 11,418,055 | 11,537,025 |
| | 11,418,055 | 11,537,025 |
| | Amount in Rs | |
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Interest accrued but not due | 12,056,423 | 12,166,013 |
| Interest accrued and due | 4,792,808 | - |
| | 16,849,231 | 12,166,013 |

6. INCOME TAX ASSETS (net)

| Particulars | Amount in Rs | |
|---------------------------|------------------|------------------|
| | Non - current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Income tax assets | 492,052,924 | 413,918,083 |
| Less: Provision for taxes | 397,329,275 | 328,416,649 |
| | 94,723,649 | 85,501,434 |

7. OTHER ASSETS

| Particulars | Amount in Rs | |
|------------------------------------|------------------|------------------|
| | Non-current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Capital advance | - | 274,879 |
| | - | 274,879 |
| | Amount in Rs | |
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Advance to suppliers | 14,118,837 | 8,172,669 |
| Prepaid expenses | 19,926,298 | 10,484,655 |
| Balance with statutory authorities | 5,376,294 | 7,091,376 |
| | 39,421,429 | 25,748,700 |

8. INVENTORIES

| Particulars | Amount in Rs | |
|---|------------------|------------------|
| | Non-current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| (valued at cost or net realisable value whichever is lower) | | |
| Food, Liquor & Tobacco | 21,389,268 | 23,882,128 |
| General Stores and Spares | 2,722,856 | 2,484,152 |
| | 24,112,124 | 26,366,280 |

9. TRADE RECEIVABLES

| Particulars | Amount in Rs | |
|--|------------------|------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Trade Receivables | | |
| - Unsecured, considered good | 63,707,448 | 57,612,270 |
| - Doubtful | 1,716,265 | 1,618,231 |
| | 65,423,713 | 59,230,501 |
| - Less: allowance for bad & doubtful debts | 98,034 | 1,618,231 |
| | 65,325,679 | 57,612,270 |
| | 65,325,679 | 57,612,270 |

ASIAN HOTELS (EAST) LIMITED

CIN: L15122WB2007PLC162762

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

10. CASH & CASH EQUIVALENTS

| Particulars | Amount in Rs | |
|-------------------------------|--------------------|-------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Balance with banks | | |
| In current accounts | | |
| In fixed deposit accounts * | 177,713,240 | 23,804,844 |
| In unpaid dividend accounts** | 20,000,000 | 20,000,000 |
| Cash on hand | 4,505,855 | 4,414,916 |
| Cheques on hand | 957,107 | 1,023,006 |
| | - | 342,646 |
| | <u>203,176,202</u> | <u>49,585,412</u> |

* The Company maintains an overdraft account and has given revolving letter of credit to West Bengal State Electricity Distribution Company Limited secured against fixed deposits.

**Transfer of unclaimed dividend and shares to the IEPF

Pursuant to the provisions of Section 124 & 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), Rs. 4,09,623/- and 73,623 shares have been transferred to the IEPF for the dividend declared in the financial year ended 2009-10 and the respective shares whose dividend remained unpaid or unclaimed for seven consecutive years. Further, Rs. 12,390/- and its respective 4,130 shares being restrained shares could not be transferred to the IEPF pursuant to Rule 6(3)(b) of the Rules, the due date of transfer of which was November 4, 2017.

11. LOANS

| Particulars | Amount in Rs | |
|---|----------------------|----------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Loans/advance to subsidiary companies | | |
| GJS Hotels Limited | | |
| Regency Convention Centre and Hotels Limited | 3,229,844,800 | 3,230,204,800 |
| Robust Hotels Pvt. Ltd.* | 14,400,474 | 13,970,474 |
| | 222,500,000 | - |
| Other loans and advances | | |
| Advance for acquisition of shares from shareholders of Regency Convention Centre & Hotel: | 33,448,275 | 33,448,275 |
| Employee advance | | |
| | 136,068 | 352,000 |
| | <u>3,500,329,617</u> | <u>3,277,975,549</u> |

12. SHARE CAPITAL

| Particulars | Amount in Rs | |
|--|--------------------|--------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Authorised Shares | | |
| 90,000,000 Equity shares of Rs 10/- each | 900,000,000 | 900,000,000 |
| 1,000,000 Preference shares of Rs 10/- each | 10,000,000 | 10,000,000 |
| Issued, subscribed & paid up | | |
| 11,527,797 (previous year: 11,527,797) Equity Shares of Rs 10/- each | 115,277,970 | 115,277,970 |
| Total | <u>115,277,970</u> | <u>115,277,970</u> |

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

| Equity Shares | As at 31.03.2018 | | As at 31.03.2017 | |
|------------------------------|-------------------|-------------------|------------------|------------------|
| | As at 31.03.2018 | As at 31.03.2017 | As at 31.03.2018 | As at 31.03.2017 |
| At the beginning of the year | | | | |
| Issued during the year | 11,527,797 | 11,440,585 | | |
| Cancelled during the year | - | 3,214,284 | | |
| At the end of the year | - | (3,127,072) | | |
| | <u>11,527,797</u> | <u>11,527,797</u> | | |

Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders Holding more than 5% shares in the Company

| Equity shares | As at | | As at | | As at 31.03.2018 | As at 31.03.2017 |
|--------------------------|--------------|--------------|--------------|--------------|------------------|------------------|
| | 31.03.2018 | | 31.03.2017 | | | |
| | % of Holding | % of Holding | % of Holding | % of Holding | | |
| Saraf Industries Limited | 31.49% | 31.49% | | | No. of Shares | No. of Shares |
| Radhe Shyam Saraf | 28.49% | 28.49% | 3,630,630 | 3,630,630 | | |
| Axis Bank Limited | 5.42% | 5.42% | 3,284,680 | 3,284,680 | | |
| Ratna Saraf | 5.36% | 5.36% | 624,487 | 624,487 | | |
| | | | 617,347 | 617,347 | | |

ASIAN HOTELS (EAST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

13. OTHER EQUITY

| Particulars | Amount in Rs | |
|----------------------------|----------------------|----------------------|
| | As at 31.03.2018 | As at 31.03.2017 |
| Capital reserve | 417,998,203 | 417,998,203 |
| Capital redemption reserve | 2,000,000 | 2,000,000 |
| General reserve | 5,630,532,555 | 5,615,532,555 |
| Retained earnings | 2,816,111,434 | 2,711,431,189 |
| FVTOCI reserve | 44,988,242 | 23,094,892 |
| | <u>8,911,630,434</u> | <u>8,770,056,839</u> |

14. TRADE PAYABLES

| Particulars | Amount in Rs | |
|--|-------------------|-------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Trade payables (refer note no 38 for details of dues of micro & small enterprises) | 40,236,684 | 30,686,630 |
| | <u>40,236,684</u> | <u>30,686,630</u> |
| Classification as required by MSME Act | | |
| Total Outstanding dues of Micro Enterprises and Small Enterprises* | 552,518 | 276,700 |
| Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 39,684,166 | 30,409,930 |
| Total Trade Payables | <u>40,236,684</u> | <u>30,686,630</u> |

* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company. Neither was there any delay in payment nor is any interest due and remaining unpaid on the above.

15. OTHER FINANCIAL LIABILITIES

| Particulars | Amount in Rs | |
|------------------|------------------|------------------|
| | Non-Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Security deposit | 1,863,000 | 1,574,000 |
| | <u>1,863,000</u> | <u>1,574,000</u> |

| Particulars | Amount in Rs | |
|--------------------------------------|-------------------|-------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Current maturities of long term debt | - | - |
| Salary payable | 10,979,904 | 10,568,892 |
| Contract Payroll Payable | 7,586,997 | 9,356,314 |
| Unpaid dividends | 4,505,855 | 4,414,916 |
| Expenses payable | 75,306,212 | 49,714,794 |
| Security deposit | 60,000 | 60,000 |
| | <u>98,438,968</u> | <u>74,114,916</u> |

16. PROVISIONS

| Particulars | Amount in Rs | |
|------------------------------|-------------------|-------------------|
| | Non-Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Provision for gratuity | 12,356,726 | 15,302,754 |
| Provision for leave benefits | 3,041,864 | 4,574,858 |
| | <u>15,398,590</u> | <u>19,877,612</u> |

| Particulars | Amount in Rs | |
|------------------------------|------------------|------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Provision for gratuity | 6,496,731 | 2,267,519 |
| Provision for leave benefits | 910,751 | 823,775 |
| | <u>7,407,482</u> | <u>3,091,294</u> |

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ASIAN HOTELS (EAST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018**17. DEFERRED TAX LIABILITIES**

| Particulars | Amount in Rs | |
|--|--------------------|--------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Deferred tax liabilities | | |
| On fiscal allowances of fixed assets | 147,984,304 | 174,283,094 |
| On Fair value gain on current investments | 4,341,475 | - |
| | <u>152,325,779</u> | <u>174,283,094</u> |
| Deferred tax assets | | |
| On Employees' separation and retirement etc. | 9,097,834 | 10,668,204 |
| On Provision for doubtful debts / advances | 28,547 | 560,037 |
| On Provision for VAT | 10,767,351 | - |
| MAT credit entitlement | 59,562,155 | 60,887,901 |
| | <u>79,455,887</u> | <u>72,116,142</u> |
| | <u>72,869,892</u> | <u>102,166,952</u> |

18. OTHER CURRENT LIABILITIES

| Particulars | Amount in Rs | |
|------------------------|-------------------|-------------------|
| | Current | |
| | As at 31.03.2018 | As at 31.03.2017 |
| Advance from customers | 25,988,430 | 23,771,320 |
| Statutory dues | 60,462,286 | 6,349,780 |
| | <u>86,450,716</u> | <u>30,121,100</u> |



ASIAN HOTELS (EAST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

19. REVENUE FROM OPERATIONS

| Particulars | Amount in Rs | |
|--------------------------------------|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| Sale of products | | |
| Beverages, wines and liquor | 80,209,653 | 64,644,238 |
| Food and smokes | 412,602,001 | 409,102,023 |
| | 492,811,654 | 473,746,261 |
| Sale of services | | |
| Rooms | 447,052,311 | 414,373,682 |
| Banquet income (only rental portion) | 13,267,027 | 23,735,321 |
| Health & spa | 28,040,847 | 29,414,655 |
| Laundry & dry cleaning | 16,327,246 | 12,923,237 |
| Service Charge | 5,551,002 | 11,593,651 |
| Auto rental | 7,808,010 | 9,543,627 |
| Communication | 1,349,322 | 1,235,165 |
| Other operating revenue | 9,188,401 | 6,613,772 |
| | 528,584,166 | 509,433,110 |
| | 1,021,395,820 | 983,179,371 |

20. OTHER INCOME

| Particulars | Amount in Rs | |
|--|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| Interest income from non-current investments | 12,345,000 | 12,345,000 |
| Interest income - others | 9,357,877 | 8,517,097 |
| Dividend on current investment | 17,290,167 | 11,542,125 |
| Net gain on sale of current investments | - | 24,142,469 |
| Net gain on foreign currency fluctuation | 331,673 | - |
| Fair value gain on current investments | 14,908,913 | 29,916,633 |
| Profit on sale of fixed assets | 12,593 | - |
| Excess provision written back | 1,594,862 | 1,214,360 |
| Miscellaneous income | 232,240 | 250,000 |
| | 56,073,325 | 87,927,684 |

21. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS

| Particulars | Amount in Rs | |
|----------------------|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| Opening Stock | 23,882,128 | 15,008,371 |
| Add : Purchases | 136,903,361 | 140,896,442 |
| | 160,785,489 | 155,904,813 |
| Less : Closing Stock | 21,389,268 | 23,882,128 |
| | 139,396,221 | 132,022,685 |

22. EMPLOYEE BENEFIT EXPENSES

| Particulars | Amount in Rs | |
|---|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| Salaries, wages & bonus | 163,490,304 | 166,613,744 |
| Contribution to provident & other funds | 11,882,031 | 10,771,529 |
| Staff welfare expenses | 17,451,384 | 17,553,843 |
| Recruitment & training | 1,582,407 | 5,353,302 |
| | 194,406,126 | 200,292,418 |

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ASIAN HOTELS (EAST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

23. FINANCE COST

Amount in Rs

| Particulars | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
|-------------------------------------|-------------------------------|-------------------------------|
| Interest on loan against securities | - | 1,685,348 |
| Interest on bank overdraft | - | 64,257 |
| Interest on inter-corporate deposit | - | 3,255,616 |
| Other borrowing costs | - | - |
| Interest on late payment of TDS | - | 102 |
| | - | 5,005,323 |

24. OTHER EXPENSES

Amount in Rs

| Particulars | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
|--|-------------------------------|-------------------------------|
| Contract labour and service | 50,423,628 | 47,481,007 |
| Room, catering & other supplies | 50,169,027 | 46,746,575 |
| Linen & operating equipments consumption | 5,138,619 | 5,785,139 |
| Fuel, power & light | 104,129,905 | 96,133,170 |
| Repairs, maintenance & refurbishing | 69,084,202 | 79,801,059 |
| Satellite & television charges | 394,153 | 459,976 |
| Rent | 19,004,549 | 20,572,025 |
| Rates & taxes | 52,297,131 | 8,065,298 |
| Insurance | 2,347,208 | 2,415,189 |
| Directors' sitting fees | 1,130,000 | 1,470,000 |
| Legal & professional expenses | 11,348,669 | 9,613,386 |
| Payment to auditors | 920,000 | 1,358,301 |
| Printing & stationery | 2,424,311 | 2,286,385 |
| Guest transportation | 22,543,657 | 23,773,829 |
| Travelling & conveyance | 10,461,632 | 10,022,952 |
| Communication expenses | 4,521,455 | 3,975,859 |
| Technical services | 36,052,653 | 33,084,636 |
| Infosystems | 1,005,428 | - |
| Advertisement & publicity | 21,500,074 | 34,840,710 |
| Commission & brokerage | 28,701,481 | 29,540,681 |
| CSR expenditure | 2,658,800 | 3,200,000 |
| Charity & donation | 61,000 | 286,000 |
| Bank charges and commission | 346,243 | 616,689 |
| Provision for bad & doubtful debts | - | 1,199,223 |
| Net loss on foreign exchange | - | 674,668 |
| Assets written off | 1,823,989 | - |
| Loss on sale of fixed assets | 359,413 | 328,620 |
| Miscellaneous expenses | 3,054,366 | 3,758,611 |
| | 501,901,593 | 467,489,988 |

25. TAX EXPENSE

Amount in Rs

| Particulars | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
|--|-------------------------------|-------------------------------|
| Current Tax | 68,912,626 | 52,331,941 |
| Deferred Tax | -30,622,805 | -12,197,965 |
| MAT Credit (including earlier years) | - | - |
| Tax for earlier years | - | - |
| Income tax expense | 1,325,746 | -826,826 |
| | 39,615,567 | 39,307,150 |
| Profit before income tax | 187,405,128 | 168,893,741 |
| Enacted Tax rates in India | 34.61% | 34.61% |
| Computed expected tax expenses | 64,857,167 | 58,450,746 |
| Effect of non deductible expenses | -13,101,700 | 8,279,575 |
| Effect of exempt non operating income | -8,295,414 | -16,219,263 |
| Effect of other items not subject of tax | -5,159,677 | -10,353,548 |
| Others | 1,315,191 | -850,359 |
| Total | 39,615,567 | 39,307,150 |

ASIAN HOTELS (EAST) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018
26. EARNINGS PER SHARE (BASIC & DILUTED)

| Particulars | Amount in Rs | |
|--|-------------------------------|-------------------------------|
| | Year Ended 31st March 2018 | Year Ended 31st March 2017 |
| (i) Profit available for Equity Shareholders | 147,429,416 | 129,578,048 |
| (ii) Weighted average number of Equity Shares @ Rs 10 each | 11,527,797 | 11,489,806 |
| (iii) Earnings/(Loss) per share (Rs) | 12.79 | 11.28 |

27. FINANCIAL INSTRUMENTS
Financial instruments by category

The carrying value and fair value of financial instruments by categories as on March 31, 2018 are as follows:

| Particulars | Amortised Cost | Fair Value through PL | Fair Value through OCI | Total Carrying Value | Amount in Rs |
|-----------------------------|----------------------|--------------------------|---------------------------|-------------------------|----------------------|
| | | | | | Total Fair Value |
| Assets: | | | | | |
| Investments | | | | | |
| In Equity Shares | 2,904,441,724 | - | 137,560,088 | 3,042,001,812 | 3,042,001,812 |
| In Preference shares | 615,374,060 | - | - | 615,374,060 | 615,374,060 |
| In Tax free bonds | 150,000,000 | - | - | 150,000,000 | 150,000,000 |
| In Mutual Funds | - | 461,132,898 | - | 461,132,898 | 461,132,898 |
| Loans | 3,500,329,617 | - | - | 3,500,329,617 | 3,500,329,617 |
| Cash & cash equivalents | 203,176,202 | - | - | 203,176,202 | 203,176,202 |
| Trade receivables | 65,325,679 | - | - | 65,325,679 | 65,325,679 |
| Other financial assets | 28,267,286 | - | - | 28,267,286 | 28,267,286 |
| Total | 7,466,914,568 | 461,132,898 | 137,560,088 | 8,065,607,554 | 8,065,607,554 |
| Liabilities: | | | | | |
| Borrowings | | | | | |
| Trade payables | 40,236,684 | - | - | 40,236,684 | 40,236,684 |
| Other financial liabilities | 100,301,968 | - | - | 100,301,968 | 100,301,968 |
| Total | 140,538,652 | - | - | 140,538,652 | 140,538,652 |

The carrying value and fair value of financial instruments by categories as on March 31, 2017 are as follows:

| Particulars | Amortised Cost | Fair Value through PL | Fair Value through OCI | Total Carrying Value | Amount in Rs |
|-----------------------------|----------------------|--------------------------|---------------------------|-------------------------|----------------------|
| | | | | | Total Fair Value |
| Assets: | | | | | |
| Investments | | | | | |
| In Equity Shares | 2,904,441,724 | - | 104,051,579 | 3,008,493,303 | 3,008,493,303 |
| In Preference shares | 615,374,060 | - | - | 615,374,060 | 615,374,060 |
| In Tax free bonds | 150,000,000 | - | - | 150,000,000 | 150,000,000 |
| In Mutual Funds | - | 664,449,739 | - | 664,449,739 | 664,449,739 |
| Loans | 3,277,975,549 | - | - | 3,277,975,549 | 3,277,975,549 |
| Cash & cash equivalents | 49,585,412 | - | - | 49,585,412 | 49,585,412 |
| Trade receivables | 57,612,270 | - | - | 57,612,270 | 57,612,270 |
| Other financial assets | 23,703,038 | - | - | 23,703,038 | 23,703,038 |
| Total | 7,078,692,053 | 664,449,739 | 104,051,579 | 7,847,193,371 | 7,847,193,371 |
| Liabilities: | | | | | |
| Borrowings | | | | | |
| Trade payables | 30,686,630 | - | - | 30,686,630 | 30,686,630 |
| Other financial liabilities | 75,688,916 | - | - | 75,688,916 | 75,688,916 |
| Total | 106,375,546 | - | - | 106,375,546 | 106,375,546 |

ASIAN HOTELS (EAST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

Fair value hierarchy

This section explains the estimates and judgements made in determining the fair values of Financial Instruments that are measured at fair value and amortised Level 1 : includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2018:

| Particulars | Fair Value | Fair value measurement using | | |
|-----------------------------|----------------------|------------------------------|--------------------|----------------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Investments | | | | |
| In Equity Shares | 3,042,001,812 | 137,560,088 | - | 2,904,441,724 |
| In Preference shares | 615,374,060 | - | - | 615,374,060 |
| In Tax free bonds | 150,000,000 | - | 150,000,000 | - |
| In Mutual Funds | 461,132,898 | 461,132,898 | - | - |
| Loans | 3,500,329,617 | - | - | 3,500,329,617 |
| Cash & cash equivalents | 203,176,202 | - | - | 203,176,202 |
| Trade receivables | 65,325,679 | - | - | 65,325,679 |
| Other financial assets | 28,267,286 | - | - | 28,267,286 |
| Total | 8,065,607,554 | 598,692,986 | 150,000,000 | 7,316,914,568 |
| Liabilities: | | | | |
| Borrowings | - | - | - | - |
| Trade payables | 40,236,684 | - | - | 40,236,684 |
| Other financial liabilities | 100,301,968 | - | - | 100,301,968 |
| Total | 140,538,652 | - | - | 140,538,652 |

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2017:

| Particulars | Fair Value | Fair value measurement using | | |
|-----------------------------|----------------------|------------------------------|--------------------|----------------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Investments | | | | |
| In Equity Shares | 3,008,493,303 | 104,051,579 | - | 2,904,441,724 |
| In Preference shares | 615,374,060 | - | - | 615,374,060 |
| In Tax free bonds | 150,000,000 | - | 150,000,000 | - |
| In Mutual Funds | 664,449,739 | 664,449,739 | - | - |
| Loans | 3,277,975,549 | - | - | 3,277,975,549 |
| Cash & cash equivalents | 49,585,412 | - | - | 49,585,412 |
| Trade receivables | 57,612,270 | - | - | 57,612,270 |
| Other financial assets | 23,703,038 | - | - | 23,703,038 |
| Total | 7,847,193,371 | 768,501,318 | 150,000,000 | 6,928,692,053 |
| Liabilities: | | | | |
| Borrowings | - | - | - | - |
| Trade payables | 30,686,630 | - | - | 30,686,630 |
| Other financial liabilities | 75,688,916 | - | - | 75,688,916 |
| Total | 106,375,546 | - | - | 106,375,546 |

The carrying amount of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair value due to their short term nature and are close approximation of fair value.

The Company's investment in the equity shares of its subsidiaries is recognised at cost. The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries as deemed cost as on the date of transition to Ind AS.

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ASIAN HOTELS (EAST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

28. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks : market risk, liquidity risk and credit risk.

Market risk

The primary market risk to the Company is foreign exchange risk. The Company is exposed to foreign exchange risk through its purchases from overseas suppliers and payment for services availed in various foreign currencies. The Company pays off its foreign exchange exposure within a short period of time, thereby mitigates the risk of material changes in exchange rate on foreign currency exposure.

The following table analyses foreign currency risk from financial instruments as of 31st March 2018 and 31st March 2017.

| Particulars | 31st March 2018 | 31st March 2017 |
|---------------------------------------|-----------------|-----------------|
| | Amount in Rs | Amount in Rs |
| Trade payables (USD converted to INR) | 3,049,142 | 12,340,702 |

For the year ended 31st March 2018 and 31st March 2017, the effect of every percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S.dollar, is as under:

| | Change in USD Rate | Effect on Profit before Tax | |
|-------------------------------|--------------------|-----------------------------|-----------------|
| | | 31st March 2018 | 31st March 2017 |
| Appreciation in Exchange Rate | 1% | (30,491) | (123,407) |
| Depreciation in Exchange Rate | -1% | 30,491 | 123,407 |

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company's principle source of liquidity are cash and cash equivalent, cash flows from operations and investment in mutual funds. The Company has no outstanding bank borrowings as on 31st March 2018. The Company believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2018:

| Particulars | | | | | Amount in Rs |
|-----------------------------|------------|----------------|-----------|------------|--------------|
| | 0-3 Months | 3 Months- 1 yr | 1-5 years | 5-20 years | Total |
| Borrowings | - | - | - | - | - |
| Trade payables | 40,236,684 | - | - | - | 40,236,684 |
| Other financial liabilities | 30,949,403 | 69,352,565 | - | - | 100,301,968 |

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2017:

| Particulars | | | | | Amount in Rs |
|-----------------------------|------------|----------------|-----------|------------|--------------|
| | 0-3 Months | 3 Months- 1 yr | 1-5 years | 5-20 years | Total |
| Borrowings | - | - | - | - | - |
| Trade payables | 30,686,630 | - | - | - | 30,686,630 |
| Other financial liabilities | 31,049,264 | 43,065,653 | 1,574,000 | - | 75,688,916 |

Credit Risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument leading to a financial loss. The company is exposed to credit risk from investments, trade receivables, cash and cash equivalents, loans and other financial assets.

The Company's credit risk is minimised as the Company's financial assets are carefully allocated to counter parties reflecting the credit worthiness.

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ASIAN HOTELS (EAST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

29. CAPITAL MANAGEMENT

For the purpose of managing capital, Capital includes issued equity share capital and reserves attributable to the equity holders. The objective of the company's capital management are to:

- Safeguard their ability to continue as going concern so that they can continue to provide benefits to their shareholders.
- Maximisation the wealth of the shareholder.
- Maintain optimum capital structure to reduce the cost of the capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings, less cash and cash equivalents.

Gearing Ratio is as follows :

| Particulars | Amount in Rs | |
|---------------------------|------------------------|------------------------|
| | 31st March 2018 | 31st March 2017 |
| Net debt | - | - |
| Total net debt and equity | - | - |
| Gearing Ratio | 9,026,908,404 0.00% | 8,885,334,809 0.00% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

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ASIAN HOTELS (EAST) LIMITED
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Notes to Financial Statements for the year ended 31st March 2018

30. C.I.F. Value of Imports :

| Particulars | 31 st March 2018 | 31 st March 2017 |
|--|--------------------------------|--------------------------------|
| Stores & Spares | 1,009,588 | 2,005,451 |
| Capital Goods | 3,952,248 | 1,798,562 |
| Beverages –through canalizing agencies | 22,327,634 | 16,487,015 |
| Total | 27,289,470 | 20,291,028 |

31. Expenditure in Foreign Currency (on payment basis)

| Particulars | 31 st March 2018 | 31 st March 2017 |
|---------------------------|--------------------------------|--------------------------------|
| Commission & Brokerage | 1,61,55,840 | 20,538,202 |
| Technical Services | 1,25,94,517 | 28,559,523 |
| Advertisement & Publicity | 1,22,06,041 | 13,524,256 |
| Repairs & Maintenance | 95,28,294 | 7,393,477 |
| Recruitment & Training | 5,35,028 | 2,583,767 |
| Others | 25,37,168 | 7,181,671 |
| Total | 5,35,56,888 | 79,780,896 |

32. Earnings in Foreign Currency (on receipt basis)

Rs 18,79,51,370

33. The Company has paid dividend in respect of shares held by Non-Residents. The total amount remitted in this respect is given herein below:-

| Particulars | 31 st March 2018 | 31 st March 2017 |
|---|--------------------------------|--------------------------------|
| Number of Non Resident Shareholders | 513 | 526 |
| Number of Equity Shares held by Non Resident Shareholders | 77,42,183 | 4,576,962 |
| Amount of Dividend Paid | 1,54,84,366 | 9,153,924 |
| Year to which Dividend Relates | 2016-2017 | 2015-16 |

34. As the Company is engaged in only one segment of Hotel Business, the disclosure requirements of Accounting Standard (Ind AS-108) on “Operating Segment” are not applicable. Further the Company operates only in India; hence additional information under geographical segments is also not applicable.

The Joint Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

35. 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.

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Notes to Financial Statements for the year ended 31st March 2018

36. Gratuity and other post-employment benefit plans

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

1. Defined contribution plans

a. Provident fund

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

| Particulars | 31 st March 2018 | 31 st March 2017 |
|---|--------------------------------|--------------------------------|
| Employer's Contribution to Provident Fund | 6,351,524 | 5,760,525 |
| Employer's Contribution to Pension Scheme | 3,412,455 | 3,243,013 |

2. Defined benefit plans

- a. Contribution to Gratuity fund
b. Compensated absences Earned leave

In accordance with Indian Accounting Standard 19, 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 7.80 % 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) | |
|--|--------------------------------|--------------------------------|--|--------------------------------|
| | 31 st March 2018 | 31 st March 2017 | 31 st March 2018 | 31 st March 2017 |
| Present value of obligations as at the beginning of the year | 1,75,70,273 | 15,273,583 | 5,398,633 | 3,935,964 |
| Current service cost | 16,68,369 | 26,04,322 | 12,96,879 | 2,397,708 |
| Interest cost | 12,91,415 | 12,21,887 | 3,96,800 | 314,877 |
| Benefit Paid | (27,17,241) | (1,554,205) | (12,01,657) | (1,437,787) |
| Actuarial (gain)/ loss on obligation | 10,40,641 | 24,686 | (19,38,040) | 187,871 |
| Present value of obligations as at the year end | 1,88,53,457 | 1,75,70,273 | 39,52,615 | 5,398,633 |
| Current liability | 64,96,731 | 22,67,519 | 9,10,751 | 823,775 |
| Non-Current liability | 1,23,56,726 | 1,53,02,754 | 30,41,864 | 4,574,858 |
| Total | 1,88,53,457 | 1,75,70,273 | 39,52,615 | 5,398,633 |

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Notes to Financial Statements for the year ended 31st March 2018

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

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (unfunded) | |
|---|-----------------------------|-----------------------------|--|-----------------------------|
| | 31 st March 2018 | 31 st March 2017 | 31 st March 2018 | 31 st March 2017 |
| Current Service Cost | 16,68,369 | 26,04,322 | 12,96,879 | 2,397,708 |
| Interest Cost | 12,91,415 | 12,21,887 | 3,96,800 | 314,877 |
| Actuarial (Gain) / loss recognized during the year | - | - | (19,38,040) | 187,871 |
| Expenses recognised in Statement of Profit and Loss | 29,59,784 | 38,26,209 | (2,44,361) | 2,900,456 |

iii. Amount recognized in Other Comprehensive Income (OCI):

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (unfunded) | |
|--|-----------------------------|-----------------------------|--|-----------------------------|
| | 31 st March 2018 | 31 st March 2017 | 31 st March 2018 | 31 st March 2017 |
| Actuarial Gain / (loss) recognized during the year | (10,40,641) | (24,686) | - | - |

iv. Principal Actuarial Assumptions :

| Particulars | Refer Note Below | Year ended | Year ended |
|------------------------|------------------|------------|------------|
| Discount rate (p.a.) | 1 | 7.80% | 7.35% |
| Salary Escalation Rate | 2 | 6.00% | 6.00% |

v. A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Gratuity Plan

| Particulars | 31-March -18 | | 31-March -18 | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | Discount Rate | | Future Salary | |
| Sensitivity Level | 0.5% Increase | 0.5% Decrease | 0.5% Increase | 0.5% Decrease |
| Impact on defined Benefit obligation | (3,22,923) | (3,37,519) | 3,41,723 | (3,29,814) |

vi. A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Leave

| Particulars | 31-March -18 | | 31-March -18 | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | Discount Rate | | Future Salary | |
| Sensitivity Level | 0.5% Increase | 0.5% Decrease | 0.5% Increase | 0.5% Decrease |
| Impact on defined Benefit obligation | (98,828) | 1,03,733 | 1,05,032 | (1,00,934) |

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Notes to Financial Statements for the year ended 31st March 2018

Maturity Profile of Defined Benefit Obligation

| | Particulars | Gratuity 31 st March 2018 | Leave 31 st March 2018 |
|----|----------------|--|---|
| a) | 0 to 1 Year | 64,96,731 | 9,10,751 |
| b) | 1 to 2 Year | 16,89,352 | 5,31,537 |
| c) | 2 to 3 Year | 14,58,830 | 4,24,412 |
| d) | 3 to 4 Year | 12,30,712 | 3,42,215 |
| e) | 4 to 5 Year | 13,17,652 | 2,86,544 |
| f) | 5 to 6 Year | 30,05,174 | 2,09,825 |
| h) | 6 Year Onwards | 36,55,006 | 12,47,331 |

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 Indian Assured Lives Mortality (IALM) Ultimate table

37. 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 15,96,922/-.

The future receipts for operating lease are as follows:

| Particulars | 31 st March 2018 | 31 st March 2017 |
|---|--------------------------------|--------------------------------|
| Not Later than 1 year | 22,76,743 | 903600 |
| Later than one year and not later than five years | 56,56,698 | 3836556 |
| Later than five years | - | 683076 |

The Company has entered into leave & license agreement for premises. The lease agreements are made for specific period as per agreement. Lease payments paid are recognized in the Statement of Profit & Loss for the year ended amounted to Rs 186,75,000/-.

The future Payments for operating lease are as follows:

| Particulars | 31 st March 2018 | 31 st March 2017 |
|---|--------------------------------|--------------------------------|
| Not Later than 1 year | 30,00,000 | 20,700,000 |
| Later than one year and not later than five years | - | 3,450,000 |
| Later than five years | - | - |

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Notes to Financial Statements for the year ended 31st March 2018

38. 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 :-

| Particulars | 31 st March 2018 | 31 st March 2017 |
|--|--------------------------------|--------------------------------|
| The principal amount remaining unpaid to supplier as at the end of the accounting year. | 5,52,518 | 276,700 |
| 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 |

39. **Contingent Liabilities:**

| Contingent Liabilities | 31 st March 2018 | 31 st March 2017 |
|---|--------------------------------|--------------------------------|
| Corporate Guarantee to IDBI Bank for Robust Hotels Pvt. Ltd. | 109,500,000 | 109,500,000 |
| Corporate Guarantee to HDFC Limited for Robust Hotels Pvt. Ltd. | 1,500,000,000 | 1,500,000,000 |
| Letter of Credit issued by IDBI Bank Ltd. in favour of West Bengal Electricity Distribution Company Limited | 8,000,000 | 8,000,000 |
| Service Tax under the Finance Act, 1994 pertaining to prior to F.Y. 2004-05 | 4,379,735 | 4,379,735 |
| Service Tax under the Finance Act, 1994 pertaining to F.Y. 2003-04 to F.Y. 2006-07 | 5,909,585 | 5,909,585 |
| Service Tax under the Finance Act, 1994 pertaining to F.Y. 2007-08 to F.Y. 2009-10 | 26,753,749 | 26,753,749 |

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Notes to Financial Statements for the year ended 31st March 2018

| | | |
|---|------------|------------|
| Service Tax under the Finance Act, 1994 pertaining to F.Y. 2013-17 | 7,644,193 | 7,644,193 |
| ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 2004-05 | - | 2,180,235 |
| ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 1996-97 to F.Y. 2016-17 | - | 68,080 |
| Sales Tax under West Bengal Sales Tax Act, 1994 pertaining to F.Y. 2012-13 | 5,683,418 | 5,683,418 |
| Value Added Tax under West Bengal VAT Act, 2003 pertaining to F.Y. 2012-13 | 396,345 | 396,345 |
| Income Tax under the Income Tax Act, 1961 for the F.Y. 2011-12 (the Company has preferred an appeal against the demand)* | 16,906,870 | 16,906,870 |
| Income Tax under the Income Tax Act, 1961 for the F.Y. 2012-13 (the Company has preferred an appeal against the demand)** | 12,273,270 | 12,273,270 |
| Income Tax under the Income Tax Act, 1961 for the F.Y. 2013-14 (the Company has preferred an appeal against the demand)*** | 12,304,560 | 12,304,560 |
| Income Tax under the Income Tax Act, 1961 for the F.Y. 2014-15 (the Company has preferred an appeal against the demand)**** | 69,76,470 | - |
| VAT Under WBVAT Act 2003 for the F.Y 2014-15 (the Company has preferred an appeal against the demand) | 1,81,216 | - |
| Others | - | 3,644,056 |

* The Company has paid demand of 14,750,000/- under protest and is included in Long Term Loans & Advances

** The Company has paid demand of 1,841,000/- under protest on 3rd May 2016.

*** The Company has paid demand of Rs. 1,850,000/- under protest on 18th January 2017.

**** The Company has paid demand of Rs 13,96,000/- under protest on 9th Feb 2018

40. Estimated amount of Capital Contracts pending to be executed (Net of Advances – Rs 11,85,900 (Previous Year – Rs. Nil/-))

41. Payments to Auditors

| Particulars | 31 st March 2018 | 31 st March 2017 |
|---------------------------|-----------------------------|-----------------------------|
| Statutory Audit Fees | | |
| Tax Audit Fees | 700,000 | 600,000 |
| Fees for other services | 150,000 | 150,000 |
| Reimbursement of Expenses | 35,000 | 465,000 |
| Total | 9,20,000 | 13,58,301 |

ASIAN HOTELS (EAST) LIMITED
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Notes to Financial Statements for the year ended 31st March 2018

42. As on date, the Company holds 91,652 Equity shares of Rs 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 Rs 33,448,275 for acquiring further shares of RCC from their existing shareholders and paid advances to RCC amounting to Rs 1,44,00,474 up to the Balance Sheet date which has been disclosed as current loans and advances.

Principal assets of Regency Convention Centre and Hotels Limited (RCC) comprise of an interest in a piece of land near CSI Airport at Mumbai. The RCC has filed Suit No. 6846 of 1999 in the High Court of Judicature at Bombay against the Airports Authority of India (AAI) & Ors. for specific performance of the agreement to lease 31,000 sq.mtrs. of land at village-Sahar, Andheri (East), Mumbai in its favour for construction of a five star hotel cum convention centre. The recording of evidence of the RCC's witness and the Defendants Nos. 2 to 16 have already been concluded and closed. The suit is pending of recoding of evidence of Defendant No. 1 i.e., AAI and for final arguments. Parties have asked the Court to expedite the matter.

Further, the RCC continues to engage in the dialogues with the parties concerned to amicably settle the disputes and exploring all available options. Considering the nature of dispute & involvement of all parties concerned, the settlement is a complex & difficult one, however, the RCC is hopeful of a positive outcome of its efforts.

43. In accordance with the Indian Accounting Standard on "Related Party Disclosures" (IndAS - 24), 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, wholly owned subsidiary
Regency Convention Centre & Hotels Limited
Robust Hotels Private Limited (subsidiary of GJS Hotels Limited)

(b) Key Management Personnel:

Radhe Shyam Saraf, Chairman
Arun Kumar Saraf, Joint Managing Director
Umesh Saraf, Joint Managing Director

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

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

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Notes to Financial Statements for the year ended 31st March 2018

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

| Asian Hotels (East) Limited | | | | | | | | |
|---|--------------------|---------------|--------------------------|------------|---|-----------|---------------|---------------|
| Transactions with Related Parties for the period from 1st April 2017 to 31st March 2018 | | | | | | | | |
| Transaction during the period | Subsidiary Company | | Key Management Personnel | | Entities Controlled by Directors or their Relatives | | Total | |
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Dividend Paid | | | | | | | | |
| Forex Finance Private Limited | - | - | - | - | - | 6,254,144 | - | 6,254,144 |
| Saraf Industries Limited | - | - | - | - | 7,261,260 | 7,261,260 | 7,261,260 | 7,261,260 |
| Radhe Shyam Saraf | - | - | 5,569,360 | 1,143,860 | - | - | 5,569,360 | 1,143,860 |
| Travelling Expenses | | | | | | | | |
| Juniper Hotels Pvt. Ltd. | - | - | - | - | - | 172,081 | - | 172,081 |
| Unison Hotels Pvt. Ltd. | - | - | - | - | 29,635 | 202,031 | 29,635 | 202,031 |
| Expenses Incurred (Reimbursement) | | | | | | | | |
| Robust Hotels Private Limited | - | - | - | - | - | - | - | - |
| Chartered Hampt Hotels Private Limited | - | - | - | - | - | - | - | - |
| Juniper Hotels Private Limited | - | - | - | - | - | - | - | - |
| Taragaon Regency Hotels Limited | - | - | - | - | - | - | - | - |
| Unison Hotels Private Limited | - | - | - | - | 225,942 | 204,331 | 225,942 | 204,331 |
| Advance Given | | | | | | | | |
| GJS Hotels Limited | 2,140,000 | 636,200 | - | - | - | - | 2,140,000 | 636,200 |
| Regency Convention Centre and Hotels Limited | 530,000 | 1,401,000 | - | - | - | - | 530,000 | 1,401,000 |
| Robust Hotels Pvt. Ltd. | 222,500,000 | 75,000,000 | - | - | - | - | 222,500,000 | 75,000,000 |
| Refund of Advance Given | | | | | | | | |
| GJS Hotels Limited | 2,500,000 | 501,850,000 | - | - | - | - | 2,500,000 | 501,850,000 |
| Regency Convention Centre and Hotels Limited | 100,000 | - | - | - | - | - | 100,000 | - |
| Robust Hotels Pvt. Ltd. | - | 75,000,000 | - | - | - | - | - | 75,000,000 |
| Refund of Advance taken | | | | | | | | |
| Robust Hotels Pvt. Ltd. | - | 532,000,000 | - | - | - | - | - | 532,000,000 |
| Managerial Remuneration | | | | | | | | |
| Umesh Saraf | - | - | 17,557,600 | 12,968,000 | - | - | 17,557,600 | 12,968,000 |
| Arun K. Saraf | - | - | 18,788,796 | 13,115,000 | - | - | 18,788,796 | 13,115,000 |
| Closing Balance as on 31st March 2018 | | | | | | | | |
| | | | | | | | | |
| Account Receivables | | | | | | | | |
| GJS Hotels Limited | 3,229,844,800 | 3,230,204,800 | - | - | - | - | 3,229,844,800 | 3,230,204,800 |
| Regency Convention Centre and Hotels Limited | 14,400,474 | 13,970,474 | - | - | - | - | 14,400,474 | 13,970,474 |
| Investments as at year end | | | | | | | | |
| Equity Shares of GJS Hotels Limited | 2,346,365,000 | 2,346,365,000 | - | - | - | - | 2,346,365,000 | 2,346,365,000 |
| Equity Shares of Regency Convention Centre and Hotels Limited | 257,901,724 | 257,901,724 | - | - | - | - | 257,901,724 | 257,901,724 |
| Equity Shares of Robust Hotels Private Limited | 300,175,000 | 300,175,000 | - | - | - | - | 300,175,000 | 300,175,000 |
| Preference Shares of Robust Hotels Private Limited | 615,374,060 | 615,374,060 | - | - | - | - | 615,374,060 | 615,374,060 |

*The Post Employment benefits of KMPs excludes gratuity which cannot be separately identified from the composite amount advised by the actuary

44. The timing difference relating mainly to depreciation and unabsorbed losses result in net deferred credit as per IND AS 12 "Income Taxes". As a prudent measure the net Deferred Tax Assets' relating to the above has not been recognized in the financial statements.

45. The resolution for approval of the Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013 between GJS Hotels Limited (GJSHL), the Company, Robust Hotels Private Limited (RHPL) and their respective Shareholders (the Scheme) was approved at the respective meetings of Equity Shareholders and Unsecured Creditors of the Company on Wednesday, 21st February, 2018 in terms of an Order dated 21st December, 2017 as modified by an Order dated 4th January, 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench. On 28th March 2018, the Scheme was filed with NCLT, Kolkata Bench for its sanction w.e.f 31st March 2016 being the Appointed Date of the Scheme.

On ~~being~~ the Scheme becoming sanctioned & effective in a future date, 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- issued by RHPL shall stand appropriated towards 3,20,35,000 Equity Shares of Rs 10/- each credited as fully paid up in the Company at a premium of Rs 10/- per share & 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each issued by RHPL shall stand appropriated towards 3,79,75,000 Equity Shares of Rs 10/-each, credited as fully paid up, at a premium of Rs 10/- per share in GJSHL with effect from the Appointed Date & subsequently the Demerged Undertaking of the Company's wholly owned subsidiary GJSHL shall stand demerged to the Company and accordingly RHPL shall become wholly owned subsidiary of the Company.

B

ASIAN HOTELS (EAST) LIMITED
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Notes to Financial Statements for the year ended 31st March 2018

46 Pursuant to the effectiveness of an Order of Calcutta High Court dated 23rd August, 2016 on the Scheme of Amalgamation involving the Company and Forex Finance Private Limited, the Company has become a shareholder of Asian Hotels (West) Limited (AHWL) & holding 4.58% of its paid-up equity share capital.

However, the above shares has become restrained due to an ex-parte Delhi High Court Order dated 19th August, 2015 wherein the court has asked the parties including the Company to maintain status quo on the shares and the Company is injuncted from exercising voting rights arising from the said shares. The Company has challenged the Order and has taken necessary legal actions to protect its rights. The matter is pending before Delhi High Court and the Company is hopeful of a positive outcome.

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

For Singhi & Co.
Chartered Accountants
Firm Registration. No. 302049E



Rajiv Singhi
Partner
Membership No. : 053518
Place : Chennai
Date: 9th May 2018



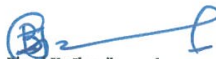
Arun Kr Saraf
Jt. Managing Director
DIN -00339772



A.C Chakraborti
Director
DIN -00015622



Padam Kr Khaitan
Director
DIN - 00019700



Bimal Kr Jhunjhunwala
CFO & Vice President- Corporate Finance



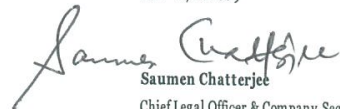
Umesh Saraf
Jt. Managing Director
DIN 00017985



Rama Shankar Jhavar
Director
DIN -00023792



Rita Bhimani
Director
DIN -07106069



Saumen Chatterjee
Chief Legal Officer & Company Secretary



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ROBUST HOTELS PRIVATE LIMITED AT ITS MEETINGS HELD ON 10TH JULY, 2018 AT CHENNAI EXPLAINING THE EFFECT OF SCHEME OF ARRANGEMENT

The Board of Directors at its meeting held on 10th February, 2017 after considering all relevant documents, approved the Scheme of Arrangement between GJS Hotels Limited (“**GJSHL**”), Asian Hotels (East) Limited (“**AHEL**”) and Robust Hotels Private Limited (“**RHPL**”) and their respective shareholders for (1) reconstructing GJSHL and AHEL by demerging the Demerged Undertaking of GJSHL (including investment in RHPL) to AHEL and (2) reorganising and converting the outstanding 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each of RHPL (“**Specified Preference Shares**”) and 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each of RHPL (“**Specified Debentures**”) into Equity Shares of RHPL, in the manner and on the terms and conditions stated in the said Scheme of Arrangement from the Appointed date i.e. 31st March, 2016.

The provisions of Section 230(3) of the Companies Act, 2013 require RHPL to explain to the creditors in the statement accompanying the notice of their meeting, the effect of the Scheme on various stakeholders. This report is adopted by the Board accordingly.

1. Consequent to demerger of the Demerged Undertaking of GJSHL to AHEL in terms of the Scheme, AHEL shall become the holder of all Preference Shares and Debentures of RHPL. With effect from the Appointed Date, and upon the demerger of the Demerged Undertaking of GJSHL to AHEL being effective in terms of the Scheme, the Specified Preference Shares and Specified Debentures of RHPL shall, without any further act or deed, be appropriated towards Equity Share Capital of RHPL to the extent and in the manner as stated hereunder:-

- a. 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each (Specified Preference Shares) issued by RHPL shall stand appropriated towards 3,20,35,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs.10/- per share with effect from the Appointed Date.
- b. 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each (Specified Debentures) issued by RHPL shall stand appropriated towards 3,79,75,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs.10/- per share with effect from the Appointed Date.

The Specified Preference Shares and Specified Debentures of RHPL shall stand converted into 22,41,83,830 Equity Shares of Rs. 10/- each. The share entitlement ratio for the reorganisation of share capital and debentures of RHPL has been fixed on a fair and reasonable basis and on the basis of the Report of Messrs. NSBP & Co, a reputed firm of Chartered Accountants. There was no difficulty in valuation. D&A Financial Services (P) Limited, independent Merchant Bankers, have also confirmed that the entitlement ratio is fair and proper by their fairness opinion thereon as under :-

Based on our examination of the draft Scheme of Arrangement and the Valuation Report of M/s

NSBP & Co. dated 02 February, 2017, we are of the opinion that the proposed share entitlement ratio as recommended by the valuer for conversion of 12% Cumulative Redeemable Preference Shares (“CRPS”) and 0.1% Unsecured Redeemable Non-Convertible Debentures (“Unsecured NCD”) of Robust Hotels Private Limited, as under pursuant to proposed scheme of arrangement is fair.

A. Fair value of Equity Share of RHPL Rs.20/- per share.

B. Fair Value of Preference Shares and Debentures and Recommended fair Share Entitlement Ratio:

| Particulars | Value (In Rs. Crores) | Number of Units | Value per Unit | Equity Share Entitlement (per 100 units) |
|--|--------------------------------------|----------------------------|-----------------------|---|
| 12% Cumulative Redeemable Preference Shares of RHPL | 64.10 | 43,00,000 | 149.06 | 745 |
| 0.1% Unsecured Redeemable Non-Convertible Debentures of RHPL | 100.62 | 2,05,00,000 | 49.09 | 245 |

1. The effect of the Scheme on the various stakeholders, including shareholders, creditors, debenture holders, employees, Directors, Key Managerial Personnel, promoter and non-promoter shareholders is summarised below:-

| Category | RHPL | GJSHL | AHEL |
|------------------|--|---|---|
| (a) Shareholders | Upon the demerger of the Demerged Undertaking of GJSHL to AHEL in terms of the Scheme, (a) all the Equity Shares held by GJSHL will stand transferred to AHEL and (b) the Specified Preference Shares and Specified Debentures of RHPL shall stand converted into Equity Shares. Consequently, the entire share capital of RHPL will consist of Equity Shares held by AHEL. All (100%) shares of RHPL shall be held by AHEL. | The shareholders of GJSHL will continue to hold their existing Equity Shares in GJSHL. Further, since all the Equity Shares of GJSHL are held by AHEL and AHEL cannot issue any shares to itself, no shares whatsoever shall be issued by AHEL in consideration of the demerger and hence there will be no change in the shareholding pattern of GJSHL. | The shareholders of AHEL will continue to hold their existing Equity Shares in AHEL. There is no issue of shares of AHEL under the Scheme and hence there will be no change in shareholding pattern of AHEL consequent to the Scheme. |

| | | | |
|---|--|--|---|
| | | | |
| (b) Creditors | Existing Creditors of RHPL (excepting the sole debenture-holders of RHPL) will continue to be creditors of RHPL on the same terms and conditions as before. The debentures will be converted into Equity Shares as stated above. | Creditors relating to the Demerged Undertaking of GJSHL will cease to be creditors of GJSHL and become creditors of AHEL on the same terms and conditions, as before. Other creditors of GJSHL will continue to be creditors of GJSHL on the same terms and conditions, as before. | Creditors relating to the Demerged Undertaking of GJSHL will become creditors of AHEL on the same terms and conditions, as before. Other creditors of AHEL will continue to be creditors of AHEL on the same terms and conditions, as before. |
| (c) Depositors | There are no depositors. | There are no depositors. | There are no depositors. |
| (d) Debenture holders | Consequent to the Scheme all outstanding 1,55,00,000 Specified Debentures if RHPL will stand converted into Equity Shares of RHPL as stated above. | There are no debenture holders. | There are no debenture holders. |
| (e) Deposit trustee and Debenture trustee | There are no deposit trustees or debenture trustees. | There are no deposit trustees or debenture trustees. | There are no deposit trustees or debenture trustees. |
| (f) Employees | Employees of RHPL will continue to be employees of RHPL, on the same terms and conditions, as before. | Employees engaged in the Demerged Undertaking of GJSHL will cease to be employees of GJSHL and become employees of AHEL on the same terms and conditions, as before. Other employees of GJSHL will continue to be employees of GJSHL, on the same terms and conditions, as before. | Employees of AHEL will continue to be employees of AHEL, on the same terms and conditions, as before. |

| | | | |
|--------------------------------------|--|---|---|
| | | | |
| (g) Promoters | All Companies are under common management and control. In so far as shares held by promoters are concerned, the effect of the Scheme is the same as stated in this column in item (a) above. | All Companies are under common management and control. There will be no change in management and control of GJSHL consequent to the Scheme. In so far as shares held by promoters are concerned, the effect of the Scheme is the same as stated in this column in item (a) above. | All Companies are under common management and control. There will be no change in management and control of GJSHL consequent to the Scheme. In so far as shares held by promoters are concerned, the effect of the Scheme is the same as stated in this column in item (a) above. |
| (h) Non-promoter members | There are no Non Promoter members of RHPL | There are no Non Promoter members of GJSHL | Same as stated in this column in item (a) above. |
| (i) Key Managerial Personnel (“KMP”) | KMPs continue to be KMPs of RHPL as before. | KMPs continue to be KMPs of GJSHL as before. | KMPs continue to be KMPs of AHEL as before. |
| (j) Directors | They will continue to be Directors of RHPL as before. | They will continue to be Directors of GJSHL, as before. | They will continue to be Directors of AHEL, as before. |

3. In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Company and its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of the Board of Directors of:

Robust Hotels Private Limited

sd/-

Umesh Saraf

Director

(DIN: 00017985)

Place: Chennai

Date :10th July, 2018

Statement of shareholdings of the Directors and Key Managerial Personnel of Asian Hotels (East) Limited, GJS Hotels Limited and Robust Hotels Private Limited

a) ASIAN HOTELS (EAST) LIMITED

| Sl. No. | Name of the Directors/Promoters/ KMPs and their relatives | Category | Addresses | Shareholding i.e. No. of Shares | Cross shareholding |
|----------------|---|--------------------------------------|---|--|---|
| 1. | Mr. Radhe Shyam Saraf | Promoter (Non-Executive Chairman) | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 32,84,680 | Nil |
| | Relatives: HUF: NA Spouse: Mrs. Ratna Devi Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 6,17,347 | Nil |
| | Son: Mr. Arun Kumar Saraf & Mr. Umesh Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India & 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | 8,732 & 24,731 | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | Son's wife: Mrs. Namita Saraf & Mrs. Priti Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India & 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | Nil | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |

| | | | | | |
|----|--|-----------------------------|---|----------------------|---|
| 2. | Mrs. Ratna Devi Saraf | Promoter | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 6,17,347 | Nil |
| | Relatives: HUF: NA Spouse: Mr. Radhe Shyam Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 32,84,680 | Nil |
| | Son: Mr. Arun Kumar Saraf & Mr. Umesh Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India & 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | 8,732 & 24,731 | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.00009123 |
| | Son's wife: Mrs. Namita Saraf & Mrs. Priti Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India & 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | Nil | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| 3. | Mr. Arun Kumar Saraf | Joint Managing Directors | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | 8,732 | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |

| | | | | | |
|----|---|--------------------------|--|-----------|---|
| | Relatives: HUF: NA Spouse: Mrs. Namita Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | Nil | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | Father: Mr. Radhe Shyam Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 32,84,680 | Nil |
| | Mother: Mrs. Ratna Devi Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 6,17,347 | Nil |
| | Brother: Mr. Umesh Saraf | | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | 24,731 | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.00009123 |
| 4. | Mr. Umesh Saraf | Joint Managing Directors | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | 24,731 | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.00009123 |
| | Relatives: HUF: NA Spouse: Mrs. Priti Saraf | | W-120, Greater Kailash Part II, New Delhi-110048 | | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | Father: Mr. Radhe Shyam Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 32,84,680 | Nil |
| | Mother: Mrs. Ratna Devi Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | 6,17,347 | Nil |

| | | | | | |
|--|--|---|--|------|---|
| | Brother: Mr. Arun Kumar Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | 8732 | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| 5. | Mr. Amal Chandra Chakrabortti | Independent Director | 22/2A, Gorachand Road, Kolkata - 700014 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 6. | Mr. Padam Kumar Khaitan | Independent Director | 3 Queens Park, Kolkata 700019 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 7. | Mr. Rama Shankar Jhawar | Independent Director | Doveland Court, 29/13, Ballygunge Park Road, Kolkata - 700019 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 8. | Ms. Rita Bhimani | Independent Director | 12/4, Sunny Park Apartments, 6, Sunny Park, Kolkata - 700019 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 9. | Mr. Saumen Chatterjee | Chief Legal Officer & Company Secretary | Flat No. S/6, 2nd Floor, Cluster-I, Block 'GA', Sector-III, Purbachal, Salt Lake City, Kolkata-700097 | Nil | Holding in GJS Hotels Limited No. of Shares :10 % of Holding: 0.000091233 |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 10. | Mr. Bimal Kumar Jhunjunwala | CFO & Vice-President Corporate Finance | 3 rd Floor, Flat No. 11, Block-D, 73, Bangur Avenue, Kolkata - 700055 | Nil | Holding in GJS Hotels Limited No. of Shares :10 % of Holding: 0.000091233 |
| | Relatives: HUF: NA Spouse: Mrs. Sudha Jhunjunwala | | 3 rd Floor, Flat No. 11, Block-D, 73, Bangur Avenue, Kolkata - 700055 | 126 | Nil |

| | | | | |
|---|--|--|---|-----|
| Daughter: Mrs. Sheetal Gheedia | | 3 rd Floor, Flat No. 11, Block-D, 73, Bangur Avenue, Kolkata – 700055 | 8 | Nil |
| Apart from this none of the relatives have any shareholding & cross shareholding. | | | | |

b) GJS HOTELS LIMITED:

| SI No. | Name of the Directors/Promoters/ KMPs and their relatives | Category | Addresses | Shareholding i.e. No. of Shares | Cross shareholding |
|--|--|----------------------|--|---------------------------------|--|
| 1. | Mr. Umesh Saraf | Director | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | 10 | Holding in Asian Hotels (East) Limited No. of Shares : 24,731 % of Holding: 0.21 |
| | Relatives: HUF: NA Spouse: Mrs. Priti Saraf | | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | 10 | Nil |
| | Father: Mr. Radhe Shyam Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 32,84,680 % of Holding: 28.49 |
| | Mother: Mrs. Ratna Devi Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 6,17,347 % of Holding: 5.36 |
| | Brother: Mr. Arun Kumar Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | 10 | Holding in Asian Hotels (East) Limited No. of Shares : 8732 % of Holding: 0.08 |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 2. | Mr. Padam Kumar Khaitan | Independent Director | 3 Queens Park, Kolkata 700019 | Nil | Nil |

| | | | | | |
|----|---|----------------------|---|-----|---|
| | None of the relatives are holding / crossholding any shares. | | | | |
| 3. | Mr. Basab Chakraborty | Additional Director | 6E, Beltala Road, Kolkata – 700026 | Nil | Nil |
| | None of the relatives are holding / crossholding any shares. | | | | |
| 4. | Mr. Pawan Kumar Kakarania | Independent Director | 1/1A, Hari Pal Lane, Kolkata – 700006 | Nil | Nil |
| | None of the relatives are holding / crossholding any shares. | | | | |
| 5. | Mr. Nirod Baran Mahata | Manager | JA-1, Sec-3, Salt Lake, Kolkata-700098 | Nil | Nil |
| | None of the relatives are holding / crossholding any shares. | | | | |
| 6. | Mr. Saumen Chatterjee | Company Secretary | Flat No. S/6, 2nd Floor, Cluster-I, Block ‘GA’, Sector-III, Purbachal, Salt Lake City, Kolkata-700097 | 10 | Nil |
| | None of the relatives are holding / crossholding any shares. | | | | |
| 7. | Mr. Bimal Kumar Jhunjhunwala | CFO | 3 rd Floor, Flat No. 11, Block-D, 73, Bangur Avenue, Kolkata - 700055 | 10 | Nil |
| | Relatives: HUF: NA | | 3 rd Floor, Flat No. 11, Block-D, 73, Bangur Avenue, Kolkata - 700055 | Nil | Holding in Asian Hotels (East) Limited No. of Shares :126 |
| | Spouse: Mrs. Sudha Jhunjhunwala | | | | |
| | Daughter: Mrs. Sheetal Gheedia | | 3 rd Floor, Flat No. 11, Block-D, 73, Bangur Avenue, Kolkata - 700055 | Nil | Holding in Asian Hotels (East) Limited No. of Shares :8 |
| | Apart from this none of the relatives have any shareholding & cross shareholding. | | | | |

c) ROBUST HOTELS PRIVATE LIMITED:

| Sl No. | Name of the Directors/Promoters/ KMPs and their relatives | Category | Addresses | Shareholding i.e. No. of Shares | Cross shareholding |
|--------|---|-----------|---|---------------------------------|---|
| 1. | Mr. Umesh Saraf | Directors | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 24,731 % of Holding: 0.21 |

| | | | | | |
|----|--|----------|---|-----|---|
| | | | | | & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.00009123 |
| | Relatives: HUF: NA Spouse: Mrs. Priti Saraf | | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | Nil | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | Father: Mr. Radhe Shyam Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 32,84,680 % of Holding: 28.49 |
| | Mother: Mrs. Ratna Devi Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 6,17,347 % of Holding: 5.36 |
| | Brother: Mr. Arun Kumar Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 8732 % of Holding: 0.08 & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | None of the relatives are holding / crossholding any shares. | | | | |
| 2. | Mr. Avali Srinivasan | Director | 45, Sapthagiri Colony, Jafferhanpet, Chennai - 600083 | Nil | Nil |

| | | | | | |
|----|---|-----------|--|-----|--|
| | None of the relatives are holding / crossholding any shares. | | | | |
| 3. | Mr. Arun Kumar Saraf | Directors | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 8732 % of Holding: 0.08 & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | Relatives: HUF: NA Spouse: Mrs. Namita Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | Nil | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | Father: Mr. Radhe Shyam Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 32,84,680 % of Holding: 28.49 |
| | Mother: Mrs. Ratna Devi Saraf | | Flat D 20/F, Caine Manison, 80-88 Caine Road, Hongkong | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 6,17,347 % of Holding: 5.36 |
| | Brother: Mr. Umesh Saraf | | 27-A, Green Avenue Lane, Vasant Kunj, Farm House, New Delhi – 110 070 | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 24,731 % of Holding: 0.21 & Holding in GJS Hotels Limited No. of shares: |

| | | | | | |
|--|--|-------------------------|---|-----|---|
| | | | | | 10 % of holding: 0.00009123 |
| 4. | Mr. Pawan Kumar Kakarania | Independent Director | 1/1A, Hari Pal Lane, Kolkata – 700006 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 5. | Mr. Varun Saraf | Director | 6 th Floor, Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | Nil | Nil |
| | Father: Mr. Arun Kumar Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | Nil | Holding in Asian Hotels (East) Limited No. of Shares : 8732 % of Holding: 0.08 & Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| | Mother: Mrs. Namita Saraf | | Grand Hyatt Residencies, off: Western Express Highway, Santacruz (E), Mumbai, 400055, Maharashtra, India | Nil | Holding in GJS Hotels Limited No. of shares: 10 % of holding: 0.000091233 |
| 6. | Mr. Soumya Saha | Director | 29, Prasanna Kumar Tagore Street, Kolkata-700 006 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 7. | Mr. TN Thanikachalam | Company Secretary | AP 392, 11th east cross street, MKB Nagar, Chennai - 600 039 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |
| 8. | Mr. Natarajan Muthulakshmi | CFO | 1m kamarajar Thenvadal street, KK Nagar, Madurai - 625 020 | Nil | Nil |
| None of the relatives are holding / crossholding any shares. | | | | | |

Share Entitlement Report for the Reorganization of Share Capital and Debentures of Robust Hotels Private Limited under the Scheme of Arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective Shareholders

February 02, 2017

Prepared by:

NSBP & Co.

107, Tribhuvan Complex

Ishwar Nagar, Mathura Road

New Delhi – 110 065

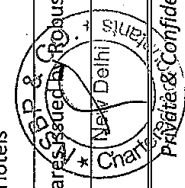
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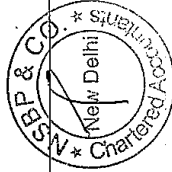
List of Abbreviation

| <u>Abbreviation</u> | <u>Description</u> |
|---------------------|---|
| AOA | Articles Of Association |
| MOA | Memorandum of Association |
| SOA | Scheme of Arrangement |
| Appointed Date | 31 st March, 2016 |
| Valuation Date | 31 st March, 2016 |
| BSE | Bombay Stock Exchange |
| CAPM | Capital Asset Pricing Model |
| Cr. | INR Crore |
| EBIT | Earnings Before Interest & Tax |
| EBITDA | Earnings Before Interest, Tax, Depreciation & Amortisation |
| EV | Enterprise Value |
| AHEL/ Asian Hotels | Asian Hotels (East) Limited |
| RHPL/ Robust Hotels | Robust Hotels Private Limited |
| GJSHL/ GJS Hotels | GJS Hotels Limited |
| CRPS | 12% Cumulative Redeemable Preference Shares issued by Robust Hotels |
| CROCPS | 1% Cumulative Redeemable Optionally Convertible Preference Shares issued by Robust Hotels |
| Unsecured NCDs | 0.1% Non-Convertible Debentures issued by Robust Hotels |



Private & Confidential

| | |
|-------------------------------------|---|
| CCPS | 1% Compulsorily Convertible Preference Shares (erstwhile 1% CROCPS) |
| Securities or Financial Instruments | 12% CRPS and 0.1% Unsecured NCDs to be reorganised and converted under the Scheme |
| ICAI | The Institute of Chartered Accountants of India |
| Lakh(s) | INR Lakhs |
| NAV | Net Asset Value |
| PAT | Profit After Tax |
| NSBP/We | NSBP & Co., Chartered Accountants |
| WACC | Weighted Average Cost of Capital |

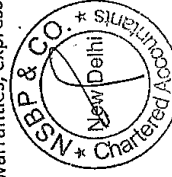


CHAPTER 1 - DISCLAIMER CLAUSE

This Share Entitlement Report ("Report") is being furnished by NSBP & Co. ("NSBP") at the request of the management of Asian Hotels (East) Limited ("AHEL" or "Asian Hotels") and Robust Hotels Private Limited ("RHPL" or "Robust Hotels") for determining the share entitlement ratio upon reorganisation and conversion of the 12% Cumulative Redeemable Preference Shares ("CRPS") and 0.1% Unsecured Redeemable Non-Convertible Debentures ("Unsecured NCDs") of Robust Hotels into Equity Shares of Robust Hotels at fair value under the proposed Scheme of Arrangement between GJS Hotels Limited ("GJSHL" or "GJS Hotels"), Asian Hotels, Robust Hotels and their respective shareholders. The Scheme provides for (1) demerger of Investment Division (Demerged Undertaking) of GJS Hotels to Asian Hotels and (2) reorganisation of share capital and debentures of Robust Hotels ("Scheme" or "Scheme of Arrangement"). As represented to us, Robust Hotels will become a wholly owned subsidiary of Asian Hotels consequent to demerger of the Investment Division of GJS Hotels to Asian Hotels under the Scheme. Upon such demerger, Asian Hotels would become the holder, inter alia, of the 0.1% Unsecured NCDs of Robust Hotels in addition to the 12% CRPS already held by it in Robust Hotels. In terms of the Scheme, the management of Asian Hotels and Robust Hotels ("Management") would be evaluating the reorganisation and conversion of the said 0.1% Unsecured NCDs and 12% CRPS (hereinafter collectively referred to as the "Securities" or "Financial Instruments") of Robust Hotels ("Purpose"). Hence, NSBP has been appointed to determine the fair and equitable share entitlement ratio for the proposed conversion. The date of valuation for this exercise is March 31, 2016 ("Valuation Date").

The Report has been prepared by NSBP from the information extracted from desk research, published Reports financial projections, and other data including terms of investments, room-nights available, actual occupancy rates, average room realization, etcetera supplied by the Management. Our agreed scope of work does not include verification of data submitted by the Management and we have fully relied upon the data provided to us.

The factual data, business details and projected financial statements have been provided by the Management. While the information provided herein is believed to be true and reliable to the best of our knowledge, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of such information.



Advisory Report on Share Entitlement Ratio

The information contained herein is based on certain assumptions and Management's analysis of information available at the time the Report has been prepared. NSBP does not purport to give any representation, warranty or other assurance in relation to such information.

The Report highlights the alternative approaches to valuation and summarizes the methodologies keeping in view the circumstances of the business and arrives at the fair value for the conversion.

This Report must be considered in the above-mentioned context only and is not an advisory document for any other purpose. The Report may not be distributed, reproduced, or used, without the express written consent of NSBP for any purpose other than mentioned above. Our valuation analysis should not be construed as an investment advice and we do not express any opinion on the suitability of any investment with any company. This Report is to be read in its entirety.



CHAPTER 2 - SCOPE OF WORK

We understand that GJS Hotels, Asian Hotels (East) Limited and Robust Hotels and their respective Members would be entering into the Scheme of Arrangement (SOA) with Appointed Date being 31st March, 2016. The Scheme is in two parts:

- i. Demerger of Investment Division of GJS Hotels into Asian Hotels. In terms of the Proposed Scheme, the investment division of GJS Hotels is to vest in Asian Hotels. As on the Appointed Date GJS Hotels held the following securities in its Investment Division:
 - a. 89,64,623 1% Cumulative Redeemable Optionally Convertible Preference Shares of Robust Hotels ("CROCPS");
 - b. 2,05,00,000 0.1% Unsecured Redeemable Non-Convertible Debentures of Robust Hotels ("Unsecured NCDs"); and
 - c. 6,39,32,769 Equity Shares of Robust Hotels.

Apart from above, as on the Appointed Date, Asian Hotels already held 43,00,000 12% Cumulative Redeemable Preference Shares ("CRPS") of Rs.100 each in Robust Hotels.

- ii. In terms of the Scheme, out of the aforesaid securities of Robust Hotels, 1,55,00,000 0.1% Unsecured NCDs and 43,00,000 12% CRPS of Robust Hotels shall be reorganised and converted into equity shares of Robust Hotels.

It is clarified that the balance 50,00,000 Unsecured NCDs of Robust Hotels as on the Appointed Date have since been redeemed and the said 89,64,623 1% CROCPS of Robust Hotels as on the Appointed Date have since been converted into 1% Compulsorily Convertible Preference Shares ("CCPS") in the current financial year (2016-2017). However, since the same were existing as on the Appointed Date, the same have also been considered in the valuation of Robust Hotels as on the Appointed Date but are not required to be reorganised under the Scheme.

The Management of Asian Hotels and Robust Hotels is evaluating the reorganisation and conversion of 12% CRPS and 1% Unsecured NCDs of Robust Hotels, as stated in sub-paragraph (ii) above, into Equity Shares of Robust Hotels. For the said purpose NSBP & Co. has been appointed to apprise the Management on the fair value for the conversion of the said Securities held as investments into Equity Shares of Robust Hotels as on March 31, 2016 ("Valuation Date"). Therefore, our scope of work shall include apprising the Management on the value of the Securities in consideration (as

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Advisory Report on Share Entitlement Ratio

per sub paragraphs (a) and (b) above) and the value of equity share of Robust Hotels for the purpose of determining Share Entitlement Ratio upon the conversion of the aforesaid Securities of Robust Hotels.



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Limitation

It may be noted that valuation is a highly subjective exercise and the opinion on valuation may differ from valuer to valuer depending on the individual perception of the attendant circumstances. At best, it is an expression of opinion or a recommendation based on certain assumptions.

Please note that:-

- a) Valuation does not include the auditing of financial data provided by Management, and therefore we do not take any responsibility for its accuracy and completeness.
- b) Valuation should not be considered as an opinion on the achievability of financial projections either mentioned in, or relied upon for this Report.

This Report is to be considered only for the purpose of determining the fair value of the Securities for its conversion into Equity Shares.

While all reasonable care has been taken to ensure that the advice given in the Report is fair and equitable for the above said purpose, neither NSBP nor its constituents including its partners & others shall in any way be responsible for any inadvertent error or error of judgment and any such inaccuracies in this Report that may have crept in or for any error in computing fair value of the Securities.



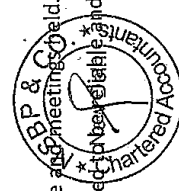
CHAPTER 3 - DATA RELIED UPON

For the purpose of this Report, we have relied upon the data, facts, information, documents extracted from desk research, published Reports, and other data provided by the Management:

We have relied upon the following Management certified information:

1. Draft Scheme of Arrangement between GJS Hotels, Asian Hotels, and Robust Hotels and their respective shareholders for demerger, reorganisation and conversion as aforesaid;
2. Audited Balance Sheet of Asian Hotels, GJS Hotels, and Robust Hotels for the FY 2015-16;
3. Assets Valuation Reports shared with us by the management and issued by M/s. Sreenidhi Valuation Consultancy Services, Chennai dated 16th May 2016 in respect of Land, Building, Furniture/ Interior Decorations (excluding Arts), and Machinery of Robust Hotels..
4. Unaudited provisional financials of Robust hotels for the half year ended 30th September, 2017
5. Projection of the hotel business of Robust Hotels up to 2026-27
6. Terms of Issue of Investments of the 12% Cumulative Redeemable Preference Shares;
7. Terms of Issue of Investments of the 0.1% Unsecured Non-Convertible Debentures;
8. Terms of Issue of Investments of the 1% Cumulative Redeemable Optionally Convertible Preference Shares;
9. Board Resolutions of GJS Hotels dated 10th February 2016 and 7th September 2016 and Board Resolutions of Robust Hotels dated 21st May 2016 and 21st September 2016 for alteration of nature of 1% Cumulative Redeemable Optionally Convertible Preference Shares issued by Robust Hotels into 1% Compulsorily Convertible Preference Shares of Robust Hotels
10. Data related to issue and transfer of the Securities, and history of payment of dividends/ interests by the issuer of the Securities;
11. Other facts and data considered necessary to arrive at a fair value

We have also relied upon other written/ verbal information given to us by the Management during the course of our exercise and meetings held. Some of the data required for the purpose of this exercise has been taken from publicly available sources from internet believed to be reliable and true.



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CHAPTER 4 - BACKGROUND

A. Company Background:

1. Asian Hotels (East) Limited

Asian Hotels is in the business sector of hospitality. The equity shares of Asian Hotels are listed on Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). Asian Hotels was originally incorporated with the name Vardhman Hotels Pvt. Limited w.e.f. 8th January, 2007. Vardhman Hotels, being a wholly owned subsidiary of Asian Hotels Limited and in pursuance of a Scheme of Arrangement (Appointed Date – 31st October, 2009), acquired from Asian Hotels Limited a 5-star hotel in Kolkata i.e. Hyatt Regency Kolkata following the demerger envisaged in the said Scheme. Upon the scheme becoming effective the name of Vardhman Hotels Pvt. Limited was changed to Asian Hotels w.e.f. 11th February, 2010

Asian Hotels Income Statement (Standalone) (INR Cr.)

| Particulars | 31-Mar-16 |
|-------------------------|---------------|
| Revenue from Operations | 98.09 |
| Other Income | 9 |
| Total Revenue | 107.09 |
| EBITDA | 31.69 |
| PAT/ (Loss) | 8.19 |



Asian Hotels Balance sheet (Standalone) (INR Cr.)

| Particulars | 31-Mar-16 |
|-------------------------------|----------------|
| Equity and Liabilities | |
| Shareholder's Fund | 853.05 |
| Non-Current Liabilities | 19.13 |
| Current Liabilities | 155.89 |
| TOTAL | 1028.07 |
| Assets | |
| Non-Current Assets | 847.76 |
| Current Assets | 180.31 |
| TOTAL | 1028.07 |

Asian Hotels Latest Shareholding Pattern as on 1st December, 2016

| Particulars | No. of Shares | % holding |
|---------------------------|--------------------|----------------|
| Promoter & Promoter Group | 75,66,120 | 65.63% |
| Public | 39,61,677 | 34.37% |
| TOTAL | 1,15,27,797 | 100.00% |



Asian Hotels Schedule of Contingent Liabilities as on 31st March, 2016

| S. No | Particulars | Amount (Cr.) |
|-------|---|--------------|
| 1. | Corporate Guarantee to IDBI bank for Robust Hotels | 35.0 |
| 2. | LC issued by IDBI Bank Ltd in favor of West Bengal Electricity Distribution Company Limited | 0.8 |
| 3. | Service Tax under the Finance Act, 1994 pertaining to FY 2003 to Jan-2013 | 4.4 |
| 4. | ESIC under Employee's State Insurance Act 1948 pertaining to FY 2004-05 | 0.2 |
| 5. | Income Tax under the Income Tax Act, 1961 for the FY 2011-12 (Asian Hotels has preferred an appeal) | 1.7 |
| 6. | Income Tax under the Income Tax Act, 1961 for the FY 2012-13 (Asian Hotels has preferred an appeal) | 1.2 |
| 7. | Others | 0.4 |

2. Robust Hotels Private Limited

Robust Hotels was incorporated in January 2007 in the state of Tamil Nadu. Robust Hotels is also into the business of hospitality which is registering growth across the country and the same is being reflected in the occupancy of the rooms. Robust Hotels operates Hotel Hyatt Regency, Chennai. Robust Hotels is presently a subsidiary of GJS Hotels and a step down subsidiary of Asian Hotels, which is the parent company of GJS Hotels. Consequent to demerger of Investment Division of GJS Hotels to Asian Hotels, Robust Hotels will become a wholly owned subsidiary of Asian Hotels.

Robust Hotels Latest Shareholding Pattern, as on 1st December, 2016

| Particulars | No. of Shares | % holding |
|--------------|-------------------|-------------|
| Asian Hotels | 30,010,000 | 32% |
| GJS Hotels | 63,932,769 | 68% |
| TOTAL | 93,942,769 | 100% |



Robust Hotels Income Statement

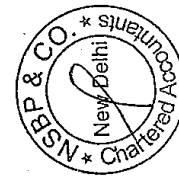
(INR Cr.)

| Particulars | 31-Mar-16 |
|-------------------------|----------------|
| Revenue from Operations | 94.64 |
| Other Income | 0.43 |
| Total Revenue | 95.07 |
| EBITDA | 25.17 |
| PAT/ (Loss) | (21.62) |

Robust Hotels Balance sheet

(INR Cr.)

| Particulars | 31-Mar-16 |
|-------------------------------|---------------|
| Equity and Liabilities | |
| Shareholder's Fund | 287.66 |
| Non-Current Liabilities | 345.87 |
| Current Liabilities | 46.64 |
| TOTAL | 680.17 |
| Assets | |
| Non-Current Assets | 614.41 |
| Current Assets | 65.76 |
| TOTAL | 680.17 |



B. Indian Hospitality Industry:

Demand of Hospitality Industry largely depends on business travelers but tourist traffic is also on the rise. Demand in the Indian Hospitality Industry normally spurts in the peak season between November and March. As per a IBEF report, nearly 7.1 million foreign tourists arrived in India in 2015 (from January to November). Foreign Tourists arrival is expected to grow at a CAGR of 7.1% during 2005-25. Rating agency ICRA Ltd. estimates the revenue growth of Indian hotel industry strengthening to 9-11 per cent.

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, eco-tourism, filmography, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. The launch of several branding and marketing initiatives by the Government of India such as Incredible India and Athiti Devo Bhava have provided a focused impetus to the growth.

Source:

<http://www.ibef.org/>

<https://www.equitymaster.com>

<http://www.icra.in/>



CHAPTER 5 - VALUATION APPROACHES

The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. The basis of valuation depends upon the purpose of valuation, the type of business, the future prospects and other attendant circumstances.

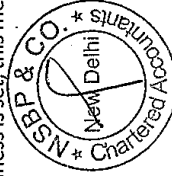
Various Valuation approaches are explained below:

Net Asset Value

This methodology is likely to be appropriate for a business whose value is driven mainly from the underlying value of its assets rather than its earnings, such as property holding and investment business. This method may also be appropriate for a business that is not making an adequate return on assets and for which a greater value can be realized by liquidating the business and selling its assets. This methodology can also assume the amount which can be realized by liquidating the business by selling off all the tangible assets of a company and paying off the liabilities.

Some of the most common techniques of valuation considered under this approach are to value a business enterprise on the following basis -

1. Book value: This is simply a value based upon the accounting books of the business. In simple term, Assets less liabilities equals the owners' equity, which is the "Book Value" of the business.
2. Adjusted book value: This method involves reviewing each and every assets and liabilities on the company's balance sheet and adjusting it to reflect its estimated market value. The unrecorded and contingent liabilities are also considered at their fairly estimated value.
3. Replacement value: The asset valuation methodology essentially estimates the cost of replacing the tangible assets of the business taking into account the market value of various assets or the expenditure required to create the infrastructure more or less similar to that of a company being valued. Since the replacement methodology assumes the value of business as if a new business is set, this methodology may not be relevant in a going concern.



Discounted Cash Flow

1. DCF methodology expresses the present value of a business as a function of its future cash earnings capacity. This methodology involves estimation of post-tax cash flows for the projected period, after taking into account the business's requirement of reinvestment in the terms of capital expenditure and incremental working capital. The value of a business so measured is discounted to the present time at an appropriate discount rate. This method is used to determine the present value of a business on a going concern assumption.
2. When valuing a business on a DCF basis, the objective is to determine a net present value of the cash flows arising from the business over a future select period of time, which is called the explicit forecast period.
3. Under the DCF methodology, value must be placed both on the explicit cash flows as stated above, and the ongoing cash flows a company will generate after the explicit forecast period known as terminal value.
4. The discount rate applied to estimate the present value of free cash flows, is taken at the "Weighted Average Cost of Capital" (WACC). The principal elements of WACC are cost of equity (which is the desired rate of return for an equity investor given the risk profile of the company and associated cash flows), cost of preference, the post-tax cost of debt and the current capital structure of the company (a function of debt to equity to Preference ratio).
5. Value obtained by using DCF method gives us the Enterprise Value; and adjustment for the loans and Preference Capital as on the valuation date gives us the Equity Value.
6. This method is generally used when there is reasonable certainty on the timing, quantum and quality of the cash flows, which has its close coupling with the underlying assets (e.g. in case of a manufacturing company). It is the most commonly used valuation technique, and is widely accepted by valuers because of its intrinsic merits.

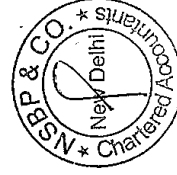


THE MARKET APPROACH (RELATIVE VALUATION APPROACH):

Market value is also known as extrinsic value. The basis of market value is the assumption that if comparable Asset (or property) has fetched a certain price, then the subject asset (or property) will realize a price something near to it. There is a significant philosophical difference between discounted cash flow and relative valuation. In discounted cash flow valuation, we are attempting to estimate the intrinsic value of an asset based upon its capacity to generate cash flows in the future. In relative valuation, we are making a judgment on how much an asset is worth by looking at what the market is paying for similar assets. If the market is correct, on average, in the way it prices assets, discounted cash flow and relative valuations may converge. If, however, the market is systematically over pricing or under-pricing a group of assets or an entire sector, discounted cash flow valuations can deviate from relative valuations.

This method involves reviewing transactions for companies that are in the same or similar line of business as the company being valued and then applying the relevant pricing multiples to the subject company to determine its value. The method might involve private company transactions, public company transactions, as well as public company valuation measures using current share market data. The theory behind this approach is that valuation measures of similar companies that have been sold in arms-length transactions should represent a good proxy for the specific company being valued. Depending on the source of data available and the underlying company being valued, a variety of valuation measures might be used including Enterprise Value (EV) to Sales, EV to EBITDA, EV to EBIT, Price to Earnings, etc. Adjustments are commonly made to these valuation measures before applying to the subject company to ensure an "apples-to-apples" comparison. One or many comparable sales might be considered under this method depending on the data available and the degree of similarity to the company being valued.

Also, the equity value of the company can be derived by multiplying the market price (or weighted average market price) as on the appointed date with the number of equity share as on that date. The aforesaid derived value is also known as Market Capitalization.



CHAPTER 6 - VALUATION METHODOLOGY ADOPTED – FINANCIAL INSTRUMENTS

The value of any asset, real or financial, is equal to the present value of cash flows expected from it. Hence determining the value of the preference shares and debentures shall require

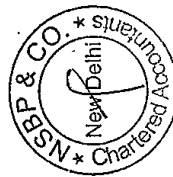
- An estimate of expected cash flows, and
- An estimate of required return;

In the present case, we have determined the fair value of the 12% Cumulative Redeemable Preference Shares and 0.1% Unsecured Non-Convertible Debentures by applying Discounted Cash Flow Method, since the future Cash flows from these Securities can be estimated to a reasonable extent.

Debt instruments and Cumulative Preference Shares promise to pay a stipulated stream of cash flows. This generally comprises of the periodic interests or dividends payment and the principal payment at the time of maturity.

Since the Cumulative preference shares promise to pay/ accumulate dividends irrespective of the financial performance of a company in a given year, these are considered to be carrying lesser risk as compared to their counterparts i.e. Non- Cumulative Preference shares. This has also been highlighted by Para 8.4 on Page 59 of ICAI Technical Guide on Valuation, 2009 Edition:-

"8.4 (a) Preference Shares may be cumulative preference share. In such case, the risk involved is still lower, with a corresponding effect on the rate of capitalization. In cases where there is uncertainty of future dividends, this is an important right and a preference share not carrying this right will be valued at a substantially lower figure."



The value of the 12% Cumulative Redeemable Preference Shares and 0.1 % Unsecured Non-Convertible Debentures, keeping in view the aforementioned aspects has been calculated based on certain assumptions and terms of investments provided by the Management, which are as given below –

1. 12% Cumulative Redeemable Preference Shares (“CRPS”)

Asian Hotels had invested in 12% Cumulative Redeemable Preference Shares of Robust Hotels. These preference shares of face value of Rs. 43 crores were acquired from JP Morgan at Rs. 61.53 crores (approx.) in the year 2010-11. These were initially issued in the year 2008-09 to Citicorp Finance India Limited in the year 2008-09. The CRPS are redeemable at a premium of 10 % per annum. We understand from Management’s representation that till date no dividend has been paid by Robust Hotels (Dividend cumulated till 31st March, 2016 is Rs. 39,07,46,301/-).

i. Face Value of Security

43,00,000 12% cumulative Redeemable Preference Shares of Rs. 100/- each i.e. Face Value equal to Rs. 43 crores;

ii. Cash Flow to the Security Holder

Period: As per Management representation and from past records, Robust Hotels has extended the tenure of redemption to 03rd September, 2028. Hence, the total period for the cash flows (i.e. dividends and redemption premium) as per the terms of investments and Management representation from the valuation date i.e. March 31, 2016 is taken till September 03, 2028. The Securities were initially issued on September 04, 2008;



iii. Terminal Value

The terminal value of the 12% Cumulative Redeemable Preference Shares has been taken as the principal amount and the 10% Premium on redemption calculated from September, 2008 to September, 2028.

Value of premium on redemption taken at appropriate Discounting factor comes at Rs. 21.04 crores (approximately);

It is clarified that arrears of dividend accumulated on the 12% Cumulative Redeemable Preference Shares as on 31st March 2016 have also been considered and included in the valuation.

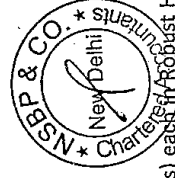
iv. Discounting Factor

In determining the present value of the cash flows that are available to holder of 12% CRPS, the discount rate used is 12% i.e. the dividend rate. This reflects the opportunity cost of the holder i.e. the post-tax expectation of the holder of these instruments. The 12% discounting rate has been used, considering the relative low risk associated due to the feature of Cumulative Dividends being attached with the financial instrument.

Therefore, on the basis of above mentioned factors, the Fair Value as on 31st March, 2016 of the 12% Cumulative Redeemable Preference Shares as per DCF Method works out to Rs. 64.10 crores (approximately)

2. 0.1% Unsecured Redeemable Non-Convertible Debentures (Unsecured NCDs)

GIS Hotels had invested in 0.1% Unsecured Redeemable Non-Convertible Debentures of Rs.100 (Unsecured NCDs) each in Robust Hotels amounting to Rs. 205 crores, which consequent to the proposed demerger shall stand vested in Asian Hotels. Interest outstanding as on March 31, 2016 is Rs. 18.45 lacs.



i. Face Value of Security

2.05 crores 0.1% Unsecured Non-Convertible Debentures of Rs. 100/- each i.e. Rs. 205 crores

ii. Cash Flow to the Security Holder

Period: The total period for the cash flows (i.e. interest) from the valuation date i.e. March 31, 2016 taken as per the terms of investments is 9 years i.e. till March 31, 2025

iii. Terminal Value

The terminal value of the 0.1% Unsecured NCDs has been taken as the principal amount to be repaid upon maturity of the said security.

iv. Discounting Factor

In determining the present value of the cash flows that are available to holder of 0.1% NCDs, the discount rate used is 8.4%. This reflects the opportunity cost of the holder i.e. how much post-tax return a holder of the said Securities would expect from such Securities.

Therefore, on the basis of above mentioned factors, the Fair Value as on 31st March, 2016 of the 0.1% Unsecured Non-Convertible Debentures as per DCF Method works out to Rs. 100.62 crores

Therefore, as per the above calculations, the Fair Value as on 31st March, 2016 of the Securities in Consideration i.e. 12% CRPs and 0.1% unsecured NCDs, according to the method detailed above, works out to Rs. 164.72 crores (approximately).



CHAPTER 7 – VALUATION METHODOLOGY ADOPTED – ROBUST HOTELS PRIVATE LIMITED

The proposed transaction in the present case between Asian Hotels and Robust Hotels has been valued on the basis of arm's length price between Asian Hotels and Robust Hotels. The value of the hotel business of Robust Hotels has been ascertained using average of Discounted Cash Flow method and Net Asset Value method, also keeping the control aspect consideration involved in view. Net Asset Value has also been taken for the purpose of valuation, considering that to any prospective buyer in a hotel business, which also owns the hotel property the value of property is as important as the income that can be earned from it.

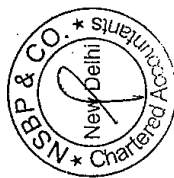
The management of the hotel is with the Robust Hotels. The average value of the Hotel business of Robust Hotels has been ascertained using Discounted Cash Flow method and Net Asset Value method,

1. Discounted Cash Flow Method:

As per "The Valuation of Company shares and business" by Adamson & Adamson, 6th edition published in 1980 in McCathie's case, it was decided as under –

"A Purchaser of shares in a company which is a going concern does not usually purchase them with a view to attempting to wind up the Company.... The real value of the share will depend more on the profits which the Company has been making and should be capable of making, having regard to its nature of business..."

The value of Robust Hotels as per the Discounted Cash Flow Method has been calculated based on assumptions and business plans provided by the Management, using Free cash flow to Firm approach, and subsequently reducing the Fair Value of Non-Equity claims in Robust Hotels to arrive at Equity Value of Robust Hotels.



This approach has been substantiated in 6th Chapter of Damodaran on Valuation, 2nd Edition (Page – 209) :

"... The Value of Equity can be extracted from the value of firm by subtracting the market value of outstanding debt"

"In theory, the value of equity obtained from the firm valuation and equity valuation approaches should be the same if you make consistent assumptions about financial leverage"

Calculation using the above mentioned approach is as given below –

a) **Free Cash Flow**

Explicit Period: FY 2016-17 to FY 2026-27

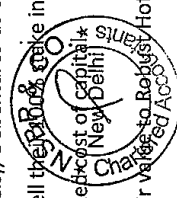
Perpetual value: The perpetuity value has been calculated on the basis of financials of FY 26 -27.

It is substantiated from the quotation from Page 7 & 8 of "Technical guide on Share Valuation, by The Institute of Chartered Accountants of India, Published in Year 2009 -

"Cash flow should reasonably capture the growth prospects and earnings capability of a company. The forecasted period should necessarily cover the entire business cycle of a company"

b) **Discounting Factor – Weighted Average Cost of Capital (WACC)**

In determining the present value of the cash flows that are available to firm, the discount rate used is cost of capital of the entity, i.e. WACC. This reflects the opportunity cost of the company. WACC represents the Industry's Cost of Capital i.e. what shall be the Average cost of capital for an industry specific company in a **Perfect Market**. Robust Hotels has issued to its holding company (GIS Hotels), Debentures at 0.1% Coupon rate which is substantially lower than market rate. Considering that if in future the shareholders intend to sell their stake in the company to a third party, they would require such capital be repaid as well, we have taken in our workings normalized cost of capital to Robust Hotels. Hence, it has been considered important to discount the capital employed at normalized rates to give a true and fair value to Robust Hotels. WACC is arrived at by using the following formula:



$$WACC = (\text{Cost of Equity} * \text{Shareholders Funds} / \text{Total Funds}) +$$

$$(\text{Cost of Preference} * \text{Preference Share Capital} / \text{Total Funds}) +$$

$$(\text{Cost of Interest Bearing Debt} * \text{Interest Bearing Debt} / \text{Total Funds})$$

Note: Capital Employed i.e. Shareholders' Funds, Preference Share Capital, and Interest Bearing Debt denotes the carrying values as appearing in the balance sheet on the valuation date, including securities premium received thereon, or excluding discount given on issue (if any).

c) Cost of Equity

The cost of equity has been determined by using Capital Asset Pricing model (CAPM). This has been computed as follows:

$$\text{Cost of equity} = R_f + [R_m - R_f] (\text{Beta})$$

Where,

R_f denotes risk free rate of return as per the "Public Debt Management Quarterly Report" for the quarter ending March 31, 2016 which is 7.46%.

R_m denotes return on diversified market portfolio return. R_m is considered 16.12% which has been the market rate of return on Bombay Stock Exchange from April 1, 1979 to March 31, 2016.

Beta represents the systematic risk associated with investments. It is assumed that for shareholders the substitute opportunity for investment would be investment in SENSEX. Hence, we have assumed the shareholders' expectation equal to the market return (based on the return on BSE from 1979 till date).

The average beta for major listed hospitality sector companies in India is approximately 0.86, and considering that Robust Hotels has not yet fully stabilized its operations and Robust Hotels is a single hotel, unlisted company, and the age of property being relatively new, we have considered Beta as 1.



The Cost of equity (ke) comes out to be 16.12%

d) Cost of Debt

The cost of interest bearing debt has been computed considering post tax cost of debt of the Robust Hotels. Robust Hotels has outstanding as on 31st March, 2016 0.1% Debentures of Rs. 205 crores, and Rs. 148.24 crores, including outstanding interest on the principal which is approximately Rs. 3 crores. Term Loan raised from HDFC Bank at 12.40%. However, considering that any rational long term investor in the hospitality industry; in an arm's length transaction investing in Unsecured Debentures of a company would expect a higher rate of return, we have taken cost of debentures to be at 12%.

Based on above figures and assumption, **effective post-tax cost of term loan and debentures works out to 8.11% and 7.85% respectively.**

e) Cost of Preference Capital

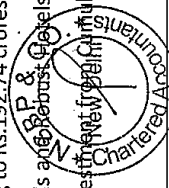
Robust Hotels had issued two classes of Preference Capital:

- 1% Cumulative Redeemable Optionally Convertible Preference Shares to GJS Hotels, and
- 12% Cumulative Redeemable Preference Shares to Asian Hotels;

1. The cost of Preference Capital has been computed considering Post - CDT Cost of Preference Capital of Robust Hotels. Robust Hotels has issued preference shares to Asian Hotels carrying dividend rate of 12%. Considering normal expectation of any long term rational investor investing in an arm's length transaction in the Preference Share Capital of a company in the hotel industry, we have taken cost of preference shares to be as the dividend rate i.e. 12% and an effect of DDT has been grossed up thereupon.

Based on these assumptions and figures, **effective post-CDT cost of 12% preference shares works out to 14.44%.**

2. GJS Hotels had invested in 1% Cumulative Redeemable Optionally Convertible Preference Shares amounting to Rs.192.74 crores in FY 2013-14 and FY 2014-2015 in Robust Hotels. It has been represented to us that management of GJS Hotels and Robust Hotels vide Board Resolutions dated 10th February, 2016 and 21st May 2016 respectively had resolved to convert this investment into Cumulative



Redeemable Optionally Convertible Preference Shares to Compulsorily Convertible Preference Shares ("CCPS"). However, the conversion was not executed within FY 2015-16. Such conversion was effected on 1st October 2016.

As resolved earlier, on October 1st, 2016, the management of GJS Hotels and Robust Hotels have, pursuant to Sections 48 and Section 55 of Companies Act 2013 entered into a mutual agreement to convert the nature of Optionally Convertible Preference Shares to Compulsorily Convertible Preference Shares. Further, the dividend accumulated till date of conversion into CCPS has been waived off as mutually agreed. As such, the investment of GJS Hotels of Rs. 192,73,93,945/- in 89,64,623 1% CROCPs of Rs. 10/- will get converted into 6,02,31,061 number of equity shares of face value of Rs. 10 each at a conversion price of Rs.32/- per share in the current financial year, i.e 2016-2017.

Since it is evident that the Cumulative Redeemable Optionally Convertible Preference Shares are in true form Equity Share Capital and were not to be redeemed but converted into equity capital, as above, for the purpose of calculation of WACC, Cost of 1% Preference Capital has been taken equivalent to Cost of Equity Share Capital i.e. **16.12%**.

f) **Cost of Capital**

The WACC, considering the Fund Structure of Robust Hotels as on March 31, 2016, has been worked out to be **11.53%**, which has been used for the purpose of the valuation.



g) Value in Perpetuity

The perpetuity value is the value of the business beyond the explicit forecast period. The last year free cash flows (FY 2026-27) have been considered for the purpose of computing perpetual value. A growth rate of 3% has been considered in the perpetuity for the purpose of computing perpetuity value.

Therefore, on the basis of above mentioned factors, the Enterprise Value of Robust Hotels as per DCF Method works out to Rs. 542.51crores as on 31st March, 2016

2. Net Asset Value approach:

The second approach which has been used to measure the fair value of Robust Hotels is the Net Asset Value (NAV) method. Hotel Industry is a highly asset heavy sector, therefore the other approach which has been used to value Robust Hotels is the Net Asset Method. Further, Real Estate which is a major component of the total assets of a hotel business, being in a good location has the rental earning capacity or capital appreciation prospects with possibility of more hotels opening up in the vicinity in the near future. Hence, in the given scenario of acquisition of 100% control value in a hospitality sector company, it has been considered vital to take into account the fair value of the assets as well. Hence, all the assets pertaining to Robust Hotels have been valued as per the asset valuation report and the carrying values in the balance sheet and as on 31st March 2016, as provided by the Management; the liabilities have been taken as per the carrying amounts in the balance sheet of Robust Hotels as on 31st March, 2016

Therefore, on the basis of the Adjusted Net Asset Value method, the Value of Robust Hotels works out to Rs. 711.42 crores (approximately)

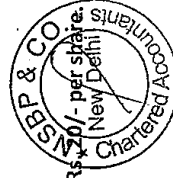


Considering the fact that the Hotel Business is intended to be continued on a 'going concern' basis and that the hotel industry is an asset heavy sector and any person acquiring shares in Robust Hotels will also end up acquiring controlling interest over the huge pool of assets, we have considered it appropriate to give weightage of '1' to the value determined using 'Discounted Cash Flow approach' and weightage of '1' to value determined using 'Net Assets Value approach'.

The Average Enterprise value of Robust Hotels works out to be Rs. 626.97 crores (approximately). Accordingly, the Equity Value i.e. value only to the shareholders of the Robust Hotels which is arrived at after deducting from the above derived enterprise value, the fair value of Non-Equity Claim i.e. 12% preference capital, 0.1% debentures and Loans comes at Rs. 314.00/- crores (Refer Chapter – 6 for values of 12% Preference Shares and Debentures)

Given the true nature of 1% CROCPS being Equity Share Capital, we have taken the value of Robust Hotels on fully diluted equity shareholding bases. As on 31st March, 2016 Robust Hotels has total number of issued and paid up equity shares outstanding of 9,39,42,769 and equivalent number of preference shares to be converted into equity as per terms highlighted above stand at 6,02,31,061. The total number of diluted equity shares thus stands at 15,41,73,830.

Therefore, estimated diluted equity value per share of Robust Hotels comes at Rs. 20.37/- approximately, rounded off to Rs. 20/- per share.

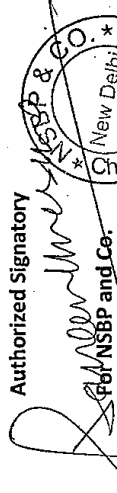


CHAPTER 8 – VALUATION RECOMMENDATION

On the basis of our valuation estimate and derivation in accordance with preceding chapters, we are of the opinion that the share entitlement ratio as per below table of equity shares of face value Rs. 10/- each and at Premium of Rs. 10/- (total value – Rs. 20 per share, refer chapter 7 above) per share of Robust Hotels is fair and reasonable:

| Particulars | Value (In Rs. Crores) | Number of units | Value Per unit | Share Entitlementer (per 100 units) |
|--|-----------------------|-----------------|----------------|-------------------------------------|
| 12% Cumulative Redeemable Preference Shares | 64.10 | 43,00,000 | 149.06 | 745 |
| 0.1% Unsecured Redeemable Non-Convertible Debentures | 100.62 | 2,05,00,000 | 49.09 | 245 |

Signatory – Mr. Praveen Verma
 M. No. – 504686
 (ICAI)

Authorized Signatory

 For NSBP and Co.
 Chartered Accountants
 Membership No: 001075N

Date: 2nd February, 2017

Place: New Delhi

OPINION ON MARKET VALUE

For
M/s. Robust Hotels Private Limited, Chennai

In respect of property located in
No 365, Anna Salai, Teynampet, Chennai—600 018



Prepared by

Sreenidhi Valuation Consultancy
Services, Chennai.

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| | |
| | |
| | |

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EXECUTIVE SUMMARY

SUB: Opinion on the Market value of the building along with the fixtures available as on 16 th May 2016 at No 365, Anna Salai, Teynampet, Chennai-600018.

On instructions from M/s. Robust Hotels Private Ltd, Chennai ("Client"), this evaluation exercise is undertaken in respect of the Land and Building of the "Hotel Hyatt Residency" located at No 365, Anna Salai, Teynampet, Chennai—600 018, Tamil Nadu, IN ("Subject property) along with the machineries and fixtures installed / erected therein and excluding the art work done in the hotel.

The scope of the engagement, as defined by the Client requires a realistic assessment of the present market value of the Immovables and movables comprised in the Subject property under the comparable method. It excludes compliance study and evaluation of deviations, if any. The Income Discounting approach has not been adopted for want of data.

The ownership over the land of an undivided share of 1.35 Lakh Sqft out of 1.79 lakh Sqft along with partly finished structure of an extent of 6.31 Lakh Sqft and also the movables including machineries erected therein were acquired by M/s Robust Hotels Pvt Ltd vide Sale Deed document no 752/2007 dated 5th Jul 2007 ("Title document").

It is understood that after purchasing the property on as-is-where-is condition, M/s Robust Hotel Pvt Ltd under took the finishing works and duly obtained the Completion Certificate from CMDA vide ref no C.C.No.EC/South/105/2011 Dtd 25/08/2011 for Double basement + Ground floor + 15 Floors with a subject to condition that the security deposit shall not be refunded in the view of the Cited additional area constructed in the top most storey not covered in the approved plan. Direction to pay the development charges for the additional area constructed in the top most floor. We are not updated on the present status of the aforesaid proceedings.

Key Pointers:

The property is located in one of the most commercially prominent location viz Teynampet.

The Scope of our engagement is for estimating the realistic market value of the Land, Structure and the machineries and fixtures comprised in the Subject Hotel. This opinion report of assessment and evaluation is for the consumption of client and its holding company only.

The Land Valuation, as defined by the scope has been conducted under the Sale Comparable Method and excludes all other methods including Income Discounting method and the Deviation & risk analysis.

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We have adopted the Comparable method for estimating the Land value and Depreciated Replacement value for the Structure.

With regard to the Land valuation, we have considered the Un-divided share of land as one single land parcel and accordingly arrived at the value.

We are informed that though the shell of the property was completed as early as 1998 itself, the construction was stalled owing to financial reasons. The overall construction was eventually completed only in 2007 and the same has been considered as the year of completion for our valuation purposes.

With regard to Machineries, We have relied upon the data provided by the client to estimate the make, model and age of the machines. We have not perused the invoices of these machines.

As most of the machineries are more than a decade old, their technology platforms stands replaced with newer versions leaving the existing platforms redundant. For such machineries, we have attempted to arrive at a reasonable utility value for the machinery & its technology based on comparable sale instances in the recent past. We have extensively relied upon the data available over the internet while valuing of these machineries.

With regard to the Fixtures, we have largely relied upon the data furnished by the Management. Few items were verified on a random sampling basis and not material discrepancies were observed.

For Sreenidhi Valuation Consultancy Services
For SREENIDHI VALUATION CONSULTANCY SERVICES



Authorized Signatory Authorised Signatory

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General Terms of Appointment & Disclosures

Limitations on Liability

No claim arising out of or in connection with this opinion report may be brought against any member, employee, Partners, or consultant of Sreenidhi Valuation Consultancy Services

Legal parameters of the property

It is assumed that Owners have clear and marketable title to the property for its development. We have carried out legal due diligence and have not checked the legal aspects of the property. We also recommend that the documents provided to us are subjected to formal legal inspection in order to ensure that there are no elements, restriction or charges contained on the property.

Basis of this report

Primary source of information for this report is documents /Information provided by the client and site visit conducted by our executive Mr. Degalisan on 5 th May 2016.

General Assumptions & Disclaimers

1. In preparation of this report, we have assumed that documents/information provided by the client is materially correct & true in all respects.
2. We have assumed that all the constructed structures and proposed construction is/will be free from harmful materials and/or techniques. Our analysis is on the basis that no such materials or techniques have been used.
3. For the purpose of this report we have assumed that the property is not subject to environmental contamination. However, as we are not experts in this field, we recommend that an appropriate consultant may be engaged to confirm our assumptions. If the subsequent investigation identifies any environmental contamination on the site, our report may require revision.
4. We are unaware of any government planning or other such matters that might affect the property other than any already mentioned. However, as no specific enquiries have been made we cannot confirm that the property is unaffected.
5. The land area and the built up area is considered as per the Deed of transfer .
6. It is assumed that the owners of the land will obtain all the statutory requirements for the functioning hotel as conceived.
7. At the time of this exercise, we have relied up on the data supplied by the client, land area as per the documents made available and are assumed to be true and accurate. We do not take any responsibility for inaccurate data furnished by the client and other related third parties.
8. No structural survey, geo physical survey and environmental assessment is carried out, as they are out or scope of this exercise.
9. This Opinion report on market value of the subject property is for the aforesaid purpose only and the same is not to be shared for any other purpose without written communication to M/s. Sreenidhi Valuation Consultancy Services.

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Client Profile

| | |
|----------------------------|---|
| Name | M/s. Robust Hotels Private Ltd., |
| About the developer | M/s. Robust hotels Pvt Ltd is a group company of M/s. Saraf Hotel Enterprises. Hyatt Regency is the hotel located in Chennai. Hyatt Regency - Chennai awarded as 'Best Construction & Design in India' by International Hotel Awards. |

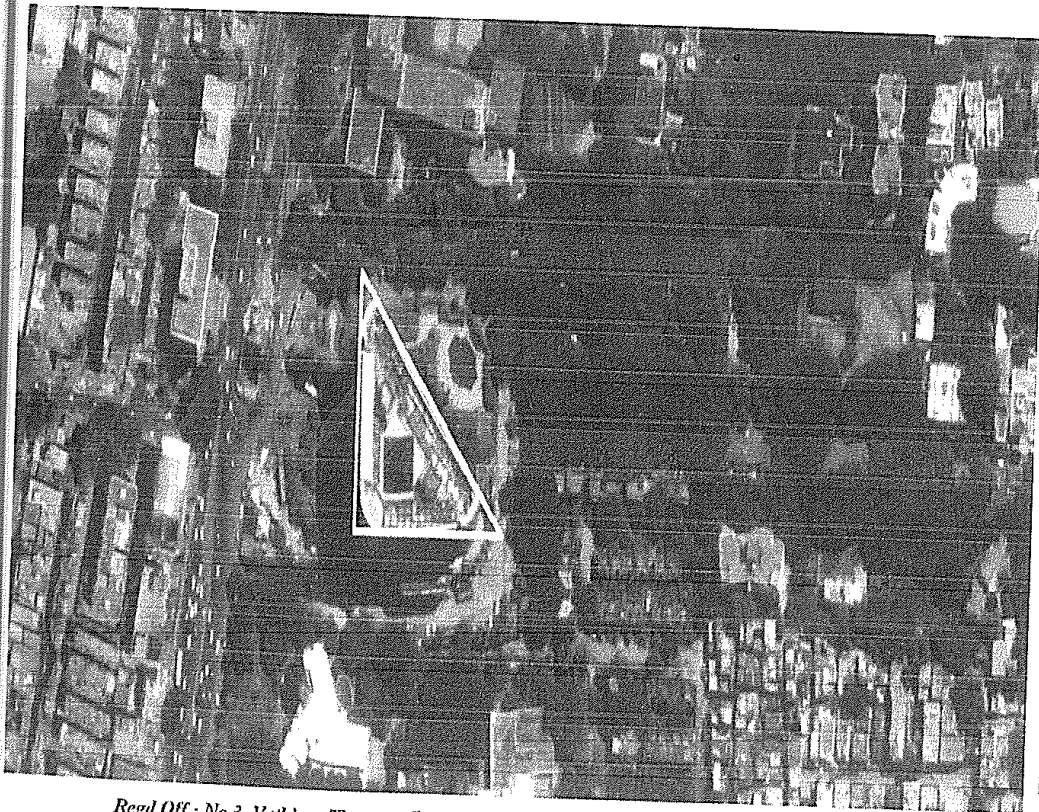
| SOME OF THE FEW OTHER HOTELS OF M/s. SARAF HOTEL ENTERPRISES | | |
|---|-------------------------|-----------|
| S.No | Hotel Name | Location |
| 1 | Yak & Yeti | Kathmandu |
| 2 | Hyatt Regency Kathmandu | Kathmandu |
| 3 | The Grand | New Delhi |
| 4 | Hyatt Regency | Kolkatta |
| 5 | Grand Hyatt | Mumbai |
| 6 | Hyatt | Raipur |
| 7 | Hyatt Place | Hampi |
| 8 | Hyatt Regency | Ahmedabad |

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| HOTEL INFO | |
|---------------------------|--|
| Hotel Name | Hyatt Regency |
| Address | 365, Anna Salai, Teynampet, Chennai 600018 , Tami Nadu, India |
| R. Survey Numbers | No 1400, of Mylapore village, Collector certificate no. 732 |
| Co-ordinates | 13.042829, 80.248280 |
| Structure Specs | Double Basement + Ground + 15 Floors. |
| Facilities | Swimming Pool and Kids Pool, Spa, Fitness center, Valet Parking, Airport transfers, Foreign Exchang, Travel desk services, restaurants, Business Centre, Meeting spaces, Bar Etc., |
| Age of the Building | 10 Yrs (As reported) |
| Estimated balance life | 50 Yrs |
| Tenanted or Self Occupied | Self Occupied |
| Tenure of land | Freehold |



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| Property Description | |
|-------------------------------|--------------------------------------|
| Boundaries | As per Site |
| North | Buildings and Land |
| South | Road |
| East | Buildings and Land |
| West | Road |
| Shape | Irregular |
| Entrance Road | Anna Salai (Western Boundary) |
| Owner Name | M/s. Robust Hotels Private Limited., |
| Infrastructure Sources | |
| Water | Corporation water |
| Power/Electricity | Tamil Nadu Electricity board |
| Sewerage | CMWSSB |

LAND DETAILS :

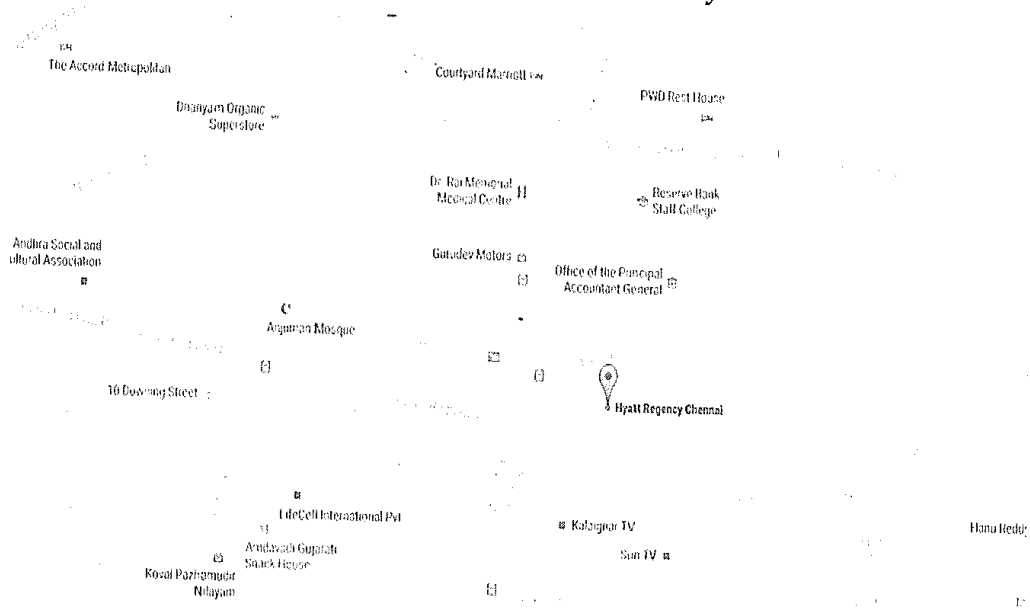
As per the deed of transfer vide document no 752/2007 dtd 5th Jul 2007 ("Title document"), subject property land is owned by M/s. Robust Hotels Pvt Ltd ("Owners"). The land extent of the subject property is conveyed as Un divided share to the extent of 1,35,294 Sq.ft out of 1,79,483 Sq.ft.

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Property Location and Proximity



| Distance from Major Connectivity Points | |
|---|--------|
| Chennai International Airport | 15 Kms |
| Chennai Central Railway Station | 9 Kms |
| Koyambedu CMBT Bus Terminus | 9 Kms |

Location Importance:

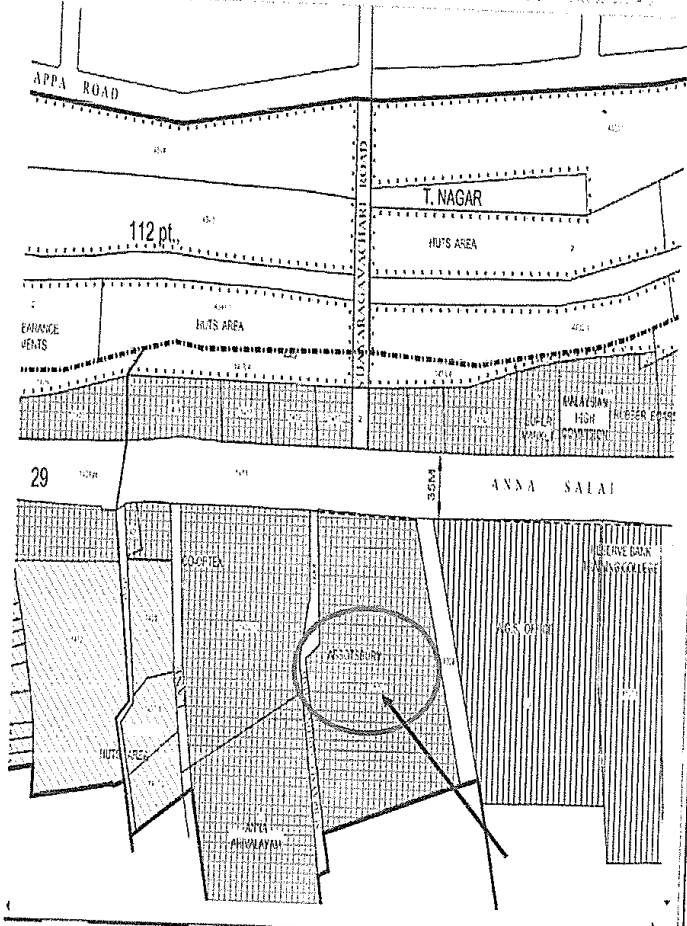
Subject property is gaining access from Anna salai which is heart line road of Chennai. Subject property is having access in 2 sides (Western side and Southern side). As per the site visit observations, main entrance for the subject property is from Anna salai. Civic, transport and social infrastructure are good with reputed schools, colleges, religious places and entertainment malls are within the closed proximity. Located in well developed locality.

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Proposed Land use map of CMDA

www.ccmdmaps.in/cmm...
 www.ccmdmaps.in/cmm...
 www.ccmdmaps.in/cmm...



SECOND MASTER PLAN - PROPOSED LANDUSE 20

LEGEND

GENERAL

- PRIMARY RESIDENTIAL
- MIXED RESIDENTIAL**
- COMMERCIAL
- INDUSTRIAL
- INDUSTRIAL
- SPECIAL AND HAZARDOUS INDUSTRIAL
- OPEN SPACE & RECREATION
- URBANISABLE
- NON-URBAN
- WATER BODY
- AGRICULTURAL
- RESERVED FOREST
- REBILLS CAUCHMENT AREA
- CRZ - I
- CRZ - I
- CRZ - II
- AREA AROUND IAF STATIONS PROHIBITED FOR DEVELOPMENT
- CONTINUOUS BUILDING AREA
- EWS AREA
- FT CORRIDOR
- GREEN BELT ALONG N.H. ROAD BYEPASSES
- AQUIFER RECHARGE AREA
- NATHAN AREA
- RESTRICTED DEVELOPMENT ZONE

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Building Approval Details as per the completion Certificate

| | |
|------------------------------------|--------------------------|
| Planning Permit Issued by | Member Secretary, MMDA |
| Permit No | C/PP/MSB/30A to N/95 |
| Completion Certificate Issued by | Member Secretary, CMDA |
| Completion Certificate No | C.C.No.EC/South/105/2011 |
| Completion Certificate issued date | 25/08/2011 |

Built up Area Statement As per the Deed of Transfer

| Floor | Built up Area |
|-----------------------|---------------|
| Basement II | 53028.25 |
| basement I | 51581.15 |
| Ground | 72252.14 |
| First | 38993.63 |
| Second | 16594.38 |
| Third | 1103.08 |
| Fourth | 78453.98 |
| Fifth | 33013 |
| Sixth | 34063 |
| Seventh to Fifteenth | 240078.78 |
| Service Cores 1 and 2 | 4113.32 |
| Head Room | 8226.63 |
| | 631501 |

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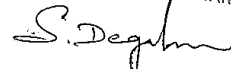
Opinion on property value

Under Land and Building Method

| | | | |
|--|--|--------|--------------|
| Derived Value of Land as per Published/ Quoted prices for land (Rs.) | | | 32371,83,208 |
| Extent of the Building as per the Deed of Transfer (Sq.ft) | | 631502 | |
| Estimated Cost of new construction (Rs.) | | 3500 | 2210256545 |
| Depreciation % @ 1.5% per Yr for 10 yrs | | 15% | 331538482 |
| Building cost after Depreciation (Rs.) | | 2975 | |
| Estimated value of the Building (Rs.) | | | 18787,18,063 |
| Assumed Interiors decoration cost of 45% on Depreciated Construction Value (Rs.) | | 1339 | 845423128.5 |
| Estimated Value of the Land and Building (Rs.) | | | 59613,24,400 |

Even though the land is conveyed as UDS, the above valuation is arrived under Land and Building method since the nature of the structure is Individual. Also the 3/4 th of land is owned by the client. The valuation is done based on the realistic market value. The above valuation excludes the artworks that are present in the hotel premises.

For SREENIDHI VALUATION CONSULTANCY SERVICES



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| Calculation showing the determined market value of land using the Adjusted Comparable Method as per below | | | | | |
|---|-------------------|------------------------------|--------------------|-----------------------------|--------------------------|
| Valuation of land - Sale Comparison method | Subject property | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
| Location | Teynampet | Near Genthini Flyover | Centroph road | Near Centroph Road Junction | Mount Road, Near Vanavil |
| Distance from Subject property | Na | About 800 Mts | Within 1.25 kms | Within 1 Kms | 350 mts |
| Time since Sale | Na | About 1.5 yrs | About 1.2 yrs | Available for sale | Available for sale |
| Transaction Nature | Na | Sale | Sale | Known Quoted Price | Known Quoted Price |
| Plot Size | Around 56 Grounds | Around 10.9 Grounds | 18 Grounds | Around 3.25 Grounds | Around 5 Grounds |
| Frontage | Approx. 190 Ft | About 130 Ft | Approx 150 Ft | Approx 80 Ft | About 75 Ft |
| Property Description | MSB | land and MSB | Vacant Land | Vacant Land | Land and Old Building |
| Shape of Land | Irregular | Irregular | Almost regular | Irregular | Almost regular |
| Locality | Developed | Developed | Developed | Developed | Developed |
| Best Use | Commercial | Commercial - Income yielding | Commercial | Commercial | Commercial |
| Published & Quoted / Sale price | Na | 6.25 Crs per Ground | 4.5 Crs per Ground | 4.5 Crs per Ground | 7.5 Crs per Ground |
| Rate per Sq.ft. (Rs.) | Na | 27402 | 27500 | 31000 | 31250 |
| Adjustments | | | | | |
| Parameters for Comparison | | | | | |
| Physical Attributes (Size, Frontage & Topography) | 25% | -15% | -20% | -15% | -25% |
| Land Use & Developmental Potential | 25% | -8% | -10% | 5% | -5% |
| Connectivity, Accessibility & Infrastructure | 25% | 0% | 5% | 0% | 0% |
| Location & Neighbourhood | 25% | 0% | 5% | 0% | 0% |
| Effective (Weighted Average) discount/premium adjustment | | -23% | -20% | -10% | -30% |
| Adjusted Land Rate of comparables (Rs.) | | 21237 | 22000 | 27900 | 21875 |
| Time Adjustment | | | | | |
| Average change in Land value from the point of transaction (% per annum) | | 5% | 5% | 5% | 5% |
| Material date of Valuation | 16-May-16 | | | | |
| Time factor (Yrs) | | 1.4 | 1.1 | 0 | 0 |
| Time Adjusted rate (Rs.) | | 22723 | 23210 | 27900 | 21875 |
| Average Rate per Sq.Ft (Rs.) | | | | | |
| Land extent (Sq.ft) | | | | | 23,927 |
| Derived Value of land (Rs.) | | | | | 1,35,294 |
| Govt Guideline value @ Rs.19,000/- per Sq.ft (Rs.) | | | | | 32371,83,208 |
| | | | | | 25705,86,000 |

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The conclusion on report

Physical site inspection and Physical survey

- The road access to the subject project exists in two side boundaries.
- The shape of land is irregular.
- Main Entrance for the subject property is through Anna Salai (Western Boundary).

List of approvals, Copy of approvals and Area statement

- Completion certificate for the building is produced for the subject property .
- The land falls under Commercial Zone.
- Subject project does not require NOC from CRZ .
- Total Built up area of the building as per the deed of transfer is 631501.87 Sq.ft.

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Completion Certificate details as per CMDA website

www.cmdachennai.gov.in

Completion Certificate Issued List - 2011

Showing 1 to 1 of 1 entries | Filtered from 166 total entries.

| Sl. No. | Applicant Name | Site Address | Approval details | Completion Certificate / Partial Completion Certificate issued for | CMDA Lt. No. & Dt. | Completion Certificate No |
|---------|---|---|--|--|--------------------|---------------------------------|
| 105 | It's Robust Hotels Private Limited & It's Ramani Hotels Limited | R.S. No 1400 Old Deer No 267 Near Door No 365, Anna Salai Teynampet, Chennai-16 | Planning Permission issued vide C.P.P/MCB 30 A to N/1095 Permit No 19710 in Letter No C3/25441/1995 dated 29.12.1995 | Double Basement Floor + Ground Floor + 15 Floors Including Service Floor-MSB Commercial Building | ES/3360/1995 | EC/SC/105/2011 dated 25-08-2011 |

Govt. Guideline rates as per Tnreginet.net

www.tnreginet.net

பதிவுத்துறை
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|--|-----------------|---|-----------------------------|-----------|---------------|----------------------|-----------|-----|-------------|-----------------|-----------------------------|----------------|--|------------|--------------|-----------------------------|
| Guideline Value Period From: 01-04-2012 | | Zone: Chennai - SRO | | | | | | | | | | | | | | |
| Choose Zone | | A B C D E F G H I J K L M N O P Q R S T U V W X Y Z | | | | | | | | | | | | | | |
| Chennai | | 1 2 3 4 5 6 7 8 9 List All Streets | | | | | | | | | | | | | | |
| Coimbatore | | Entries matching with the string 'anna salai' | | | | | | | | | | | | | | |
| Cuddalore | | <table border="1"> <thead> <tr> <th>STREET NAME</th> <th>GUIDELINE VALUE</th> <th>GUIDELINE VALUE (IN METRIC)</th> <th>CLASSIFICATION</th> </tr> </thead> <tbody> <tr> <td>Anna Salai (Nandanam to Jemini Membaram)</td> <td>19000/Sqft</td> <td>204320/Sq.Mt</td> <td>Commercial Special Type - 1</td> </tr> </tbody> </table> | | | | | | | STREET NAME | GUIDELINE VALUE | GUIDELINE VALUE (IN METRIC) | CLASSIFICATION | Anna Salai (Nandanam to Jemini Membaram) | 19000/Sqft | 204320/Sq.Mt | Commercial Special Type - 1 |
| STREET NAME | GUIDELINE VALUE | GUIDELINE VALUE (IN METRIC) | CLASSIFICATION | | | | | | | | | | | | | |
| Anna Salai (Nandanam to Jemini Membaram) | 19000/Sqft | 204320/Sq.Mt | Commercial Special Type - 1 | | | | | | | | | | | | | |
| Madurai | | | | | | | | | | | | | | | | |
| Salem | | | | | | | | | | | | | | | | |
| Thanjavur | | | | | | | | | | | | | | | | |
| Thirumelveli | | | | | | | | | | | | | | | | |
| Trichy | | | | | | | | | | | | | | | | |
| Vellore | | | | | | | | | | | | | | | | |

Regd Off : No 3, Vathiyar Thottam 1st Street, Rangarajapuram, Kodambakkam, Chennai 600 024, Tel No. 044-42133181. www.sreenidhi.net

Privileged and Confidential

Machinery Value

| S.NO | DESCRIPTION | AGE in YRS | R.LIFE in YRS | PURCHASE VALUE in Rs. | ESTIMATED. VALUE in Rs. |
|--------------|-------------------------|------------|---------------|-----------------------|-------------------------|
| 1 | AV & Tel | 4 | 6 | 343,07,008 | 205,84,205 |
| 2 | Boiler | 4 | 11 | 356,99,936 | 261,79,953 |
| 3 | Building Automation | 4 | 6 | 458,36,087 | 275,01,652 |
| 4 | computers(H) | 4 | 1 | 171,23,279 | 34,24,656 |
| 5 | Electricals | 4 | 6 | 3184,78,139 | 1910,86,883 |
| 6 | Elevators | 4 | 6 | 851,30,513 | 510,78,308 |
| 7 | Fire fighting equipment | 4 | 11 | 276,42,995 | 202,71,530 |
| 8 | Generators | 4 | 11 | 143,48,891 | 105,22,520 |
| 9 | HVAC | 4 | 11 | 2267,68,201 | 1662,96,681 |
| 10 | Kitchen Equipments | 4 | 11 | 1229,66,765 | 901,75,628 |
| 11 | Laundry Equipment | 4 | 11 | 48,53,924 | 35,59,544 |
| 12 | Less than Rs.5000/= | 4 | 11 | 403,67,727 | 296,03,000 |
| 13 | Sanitary & Plumbing | 4 | 11 | 1377,92,080 | 1010,47,525 |
| 14 | SPA | 4 | 11 | 89,38,330 | 65,54,775 |
| Total | | | | 11202,53,875 | 7478,86,860 |

The above valuation excludes the Vehicles and intangible assets of the company.

For SREENIDHI VALUATION CONSULTANCY SERVICES


 Authorized Signatory

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Regd Off : No 3, Vuthiyar Thottam 1st Street, Rangarajapuram, Kodambakkam, Chennai 600 024.
 Tel No. 044 42133181. www.sreenidhi.net

16

Site Pictures



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Tel No. 044 42133181. www.sreenidhi.net*



D & A FINANCIAL SERVICES (P) LIMITED
Merchant Banking & Corporate Advisory Services

To,
Board of Directors
Asian Hotels (East) Limited
Hyatt Regency Kolkata
JA-1, Sector-3 Salt Lake City
Kolkata-700098

To,
Board of Directors
Robust Hotels Private Limited
365, Anna Salai Teynampet
Chennai- 600018

Subject: Fairness Opinion on Share Entitlement Ratio for the purpose of the Proposed Scheme of Arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders for Demerger of Investment Division (Demerged Undertaking) of GJS Hotels Limited to Asian Hotels (East) Limited and Reorganisation of Share Capital and Debentures of Robust Hotels Private Limited

Dear Sir/s,

This report is issued in connection with the proposed Scheme of Arrangement between GJS Hotels Limited ('GJSHL'), Asian Hotels (East) Limited ('AHEL') and Robust Hotels Private Limited ('RHPL') and their respective shareholders pursuant to the provisions of Section 230 of the Companies Act 2013 (the 'Scheme' or the 'Scheme of Arrangement').

We, M/s D & A Financial Services (P) Ltd, SEBI registered Merchant Banker, having SEBI Registration No. INM000011484, have been engaged by you to give our fairness opinion on the share entitlement ratio recommended by M/s NSBP & Co., Chartered Accountants, having its office at Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi-110065 vide their report dated 2nd February 2017.

The Scheme is subject, inter alia, to (i) approval of the Hon'ble National Company Law Tribunal ("NCLT") of respective jurisdiction and (ii) other statutory approval(s) as may be required in this regard.



1

1. **Reason and Rationale of the Draft Scheme of Arrangement**

- i. AHEL is a well-established hospitality company engaged in the business of running the 'Hyatt Regency' hotel in Salt Lake in Kolkata. It also has substantial interests in the hospitality business through its subsidiaries, being GJSHL which is a direct and wholly owned (100%) subsidiary of AHEL and RHPL which is a subsidiary of GJSHL. While RHPL is running the 'Hyatt Regency' hotel in Anna Salai in Chennai, GJSHL is pursuing a project for establishing a hotel in Bhubaneswar, Odisha. The operations of GJSHL have been funded primarily by AHEL by a combination of equity capital and loan. The operations of RHPL have also been funded primarily by AHEL and GJSHL by a combination of equity and preference capital and debt. While AHEL has been in the business for several years, the business of GJSHL and RHPL is relatively new. The said Companies have been looking at suitable proposals for restructuring for simplifying and rationalizing their holding and financial structure and pursuing their business more beneficially.
- ii. In the circumstances, it is considered desirable and expedient to (1) reconstruct GJSHL and AHEL by demerging the Demerged Undertaking of GJSHL (including investment in RHPL) to AHEL and (2) reorganizing and converting the Preference Share Capital and Debentures of RHPL in the manner and on the terms and conditions stated in this Scheme of Arrangement.
- iii. The Scheme will simplify the holding structure of the subsidiaries of AHEL and result in RHPL also becoming a direct subsidiary of AHEL consequent to transfer of the investment of GJSHL in RHPL to AHEL as part of the demerger. The investment function of holding and monitoring investments in shares and securities of other bodies corporate is already undertaken by AHEL on a much larger scale. As such the total investment in RHPL will be held and monitored as part of the investment portfolio of AHEL more efficiently and advantageously. The same will also enable GJSHL to pursue operating business with greater focus and attention.
- iv. The reorganisation and conversion of the Preference Share Capital and Debentures of RHPL into Equity Share Capital in terms of the Scheme will suitably simplify and rationalise the financial structure of RHPL. The same will also enable RHPL to improve its performance with better operating parameters, including a more appropriate debt equity ratio.
- v. As such, the Scheme will suitably realign and adjust the relationship between the capital and assets of the respective Companies and enable them to pursue their business more conveniently and advantageously.
- vi. The Scheme will have beneficial results for the said Companies, their shareholders and all concerned.



2. Scope and Purpose of the Opinion

The Company has appointed M/s NSBP & Co., Chartered Accountants ('valuer'), to recommend a fair and equitable share entitlement ratio for reorganisation and conversion of the 12% Cumulative Redeemable Preference Shares ("CRPS") and 0.1% Unsecured Redeemable Non-Convertible Debentures ("Unsecured Redeemable NCD") of Robust Hotels Private Limited ("RHPL" or "Robust Hotels") into Equity Shares of RHPL at fair value.

The management of the AHEL has engaged has engaged M/s D & A Financial Services (P) Ltd to submit its the Fairness Opinion to the Board of Directors of AHEL on the fairness of Share Entitlement Ratio recommended by the valuer. Further this report has been issued as per the requirement of SEBI circular no CIR/CFD/CMD.16/2015 dated 30th November, 2015.

The purpose of the opinion is to safeguard the interest of the shareholders and that of the companies involved in the Scheme and this opinion shall be made available to the shareholders of the relevant Companies at the time of their meeting to pass the necessary resolution for the Scheme and to any other relevant authority.

Disclaimer: We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by management of AHEL for the purpose of this Opinion. We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents of the Company other than those stated herein. We have not assumed any obligation to conduct, nor have we carried out any independent physical inspection or title verification of the property, investments etc. interests of AHEL, GJSHL and RHPL and accept no responsibility therefore.

We have not reviewed any internal management information statements or any non-public reports and instead with your consent we have relied upon information that was publicly available or provided or otherwise made available to us by AHEL for the purpose of this valuation. We are not experts in the evaluation of litigation or other actual or threatened claims.

3. Sources of Information

For arriving at the opinion set forth below, we have:

1. Perused the Draft Scheme of Arrangement;
2. Valuation Report recommending Share entitlement ratio dated 2nd February 2017 given by M/s NSBP & Co. having its office at Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi-110065.



4. Approach followed for valuation.

The value of the 12% Cumulative Redeemable Preference Shares and 0.1% Unsecured Non-Convertible Debentures of RHPL has been arrived at by M/s NSBP & Co, Chartered Accountants by applying Discounted Cash Flow Method while the value of hotel business of RHPL has been ascertained by them by using average of Discounted Cash Flow method and Net Asset Value method.

The valuations and the share entitlement ratio recommended on the basis of the same have been arrived at by the consideration of the aforesaid commonly used and accepted methods which are appropriate.

M/s NSBP & Co, Chartered Accountants, while arriving at the share entitlement ratio has considered the valuation report of valuation of Land, Building, Furniture/ Interior Decorations (excluding Arts), and Machinery of RHPL ("Specified Assets") done by M/s Sreenidhi Valuation Consultancy Services, Asset Valuer, having its office at No.3, Vathiyar Thottam, 1st Street, Rangarajapuram, Kodambakkam, Chennai 600 024

5. Conclusion

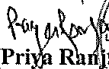
Based on our examination of the draft Scheme of Arrangement and the Valuation Report of M/s NSBP & Co. dated 02 February, 2017, we are of the opinion that the proposed share entitlement ratio as recommended by the valuer for conversion of 12% Cumulative Redeemable Preference Shares ("CRPS") and 0.1% Unsecured Redeemable Non-Convertible Debentures ("Unsecured NCD") of Robust Hotels Private Limited, as under pursuant to proposed scheme of arrangements is fair.


- A. Fair value of Equity Share of RHPL: Rs.20/- per share.
B. Fair Value of Preference Shares and Debentures and Recommended fair Share Entitlement Ratio:

| Particulars | Value (In Rs. Crores) | Number of units | Value Per unit | Equity Share Entitlement (per 100 units) |
|--|-----------------------|-----------------|----------------|--|
| 12% Cumulative Redeemable Preference Shares of RHPL | 64.10 | 43,00,000 | 149.06 | 745 |
| 0.1% Unsecured Redeemable Non-Convertible Debentures of RHPL | 100.62 | 2,05,00,000 | 49.09 | 245 |

Thanking You

For D & A Financial Services (P) Ltd


(Priya Ranjan)
Vice President



Date: 6th February 2017

Place: New Delhi

ASIAN HOTELS (EAST) LIMITED

Registered Office : Hyatt Regency Kolkata, JA-1, Sector III, Salt Lake City, Kolkata - 700 098, W.B., India
 Phone : 033 2335 1234/2517 1012 Fax : 033 2335 8246/2335 1235 www.ahleast.com
 CIN: L15122WB2007PLC162762

10th May. 2017

| | |
|--|---|
| The Manager Listing Department BSE Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Tel: (022-2272 8013) Fax: (022-2272 3121) | The Manager Listing Department National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block, Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 Tel: (022) 2659 8235 Fax: (022) 2659 8237 |
| Type of Security: Equity shares Scrip Code : 533227 | Type of Security: Equity shares NSE Symbol : <u>AHLEAST</u> |

Dear Sir,

Sub: Submission of Report on Complaints**Re: Scheme of Arrangement**

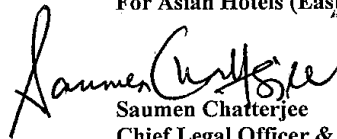
Please find attached 'Report on Complaints' pursuant to Annexure III of Para 6 of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 for the Scheme of Arrangement filed with you.

This is for your kind perusal and record.

Thanking you.

Yours truly,

For Asian Hotels (East) Limited


 Saumen Chatterjee
 Chief Legal Officer &
 Company Secretary



Encl.: as above

OWNER OF



HYATT
REGENCY™

ASIAN HOTELS (EAST) LIMITED

Registered Office : Hyatt Regency Kolkata, JA-1, Sector III, Salt Lake City, Kolkata - 700 098, W.B., India

Phone : 033 2335 1234/2517 1012 Fax : 033 2335 8246/2335 1235 www.ahleast.com

CIN: L15122WB2007PLC162762

REPORT ON COMPLAINTS

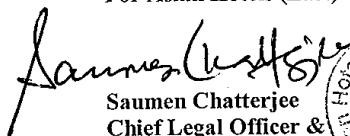
Part A

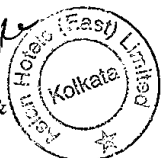
| Sr. No. | Particulars | Number |
|---------|--|--------|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchanges/SEBI | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | N.A. |
| 5. | Number of complaints pending | N.A. |

Part B

| Sr. No. | Name of Complainant | Date of Complaint | Status (Resolved/Pending) |
|----------------|---------------------|-------------------|------------------------------|
| Not Applicable | | | |

For Asian Hotels (East) Limited


Saumen Chatterjee
Chief Legal Officer &
Company Secretary



10th May, 2017
Kolkata

OWNER OF



HYATT
REGENCY™



DCS/AMAL/SD/R37/792/2017-18

May 18, 2017

The Company Secretary
 ASIAN HOTELS (EAST) LTD.
 Hyatt Regency Kolkata, JA-1,
 Sector - III, Salt Lake City,
 Kolkata, West Bengal- 700098

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement involving amalgamation of GJS Hotels Ltd, Robust Hotels Pvt Ltd and Asian Hotels (East) Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement involving amalgamation of GJS Hotels Ltd, Robust Hotels Pvt Ltd and Asian Hotels (East) Ltd and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated May 18, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

..... 2/-

: 2 :

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Rujari
Manager

Ref: NSE/LIST/10955

May 23, 2017

The Company Secretary
Asian Hotels (East) Limited
Hyatt Regency Kolkata
JA-1, Salt Lake City
Kolkata – 700 098

Kind Attn.: Mr. Saumen Chattopadhyay

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement among GJS Hotels limited, Robust Hotels Private Limited and Asian Hotels (East) Limited

We are in receipt of the draft scheme of arrangement between GJS Hotels limited, Robust Hotels Private Limited and Asian Hotels (East) Limited and their respective shareholders and creditors pursuant to Sections 230-232 of the Companies Act, 2013, filed by Asian Hotels (East) Limited vide application dated March 10, 2017.

Based on our letter reference no Ref: NSE/LIST/5788 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated May 18, 2017, has given following comments:

- a. The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. The Company shall duly comply with various provisions of the Circulars.*
- c. The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.



The validity of this “Observation Letter” shall be six months from May 23, 2017, within which the scheme shall be submitted to NCLT. Further, pursuant to the above SEBI circular, upon sanction of the Scheme by the NCLT, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the NCLT;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Report on Complaints as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH**

COMPANY APPLICATION NO.40 OF 2017

In the matter of Section 230 of the Companies Act, 2013

And

In the matter of Scheme of Arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders

Robust Hotels Private Limited,
a Company incorporated under the Companies Act, 1956, having its Registered Office at 365, Anna Salai, Teynampet, Chennai 600 018 represented by Mr. Thanikachalam Tenampet Natarajan, Company Secretary

.....Applicant

FORM OF PROXY FOR MEETING OF UNSECURED CREDITORS

| | |
|-----------------------------------|--|
| Name of the Unsecured creditor(s) | |
| Address | |
| E-mail Id | |

I/We being the unsecured creditor(s) of Robust Hotels Private Limited, hereby appoint:

1) Name: _____ Email Id: _____

Address: _____

Signature: _____, or failing him

2) Name: _____ Email Id: _____

Address: _____

Signature: _____, or failing him

3) Name: _____ Email Id: _____

Address: _____

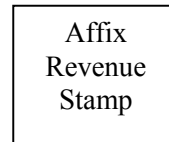
Signature: _____.

as my/our proxy to act for me/us at the meeting of the Unsecured Creditors of Robust Hotels Private Limited to be held on Tuesday, 21st August, 2018 at 12:00 Noon at 365, Anna Salai, Teynampet, Chennai 600 018 for the purpose of considering and if thought fit, approving with or without modification, the proposed Scheme of Scheme of Arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited, and their respective shareholders and at such meeting or any adjournment thereof to vote for me/us and in my/our name _____ [*here, 'if for', insert 'for'; 'if against', insert 'against' and in the latter case, strike out the words below after 'Scheme of Arrangement'*] the said Scheme of Arrangement either with or without modification as my/our proxy may approve.

Signed this _____ day of _____ 2018.

Signature of the unsecured creditor:

Signature of the proxy holder(s):



Notes:

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. This form of proxy can be obtained free of charge from the Company at its registered office address or the Office of its Advocates, M/s J&M Legal at No.5, 2nd Floor, 8th Street, Dr. R. K. Salai, Chennai - 600004 or can be downloaded from the website of the Company viz. www.ahleast.com
3. A Proxy need not be a unsecured creditor of the Company.
4. All alterations made in the Form of Proxy should be initialled by the Unsecured Creditor.
5. In case of multiple proxies, the Proxy later in the time shall be accepted.

ROBUST HOTELS PRIVATE LIMITED

CIN: U55101TN2007PTC062085

Regd. Office: 365, Anna Salai, Teynampet, Chennai – 600 018

Phone No.: (044) 61001234 Fax: (044)24338320

Website: www.ahleast.com E-mail: thanika@sarafhotels.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the meeting of the Unsecured Creditors convened on Tuesday, 21st August, 2018, at Hyatt Regency Chennai, JA-1, 365, Anna Salai, Teynampet, Chennai – 600 018

at 12:00 Noon pursuant to the order of the Hon'ble National Company Law Tribunal, Chennai Bench.

Name and Address of the Unsecured Creditor :

Name of the proxy holder/
Authorised representative, if any : _____

I further declare that above particulars are true and correct to the best of my knowledge.

Signature of the Unsecured creditor/Proxy/ Authorised Representative: _____

Place :

Date :

Important:

1. The unsecured creditor, proxy holder or the authorised representative attending this meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled and signed.
2. The unsecured creditor, proxy holder or the authorised representative are requested to bring their copy of notice for reference at the meeting.
3. Unsecured creditors are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons. The Meeting is for unsecured creditors or their proxies only. Please avoid being accompanied by non-unsecured creditor/children.



ROUTE MAP OF VENUE OF MEETING