



# **ASIAN HOTELS (EAST) LIMITED**

13th Annual Report and Accounts 2019-2020



▲  
Hyatt Regency  
Kolkata

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Hyatt Regency  
Chennai  
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**BOARD OF DIRECTORS**

- Radhe Shyam Saraf – Chairman  
Arun Kumar Saraf – Joint Managing Director  
Umesh Saraf – Joint Managing Director  
Amal Chandra Chakrabortti – Independent Director  
Rama Shankar Jhawar – Independent Director  
Padam Kumar Khaitan – Independent Director  
Rita Bhimani – Woman Independent Director

**CFO & VICE PRESIDENT –  
CORPORATE FINANCE**

Bimal Kumar Jhunjhunwala

**CHIEF LEGAL OFFICER &  
COMPANY SECRETARY**

Saumen Chatterjee

**STATUTORY AUDITORS**

M/s. Singhi & Co.  
Chartered Accountants  
161, Sarat Bose Road  
Kolkata - 700 026

**SECRETARIAL AUDITORS**

M/s. Abhijit Majumdar & Associates  
Mangalik Housing Complex  
Hiland Park  
Kolkata - 700094

**BANKERS**

IDBI Bank Limited  
Standard Chartered Bank  
State Bank of India  
ICICI Bank Limited

**REGISTERED OFFICE**

Hyatt Regency Kolkata  
JA-1, Sector-III, Salt Lake City  
Kolkata - 700 098, W. B., India  
Tel: 033-6820 1344/1346  
Fax: 033-2335 8246  
Website: [www.ahleast.com](http://www.ahleast.com)  
CIN: L15122WB2007PLC162762

**REGISTRAR & SHARE TRANSFER AGENT**

KFin Technologies Private Limited  
Selenium Tower B' Plot No. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Telangana, India  
Tel : +91 40 6716222  
Fax No.: +91 40 23001153  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

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## BOARD'S REPORT

### Dear Members,

Your Board has pleasure in presenting the 13<sup>th</sup> Annual Report of the Company together with the audited financial statements of the Company for the financial year ended on 31<sup>st</sup> March, 2020.

### FINANCIAL HIGHLIGHTS

Your Company's performance for the financial year ended on 31<sup>st</sup> March, 2020, along with the previous year figures is summarised as under:

Particulars	Standalone (Rs. in lacs)		Consolidated (Rs. in lacs)	
	2019-20	2018-19	2019-20	2018-19
Gross Revenue	9,210.27	10,344.25	18,487.26	20,235.23
Profit before Depreciation, Finance Costs, Tax and Exceptional items	2,511.37	2,936.08	4,067.44	5,260.14
Less: Depreciation	297.32	492.39	2,599.16	2,795.05
Less: Finance Cost	Nil	Nil	1,392.12	1446.18
Profit before Tax & Exceptional Item	2,214.05	2,443.69	76.17	1,018.91
Add/(Less) Exceptional Item	Nil	Nil	Nil	Nil
Profit/(Loss) before tax	2,214.05	2,443.69	76.17	1,018.91
Tax Expenses (including Deferred Tax)	763.40	665.63	763.40	665.63
Profit after Tax from continuing operations	1,450.65	1,778.06	(687.23)	353.28
Profit after tax from discontinued operations	Nil	Nil	(0.29)	Nil
Profit after tax	1,450.65	1,778.06	(687.52)	353.28
Other Comprehensive Income	353.96	471.33	(360.49)	472.23
Total Comprehensive Income for the period	1,096.69	2,249.39	(1,048.01)	825.51

### IMPACT OF COVID-19 PANDEMIC ON THE COMPANY'S BUSINESS:

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity, has had impact on the business of the Company. The hotel business came to a complete halt when nationwide lockdown was declared by the Prime Minister of India w.e.f 22<sup>nd</sup> March, 2020. Due to the lock down, the dispatches have impacted for later part of the March'20 and the profitability to that extent for the year 2019-20.

During the lockdown period, the hotel business was operating with minimum operations. The lockdown has had a massive cascading effect on the hotel as with the cancellation of flights and trains across the country, the hotel bookings and events have had faced monumental cancellations even from the month of February i.e. before the nationwide lockdown declared in the wake of the coronavirus crisis. The hotel business did a little food and beverage business by making home deliveries.

The hotel business estimates a deep downfall in its revenue and profitability with minimal group business during the remaining year as various corporates have extended their work from home and social events being cancelled due to panic situation and resumption of flight operations will take some more time.

### TRANSFER TO RESERVES:

During the financial year 2019-20, an amount of ₹ 150 lakhs (₹ 150 lakhs last year) has been transferred to General Reserve out of the amount available for appropriation.

### DIVIDEND:

The Covid-19 pandemic and the long lockdown declared by the government has created uncertainty and unpredictability for the Company. Therefore, the Board has decided not to recommend any dividend for the financial year ended 2019-20 to conserve resources.

### BUSINESS OVERVIEW AND OPERATING PERFORMANCE/ STATE OF COMPANY'S AFFAIRS:

During the financial year ended 2019-20, Hyatt Regency Kolkata (the hotel) has been successful in leading the market in occupancy by closing the year at 80% compared to city average closure of 65% securing major project-based business and sustaining its leading position in weddings in the city while focusing on corporate MICE as well. The hotel has been largely successful in booking all the relevant wedding dates during the last year. In spite of increased competition, the hotel managed to maintain its 2<sup>nd</sup> rank on RevPAR level while leading the city at Rank 1 in occupancy through innovative pricing technique and market mix which, in turn, did boost up the customer experience, loyalty build up, to achieve repeat revenue.

During the financial year 2019-20, there were no material changes and commitments affecting financial position of the Company which have occurred in the period to which the financial statements and the report relate. Further, there has been no change in the nature of business of the Company. The only hit was faced in the month of February and March 2020 due to the outbreak of Covid-19 pandemic with cancellations of flights and trains across the country, the hotel bookings and events and complete nationwide lockdown.

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### **SUBSIDIARY COMPANIES:**

The Company has three subsidiaries, namely, Robust Hotels Private Limited, Chennai, a wholly owned and a material unlisted Indian Subsidiary, GJS Hotels Limited, Kolkata, a wholly owned and unlisted Indian Subsidiary and Regency Convention Centre and Hotels Limited, Kolkata, a wholly owned and an unlisted Indian Subsidiary. Robust Hotels Private Limited which was a one-step down subsidiary in previous year 2018-19 has now become a wholly owned subsidiary pursuant to the effectiveness of the Scheme of Arrangement on 24<sup>th</sup> July, 2019, being the effective date of the Scheme.

Robust Hotels Private Limited (RHPL) which owns and operates Hyatt Regency Chennai (Chennai Hotel) is pleased to report the operating performance of ₹ 92.77 crores. The Hotel had targeted an increased turnover for the financial year under review but ended-up with drop in total revenue, which is mainly due to drop in occupancy of rooms on account of Covid-19 pandemic in the 4th quarter of the financial year ended 2019-20.

The financial impact of pandemic on the Hotel for the current financial year i.e. 2020-21 is expected to be very severe. Your directors are hopeful that the Business is likely to stabilize and the Hotel will achieve occupancy of 45 to 50% in the last quarter of FY 2020-21.

With reference to GJS Hotels Limited, 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. The Company is yet to get the permission of the General Administration Department (GA Dept.), Government of Odisha to start construction of the hotel project at the plot as the time period for the completion of the hotel project in terms of Lease Deed has expired. In this regard, the Company has applied to the GA Dept., Government of Odisha for the extension of lease period of the leasehold land to start the construction at the site. Necessary dialogue has been initiated with the GA Dept., Government of Odisha for granting extension of time to start the project and the Company is also exploring the new conditions proposed by the GA Dept., Government of Odisha. Further, Company is also following up with the Archaeological and Fire Safety Department for issue of No Objection Certificate (NOC) and Fire Safety Recommendation. The Company has also appointed a renowned architectural firm for its hotel project during the financial year ended 2019-20. The Company has further appointed a reputed security agency to protect/guard the land.

Primary inspection by Archaeological Survey of India, Bhubaneswar Office has been done on 6th December, 2019. Further, security rest room, Company's sign board which all got destroyed and broken by Fani cyclone during April-May, 2019 has been re-built plus the jungle/ bush of the land has been cleared in December, 2019 for further inspection.

The Company is hopeful of a positive response from the Government of Odisha and has been actively following up with various Departments in order to start the construction of the hotel project at the earliest.

However, the Company could not do the follow up & met the officers of various departments of the Government of Odisha from the month of February 2020 due to the outbreak of Covid-19 pandemic.

As far as the legal Suit No. 6846 of 1999 filed by the Company's wholly owned subsidiary Regency Convention Centre and Hotels Limited (Regency) against Airport Authority of India (AAI) & Ors in the High Court of Judicature at Bombay is concerned and its slow progress in more than last 20 years and pursuant to the discussion and understanding with Mumbai International Airport Limited (MIAL), your Company considered the prospect of amicable settlement of the dispute through MIAL and accordingly the Company, Regency and MIAL have executed a Share Purchase Agreement dated 20<sup>th</sup> April, 2019 (SPA) wherein MIAL has agreed to buy Company's 100% investment in Regency at a purchase consideration of ₹64 crores against which the Company has received an advance of ₹23 crores from MIAL. The SPA is subject to fulfillment of certain conditions including withdrawal of the legal Suit by Regency. However, the terms of the SPA could not be fulfilled by the Long Stop Date 30<sup>th</sup> June, 2019 mentioned therein and now MIAL has agreed to extend the Long Stop Date to 31<sup>st</sup> March, 2021 to pay the balance consideration of Rs. 41 crores with an interest at the rate of 8.25% p.a. for the period commencing from 1<sup>st</sup> July, 2019 till the revised Long Stop Date to complete the transaction. Further notwithstanding the above development, Company is always open to consider a hotel project in future at the CSI Airport, Mumbai subject to a suitable opportunity, terms, process, business and economic environment. Regency shall pursue the legal case till the completion of the transaction with the MIAL.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of each of the subsidiaries of the Company in Form AOC-1 is annexed herewith marked as **Annexure-I** to this Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company <http://www.ahleast.com/reports.html>

The Consolidated Financial Statements of the Company are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) and forms an integral part of this report.

The Policy for determining material subsidiaries of the Company has been provided in the following link: <http://www.ahleast.com/policiespdf/Policy%20on%20Material%20Subsidiary.pdf>.

### **STATUS OF THE SANCTIONED SCHEME OF ARRANGEMENT:**

The Scheme of Arrangement between the Company, GJS Hotels Limited (GJS) and Robust Hotels Private Limited (RHPL) and their respective shareholders and creditors under sections 230 and 232 of the Companies Act, 2013 for Demerger of investment division of GJS, a wholly-owned subsidiary into the Company and reorganisation of share capital of RHPL has been sanctioned by the NCLT Benches, Kolkata and Chennai vide its order dated 6<sup>th</sup> February, 2019 and 24<sup>th</sup> June, 2019 respectively.

The Scheme had become effective from 24<sup>th</sup> July, 2019 being the Effective Date with effect from 31<sup>st</sup> March, 2016 being the Appointed Date. Requisite steps have been taken by the Company to give effect to the Scheme.

Consequent to giving effects of the Scheme, all the securities held by GJS in RHPL transferred to the Company and accordingly RHPL became a wholly owned subsidiary of the Company.

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### **STATUS OF THE ONGOING SCHEME OF ARRANGEMENT:**

On 14<sup>th</sup> November, 2019, the Board of Directors of the Company approved a Scheme of Arrangement, Demerger and Reduction of Capital between the Company and its wholly owned subsidiary Robust Hotels Private Limited (RHPL) and their respective shareholders and creditors under Sections 230-232 and 66 of the Companies Act, 2013 ("the Scheme") for inter alia:

- i) demerger and transfer of the undertaking, business activities and operations of the Company pertaining to 'Securities Trading Unit' comprising of treasury/liquid investments which are being regularly traded, bonds, mutual funds, and shares of certain companies (which already are under an agreement of sale, part performance completed) ("Demerged Undertaking") from the Company into RHPL, as a going concern in compliance with Section 2(19AA) of Income Tax Act, 1961;
- ii) capitalization of reserves of the Company and issuance and allotment of fully paid-up bonus equity shares having face value of Rs. 10/- each ("Bonus Shares") by the Company to its equity shareholders (as of the Record Date), in the ratio 1:2, meaning 1 (one) Bonus Share for every 2 (two) equity shares of the Company, ranking pari passu with the existing equity shares of the Company;
- iii) reorganization and reduction of shares of RHPL held by the Company (without any consideration) with 'Appointed Date' being the same as the Effective date or such other date as may be modified/fixed by the Tribunals;
- iv) upon effectiveness of the Scheme RHPL shall issue & allot equity shares to the shareholders of the Company in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share of having a face value of ₹ 10/- each for every 1 (one) fully paid-up equity share of the Company having a face value of ₹ 10/- held by a shareholder of the Company as on the Record Date (to be determined in terms of the Scheme and the 2013 Act) and the shares of RHPL shall be listed and admitted for trading on all the stock exchanges where the equity shares of the Company are listed.

The Scheme along with necessary documents was filed by the Company on 28th January, 2020 with the stock exchanges where the equity shares of the Company are listed. The Company has received Observation Letters dated 21<sup>st</sup> May, 2020 from BSE Limited (BSE), being the designated stock exchange of the Company and National Stock Exchange of India Ltd (NSE) so as to file the Scheme with the Hon'ble National Company Law Tribunal Benches, Kolkata & Chennai.

In compliance with the requirement mentioned in the observation letters received from BSE and NSE dated 21<sup>st</sup> May, 2020, the Company Application has been filed through e-mode with the Hon'ble NCLT Bench, Kolkata on Tuesday, 21<sup>st</sup> July, 2020 having filing no. 1908134/00063/2020 for receiving necessary Directions/Orders in respect of convening the meeting of the equity shareholders and creditors for approval of the Scheme.

Further, RHPL is in the process of filing the application with the Hon'ble NCLT Bench, Chennai for receiving Orders in respect of convening/dispensing with the meeting of its equity shareholders and creditors for approval of the Scheme.

All stakeholders can see the Scheme documents including the observation letters dated 21.05.2020 in the Company's weblink <http://www.ahleast.com/index.html> and website of the BSE at <https://www.bseindia.com/corporates/NOCUnder.aspx> and NSE at <https://www1.nseindia.com/corporates/corporateHome.html?id=schemeofarrangement>

### **AUDITORS & AUDITORS' REPORT:**

#### **Statutory Auditors:**

M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E), was appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on 28<sup>th</sup> July, 2017 for a period of five (5) consecutive years. They have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Companies Act, 2013. During the year under review, no offence of fraud was reported by the Auditors of the Company.

#### **Statutory Auditor's Qualifications:**

Please refer to the audit report on standalone financial statement and consolidated financial statements of the Company for the financial year ended 31st March, 2020.

#### **Explanation to Auditors' Comment:**

The Auditors' Qualification has been appropriately dealt with in Note No. 50 of the Notes to the standalone audited financial statements and Note No. 52 to the consolidated audited financial statements which are self-explanatory and therefore do not call for any further comments. The Auditors' Report is enclosed with the financial statements in this Annual Report.

#### **Internal Auditor:**

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, your Board based on the recommendation of the Audit Committee, appointed M/s. S.S. Kothari Mehta & Co., Chartered Accountants to conduct internal audit for the financial year 2019-2020. The said appointment ceased to be effective on 31st March, 2020. Suitable resolution has been passed by the Board for the appointment of internal auditor for the Financial Year 2020-21.

#### **Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Board had appointed M/s. Abhijit Majumdar & Associates, Practicing Company Secretary (COP No. 18995), to undertake Secretarial Audit of your Company for the financial year 2019-2020. The Secretarial Audit Report in Form MR-3 for the financial year ended 31<sup>st</sup> March, 2020 is annexed herewith marked as **Annexure-II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The appointment of M/s. Abhijit Majumdar & Associates, Practicing Company Secretary, ceased to be effective on 31<sup>st</sup> March, 2020. The Board has reappointed M/s. Abhijit Majumdar & Associates, Practicing Company Secretary as the Secretarial Auditor of your Company for the financial year 2020-21.

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### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Company's Articles of Association, Mr. Radhe Shyam Saraf (DIN: 00017962), Director retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board recommends his reappointment. Brief details of the Director, who is proposed to be re-appointed, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) are provided in the Notice of Annual General Meeting.

On the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors at its meeting held on 3<sup>rd</sup> February, 2020 has re-appointed Mr. Umesh Saraf (DIN No: 00017985) and Mr. Arun K Saraf (DIN No: 00339772) as Joint Managing directors of the Company for a period of five years with effect from 22<sup>nd</sup> February, 2020 and 4<sup>th</sup> August, 2020 respectively. Brief profile of Mr. Umesh Saraf and Mr. Arun K Saraf including the terms and conditions of re-appointment and remuneration payable to them and such other matters including interest of directors in such re- appointment as required under Sec 196 of the Companies Act, 2013 read with Regulation 36 of SEBI Listing Regulation, 2015 is provided in the Notice convening the Annual General Meeting.

None of the Directors on the Board of your Company has been debarred or disqualified from being appointed or to continue as Director of the Company by SEBI, MCA or any other statutory authorities.

Pursuant to Section 149 of the Companies Act, 2013 read with Regulation 17 (1)(a) of SEBI Listing Regulations, 2015, a Woman Director should be a member of the Board of Directors of the Company. In accordance with laws, the Board of Directors, upon recommendation of Nomination and Remuneration Committee, at its meeting held on 3<sup>rd</sup> February, 2020 has re-appointed Mrs. Rita Bhimani (DIN No: 07106069) as a Woman Independent Director of the Company for a second term of five years with effect from 31<sup>st</sup> March, 2020 to 30<sup>th</sup> March, 2025 subject to the approvals of the shareholders in the ensuing 13<sup>th</sup> Annual General Meeting of the Company.

Further, in terms of Regulation 17(1A) of the SEBI Listing Regulations, 2015, the continuation of directorship of Mrs. Rita Bhimani (DIN No: 07106069) as a non-executive woman independent director of the Company after the attainment of the age of 75 years, is recommended for the approval of members by way of Special Resolution at the forthcoming Annual General Meeting.

The Company has received annual declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, Rule 6(3) of The Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulations 16(1)(b) and 25 of the SEBI Listing Regulations, 2015 and there has been no change in the circumstances, which may affect their status as an Independent Director during the year.

Also, your Company has received annual declarations from all the Independent Directors of the Company confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs ["IICA"], Manesar as prescribed by the Ministry of Corporate Affairs under the relevant rules.

### **BOARD EVALUATION AND NOMINATION AND REMUNERATION POLICY:**

Pursuant to the provisions of the Companies Act, 2013 read with the rules made thereunder and SEBI Listing Regulations, 2015, performance evaluation of Directors, Committees and Board as a whole was carried out.

The performance of every Director and the Board as a whole was evaluated by the Nomination and Remuneration Committee (NRC) and the Board, seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members.

Performance evaluation criteria for Board, Committees of the Board and Directors were reviewed and approved by the Board at its meeting held on 25th May, 2017 in terms of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, and the same were placed on the Company's weblink: <http://www.ahleast.com/policiespdf/performance%20evaluation%20policy.pdf>.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings.

Due to the outbreak Covid-19 pandemic and subject to the relaxation provided by the Ministry of Corporate Affairs (MCA) vide its circular No. 11/2020 dated 24<sup>th</sup> March, 2020, no separate meeting of Independent Directors of the Company was held during the financial year under review.

The Company's Nomination & Remuneration Policy as provided in Section 178 of the Companies Act, 2013 is available on the website of the Company at <http://www.ahleast.com/policiespdf/nomination%20and%20remuneration%20policy.pdf>.

### **BOARD DIVERSITY:**

The Company recognizes and believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing different skills, qualifications, professional experiences, knowledge, gender, ethnicity, background and other distinguished qualities etc. of the members of the Board, necessary for effective corporate governance, sustainable and balanced development.

The Board recognizes the importance of a diverse composition and has adopted a Board Diversity Policy as required under Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, 2015 which sets out the approach to diversity. The Board diversity policy is available on our weblink: <http://www.ahleast.com/policiespdf/Board%20Diversity%20Policy.pdf>

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Sections 134(3)(c) and 134(5) of the Companies Act, 2013 for the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020 and based upon representations from the Management, the Board states that:

- a) in the preparation of the annexed accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

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- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the said accounts has been prepared on a going concern basis;
- e) internal financial controls to be followed by the Company have been laid down and that internal controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised to ensure such systems are adequate and operating effectively.

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

The information required pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to conservation of energy, technology absorption and foreign exchanges earning and outgo to the extent possible in the opinion of your Directors, is annexed hereto as **Annexure-III** and forming part of this Report.

### **PARTICULARS OF PERSONNEL:**

Details of employee remuneration as required under provisions of section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and marked as **Annexure-IV**.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All related party transactions that were entered by the Company during the financial year under review were in the ordinary course of business and on arm's length basis. There were no contracts or arrangements entered into by the Company in accordance with the Section 188 of the Companies Act, 2013 and there was no material related party transactions in terms of Regulation 23 of the SEBI Listing Regulations, 2015. Thus, disclosure as required in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not relevant to the Company at present. Prior omnibus approval was obtained for related party transactions which are repetitive in nature and entered in the ordinary course of business and are at arm's length. All related party transactions were placed before the Audit Committee for review on a quarterly basis.

The Policy on related party transactions and dealing with related party transactions as approved by the Board can be accessed on the Company's weblink: <http://www.ahleast.com/policiespdf/Policy%20on%20Related%20Party%20Transaction.pdf>. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The details of the transactions with related parties are set out in Notes to the Standalone and Consolidated Financial Statements pursuant to Ind AS.

### **MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE:**

Pursuant to Schedule V of Regulation 34(3) of the SEBI Listing Regulations, 2015 report on Management Discussion and Analysis as **Annexure-V** and Corporate Governance Report as per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015 as **Annexure-VI** and Compliance Certificate on Corporate Governance from the Practicing Company Secretaries are annexed to this Report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As required under Section 135 of the Companies Act, 2013, the Company had made the CSR expenditure during the financial year 2019-20. The Company implements the CSR projects directly. The details of such initiatives, CSR spend, etc., for the financial year 2019-20 are annexed and marked as **Annexure-VII** to this report.

Besides the above, the hotel has been involved in many CSR activities under "Hyatt Thrive" umbrella. The focus area during the financial year 2019-20 continued to be empowering youth and extending the support for diverse projects. Celebrating the Global Month of service in June 2019, supporting Ektara with Hyatt Grant worth US \$5000, generating funds for NGO by selling old newspapers, Women's Day Celebration by providing an earning opportunity to women by introducing Paperbags made with old newspapers in coordination with Little Big Help were the highlights of various activities conducted over the year. Further, the hotel also participated in Hyatt's Global Program named RiseHY and appointed 6 opportunity youth till date. Our team members also participated in various Marathons during the year. The Team created various other energizing experiences by volunteering in social activities like participating in Jungle Crow Winter Camp etc., in addition to monetary contribution in the entire financial year 2019-20. Approximately 366 volunteer hours and \$2860 was the contribution towards the CSR activities.

The Company's CSR Policy formulated in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is available on the Company's weblink: <http://www.ahleast.com/policiespdf/amended%20CSR%20policy.pdf>.

### **BUSINESS RESPONSIBILITY REPORTING:**

During the year under review, consequent to the requirements of reporting of its business responsibility initiatives becoming mandatory under Regulation 34 (3)(f) the SEBI Listing Regulations, 2015, the Company has formulated a policy on Business Responsibility which lays down the broad principles guiding the Company in delivering various responsibilities to its stakeholders. A copy of this policy is available at [www.ahleast.com](http://www.ahleast.com) and the Business Responsibility Report for the year ended 31<sup>st</sup> March, 2020, in terms of Regulation 34 of the SEBI Listing Regulations, 2015 is given in **Annexure-VIII** and forms part of this report.



**INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY:**

Your Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the reporting is done to the Chairman of the Audit Committee of the Board.

The Audit Committee monitors and evaluates the efficacy and adequacy of internal control systems in your Company, its compliance with operating systems, accounting procedures and policies of your Company. Based on the Internal Audit Report, the Management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board. In the view of the Statutory Auditors of the Company, the internal financial controls with respect to financial reporting were adequate and operating effectively during the financial year.

**RISK MANAGEMENT:**

Your Company has adopted a Risk Management Policy pursuant to the provisions of Section 134(3)(n) of the Companies Act, 2013 to identify and evaluate business risks and opportunities for mitigation of the same on a continual basis. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. In your company, risks are carefully mapped and a risk management framework is involved.

Your Company is faced with risks of different types, each of which need varying approaches for mitigation. Details of various risks faced by your Company and their mitigation are provided in the Management Discussion and Analysis Report. The Company's risk management policy formulated in accordance with Section 134(3)(n) of the Companies Act, 2013 as approved by the Board is available on Company's weblink: <http://www.ahleast.com/policiespdf/Risk%20Management%20Policy.pdf>.

**DISCLOSURES:**

**A) EXTRACT OF ANNUAL RETURN**

Pursuant to Section 134(3)(a) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, the extract of annual return of the Company referred to in Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available under the Company's weblink: <http://www.ahleast.com/reports.html>.

**B) MEETINGS OF THE BOARD**

During the financial year ended 2019-20, the Board of Directors had five (5) meetings. These were held on 10<sup>th</sup> May, 2019, 5<sup>th</sup> August, 2019 & 12<sup>th</sup> August, 2019\*, 16<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019 and 3<sup>rd</sup> February, 2020. The details in relation to attendance at the meetings are disclosed in the Corporate Governance section which forms a part of this report.

\*Meeting held on 12<sup>th</sup> August, 2019 is the adjourned meeting of 5<sup>th</sup> August, 2019.

**C) COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises of three (3) Directors amongst which two (2) are Independent Non-Executive Directors, namely Mr. Amal Chandra Chakrabortti and Mr. Rama Shankar Jhavar and one (1) is Joint Managing Director namely Mr. Umesh Saraf. There have been no instances during the financial year when recommendations made by the Audit Committee were not accepted by the Board. The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

**D) SECRETARIAL STANDARDS OF ICSI**

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

**E) VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Your Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behavior, actual and suspected fraud or violation of your Company's Code of Conduct. No person has been denied access to the Chairman of the Audit Committee. The provisions of the policy are in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI Listing Regulations, 2015. The vigil mechanism/whistle blower policy can be accessed on the Company's weblink: <http://www.ahleast.com/policiespdf/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf>. During the year under review, the Company did not receive any complaint under the policy.

**F) DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always shown concerns to each and every employee working in the organization. It has zero tolerance towards sexual harassment at workplace and has an Internal Complaints Committee to consider and redress complaints of sexual harassment. The Company has also adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder with the objective of providing safe working environment for the benefit of the employees. During the calendar year 2020, the Company has not received any complaints on sexual harassment.

## *Asian Hotels (East) Limited*

### **G) PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITY PROVIDED**

Pursuant to the provisions of Section 134(3)(g) of the Companies Act, 2013, particulars of loans, guarantees, investments and securities given under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements forming part of this Annual report.

### **H) PARTICULARS OF REMUNERATION**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are provided in **Annexure-IX** to this report.

### **I) GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the financial year 2019-20 under review:

- i) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iv) The Joint Managing Directors of the Company did not receive any remuneration or commission from any of its subsidiaries.
- v) No significant or material orders were passed by the Regulators or Courts or Tribunals which could impact the going concern status and Company's operations in future.

### **ACKNOWLEDGEMENT**

Your Board express their deep sense of appreciation for the contribution made by the employees to the significant improvement in the operations of the Company.

The Directors also thank all associates including customers, the Government of India, Government of West Bengal, Government Agencies, Hyatt Hotels Corporation, U.S.A., Bankers, Suppliers, Shareholders and others for their continuous co-operation and support.

For and on behalf of the Board of Directors

Kolkata  
31<sup>st</sup> July, 2020

**A C Chakrabortti**  
Director  
(DIN :00015622)

**Umesh Saraf**  
Joint Managing Director  
(DIN : 00017985)

**Rama Shankar Jhavar**  
Director  
(DIN: 00023792)

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

Part "A": Subsidiaries

(in ₹)

Sl. No.	Particulars	GJS Hotels Limited	Regency Convention Centre and Hotels Limited	Robust Hotels Private Limited
1.	Name of the subsidiary	<b>GJS Hotels Limited</b>	<b>Regency Convention Centre and Hotels Limited</b>	<b>Robust Hotels Private Limited</b>
2.	The date since when subsidiary was acquired	31-10-2009	31-10-2009	24-07-2019*
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	INR	INR	INR
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-	-	-
5.	Share capital	23,00,220	15,93,050	2,24,18,38,290
6.	Reserves & surplus	2,93,55,699	1,90,53,029	1,48,75,50,885
7.	Total assets	7,26,29,951	2,06,59,649	5,59,58,89,734
8.	Total Liabilities (excluding Share Capital and Reserves & Surplus)	4,09,74,032	13,570	1,86,65,00,560
9.	Investments (excluding Investment in Subsidiary)	-	-	4,18,71,637
10.	Turnover	-	-	92,76,98,816
11.	Profit/Loss before taxation	(10,21,546)	(28,973)	(20,81,16,492)
12.	Provision for taxation	-	-	-
13.	Profit/Loss after taxation	(10,21,546)	(28,973)	(20,81,16,492)
14.	Proposed Dividend	-	-	-
15.	% of shareholding	100%	100%#	100%

**Notes :**

- i. GJS Hotels Limited and Regency Convention Centre and Hotels Limited (Regency) are yet to commence commercial activities and currently is not operational.
- ii. None of the subsidiaries have been liquidated or sold during the financial year.
- iii. Part B of the Annexure is not applicable to the Company as there are no Associates and Joint Venture of the Company as on 31<sup>st</sup> March, 2020.
- \* Robust Hotels Private Limited is now a wholly owned subsidiary of the Company pursuant to the effectiveness of the Scheme of Arrangement on 24th July, 2019 (being the date of filing of Form INC-28 with RoC, Kolkata, West Bengal)
- # The Company has acquired the equity shares of Regency's other shareholders in the financial year 2019-20 and accordingly Regency has now become a wholly-owned subsidiary of the Company.

For and on behalf of the Board of Directors

<b>Radhe Shyam Saraf</b> (DIN: 00017962)	Chairman
<b>Arun K Saraf</b> (DIN: 00339772)	Joint Managing Director
<b>Umesh Saraf</b> (DIN: 00017985)	Joint Managing Director
<b>A. C. Chakrabortti</b> (DIN: 00015622)	Director
<b>Rama Shankar Jhavar</b> (DIN: 00023792)	Director
<b>Padam Kumar Khaitan</b> (DIN: 00019700)	Director
<b>Rita Bhimani</b> (DIN: 07106069)	Director

Kolkata  
31<sup>st</sup> July, 2020

**Bimal Kr Jhunjhunwala**  
CFO & Vice President- Corporate Finance

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ASIAN HOTELS (EAST) LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
  - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
  - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - i) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Other than fiscal, labour and environmental laws which are applicable to all hotel companies, the following laws/acts are also, inter alia, applicable to the Company:**

- a) The Food Safety And Standards Act, 2006 and the Food Safety And Standards Rules, 2011;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

## *Asian Hotels (East) Limited*

### **We further report that:**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### **We further report that during the audit period:**

- i) The Scheme of Arrangement between the Company, GJS Hotels Limited (GJS) and Robust Hotels Pvt. Ltd. (RHPL) has been sanctioned by Hon'ble NCLT Kolkata & Chennai Benches vide its order dated 06/02/2019 & 24/06/2019 respectively.  
The Scheme had become effective from 24th July, 2019 being the Effective Date with effect from 31st March, 2016 being the Appointed Date. Requisite steps have been taken by the Company to give effect to the Scheme.  
Consequent to giving effects of the Scheme, all the securities held by GJS in RHPL transferred to the Company and accordingly RHPL became a wholly owned subsidiary of the Company.
- ii) During the year ended 31st March 2020, by virtue of purchase of remaining shares of Regency Convention Centre & Hotels Limited (RCC) by the Company, RCC has become the wholly owned subsidiary of the Company. The Company has also entered into an agreement with a third party to sell the entire shareholding of RCC at an agreed price;
- iii) Regarding Scheme of Arrangement between the Company, Robust Hotels Private Limited and their respective shareholders and creditors, pursuant to the Observation Letters dated 21st May, 2020 issued by BSE and NSE, the Company has filed an Application through e-mode with the Hon'ble NCLT Bench, Kolkata on Tuesday, 21st July, 2020 for receiving necessary Directions/Orders for convening the meetings of the equity shareholders and creditors for approval of the Scheme. Further, the Company's wholly owned subsidiary Robust Hotels Private Limited, Chennai is in the process of filing a similar application before the Hon'ble NCLT Bench, Chennai.

This report is to be read with our letter of even date which is annexed as **Annexure - I** which forms an integral part of this report.

For Abhijit Majumdar & Associates  
Company Secretaries  
Abhijit Majumdar  
Proprietor  
ACS No. 9804, COP No. 18995  
UDIN: A009804B000536143

Date: 31/07/2020  
Place: Kolkata

### **Annexure-I**

To,  
The Members  
Asian Hotels (East) Ltd.  
Hyatt Regency Kolkata, JA-1, Sector-III,  
Salt Lake City, Kolkata-700098.

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Note:- Due to nationwide Lockdown and the pandemic environment since 24th March, 2020 and Covid-19 restrictions prevailing in the Company, for carrying on and completion of this Audit, we have relied upon and verified the documents/details as have been provided by the Company partly during limited physical Audit and mostly through electronic mode only.

For Abhijit Majumdar & Associates  
Company Secretaries  
Abhijit Majumdar  
Proprietor  
ACS No. 9804, COP No. 18995  
UDIN: A009804B000536143

Date: 31/07/2020  
Place: Kolkata

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**

**(A) Conservation of energy–**

- (i) the steps taken or impact on conservation of energy;
- (ii) the steps taken by the company for utilizing alternate sources of energy;
- (iii) the capital investment on energy conservation equipments;
  - a. Lobby both Wings Grid Lights replaced with energy savings Lights. 9 watts LED strip lights replaced with 18 Watts. Total length replaced is 450 metres. Savings of 14782 units per annum.
  - b. Chiller running hours reduced by 1327 hrs compared to last year (compared to Apr-17- Mar-18-running 10805 hrs. to Apr-18-Mar-19-running 9478 hrs.).
  - c. La Cucina LED strip lights replaced with GLS lamps. 9-watt LED replaced with 40 watts. Total savings of 5674 units per annum.
  - d. Replacement of Ceiling lights in Kitchens and BOH. 20 watts total 90 lights were replaced instead of 80 watts Lights. Energy savings of 1347 units per annum.
  - e. Project completion of outsourced laundry which started in February 2020 has helped us saving of average diesel consumption of 30000 litres per month. Old steam Boilers are disconnected.
  - f. Replacement of inefficient coils of freezers with new coils for energy efficiency and save cost of approx. 1038 units per annum.
  - g. Detailed energy audit for MEP equipments of the Hotel was done. Phase wise implementation of major projects is ongoing for Transformers.
  - h. HVAC, Heat Pump and Cooling Towers will begin in phasewise manner as negotiations are ongoing.
  - i. Transformers project cost is ₹37,50,000 with ROI of approximately 1 year and work is in progress for replacement.
  - j. Cost of ongoing Heat Pump project is ₹ 62,34,725.
  - k. Replacement of freezers in La Cucina which are energy efficient which give savings of 978 units per annum.
  - l. Replacement of Display freezers in Lobby Café which will give annual savings of 465 units per annum.

**(B) Technology absorption –**

- (i) the efforts made towards technology absorption;
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

The Company has arrangement with Hyatt Group for up-gradation of its systems and procedures, market network and also for latest technology involved in e-commerce and digitalization. This is an ongoing process and the Company has developed appropriate mechanism for absorption of such latest technology, as are prevailing in the hospitality industry, for matching challenges and competition.

**1. Replacement / Upgradation of Voice Telephony System (EPABX)**

- Enhanced guest and user experience
  - IP based exchange
- Cost- ₹ 23.66 lakhs approx

## *Asian Hotels (East) Limited*

### **2. Upgradation of Desktops and Laptops**

- Replaced aged systems  
Cost- ₹22 lakhs approx.

### **3. Up-gradation of Windows operating system and Microsoft Office 2019**

- Due to security limitations in legacy Microsoft Office products, all clients connecting to our Office 365 Email system had to support the modern form of user authentication.
- All hotels must upgrade to Windows 10 since Microsoft retired Windows 7 on January 14, 2020. After that date all Windows 7 workstations were to be disconnected from the Hyatt network
- The current Domain Controller (DC) is in Read Only mode and it has to be migrated as Read/Write DC, for which we would require to upgrade Windows Server Operating System of DC server to latest version  
Cost- ₹15.85 lakhs approx

### **4. Foreign exchange earnings and Outgo-**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Foreign Exchange Earned - ₹14,69,71,054/-

Foreign Exchange Outgo - ₹3,90,66,852/-

For and on behalf of the Board of Directors

**A C Chakrabortti**  
Director  
(DIN: 00015622)

**Umesh Saraf**  
Joint Managing Director  
(DIN: 00017985)

**Rama Shankar Jhavar**  
Director  
(DIN: 00023792)

Kolkata  
31<sup>st</sup> July, 2020

## ANNEXURE – IV

## Information as per Rules 5(2) &amp; (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Name	Designation	Remuneration (Rs.)	Nature of Employment	Qualification	Experience in (Years)	Date of commencement of employment	Age in (Years)	Previous employment	% of Shares held in the Company	Whether related to any director	
(A) The names of top ten employees in terms of remuneration drawn:												
1	Umesh saraf	Joint Managing Director	2,00,22,110	Full Time	Graduate, B.Sc	31	01-May-10	56	Asian Hotels Limited	0.21	Director	
2	Arun Kumar Saraf	Joint Managing Director	1,96,08,000	Full Time	Post Graduate, Major in Economics and Business Administration	35	04-Aug-10	61	Juniper Hotels Private Limited	0.08	Director	
3	Bimal Kr. Jhunjhunwala	CFO and VP Corporate Finance	4,441,975	Full Time	Bcom(H), ACA, ACS	33	01-May-10	59	Juniper Hotels Private Limited	Nil	No	
4	Saumen Chatterjee	Company Secretary	4,193,959	Full Time	Bcom(H), LLB, ACS	25	01-Aug-09	49	Bennett Coleman & Co. Limited	Nil	No	
5	P J Mammen	Chief Operating Officer	2,262,011	Full Time	Diploma in Hotel Management	41	05-Oct-17	59	M far Hotels & Resorts	Nil	No	
6	ArabindaBiswal	General Manager - MEP	2,053,812	Full Time	Diploma in Electrical and Project Management (MPBOK)	23	14-Jun-19	43	Bawdhan Global Hotels and Research Private Limited	Nil	No	
7	Kumar Ghobhan	General Manager	5,905,007	Full Time	Diploma in Hotel Management	21	15-Apr-19	42	Hyatt Regency Lucknow	Nil	No	
8	Amit Paul	Director of Sales & Marketing	3,350,134	Full Time	MBA in Marketing	20	18-Jul-16	41	Westin Dhaka	Nil	No	
9	Sujas Nameth	Director of F&B Service	2,623,690	Full Time	High School	22	17-Aug-15	43	Grand Hyatt Mumbai	Nil	No	
10	Manish Vishwa	Director of Engineering	1,660,750	Full Time	Bachelors in Mechanical Engineering	19	01-Jul-19	46	Onyx Hospitality	Nil	No	

(B) Personnel who are in receipt of remuneration aggregating not less than ₹1,02,00,000 per annum and employed throughout the year:

1	Umesh Saraf	Joint Managing Director	2,00,22,110	Full Time	Graduate, B.Sc	31	01-May-10	56	Asian Hotels Limited	0.21	Director
2	Arun Kumar Saraf	Joint Managing Director	1,96,08,000	Full Time	Post Graduate, Major in Economics and Business Administration	35	04-Aug-10	61	Juniper Hotels Private Limited	0.08	Director

(C) Personnel who are in receipt of remuneration aggregating not less than ₹8,50,000 per month and employed for part of the year:

NIL											
-----	--	--	--	--	--	--	--	--	--	--	--

(D) Personnel who are in receipt of remuneration aggregating in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company and employed throughout the year or part of the financial year:

NIL											
-----	--	--	--	--	--	--	--	--	--	--	--

Kolkata  
31<sup>st</sup> July, 2020

For and on behalf of the Board of Directors

**A C Chakraborti**  
Director  
(DIN: 00015622)

**Umesh Saraf**  
Joint Managing Director  
(DIN: 00017985)

**Rama Shankar Jhavar**  
Director  
(DIN: 00023792)



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE, DEVELOPMENT, OPPURTUNITIES AND OUTLOOK**

The Kolkata premium hotel market sailed smoothly till January, 2020 in the financial year 2020-21. The city first started feeling the ripple global effect of Covid-19 turmoil towards the beginning of February, 2020 which worsened since the mid-February, 2020 and continued till March, 2020. Such a steep decline in such a short period of time has never been witnessed by the hotel industry as the occupancy and event bookings witnessed rapid cancellation in the last two months of the financial year ended 2019-20.

The hospitality industry and leisure clients, being the first ones that experienced the extreme bad conditions, are moving quickly and remain focused to understand and quantify the operational and financial impact for their business. The impact is huge, and not yet predictable, on both revenue and supply chains. Decisions was taken to shut down hotels, restaurants, theme parks, cinemas and other related travel ecosystem. All have had a significant impact on hospitality and tourism industry. Operators and the hotel owners & investors, both are trying to mitigate the cash and working capital issues, and stay in close contact with their stakeholders.

However, before the onslaught of Covid-19, Kolkata premium hotel market reported growth in revenue as demand kept pace with the additional supply of rooms. The sector expected the growth to continue even as the hotels added more new rooms. Revenue per available room (RevPAR) increased 1.8% in the second quarter of the financial year ended 2019-20. A combination of steady demand, available infrastructure for conventions and exhibitions and lowering of tax rates helped to keep up the demand. The kind of development work that the state government was doing before the pandemic was commendable with setting up convention and exhibition centre in the vicinity of the hotels which would bring large show in the city. Further, a lot of foreign chains already came into the city during the financial year ended 2019-20.

The Kolkata star hotel market started to show resilience in face of increased supply during the financial year ended 2019-20. ITC Royal Bengal hotel opened on the same stretch with largest convention centre and service apartment in June 2019. In spite of this, Kolkata market sustained occupancy level with marginal de growth of -0.7% in 2019, while ADR grew by 3% leading to 2.4% growth in RevPAR. Strong inbound traffic, domestic transit movement and medical tourism from Bangladesh showed positive growth. Increasing demand from sporting events such as IPL, ISL & ITTL further created new space. Opening of so many luxury hotels has opened both a challenge as well as opportunity for the hotel industry to reinvent Kolkata. Biswa Bangla Art Convention Centre attracted large three international medical conferences, which have created fresh demand for the hotels in the city and marginally offset the fresh supply future market will be highly competitive.

In the above backdrop, the Company's two hotels namely Hyatt regency Kolkata and Hyatt Regency Chennai performed satisfactorily till the outcome of the corona virus pandemic in the month of February, 2020. Your Board considers that domestic leisure business may be the fastest growing category in the hospitality chain, since Indian travellers are now-a-days not only staying at top-end hotels but also spending a significant amount at the hotel during their stay. The rise of domestic leisure travel, helped by rising income levels, will change the industry prospects to offset the sluggishness in business from foreign visitors.

To sum up, the first ten months of the financial year ended 2019-20, the Hyatt Regency Kolkata and Hyatt Regency Chennai hotel saw good increase in inbound travellers which contributed to growth in business & leisure travel facilitated by Government travel initiative such as E-visa. This will continue to attract inbound traffic. F&B and banquet continue to be a significant revenue generator for Hyatt Regency Kolkata hotel. Keeping the guest experience uppermost in mind, your Company continues to focus on brand standards through continuous improvement. Competition benchmarks are used effectively to measure performance against best in class hotel brands. Audit mechanisms have been improved to ensure better feedback to hotels.

The current situation in respect of hotels also brings new business models and opportunities, for instance new delivery concepts, human capital sharing platforms, initiatives in promoting the "staycation or holistay concept" etc. This gives hope for the sector at this stage in time. Stay positive, stay focused and stay alert is going to be the key points on financial situation.

It is uncertain when the luxury hotel industry is likely to recover. Due to the suppression of customer demand in the later part of financial year ending 2020-21 the hotel industry is expected to face a period of concentrated demand. The area of service excellence becomes extremely important under such unexpected circumstances, adding value to the products and increasing market competitiveness. The hotels have to understand the shift in customer needs caused by the epidemic and has to primarily focus on changes in customer experience, switch in customer perceptions, shift in consumption patterns and quality asset management.

Both of your hotels have already resumed operations and given priority to health and hygiene and are in a position to grab the opportunities and business once the normalcy restored in the economy and society post Covid-19.

### **RISKS, CONCERNS AND THREATS**

The Indian hospitality industry is undoubtedly is one of the biggest casualties of the Covid -19 outbreak as demand has declined to an all time low due to various restrictions. The Kolkata & the Chennai Hotel markets where your two hotels operate, are also not an exception to the unexpected market downshifts.

The novel coronavirus pandemic has left hoteliers & operators wondering what to do and how to react to the spread of Covid-19 and the impact of necessary safety measures. Both of your operating hotels have been largely impacted by the pandemic. There have hardly been any demands in your hotels since Mid-February, 2020. Your both the hotels were already facing challenges from the competitors particularly in Kolkata due to opening of few luxury five star hotels in the vicinity. Now the pandemic has made the situation worse.

## *Asian Hotels (East) Limited*

Your owners, operators and the management have evaluated the impact of the Covid-19 including risk and challenges, the hotels are likely to face in future, for which necessary steps have already been taken to overcome the difficulties.

Both the hotels have come up with new policies and concept and reboot its services, giving priority to health and hygiene. As the effects of Covid-19, the primary focus for the hotels is the safety of their employees and guests. Guests represent the fuel for any hospitality company and thus strict sanitary and hygiene measures have been applied, with new practices put in place to monitor and control the environment in which the business takes place. Whilst this focus will continue, your Board hopes that the industry will be in recovery mode in the latter part of the financial year ended 2020-21.

### **SEGMENTWISE, FINANCIAL AND OPERATIONAL PERFORMANCE**

The Company is engaged in two lines of business through separate divisions namely Hotel Division and Investment division which in-turn consists of the "Securities Trading Unit" (comprising of treasury/liquid investments which is being regularly traded and bonds, mutual funds, and shares of certain companies, which already are under an agreement of sale, part performance completed) and the "Strategic Investments Unit" (comprising inter alia of investment in and loans given to the Robust Hotels Private Limited and GJS Hotels Limited).

### **EFFICIENT INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has in place an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations. Adequate internal control measures are in the form of various policies and procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies and procedures are updated from time to time and compliance is monitored by Internal Audit.

The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every operational unit and all major corporate functions under the direction of the Operations department. The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them. The Statutory Auditors of your Company have opined in their report that your Company has adequate internal controls over financial reporting.

### **DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company continues to maintain a very cordial and healthy relationship with its workforce across all its units. The number of people employed on-roll by the hotel as on 31<sup>st</sup> March, 2020 was 274. Advancing Care as an objective of the company was reflected in the 'Colleague Experience Survey' conducted across Hyatt hotels. Hyatt Regency Kolkata scored 89% in overall results with response rate of 96%. Further, the Company continuously reviews and re-aligns its people practices and policies with an aim to provide its employees with the best working environment. As part of the Corporate Learning and Development initiatives, several programs were organized in the Financial Year 2019-20 for executives across all levels. The Individual Development Plans were based on individual needs identified during the Appraisal process.

We at Hyatt Regency Kolkata are striving towards attracting, retaining, training, multi-skilling employees and working towards the welfare of our resources. In the meantime, all efforts are being made to control cost so as to maintain present level of profitability. Industrial relations remained stable throughout the financial year 2019-20.

### **DETAILS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS:**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately preceding financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

<b>Ratio Calculation</b>	Financial Year	
	<b>2019-20</b>	<b>2018-19</b>
Debtors Turnover Ratio	16.08:1	15.45:1
Inventory Turnover Ratio	7.77:1	6.71:1
Current Ratio	4.74:1	16.15: 1
Debt Equity Ratio	NA	0.0012:1
Operating Margin%	29.30	25.1
Net Profit Margin %	14.35	15.64
Interest Ratio	NA	NA

## *Asian Hotels (East) Limited*

### **Networth of Asian Hotels (East) Limited**

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>	<b>Changes</b>
Networth	8,54,72,19,389	9,21,71,03,744	66,98,84,355

### **Networth is decreased due to the following reason during the financial year 2019-20**

Net Comprehensive Income	10,96,68,733	Due to increase in Net Comprehensive Income
Less: Dividend Paid	28,819,493	Due to payment of dividend
Less: Dividend Distribution Tax	5,923,932	Due to payment of DDT
Less: Effect of Scheme of Arrangement	74,48,09,663	
<b>Decrease in Net Worth</b>	<b>66,98,84,355</b>	

### **CAUTIONARY STATEMENT**

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

For and on behalf of the Board of Directors

Kolkata  
31<sup>st</sup> July, 2020

**A C Chakrabortti**  
Director  
(DIN :00015622)

**Umesh Saraf**  
Joint Managing Director  
(DIN : 00017985)

**Rama Shankar Jhavar**  
Director  
(DIN: 00023792)

## **REPORT ON CORPORATE GOVERNANCE**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company believes that good corporate governance is a way of life which is enshrined in the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels of the organization.

Your Company has adopted the corporate governance and board evaluation techniques to help fulfill its corporate responsibility towards its Stakeholders. It covers aspect related to the composition and role of the Board, Chairman and Directors, Board diversity as a whole etc. The Board of Directors has also institutionalized best management practices to bring about an atmosphere of accountability. Systems have been put into place to ensure effective strategic planning, optimum risk management, financial plans, budgets, integrity controls, reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning, financial and total compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit.

The Company has complied with mandatory requirements of the corporate governance provisions as specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### **BOARD OF DIRECTORS**

The Company' Board of Directors have always acted as an asset to the organization. The Directors possess experience in diverse fields including accounts, real estate, marketing, consumer industry and hoteliering to social service. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

#### **Composition and category of the Directors**

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance.

As on 31<sup>st</sup> March 2020, Company' Board of Directors comprises of seven (7) Members which includes one (1) Non-Executive Chairman, two (2) Joint Managing Directors and four (4) Non-Executive Independent Directors including one (1) Non-Executive Woman Independent Director. The Board's composition is in compliance with the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

None of the Directors hold directorships in more than 20 Indian Companies including 10 public limited companies. Further, none of them serve as members of more than 10 committees or any of them serving as chairman of more than 5 committees as specified in Regulation 26 of the Listing Regulations across all companies in which they are Directors. "Committees" for this purpose includes the Audit Committee and the Stakeholders Relationship Committee as per the Listing Regulations. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2020 have been made by the Directors as per Regulation 26 of the Listing Regulations.

Independent directors are Non-Executive directors as defined under Regulation 16(1) (b) of the Listing Regulations. The maximum tenure of the independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge, which enables the Board to provide effective leadership to the Company.

The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 ("the Act"). The terms and conditions of appointment are disclosed on the website of the Company. All the independent directors have confirmed that they meet the criteria of independence as laid down under the Act and the Listing Regulations.

The Non-Executive/Independent Directors are paid sitting fees within the limits prescribed under the Companies Act, 2013. Independent Directors are not serving as independent directors in more than seven listed companies as prescribed in Regulation 17A of the Listing Regulations. The Company is in conformity with Regulations 25 and 26 (1)(2)(4) of the Listing Regulations.

#### **Board Meetings and Procedure**

The Board normally meets four times a year and as and when required. The time gap between two Board Meetings has not exceeded the limit of 120 days as specified under Regulations 17 of the Listing Regulations and Companies Act, 2013. During the financial year 2019-20, the Board of Directors had five (5) meetings. These were held on 10<sup>th</sup> May, 2019, 5<sup>th</sup> August, 2019 & 12<sup>th</sup> August, 2019 (Adjourned meeting of 5<sup>th</sup> August, 2019), 16<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019 and 3<sup>rd</sup> February 2020 respectively. The necessary quorum was present in all the meetings. The attendance of the Directors at the Board meeting is given elsewhere in this section.

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary notes setting out the details of the proposal, relevant material facts, supporting information and documents to enable the Board to take informed decisions. Agenda also includes draft resolutions and minutes of the meetings of all the last Board, Committees and Subsidiaries for consideration, approval and information of the Board. Any item not included in the agenda is taken up for consideration as per the provisions of the Secretarial Standard on Meetings of Board of Directors (SS-1). Agenda papers are circulated seven days prior to the Board Meeting.

All statutory and other significant and material information as mentioned in Part A of Schedule II of Regulation 17(7) of the Listing Regulations are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The members of the Board have the complete freedom to express their opinion and decisions are taken after detailed discussion.

## Asian Hotels (East) Limited

Pursuant to the Corporate Governance provisions as specified in the Listing Regulations the composition and categories of directors of the Board, details of Directorships held, Committee Membership/Chairmanship held and attendance of the Director at the Board Meetings and previous Annual General Meeting (AGM) are as follows as on 31<sup>st</sup> March, 2020:

Sl. No.	Name of Director	DIN No.	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorship(s)	No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies <sup>#</sup>	
							Member	Chairman
1.	Mr. Radhe Shyam Saraf <sup>+</sup>	00017962	Promoter/Non-Independent, Non-Executive Chairman	1	No	Nil	Nil	Nil
2.	Mr. Amal Chandra Chakrabortti	00015622	Independent Director	5	Yes	3	3	1
3.	Mr. Rama Shankar Jhavar	00023792	Independent Director	5	Yes	Nil	Nil	Nil
4.	Mr. Padam Kumar Khaitan	00019700	Independent Director	5	Yes	6	1	Nil
5.	Ms. Rita Bhimani	07106069	Woman Independent Director	5	Yes	1	Nil	Nil
6.	Mr. Arun Kumar Saraf <sup>+</sup>	00339772	Promoter /Joint Managing Director	5	Yes	1	Nil	Nil
7.	Mr. Umesh Saraf <sup>+</sup>	00017985	Promoter /Joint Managing Director	4	Yes	5	Nil	Nil

\* The Directorship as mentioned above does not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies [excluding Asian Hotels (East) Limited].

# In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies [excluding Asian Hotels (East) Limited] have been considered.

+ No Directors other than Mr. Radhe Shyam Saraf, Mr. Arun Kumar Saraf and Mr. Umesh Saraf are related to each other. Mr. Radhe Shyam Saraf is the father of Mr. Arun Kumar Saraf and Mr. Umesh Saraf and further, Mr. Arun Kumar Saraf and Mr. Umesh Saraf are brothers.

### CATEGORY OF DIRECTORSHIP IN THE LISTED COMPANIES (EXCLUDING THE COMPANY)

Sr No.	Name of the director	Name of the listed company	Category of directorship in the other listed companies
1.	Mr. Radhe Shyam Saraf	Nil	Nil
2.	Mr. Amal Chandra Chakrabortti	Texmaco Rail & Engineering Limited	Independent Director
		LA Opala RG Limited	Chairman & Non-Executive Independent Director
3.	Mr. Rama Shankar Jhavar	Nil	Nil
4.	Mr. Padam Kumar Khaitan	Cheviot Company Limited	Independent Director
		Magadh Sugar & Energy Limited	Independent Director
		Ramkrishna Forgings Ltd.	Independent Director
5.	Mrs. Rita Bhimani	Hindusthan National Glass & Industries Limited	Independent Director
6.	Mr. Arun Kumar Saraf	Nil	Nil
7.	Mr. Umesh Saraf	Nil	Nil

### Familiarisation programme for Independent Directors

The Company has an ongoing familiarization programme for its Independent Directors, with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company. During the year, the Company organized several familiarization programme wherein the Independent Directors were familiarized by the Hyatt Operations Team 30 minutes before every Board Meeting of the Company so as to enable them to understand the Company's operations, business, industry and environment. The details of familiarization programme are disclosed at the weblink: <http://ahleast.com/policiespdf/Familiarization%20Programme%20for%20independent%20directors.pdf>.

### Key Board qualifications, expertise and attributes

The Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and its committees.

In this context of the Company business and sector for it to function effectively, the Company requires skills/expertise/ competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Technology, Sales and Marketing, Hospitality, Risk & Governance and public relations.

## Asian Hotels (East) Limited

The table below summarizes the key qualifications, skills and attributes of the Directors serving on the Board:

### Definitions of director qualifications

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising the company officials.
Gender, ethnic, national, or other diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.
Global business	Experience in driving business success in markets around the world with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management.
Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models
Mergers and acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess decisions, analyze strategy and evaluate plans.
Board service and governance	Develop insights about maintaining board and management accountability, protecting shareholders interest and observing appropriate governance practices
Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.

### Matrix highlighting core skills/expertise/competencies of the Board of Directors:

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

Directors	Key Board qualifications							
	Areas of expertise							
	Financial	Diversity	Global Business	Leadership	Technology	Mergers and Acquisitions	Board service and governance	Sales and marketing
Mr. Radhe Shyam Saraf	√	√	√	√	-	√	√	√
Mr. A. C. Chakrabortti	√	√	√	√	-	√	√	√
Mr. Rama Shankar Jhawar	√	√	√	√	-	√	√	√
Mr. Padam Kumar Khaitan	√	√	√	√	√	√	√	√
Ms. Rita Bhimani	-	√	√	√	-	-	√	-
Mr. Arun Kumar Saraf	√	√	√	√	√	√	√	√
Mr. Umesh Saraf	√	√	√	√	√	√	√	√

**Note:** Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

Further, no independent director has resigned during the financial year ending 31<sup>st</sup> March, 2020.

### Meeting of Independent Directors

Due to the outbreak Covid-19 pandemic and subsequent lockdown declared by the Central Government and subject to the relaxation provided by the Ministry of Corporate Affairs (MCA) vide its circular No. 11/2020 dated 24<sup>th</sup> March, 2020, no separate meeting of Independent Directors of the Company was held during the financial year under review.

### Performance Evaluation

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was circulated in the draft forms, stating the criteria of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and independent directors performance. The process of evaluation of Board performance, Non-Executive Directors, Executive Directors, Board Chairman and Committees along with Board Diversity is detailed in the Board's Report. The performance evaluation policy along with the form covering various aspects as approved by the Board of Directors of the Company is available at the website of the Company viz. <http://www.ahleast.com/policiespdf/performance%20evaluation%20policy.pdf>.

## COMMITTEES OF BOARD OF DIRECTORS

The Company has four (4) Board level Committees in accordance with the Listing Regulations & the Companies Act, 2013.

### 1) Audit Committee

The role and the terms of reference of the Audit Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the Listing Regulations. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Act and the Listing Regulations.

As on 31<sup>st</sup> March, 2020, the Audit Committee comprises of three (3) Directors amongst which two (2) are Non-Executive Independent Directors namely Mr. Amal Chandra Chakrabortti and Mr. Rama Shankar Jhawar and one (1) is Joint Managing Director namely Mr. Umesh Saraf.

All the members of the Audit Committee are financially literate and possess sound knowledge on accounts, audit, finance, internal controls etc. Mr. Amal Chandra Chakrabortti, a fellow member of the Institute of Chartered Accountants in England & Wales and India, has wide experience in diverse fields particularly pertaining to the accounts, finance and taxation. Mr. Rama Shankar Jhawar, Chartered Accountant, is a renowned financial professional in the industry. Mr. Umesh Saraf is a highly experienced industrialist and has in-depth knowledge of financial, accounting management and core business of the Company.

During the financial year 2019-20, six(6) Audit Committee meetings were held on 10<sup>th</sup> May, 2019, 5<sup>th</sup> August, 2019, 12<sup>th</sup> August, 2019, 16<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019 and 3<sup>rd</sup> February, 2020. Necessary quorum was present for all the meetings. The time gap between any two Audit Committee meetings did not exceed 120 days.

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

Name of the Chairman/Member	Status	Meetings Attended	Last AGM attended
Mr. Amal Chandra Chakrabortti (Independent Director)	Chairman	6	Yes
Mr. Rama Shankar Jhawar (Independent Director)	Member	6	Yes
Mr. Umesh Saraf (Joint Managing Director)	Member	5	Yes

Mr. Saumen Chatterjee, Chief Legal Officer & Company Secretary acts as the Secretary to the Audit Committee.

Mr. Radhe Shyam Saraf, Chairman, Mr. Arun Kumar Saraf, Joint Managing Director, Mr. Bimal Kumar Jhunjunwala, CFO & Vice President-Corporate Finance, Financial Controller and General Manager of the Hotel Hyatt Regency, Kolkata, along with the Statutory and Internal Auditors of the Company were also invited to attend the Meetings of the Audit Committee.

During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems, related party transactions, functioning of the vigil mechanism and implementations of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.

The Board of Directors review the Minutes of the Audit Committee Meetings at subsequent Board Meetings

### 2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board policies relating to the remuneration of the directors, key managerial personnel and other employees and diversity of board of directors, and evaluation of the performance of independent directors and the board of directors, identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

The role and the terms of reference of the Nomination and Remuneration Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015. During the year under review, the Nomination and Remuneration Committee met on 3<sup>rd</sup> February, 2020. The necessary quorum was present at the Meeting. The Board of Directors review the Minutes of Nomination and remuneration Committee Meeting at subsequent Board Meeting. The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2020 is as under:

Name of the Chairman/Member	Status	Meetings Attended	Last AGM attended
Mr. Rama Shankar Jhawar (Independent Director)	Chairman	1	Yes
Mr. Padam Kumar Khaitan (Independent Director)	Member	1	Yes
Mr. Amal Chandra Chakrabortti (Independent Director)	Member	1	Yes

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee on the basis of the following factors:

- Independent from the entity and no conflict of interest.
- Attendance at the Meetings of the Board and its Committees
- Inputs on the minutes of meetings
- Adherence to the ethical standards and various codes of conduct of the Company
- Timely disclosure of interest and conflict of interest
- Participation at the Board Meetings
- Knowledge of the Company's business and industry in which it operates
- Contribution to formulating and implementing best corporate governance practices

## Asian Hotels (East) Limited

Details of remuneration paid/payable to the Directors during the financial year ended 31<sup>st</sup> March, 2020:

(a) Joint Managing Directors

For remuneration to Joint Managing Directors please refer Annexure V

- Remuneration is paid to the Joint Managing Directors pursuant to the Special Resolution passed by the shareholder at the 11<sup>th</sup> Annual General Meeting held on Monday, 27<sup>th</sup> August 2018.
- Their appointment is governed by the ordinary resolution passed by the members at the 8<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015. Further, the Board has re-appointed Mr. Arun Kumar Saraf and Mr. Umesh Saraf as Joint Managing Directors of the Company for a period of five years w.e.f from 22<sup>nd</sup> February, 2020 and 4<sup>th</sup> August, 2020 respectively at its meeting held on 3<sup>rd</sup> February, 2020 subject to the approval of the shareholders in the ensuing 13<sup>th</sup> Annual General Meeting.
- The Company does not have any stock option plan or linked incentive or benefits or bonus or severance fees for the Joint Managing Directors. The Joint Managing Directors do not have any notice period of service contract with the Company.
- The Joint Managing Directors of the Company are not being paid sitting fees for attending meetings of the Board of Directors and its Committee.

(b) Non-Executive Directors /Independent Director:

Name	Sitting fees (Rs.)*
Mr. Radhe Shyam Saraf	50,000
Mr. Amal Chandra Chakrabortti	4,30,000
Mr. Rama Shankar Jhawar	4,30,000
Mr. Padam Kumar Khaitan	2,50,000
Ms. Rita Bhimani	2,80,000

\* No remuneration other than sitting fees for attending Board and Committee Meetings.

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

The Company paid sitting fees of Rs. 50,000/- per meeting to the Non-Executive Directors for attending meetings of the Board and paid Rs. 30,000/- as sitting fees for attending the meetings of the Executive Committees of the Board.

There were no other shares and convertible instruments held by Non-Executive Directors of the Company except Mr. Radhe Shyam Saraf holding 32,84,680 equity shares of the Company as on 31<sup>st</sup> March, 2020. There were no pecuniary relationships or transaction between any of the Non- Executive Directors and the Company except Mr. Radhe Shyam Saraf being the Chairman of the Company.

### 3) Stakeholders Relationship Committee

The Stakeholders Relationship Committee's composition and terms of reference are in compliance with Regulation 20 read with Part D of Schedule II to the Listing Regulations and Section 178 of the Act, as applicable.

The Committee is primarily responsible for resolving the grievances of the shareholders and include Complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc. With a view to regulate trading in securities by the directors and designated employees, the Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of insider trading in pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The composition of the Committee is as under:

Name of the Members	Status	Last AGM attended
Mr. Padam Kumar Khaitan (Independent Director)	Chairman	Yes
Mr. Rama Shankar Jhawar (Independent Director)	Member	Yes
Mr. Umesh Saraf (Joint Managing Director)	Member	Yes

Due to the outbreak Covid-19 pandemic, meeting of Stakeholder Relationship Committee could not be held during the financial year under review.

The total numbers of complaints received and replied to the satisfaction of shareholders during the year under review were 60. There were no pending complaints as on 31<sup>st</sup> March, 2020. Further, all the requests for transfer of shares have also been processed in time and no transfer was pending for registration for more than 15 days as on 31<sup>st</sup> March, 2020.



## Asian Hotels (East) Limited

### Compliance Officer

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

### Executive Share Transfer Committee

Pursuant to Regulation 40(2) of the Listing Regulations and to expedite the process of share transfers, the Board has an Executive Share Transfer Committee comprising of CFO & Vice President – Corporate Finance and Chief Legal Officer & Company Secretary.

### Terms of reference:

Terms of the reference of the Executive Share Transfer Committee are described as follows:

- i) To approve transfer of shares including taking note of transfer of shares in demat mode, transmission of shares, transposition of names of the shareholders, deletion of name of shareholders and change of name/surname of the shareholders;
- ii) The Executive Share Transfer Committee executes its role for prevention of Insider Trading under the code framed in terms of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Committee meets on a need basis or at least once in fortnight to dispose of the business of the Committee, if any. The minutes of the Executive Share Transfer Committee are placed at the Board Meetings of the Company periodically.

### 4) Corporate Social Responsibility (CSR) Committee

In accordance with the provisions of Section 135 of the Act, the Company has constituted a CSR Committee for social activities. The Committee's primary responsibility is to assist the Board in discharging its social responsibilities by way of formulating and recommending to the Board a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, recommend the amount of expenditure to be incurred on the activities and monitoring implementation of the framework of the CSR Policy, observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary. The broad terms of the CSR Committee covers various aspects in relation to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. During the year the CSR Committee met on 16<sup>th</sup> September, 2019 and 3<sup>rd</sup> February, 2020. The Board of Directors review the minutes of the Corporate Social Responsibility Committee Meetings at its subsequent Meetings.

The composition of the Committee along with attendance is as under:

Name of the Members	Status	Meetings Attended
Mr. Arun Kumar Saraf (Joint Managing Director)	Chairman	2
Mr. Rama Shankar Jhawar (Independent Director)	Member	2
Mr. Umesh Saraf (Joint Managing Director)	Member	2

All the members were present at the meetings. The Company Secretary act as a Secretary of the Committee. Please refer to **Annexure - VII** of the Boards' Report for details of CSR Activities of the Company for the financial year 2019-20.

### GENERAL BODY MEETINGS

#### A) Particulars of last three Annual General Meetings:

Financial Year	Nature of meeting	Venue	Date	Time	Special Resolutions passed
2018-19	12 <sup>th</sup> Annual General Meeting	Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata- 700098, West Bengal.	Monday, 5th August, 2019	4.00 p.m.	There was no matter which required passing of Special Resolution.
2017-18	11 <sup>th</sup> Annual General Meeting	Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata- 700098, West Bengal.	Monday, 27th August, 2018	11.00 a.m.	<ol style="list-style-type: none"><li>i) Continuation of directorship of Mr. Radhe Shyam Saraf as Non-Executive Director and Chairman of the Company.</li><li>ii) Re-appointment of Mr. Amal Chandra Chakrabortti as an Independent Director of the Company and continuation of his directorship as Non-executive director for second term of five (5) consecutive years.</li><li>iii) Re-appointment of Mr. Rama Shankar Jhawar as an Independent Director of the Company for second term of five (5) consecutive years.</li><li>iv) Payment of minimum remuneration to Mr. Arun Kumar Saraf, Joint Managing Director of the Company.</li><li>v) Payment of minimum remuneration to Mr. Umesh Saraf, Joint Managing Director of the Company.</li></ol>
2016-17	10 <sup>th</sup> Annual General Meeting	Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata- 700098, West Bengal.	Friday, 28th July, 2017	4.00 p.m.	There was no matter which required passing of Special Resolution.

All Special Resolutions passed in the previous three Annual General Meetings of the Company were passed with requisite majority of shareholders.

## Asian Hotels (East) Limited

### B) Postal Ballot:

During the year under review, there was no special resolution passed through Postal Ballot under Section 110 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

Further, there is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot. Prescribed procedure for postal Ballot as per the provisions contained in this behalf in the Companies Act, 2013, read with rules made there under as amended from time to time shall be complied with whenever necessary.

### C) Passing of resolution by circulation:

During the year under review, there was no resolution passed by circulation.

## MEANS OF COMMUNICATION

**Quarterly, half yearly and Annual Financial Results** of the Company are published in the Business Standard, an English daily newspaper having all India circulation and in Ekdin, a regional daily newspaper published in the language of the region where the registered office of the Company is situated (all editions). The results are also displayed on the Company's website at [www.ahleast.com](http://www.ahleast.com).

**Annual Reports:** The Annual Reports were emailed, posted/couriered to members and others entitled to receive them. The Annual Report is also available on the Company's website at <https://www.ahleast.com> in a user-friendly downloadable form.

**NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre:** All periodical compliance filings like Financial Results, Shareholding Pattern, Corporate Governance report and all other corporate communication are filed with the Stock Exchanges through NEAPS and BSE Listing Centre, for dissemination on their respective websites. Further, all price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the shares of the Company are listed.

**SEBI Complaints Redress System (SCORES):** A centralized web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

The Company does not displays official news releases or makes presentations for the institutional investors or the analysts as it is not relevant for the Company at present.

## GENERAL SHAREHOLDERS' INFORMATION

### (i) Annual General Meeting

The Company is conducting ensuing AGM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, hence there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. As required under Regulations 26(4) and 36(3) of Listing Regulations and Secretarial Standard on General Meetings (SS-2), particulars of Directors seeking appointment/reappointment at the AGM are given in the Annexure to the Notice of the ensuing AGM.

**(ii) Financial Year:** 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

**(iii) Date of Book Closure:** From Tuesday, 22<sup>nd</sup> September, 2020 to Monday, 28<sup>th</sup> September, 2020 (both days inclusive)

**(iv) Dividend Payment date:** The Board has not recommended any dividend for the financial year ended 2019-20.

### (v) Listing on Stock Exchanges

Details of listing of equity shares of the Company:

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

Annual listing fees as prescribed, has been paid by the Company in advance to the above Stock Exchanges for the financial year 2020-21.

Annual Custody/Issuer fee for the financial year 2020-21 has been paid by the Company in advance to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.

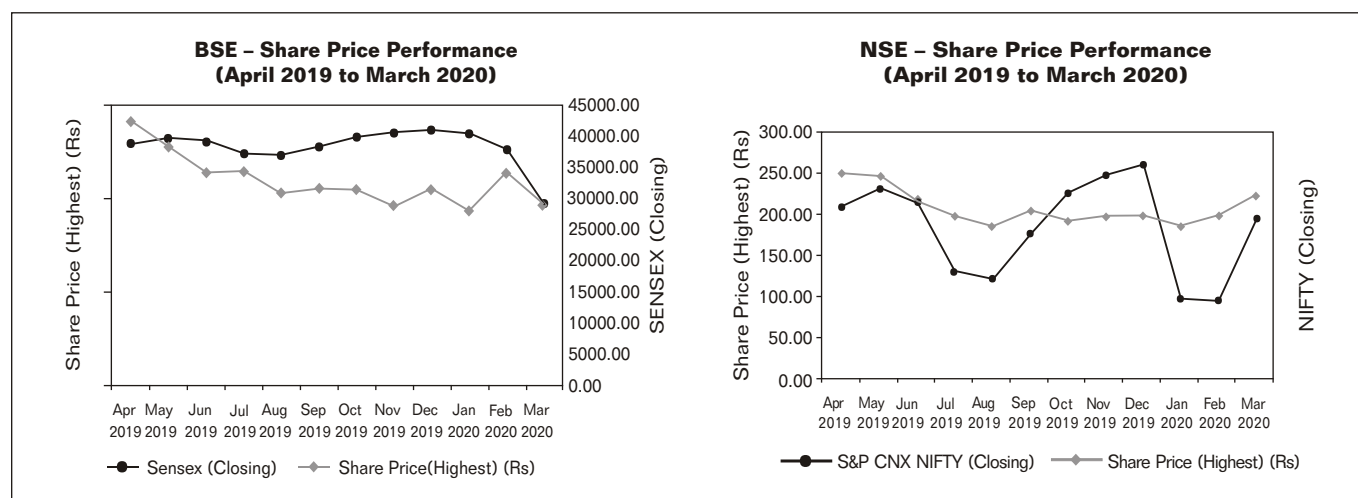
**Corporate Identity Number (CIN):** L15122WB2007PLC162762

## Asian Hotels (East) Limited

### (vi) Market Price Data during the period from April, 2019 to March, 2020

Month	BSE				NSE			
	High Rs.	Low Rs.	Total Number of Shares Traded	Sensex (Closing)	High Rs.	Low Rs.	Total Number of Shares Traded	NIFTY (Closing)
April 2019	285.00	233.05	737	39031.55	248.90	231.00	27527	11748.15
May 2019	258.00	210.00	349	39714.20	245.00	206.00	91324	11922.80
June 2019	229.90	180.00	3071	39394.64	213.90	178.55	83808	11775.50
July 2019	231.00	153.00	4236	37481.12	197.45	158.30	74000	11118.00
August 2019	207.90	152.15	6247	37332.79	186.70	154.05	21135	11023.25
September 2019	212.50	146.00	10387	38667.33	204.10	155.05	51573	11474.45
October 2019	211.20	170.05	7637	40129.05	192.05	175.05	15883	11877.45
November 2019	193.95	171.00	4558	40793.81	196.95	171.25	148559	12056.05
December 2019	213.00	150.00	12877	41253.74	198.00	148.90	60058	12168.45
January 2020	189.00	165.20	21184.	40723.49	185.00	161.05	58766	10830.95
February 2020	229.00	170.25	13918	38297.29	198.00	173.60	29866	10792.50
March 2020	195.85	111.30	24572	29468.49	222.40	111.40	66049	11623.90

### Performance of the share price of the company in comparison to BSE Sensex and NSE Nifty:-



### (vii) Registrar and Share Transfer Agent

KFin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited),  
Selenium Building, Tower-B, Plot No 31 & 32, Financial  
District, Nanakramguda, Serilingampally, Hyderabad,  
Rangareddi, Telangana India - 500 032.  
Tel.: 040-3321 1000; Fax: 040-2342 0814;  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

KFin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited)  
Appejay House, Block-C, 3<sup>rd</sup> Floor,  
15 Park Street, Kolkata-700 016  
Tel No: 033 66285900  
Email: [mfskolkata@kfintech.com](mailto:mfskolkata@kfintech.com)

### (viii) Share Transfer System

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

Share transfers in physical form are generally registered within a fortnight from the date of receipt subject to the documents being valid and complete in all respects. A summary of transfer/transmission of securities of the Company is placed at quarterly Board Meeting and Executive Share Transfer Committee which consider and approve the transfer proposals.

## Asian Hotels (East) Limited

Further, the Company also obtains from a Company Secretary in practice half-yearly certificate to the effect that all the certificates have been issued within thirty days of the date of lodgment of transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges. The Company affirms that no shareholders' complaints were lying pending as on 31<sup>st</sup> March, 2020 under SCORES.

### (ix) Distribution of Shareholding as on 31<sup>st</sup> March, 2020

SL. No.	No. of shares held (Range)	No. of shareholders	% of total shareholders	Shareholding	% of shareholding
1	1-5000	10272	96.13	589078	5.11
2	5001-10000	210	1.97	149579	1.30
3	10001-20000	75	0.70	98846	0.86
4	20001-30000	37	0.35	94191	0.82
5	30001-40000	24	0.22	82873	0.72
6	40001-50000	10	0.094	46066	0.40
7	50001- 100000	19	0.18	137656	1.19
8	100001 & Above	38	0.36	10329508	89.61
	<b>Total</b>	<b>10685</b>	<b>100.00</b>	<b>11527797</b>	<b>100.00</b>

### Shareholding Pattern as on 31<sup>st</sup> March, 2020

Category	No. of Shares held	% of shareholding
<b>A. Promoter &amp; Promoter Group</b>		
– Indian	33463	0.29
– Foreign	7532657	65.34
<b>Total Promoter &amp; Promoter Group Shareholding</b>	<b>7566120</b>	<b>65.63</b>
<b>B. Public Shareholding</b>		
– Banks/ Financial Institutions	363549	3.15
– NBFC	192	0.00
– Mutual Funds	395	0.00
– Insurance Companies	475992	4.13
– Body Corporate	1513972	13.13
– Resident Individuals	1282000	11.12
– IEPF	97345	0.84
– Clearing Members	23767	0.21
– Foreign Corporate Bodies	38803	0.34
– Trusts	10	0.00
– Foreign Institutional Investors/Foreign Portfolio Investors	52714	0.46
– Non Resident Indians	112938	0.98
<b>Total Public Shareholding</b>	<b>3961677</b>	<b>34.37</b>
<b>Total (Promoter &amp; Promoter Group + Public Shareholding)</b>	<b>1,15,27,797</b>	<b>100</b>

### (x) Dematerialization of Shares and Liquidity

1,13,40,261 shares (equivalent to 98.38%) of the total outstanding shares of the Company are held in dematerialized form as on 31<sup>st</sup> March, 2020.

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories viz. NSDL and CDSL.

#### No. of Shares (As on 31<sup>st</sup> March, 2020)

**Physical Mode** - 187536 (1.63%)

#### Electronic Mode:

– NSDL - 10997292 (95.40%)

– CDSL - 342969 (2.98%)

(xi) During the financial year 2019-20, the Company has not issued GDRs/ADRs/Warrants or any Convertible Instruments likely to impact on equity hence the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

## *Asian Hotels (East) Limited*

### **(xii) Commodity price Risk or Foreign Exchange Risk and Hedging Activities**

The Company follows advance payment system while importing consumable/consumer goods. Therefore there is no commodity price risk or foreign risk as such involved.

### **(xiii) Hotels Location**

Hyatt Regency Kolkata Plot JA-1, Sector III, Salt Lake City Kolkata - 700 098	Hyatt Regency Chennai 365, Anna Salai, Teynampet Chennai-600 018
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### **(xiv) Address for correspondence**

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

#### **Registered Office Address**

Asian Hotels (East) Limited  
Hyatt Regency Kolkata  
JA-1, Sector III, Salt Lake City, Kolkata - 700 098  
Telephone No.:033-6820-1344/1346  
Fax No. : 033-2335-8246  
Contact Person: Mr. Saumen Chatterjee  
Designation: Chief Legal Officer & Company Secretary  
Email id: [saumen.chatterjee@ahleast.com](mailto:saumen.chatterjee@ahleast.com)

### **(xv) Credit ratings**

During the financial year ended 31<sup>st</sup> March, 2020, the Company has not obtained any credit ratings as the Company is a debt free Company in a standalone capacity.

### **(xvi) Reconciliation of Share Capital Audit**

As stipulated by Securities and Exchange Board of India (SEBI), a Reconciliation of Share Capital Audit by a Practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. The said audit confirms that the total issued/paid-up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and the report is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

### **(xvii) Unclaimed Suspense Account**

In terms of Schedule F of the Regulation 34(3) of Listing Regulations, the following details are provided in respect of the unclaimed suspense account of the Company:-

<b>Sl. No.</b>	<b>Particulars</b>	<b>Number of shareholders</b>	<b>Number of equity shares</b>
1.	Aggregate Number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1 <sup>st</sup> April, 2019.	102	19680
2.	Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the financial year 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020.	2	585
3.	Number of shareholders to whom shares were transferred from the unclaimed suspense account during the financial year 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020.	2	585
4.	Transferred to IEPF	NIL	NIL
5.	Aggregate number of shareholders and outstanding shares lying in the unclaimed suspense account as on 31 <sup>st</sup> March, 2020.	100	19095

The voting rights on the shares outstanding in the unclaimed suspense account as on 31<sup>st</sup> March, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

## Asian Hotels (East) Limited

### (xviii) Equity Dividend History of the Company

Financial Year	Date of Declaration	Equity Dividend per share (Rs.)
2016-17	28 <sup>th</sup> July, 2017	2.00/-
2017-18	27 <sup>th</sup> August, 2018	2.50/-
2018-19	5 <sup>th</sup> August, 2019	2.50/-

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

The dividend for the undernoted years, if unclaimed for seven years, will be transferred by the Company to the IEPF in accordance with the schedule given below:

Financial Year	Date of Declaration	Date of payment	Date on which dividend will become part of IEPF
2012-13	8 <sup>th</sup> August, 2013	16 <sup>th</sup> August, 2013	13 <sup>th</sup> September, 2020
2013-14	30 <sup>th</sup> July, 2014	8 <sup>th</sup> August, 2014	4 <sup>th</sup> September, 2021
2014-15	31 <sup>st</sup> July, 2015	10 <sup>th</sup> August, 2015	5 <sup>th</sup> September, 2022
2015-16	10 <sup>th</sup> August, 2016	20 <sup>th</sup> August, 2016	15 <sup>th</sup> September, 2023
2016-17	28 <sup>th</sup> July, 2017	8 <sup>th</sup> August, 2017	2 <sup>nd</sup> September, 2024
2017-18	27 <sup>th</sup> August, 2018	7 <sup>th</sup> September, 2018	2 <sup>nd</sup> October, 2025
2018-19	5 <sup>th</sup> August, 2019	14 <sup>th</sup> August, 2019	10 <sup>th</sup> September, 2026

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, any money transferred to the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government within a period of thirty (30) days of such amounts becoming due to be credited to the fund.

Further, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company in the name of IEPF within a period of thirty (30) days of such shares becoming due to be transferred to the fund.

In respect of the above, during the year under review, the Company has intimated the stock exchanges along with the public announcements and individual letters to the concerned shareholders have been sent as reminders to the shareholders to claim their unpaid dividend amount and shares for the financial year 2011-12 by the due date 24<sup>th</sup> August, 2019. The amount of unpaid dividend transferred to IEPF was Rs. 854,110/- and 14,626 shares were transferred in the name of IEPF. Rs. 18,599/- with its respective 4130 shares were restrained shares and could not be transferred.

All the above transfers were intimated to the IEPF Authority by filling stipulated e-forms and the same is also uploaded on the website of the Company viz. [www.ahleast.com](http://www.ahleast.com). The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares. Mr. Saumen Chatterjee, Chief Legal Officer & Company Secretary was appointed as the nodal officer and Mr. Soumya Saha, Asst. Manager- Legal & Secretarial was appointed as a deputy nodal officer of the Company for co-ordination with the IEPF Authority by the Board.

#### Exclusive e-mail id for Investors' Grievances

Pursuant to Regulation 46 of the Listing Regulations, the e-mail id [investorrelations@ahleast.com](mailto:investorrelations@ahleast.com) has been designated for registering investors' grievances.

### SUBSIDIARIES

The Company has three subsidiaries, namely, Robust Hotels Private Limited, Chennai, a wholly owned and a material unlisted Indian Subsidiary, GJS Hotels Limited, Kolkata, a wholly owned and unlisted Indian Subsidiary and Regency Convention Centre and Hotels Limited, Kolkata, a wholly owned and an unlisted Indian Subsidiary. Robust Hotels Private Limited which was a one-step down subsidiary in previous year 2018-19 has now become a wholly owned subsidiary pursuant to the effectiveness of the Scheme of Arrangement on 24<sup>th</sup> July, 2019, being the effective date of the Scheme.

The Audit Committee reviews the consolidated financial statements of the Company as well as the financial statement of the subsidiaries, in particular the investments made by the unlisted subsidiary companies. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of the Directors of the Company. The Company has formulated a policy for determining 'material subsidiaries' which has been put up on website of the Company at the weblink: <http://ahleast.com/policiespdf/Policy%20on%20Material%20Subsidiary.pdf>. During the year, the Company has not disposed of any shares in its material subsidiary or disposed or leased the assets amounting to more than twenty (20) percent of the assets of the material subsidiary.

### DISCLOSURES

- i) **Related Party Transactions** - The Company's major related party transactions are generally with its subsidiaries and entities controlled by the Directors or their Relatives. All the contracts/arrangements/transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arm's length basis. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. Details of all related party transactions are given in the notes to the Financial Statements. The omnibus approval of the Audit Committee is taken for all proposed related party transactions to be entered into during the forthcoming year and the details of all related party transactions actually entered into in the preceding quarter is placed before them. The Board has adopted Related Party Transaction Policy for determining the materiality of related party transactions and also on the dealings with related parties. This Policy has been placed in the website of the Company and weblink of the same is <http://ahleast.com/policiespdf/Policy%20on%20Related%20Party%20Transaction.pdf>.

## Asian Hotels (East) Limited

- ii) **Statutory Compliance, penalties and structures** - The Company has complied with the requirements of the Stock Exchanges, Securities Exchange Board of India and statutory authorities on all matters related to capital markets during the last three years. No strictures or penalties were imposed on the Company by these authorities.
- iii) **Accounting treatment in preparation of Financial Statements** - The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.
- iv) **Risk Management** - The Company has a well defined risk management framework in place. The Company periodically reviews the key risks and the risk assessment and mitigation procedures to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.
- v) The Company has complied with all the applicable requirements of the Listing Regulations. The Company has adopted a suitable reporting system on compliances of all major laws applicable to the Company, which is placed before the Board of Directors of the Company at its periodic meeting.
- vi) **Whistle Blower Policy and Vigil Mechanism**  
The Company has adopted a Whistle Blower Policy to provide a formal vigil mechanism to the Directors and employees to report their genuine concerns about any unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. It is affirmed that no personnel of the Company has been denied access to the Chairman of the Audit Committee. Other details of this policy forms a part of Board's Report.
- vii) The Company has not adopted the non-mandatory requirements of the Listing Regulations.
- viii) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 37(7A) of SEBI Listing Regulations, 2015-**  
During the financial year ended 31st March, 2020 the Company has not raised any money through preferential allotment or qualified institutional placement as specified under Regulation 37(7A) of Listing Regulations.
- ix) **Certificate from Company Secretary in Practice on debar or disqualification of any director.**

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**ASIAN HOTELS (EAST) LIMITED**  
CIN: L15122WB2007PLC162762  
HYATT REGENCY KOLKATA,  
JA-1, SECTOR - 3, SALT LAKE CITY  
KOLKATA WB 700098 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ASIAN HOTELS (EAST) LIMITED** having CIN: L15122WB2007PLC162762 and having registered office at HYATT REGENCY KOLKATA, JA-1, SECTOR - 3, SALT LAKE CITY KOLKATA WB 700098 IN (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Amal Chandra Chakrabortti	00015622	23/05/2013
02	Radhe Shyam Saraf	00017962	26/04/2007
03	Umesh Saraf	00017985	26/04/2007
04	Padam Kumar Khaitan	00019700	22/02/2010
05	Rama Jhawar Shankar	00023792	22/02/2010
06	Arun Kumar Saraf	00339772	26/04/2007
07	Rita Bhimani	07106069	31/03/2015

## Asian Hotels (East) Limited

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Kindly note that

We have issued this certificate on the basis of scan documents through email, no physical documents are verified due to this COVID 19 lock down. We are not responsible for any kind of discrepancy in the physical documents.

For **ARPAN SENGUPTA & ASSOCIATES**  
Company Secretaries

sd/-

**CS ARPAN SENGUPTA**

Proprietor

Membership No.: FCS 10599

COP No.: 14416

UDIN: F010599B000542119

Place: Kolkata

Date: 31<sup>st</sup> July, 2020

x) **The Board has accepted all recommendations of all its committees in the financial year ended 31<sup>st</sup> March, 2020.**

xi) **Total fees paid to statutory auditor**

Total fees for all services paid by the Company to M/s. Singhi & Co, Statutory Auditors is Rs. 11,50,640/-

No fees paid by the subsidiary companies to the statutory auditor of the Company and all entities in the network firm/network entity of which the statutory auditor is a part.

xii) **Disclosures in relation to the sexual harassment of woman at workplace (Prevention, Prohibition & Redressal) Act, 2013**

Disclosure on sexual harassment during the financial year ended 2019-20

No. of Complaints filed	No. of Complaints disposed off	No. of complaints pending as on 31.03.2020
NIL	NIL	NIL

### COMPLIANCE

#### • Code of Conduct

The Company has in place a comprehensive code of conduct ("The Code") applicable to the Directors and employees. The Code is applicable to the Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The full text of the Code is displayed at Company's weblink: <http://www.ahleast.com/code%20of%20conduct%20for%20board%20of%20directors%20and%20%20senior%20management.pdf>

All Directors and the Senior Management Personnel have affirmed in writing their adherence to the above Code. In compliance with Schedule V of Regulation 34(3) of the Listing Regulations a declaration signed by the Joint Managing Director is attached and forms part of the Annual Report of the Company.

#### • Corporate Governance Compliance

The Company has complied with the requirements as laid down in Regulations 17 to 27, Schedule V of Regulation 34(3) and Regulation 46 of the Listing Regulations for the purpose of Corporate Governance. A compliance certificate has been obtained from M/s. Arpan Sengupta and Associates, Practicing Company Secretaries.

#### • Code of Conduct And Code of Fair Disclosure Under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

The Company has adopted two Codes namely - Code of Conduct and Code of Fair Disclosure for Prevention of Insider Trading and disclosure of Unpublished Price Sensitive Information by the Company under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made by the connected persons and designated persons while trading in securities of the Company. The Company has appointed Mr. Saumen Chatterjee, Chief Legal Officer & Company Secretary as the Compliance Officer to ensure timely, adequate uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information and for ensuring compliance with and for the effective implementation of the Regulations and Code across the Company. The full text of the Code is displayed at Company's weblink: <http://www.ahleast.com/Insider-trading-code.pdf>

### CEO/CFO CERTIFICATION

The Joint Managing Director and CFO & Vice President - Corporate Finance of the Company have issued necessary certificate to the Board at its meeting held on 31<sup>st</sup> July, 2020 in respect of the financial year ended 31<sup>st</sup> March, 2020 pursuant to the Schedule II of Regulation 17(8) of the Listing Regulations and the same is attached and forms part of the Annual Report.



**NON-MANDATORY REQUIREMENTS**

**1. Office of the Chairman of the Board and re-imbursement of expenses by the Company**

The Chairman of the Company is a Non-executive Director and no reimbursement of his expenses is made by the Company at present. Further, the Board of Directors of the Company at its meeting held on 28<sup>th</sup> January, 2018 approved an amount not exceeding Rs. 1,00,000/- per month i.e. Rs.12,00,000/- per annum for reimbursement of the expenses of the Chairman's office.

**2. Shareholders' Rights**

The Company's financial results are published in the newspapers and also noted on its own website: [www.ahleast.com](http://www.ahleast.com). Hence, the financial results are not sent to the shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders.

**3. Modified Opinion in Audit Report**

**Statutory Auditor's Qualifications:** Please refer to the audit report on standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2020.

**Explanation to Auditors' Comment:** The Auditors' Qualification has been appropriately dealt with in Note No. 50 of the Notes to the standalone audited financial statements and Note No. 52 to the consolidated audited financial statements which are self-explanatory and therefore do not call for any further comments. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**4. Separate posts of Chairman and CEO**

The Company has a separate post of Chairman who is a Non-Executive Chairman. It has no separate post of CEO.

**5. Reporting of Internal Auditor**

The Company's Internal Auditor has the access of reporting directly to the Audit Committee.

For and on behalf of the Board of Directors

Kolkata  
31<sup>st</sup> July, 2020

**A C Chakrabortti**  
Director  
(DIN :00015622)

**Umesh Saraf**  
Joint Managing Director  
(DIN : 00017985)

**Rama Shankar Jhavar**  
Director  
(DIN: 00023792)

**ANNEXURE – VII**

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20:**

**1. Brief outline of the Company's CSR Policy, including overview of Projects or Programs proposed to be undertaken and a reference to the weblink to the CSR Policy and Projects or Programs:**

A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs:

Based on the recommendation of the CSR Committee, the Board of Directors had formulated a CSR Policy. As per the Policy statement, the Company's CSR Policy will focus on all areas included in Schedule VII of the Companies Act, 2013 but mainly on addressing the critical social, economic and educational needs of the society and addressing to the health issues prevailing in the society.

The CSR Policy was approved by the Board of Directors at its Meeting held on 30<sup>th</sup> July, 2014 and further amended and approved the policy on 13<sup>th</sup> November, 2018 which is available on the Company's website at [www.ahleast.com](http://www.ahleast.com) and the web-link of the same is <http://www.ahleast.com/policiespdf/amended%20CSR%20policy.pdf>

**2. Composition of CSR Committee of the Board:**

The CSR Committee comprises of the following Board Members: -

Mr. Arun Kumar Saraf, Joint Managing Director as Chairman

Mr. Umesh Saraf, Joint Managing Director as Member

Mr. Rama Shankar Jhawar, Non-Executive Independent Director as Member

During the year under review, the CSR Committee met on 16<sup>th</sup> September, 2019 and 3rd February, 2020.

**3. Average net profit of the Company for the last three financial years:**

The average net profit for the last three financial years is Rs. 1695.90 lakhs.

**4. Prescribed CSR Expenditure (2% of the amount mentioned in item 3 above):**

The Company is required to spend Rs. 33.92/- lakhs towards CSR for the financial year 2019-20.

**5. Details of CSR spent during the financial year 2019-20:**

- i) Total amount spent for the financial year : Rs. 34,00,000/-  
 ii) Amount unspent, if any : Nil  
 iii) Manner in which the amount spent during the financial year : Details given below

Sl. No.	CSR Project or activity	Sector in which the project is covered	Projects or programmes 1) Local area or other 2) Specify the state and district where the project or program was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing Agency
1.	PHD Rural Development Foundation	Rain Water Harvesting project	Hajipur, Alwar, Rajasthan	Rs.5,00,000	Rs.5,00,000	Rs.5,00,000	-
2.	Ek Tara Foundation	Education, health-hygiene-nutrition and vocational training for children and women in eastern India's slum communities through a holistic development programme	Kolkata	Rs.3,00,000	Rs. 3,00,000	Rs. 3,00,000	-
3.	M/s. Maitreyi Charitable Trust	Health care, project for construction of Hospital.	Rajarhat, Kolkata	Rs.26,00,000	Rs. 26,00,000	Rs. 26,00,000	-
	<b>Total</b>			<b>Rs.34,00,000</b>	<b>Rs.34,00,000</b>	<b>Rs.34,00,000</b>	<b>-</b>

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report :** Not applicable

**7. Responsibility Statement:**

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Kolkata  
31<sup>st</sup> July, 2020

**Arun Kumar Saraf**  
Chairman of CSR Committee  
(DIN: 00339772)

**Umesh Saraf**  
Member  
(DIN: 00017985)

**Rama Shankar Jhawar**  
Member  
(DIN: 00023792)

**BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations), as amended from time to time, the Directors present the “Business Responsibility Report” (BRR) of the Company for Financial Year ended 2019-20.

The reporting framework is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the nine (9) Principles.

Following is the first Business Responsibility Report of the Company based on the format prescribed by SEBI vide its circular CIR/CFD/CMD/10/2015 dated 4th November, 2015.

<b>Sr. No</b>	<b>SECTION A: GENERAL INFORMATION ABOUT THE COMPANY</b>							
1.	Corporate Identity Number (CIN) of the Company	L15122WB2007PLC162762						
2.	Name of the Company	Asian Hotels (East) Limited						
3.	Registered address	Hyatt Regency Kolkata, JA-1, Sector - 3, Salt Lake City, Kolkata, WB 700098 IN						
4.	Website	www.ahleast.com						
5.	E-mail id	saumen.chatterjee@ahleast.com						
6.	Financial Year reported	2019-20						
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="0"> <tr> <td><b>NIC Code</b></td> <td><b>Description</b></td> </tr> <tr> <td>55101</td> <td>Room</td> </tr> <tr> <td>5610 &amp; 5621</td> <td>Food &amp; Smoke</td> </tr> </table> <p>As per National Industrial Classification – Ministry of Statistics and Programme Implementation</p>	<b>NIC Code</b>	<b>Description</b>	55101	Room	5610 & 5621	Food & Smoke
<b>NIC Code</b>	<b>Description</b>							
55101	Room							
5610 & 5621	Food & Smoke							
8.	Three key products/services that the Company manufactures/provides (as in balance sheet)	Room Food & Smoke Beverages						
9.	Total number of locations where business activity is undertaken by the Company a) Number of International Locations (Provide details of major 5) b) Number of National Locations	Number of International Locations: 0 Number of National Locations: 1						
10.	Markets served by the Company Local/State/National/International	National						

<b>Sr. No</b>	<b>SECTION B: FINANCIAL DETAILS OF THE COMPANY</b>		
		<b>Standalone (Rs.)</b>	<b>Consolidated (Rs.)</b>
1.	Paid up Capital (INR)	115,277,970/-	115,277,970/-
2.	Total Turnover (INR)	92,10,27,270/-	1,846,660,552/-
3.	Total profit after taxes (INR)	138,696,309/-	-75,091,730/-
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to spend at least 2% of average net profit of last 3 financial years i.e., Rs. 33.92 Lakhs for the financial year ended 2019-20. Accordingly, the Company has spent 34 Lakhs on CSR activities for the financial year ended 2019-20..	
5.	List of activities in which expenditure in 4 above has been incurred:	a) PHD Rural Development Foundation, Hajipur, Alwar, Rajasthan b) Ek Tara Foundation, Kolkata c) M/s. Maitreyi Charitable Trust, Kolkata The other details of CSR activities are given in Annexure- VII of the Board’s Report.	

## Asian Hotels (East) Limited

Sr. No	SECTION C: OTHER DETAILS	
1.	Does the Company have any Subsidiary Company/ Companies?	The Company has three wholly owned subsidiaries, namely Robust Hotels Private Limited, Chennai, GJS Hotels Limited, Kolkata and Regency Convention Centre & Hotels Limited, Kolkata as on 31 <sup>st</sup> March, 2020.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No, none of the subsidiary company participate in the BR initiatives of the Company but the Company encourages subsidiary to adopt its policies and practices.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No, none of the entity/entities with whom Company does business participates in the BR initiatives of the Company as it is difficult to establish the extent of support in the Company's BR Initiatives.

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR.

##### (a) Details of the Director responsible for implementation of the BR policy/policies:

Sr. No	Particulars	Details
1.	DIN Number	00339772
2.	Name	Mr. Arun Kr. Saraf
3.	Designation	Joint Managing Director

##### (b) Details of BR head:

Sr. No	Particulars	Details
1.	DIN Number	NA
2.	Name	Mr. Saumen Chatterjee
3.	Designation	Chief Legal Officer & Company Secretary
4.	Telephone number	033-6820 1341
5.	e-mail id	saumen.chatterjee@ahleast.com

#### 2. Principle-wise (as per NVGs) BR Policy/policies:

##### (a) Details of compliance (Reply in Y/N)

Sr. No	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement	Human rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for the Principles?	Yes								
2.	Has the policy been formulated in consultation with the relevant stakeholders?	The Company policies and practices have been formulated in consultation with the Board of Directors of the Company in the best interest of the stakeholders of the Company.								
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies are compliant with respective Principles of NVG Guidelines.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, it has been signed by Mr. Saumen Chatterjee, Chief Legal Officer & Company Secretary of the Company as per the Board authorisation.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the Company has made a Committee comprising of Mr. Bimal Kumar Jhunjunwala, CFO & VP-Corporate Finance and Mr. Saumen Chatterjee, Chief Legal Officer & Company Secretary.								
6.	Indicate the link for the policy to be viewed online?	The policies can be accessed on Company's website: <a href="http://www.ahleast.com/">http://www.ahleast.com/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been uploaded on the website of the Company: <a href="http://www.ahleast.com/">http://www.ahleast.com/</a>								
8.	Does the company have in-house structure to implement the policy/ policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, the Company has formed a Stakeholders' Relationship Committee to redress any grievances of shareholders and investors.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No, the Company works under the guidance of the Board of Directors.								

## Asian Hotels (East) Limited

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

Sr. No	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	The company has not understood the Principles	Not applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

BRR is applicable from the year 2019-20. The Company will assess the BR performance annually.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, the requirement of publishing the Business Responsibility Report is applicable from the financial year ended 2019-20. It is annexed to the Boards' Report (Annexure-VIII) forming part of the Annual Report 2019-20 and is available on the Company's website at [www.ahleast.com](http://www.ahleast.com).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

As a testament of its robust corporate governance practices and ethical conduct of business, the Company instituted an initiative that encompasses three important policies viz. Code of Conduct, Whistleblower Policy and Prevention of Sexual Harassment at Workplace. Thus, the policy covers everyone.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No stakeholder complaints pertaining to the above Codes and policies were received in the past financial year.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Nil

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

Details of conservation of energy are given in Annexure-'III' of the Board's Report.

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not applicable

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

No

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company procures goods and services from SME's (Small and medium Enterprises) for its hotel operations. The Company assesses their capability on a regular basis and provides technical and financial assistance to improve their capability and capacity wherever required. The Company procures goods and services from the local and small producers for its hotel operations. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so**

No

**Principle 3: Businesses should promote the well-being of all employees**

1. Please indicate the Total number of employees. - 286
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. - 108
3. Please indicate the Number of permanent women employees. - 49
4. Please indicate the Number of permanent employees with disabilities - NA
5. Do you have an employee association that is recognized by management - NA
6. What percentage of your permanent employees is members of this recognized employee association? - NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil

Sr. No	Category	No. of complaints filed during the year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	-	-
2	Sexual harassment	-	-
3	Discriminatory employment	-	-

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees – 100% (An associate undergoes Fire and Safety training at the time of joining during the Orientation programme, hence all the associates are covered)
  - (b) Permanent Women Employees – 100%
  - (c) Casual/Temporary/Contractual Employees – 30% (All Security and concerned outsourced team members are trained)
  - (d) Employees with Disabilities - NA

**Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1. **Has the company mapped its internal and external stakeholders? Yes/No**  
Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**  
Not applicable as the Company has not identified any disadvantaged, vulnerable & marginalised stakeholders.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**  
Not applicable

**Principle 5: Businesses should respect and promote human rights**

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**  
It extends to everyone.

## *Asian Hotels (East) Limited*

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No, stakeholder complaints relating to human rights have been received during the financial year ended 2019-20.

### **Principle 6: Business should respect, protect and make efforts to restore the environment**

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

It extends to everyone.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company look after the local environment wherever the hotel operation is carried out.

3. **Does the company identify and assess potential environmental risks? Y/N**

No

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company is continuously endeavouring to identify opportunities to contribute in this regard.

5. **Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Energy Audit was done by certified energy auditor in the year 2019.

The details of initiatives taken for conservation of energy are given in Annexure-'III' to the Board's Report and the same is disclosed on the website of the Company at [www.ahleast.com](http://www.ahleast.com).

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for financial year being reported?**

Emissions/Waste generated by the Company is within the permissible limits given by CPCB/SPCB for the financial year being reported.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

### **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of :

- (a) FHRAI (FEDERATION OF HOTEL & RESTAURANT ASSOCIATION OF INDIA);
- (b) HRAEI (HOTEL & RESTAURANT ASSOCIATION OF EASTERN INDIA).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

### **Principle 8: Businesses should support inclusive growth and equitable development**

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company practices inclusion and diversity across all levels. The Company has a strong CSR program, details of which are available in the annual report on CSR activities.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

The programs/ projects are undertaken through in house team as well as through external NGOs and agencies.

3. **Have you done any impact assessment of your initiative?**

No, but the internal team reviews and ensure the implementation of the projects undertaken from time to time.

## *Asian Hotels (East) Limited*

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

During the financial year ended 2019-2020 – INR – 2,00,000/- (Approx) was spent towards community development activities by the hotel, in addition to that, the Company has made a further contribution of Rs. 34,00,000/- towards CSR activities during the financial year ended 31st March, 2020. Please refer to Annexure- VII of Annual Report on CSR activities for details.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The hotel has been involved in many CSR activities under “Hyatt Thrive” umbrella. The focus area during the financial year 2019-20 continued to be empowering youth and extending the support for diverse projects along with NGO's named Ektara and Little Big Help.

In addition to that, the Company has made contribution to PHD Rural Development Foundation, Hajipur, Alwar, Rajasthan towards Rain Water Harvesting project., NGO namely Ek Tara Foundation working in the fields of education, health-hygiene-nutrition and vocational training for children and women in eastern India's slum communities and Maitreyi Charitable Trust for construction of a Hospital at Rajarhat, Kolkata.

The other details of CSR activities are given in Annexure- VII of the Annual Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Customer Satisfaction is of utmost important for the Company. The Company receives customer complaints through a phased and easy process which are appropriately redressed. At the end of the financial year under review, only one (1) consumer cases/litigations is pending.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

Yes

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, surveys are conducted periodically to access the guest satisfaction level and experience.

For and on behalf of the Board of Directors

Kolkata  
31<sup>st</sup> July, 2020

**A C Chakrabortti**  
Director  
(DIN: 00015622)

**Umesh Saraf**  
Joint Managing Director  
(DIN: 00017985)

**Rama Shankar Jhawar**  
Director  
(DIN: 00023792)



**PARTICULARS OF REMUNERATION**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended:

**i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20**

Directors	Ratio to Median Remuneration
Mr. Rama Shankar Jhawar - Independent Non-Executive Director	Not Applicable
Mr. Amal Chandra Chakrabortti - Independent Non-Executive Director	Not Applicable
Mr. Padam Kumar Khaitan - Independent Non-Executive Director	Not Applicable
Ms. Rita Bhimani - Independent Non-Executive Woman Director	Not Applicable
Mr. Radhe Shyam Saraf - Non-Executive Chairman	0.17
Mr. Arun Kumar Saraf - Joint Managing Director (JMD)	64.76
Mr. Umesh Saraf - Joint Managing Director (JMD)	66.13

**ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20**

Directors and Key Managerial Personnel	% Increase in remuneration
Mr. Rama Shankar Jhawar*	Not Applicable
Mr. Amal Chandra Chakrabortti*	Not Applicable
Mr. Padam Kumar Khaitan*	Not Applicable
Ms. Rita Bhimani*	Not Applicable
Mr. Radhe Shyam Saraf*	0%
Mr. Arun Kumar Saraf, JMD	5.56%
Mr. Umesh Saraf, JMD	5.56%
Mr. Bimal Kumar Jhunjhunwala, CFO & Vice-President – Corporate Finance	5.00%
Mr. Saumen Chatterjee, Chief Legal Officer & Company Secretary	5.00%

Note -Independent Directors and Chairman do not receive any remuneration except sitting fees for attending board & committee meetings of the Company.

**iii) the percentage increase in the median remuneration of employees in the financial year 2019-20: 7%**

**iv) the number of permanent employees on the rolls of company: 286**

**v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average salary increase in non-managerial employees is 7.65% and the average salary increase in managerial employees is 4.22%.

**vi) affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

**Notes:** Independent directors and Chairman are entitled to sitting fees. Sitting fees paid to them has not been considered as remuneration.

For and on behalf of the Board of Directors

Kolkata  
31<sup>st</sup> July, 2020

**A C Chakrabortti**  
Director  
(DIN: 00015622)

**Umesh Saraf**  
Joint Managing Director  
(DIN: 00017985)

**Rama Shankar Jhawar**  
Director  
(DIN: 00023792)

*Asian Hotels (East) Limited*

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

Dear Sirs,

**Sub: Compliance Certificate furnished by Joint Managing Director and CFO & Vice President-Corporate Finance of the Company as for the quarter ended (Q4) and financial year ended 31<sup>st</sup> March, 2020 as per Part-B of Schedule II of Regulation 17(8) and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

- (a) We have reviewed the Financial Statements, Financial Results and Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2020:
- (b) These statements do not contain any materially untrue or false statement or omit any material fact or contain statements that might be misleading.
- (c) These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws & regulations.
- (d) That, there are no transactions entered into by the Company during the financial year which are fraudulent, illegal or violating the Company's code of conduct.
- (e) We are responsible for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of such internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (f) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in internal control over financial reporting during the financial year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

For **Asian Hotels (East) Limited**

Kolkata  
31<sup>st</sup> July, 2020

**Umesh Saraf**  
Joint Managing Director  
(DIN: 00017985)

**Bimal K Jhunjhunwala**  
CFO & Vice President-Corporate Finance

**DECLARATION REGARDING COMPLIANCE WITH THE CODE OF  
CONDUCT BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

In compliance with Part D of Schedule V of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Umesh Saraf, Joint Managing Director of the Company hereby declare on the basis of information furnished to me that all members of Board of Directors and Senior Management have affirmed in writing the compliance of their respective Code of Conduct adopted by the Board for the Financial Year 2019-20.

For **Asian Hotels (East) Limited**

Place: Kolkata  
31st July, 2020

**Umesh Saraf**  
Joint Managing Director  
(DIN: 00017985)

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**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
The Members of **Asian Hotels (East) Limited**  
Hyatt Regency Kolkata,  
Ja-1 Sector - 3, Salt Lake City  
Kolkata- 700098

- 1) We have examined the compliance of conditions of Corporate Governance by Asian Hotels (East) Limited. ("herein after referred "the Company"), for the year ended on 31st March, 2020, as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3) In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.
- 4) We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Kindly note that -**

We have issued this certificate on the basis of SCAN documents through email, no PHYSICAL DOCUMENTS are verified due to this COVID 19 lock down. We are not responsible for any kind of discrepancy in the physical documents.

For **ARPAN SENGUPTA & ASSOCIATES**  
Company Secretaries

**CS ARPAN SENGUPTA**  
Proprietor  
Membership No.: FCS 10599  
COP No.: 14416  
UDIN: F010599B000542121

Place: Kolkata  
Date: 31<sup>ST</sup> July, 2020

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED

#### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of Asian Hotels (East) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for qualified opinion

The Company has investment in Robust Hotels Private Limited (subsidiary) amounting Rs 56,736 lakhs and loan receivable of Rs 3,715 lakhs as on March 31, 2020. The financial performance of the subsidiary company and adverse impact of the pandemic Covid-19 on the operation of the subsidiary indicate a need for impairment testing of investment and loan receivable in the subsidiary. However, management has not carried out any impairment testing as required under IND AS 36 (Impairment of Assets) of the above investment and loans for reasons explained in Note No 50 .

Hence, we are unable to comment on the impacts of such impairment if any, on the standalone financial statements of the Company .

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

#### Emphasis of Matter

We draw attention to Note No. 48 to the standalone financial statements which describes the impact of COVID-19, a global pandemic, on the operations and financial matters of the company.

Our opinion is not modified in respect of this matter

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1.	<p><b>Impact of COVID-19 pandemic on estimation uncertainty</b></p> <p>On 11 March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government had imposed lock-downs across the country from 22 March 2020 up to 30 June 2020. These lockdowns and restrictions due to COVID-19 pandemic had posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.</p> <p>The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements. In view of the above, we have identified impact of COVID-19 on going concern as a key audit matter.</p> <p>Refer <b>Note 1.6 &amp; 48</b> to the standalone financial statement.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>● Obtained an understanding of the key controls relating to the Company's forecasting process</li> <li>● Assessed the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company and compared them with the Company's business plan approved by the board of directors</li> <li>● Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business.</li> <li>● Performed the following procedures as mitigating factors:                             <ol style="list-style-type: none"> <li>1. Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner.</li> <li>2. Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 1.6 &amp; 48 to the standalone financial statements.</li> </ol> </li> </ul>

S.No.	Key Audit Matter	Auditor's Response
2.	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer <b>Note 39</b> to the Standalone Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>We have obtained details of completed tax assessments and demands as on March 31, 2020 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information etc., but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## *Asian Hotels (East) Limited*

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Indian Accounting standard of the Companies (Accounts) Rules, 2015 (as amended).
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the standalone financial statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 39
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for Rs Rs 18,599/- of F.Y. 2011-12 being restrained shares could not be transferred due to pending legal cases. Refer Note 46 to the Financial Statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**(Rajiv Singhi)**  
Partner  
Membership No. 053518  
UDIN No:20053518AAAABC6858

Place: Kolkata  
Date : July 31<sup>st</sup>, 2020

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **ASIAN HOTELS (EAST) LIMITED** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of **ASIAN HOTELS (EAST) LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls with reference to financial statements**

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

*Asian Hotels (East) Limited*

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata  
Date : July 31<sup>st</sup> , 2020

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

**(Rajiv Singhi)**  
Partner  
Membership No. 053518  
UDIN No:20053518AAAABC6858



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. In respect of Company's Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in systematic order. In accordance with this program, no fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at regular intervals by the management. No material discrepancies were noticed on such physical verification;
- iii. The Company has not granted any unsecured loans/advances to parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act to the extent applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods & Service Tax or cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, the dues outstanding in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax, on account of disputes are as follows:

<b>Nature of the Statute</b>	<b>Nature of Dues</b>	<b>Amount ( In ₹ )</b>	<b>Forum where dispute is pending</b>	<b>Period to which the amount relates</b>
Finance Act, 1994	Service Tax	26,753,749	Additional Commissioner of Service Tax	FY 2007-08 to FY 2009-10
Finance Act, 1994	Service Tax	6,836,585	Service Tax Appellate Tribunal	FY 2008-09 to FY 2012-13
Finance Act, 1994	Service Tax	7,644,193	Service Tax Appellate Tribunal	FY 2013-14
West Bengal Sales Tax Act, 1994	Sales Tax	5,683,418	Commissioner ( Appeals )	FY 2012-13
Foreign Trade Development Regulation Act, 1992	SFIS	39,636,944	Office of the Additional Director General of Foreign Trade	FY 2010-11, FY 2012-13, FY 2013-14
West Bengal Value Added Tax Act, 2003	VAT	3,69,75,792	Commissioner ( Appeals )	FY 2011-12
Luxury Tax	Luxury Tax	45,785	Assistant Commissioner Amusement Tax Section	FY 2016-17
Entertainment Tax	Entertainment Tax	69,896	-	-
Finance Act, 1994	Service Tax	69,20,396	Joint Commissioner, CGST and CX	FY 2014-15 to FY 2016-17
Entry Tax	Entry Tax	1,16,125	Joint Commissioner	FY 2016-17
Entry Tax	Entry Tax	30,000	Joint Commissioner	FY 2017-18
West Bengal Value Added Tax Act, 2003	VAT	8,15,40,454	WB Taxation Tribunal	FY 2009-10
West Bengal Value Added Tax Act, 2003	VAT	13,420	Joint Commissioner	FY 2012-13

## *Asian Hotels (East) Limited*

- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to any financial institution or bank or dues to debenture holders as at the Balance sheet date. The Company does not have any loans or borrowings from Government as at Balance sheet date.
- ix. The company has not raised any money by way of initial public offer or further public offer including debt instruments during the year. Further, according to the information and explanations given to us the Company has applied term loans for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act
- xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata  
Date : July 31<sup>st</sup> , 2020

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

**(Rajiv Singhi)**  
Partner  
Membership No. 053518  
UDIN No:20053518AAAABC6858

# Asian Hotels (East) Limited

CIN: L15122WB2007PLC162762

## BALANCE SHEET AS AT 31.03.2020

Particulars	Note	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
(1) <b>Non - current assets</b>			
(a) Property, plant and equipment	3	<b>1,081,724,999</b>	1,097,591,815
(b) Capital work in progress	4	<b>3,910,733</b>	1,442,679
(c) Intangible Assets	3	<b>2,941,407</b>	1,848,031
(d) Financial assets			
(i) Investments	5A	<b>5,712,822,258</b>	3,854,417,962
(ii) Other financial assets	6	<b>11,607,025</b>	11,448,055
(e) Income tax assets (net)	7	<b>29,711,549</b>	85,885,919
(f) Other non current assets	8A	<b>3,547,374</b>	-
		<b>6,846,265,345</b>	5,052,634,461
(2) <b>Current assets</b>			
(a) Inventories	9	<b>18,790,260</b>	13,657,582
(b) Financial assets			
(i) Investments	5B	<b>911,247,864</b>	690,886,317
(ii) Trade receivables	10	<b>45,948,014</b>	68,585,259
(iii) Cash and cash equivalents	11A	<b>16,959,349</b>	20,142,518
(iv) Other bank balances	11B	<b>315,017,598</b>	45,826,671
(v) Loans	12	<b>445,659,105</b>	3,646,633,869
(v) Other financial assets	6A	<b>16,137,545</b>	19,571,212
(c) Other current assets	8B	<b>24,934,837</b>	29,259,892
(d) Assets classified as held for sale	8C	<b>508,174,741</b>	-
		<b>2,302,869,313</b>	4,534,563,320
<b>Total Assets</b>		<b>9,149,134,658</b>	9,587,197,781
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	13	<b>115,277,970</b>	115,277,970
(b) Other equity	14	<b>8,431,941,428</b>	9,101,825,774
		<b>8,547,219,398</b>	9,217,103,744
<b>LIABILITIES</b>			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17	<b>981,000</b>	1,538,000
(b) Provisions	18	<b>13,487,617</b>	16,586,334
(c) Deferred tax liabilities (net)	19	<b>99,647,617</b>	71,118,784
		<b>114,116,234</b>	89,243,118
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	10,730,380
(ii) Trade payables	16		
- Total outstanding dues of Micro and Small Enterprise		<b>1,143,890</b>	409,811
- Total outstanding dues of creditors other than Micro & Small Enterprise		<b>62,160,296</b>	54,242,982
(iii) Other financial liabilities	17	<b>49,943,036</b>	75,756,675
(b) Provisions	18	<b>11,812,715</b>	8,718,602
(c) Other current liabilities	20	<b>362,739,089</b>	130,992,469
		<b>487,799,026</b>	280,850,919
<b>Total Equity &amp; Liabilities</b>		<b>9,149,134,658</b>	9,587,197,781

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

In terms of our report attached  
For **Singhi & Co.**  
Chartered Accountants  
Firm Registration. No. 302049E

**Rajiv Singhi**  
Partner  
Membership No. : 053518

For and on behalf of the Board of Directors

**Radhe Shyam Saraf** (DIN: 00017962) Chairman  
**Arun K Saraf** (DIN: 00339772) Joint Managing Director  
**Umesh Saraf** (DIN: 00017985) Joint Managing Director  
**A. C. Chakrabortti** (DIN: 00015622) Director  
**Rama Shankar Jhavar** (DIN: 00023792) Director  
**Padam Kumar Khaitan** (DIN: 00019700) Director  
**Rita Bhimani** (DIN: 07106069) Director

Place: Kolkata  
Date: 31st July 2020

**Bimal Kr Jhunjunwala**  
CFO & Vice President- Corporate Finance

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

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD APRIL 1, 2019 TO MARCH 31, 2020**

Particulars	Note	Amount in ₹	
		Year ended 31.03.2020	Year ended 31.03.2019
I Revenue from operations	21	<b>921,027,270</b>	1,034,424,671
II Other income	22	<b>89,763,985</b>	102,698,105
III Total income		<b>1,010,791,255</b>	1,137,122,776
IV Expenses			
Consumption of provisions, beverages, smokes & others	23	<b>126,062,103</b>	126,657,266
Employee benefits expenses	24	<b>210,658,694</b>	208,214,084
Depreciation and amortization expenses	3	<b>29,731,845</b>	49,238,742
Other expenses	25	<b>422,933,691</b>	508,643,161
Total expenses		<b>789,386,333</b>	892,753,253
V Profit / (loss) before exceptional items and tax		<b>221,404,922</b>	244,369,523
VI Exceptional items		-	-
VII Profit / (loss) before tax		<b>221,404,922</b>	244,369,523
VIII Tax expense	26		
(1) Current tax (including previous years)		<b>47,372,925</b>	78,547,641
(2) Deferred tax		<b>(15,545,407)</b>	(10,820,673)
(3) MAT (Refer Note No 47)		<b>50,881,095</b>	(1,163,517)
IX Profit / (loss) for the year		<b>138,696,309</b>	177,806,072
X Other comprehensive income			
A (i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability		<b>(345,793)</b>	127,826
Equity instruments through other comprehensive income		<b>(35,137,347)</b>	47,042,090
(ii) Income tax relating to items that will not be reclassified to profit or loss		<b>6,455,573</b>	(37,223)
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		-	-
Other comprehensive income for the year, net of tax		<b>(29,027,567)</b>	47,132,693
XI Total comprehensive income for the year		<b>109,668,742</b>	224,938,765
XII Earnings per equity share			
(1) Basic	27	<b>12.03</b>	15.42
(2) Diluted	27	<b>12.03</b>	15.42

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

In terms of our report attached  
For **Singhi & Co.**  
Chartered Accountants  
Firm Registration. No. 302049E

**Rajiv Singhi**  
Partner  
Membership No. : 053518

For and on behalf of the Board of Directors

<b>Radhe Shyam Saraf</b> (DIN: 00017962)	Chairman
<b>Arun K Saraf</b> (DIN: 00339772)	Joint Managing Director
<b>Umesh Saraf</b> (DIN: 00017985)	Joint Managing Director
<b>A. C. Chakrabortti</b> (DIN: 00015622)	Director
<b>Rama Shankar Jhawar</b> (DIN: 00023792)	Director
<b>Padam Kumar Khaitan</b> (DIN: 00019700)	Director
<b>Rita Bhimani</b> (DIN: 07106069)	Director

Place: Kolkata  
Date: 31st July 2020

**Bimal Kr Jhunjhunwala**  
CFO & Vice President- Corporate Finance

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

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD APRIL 1, 2019 TO MARCH 31, 2020**

Amount in ₹

Particulars	Equity Share Capital	Reserves and Surplus				Other Equity			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 Comprehensive Income	
As at 31.03.2018	115,277,970	2,815,719,029	5,630,532,555	-	2,000,000	417,998,203	45,380,647	9,026,908,404	
Change in equity for the year ended March 31, 2019	-	177,806,072	-	-	-	-	-	177,806,072	
Profit for the year	-	(28,819,493)	-	-	-	-	-	(28,819,493)	
Final Dividend paid for the year 2017-18	-	(5,923,932)	-	-	-	-	-	(5,923,932)	
Dividend distribution tax	-	90,603	-	-	-	-	47,042,090	47,132,693	
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-	-	-	
<b>Total comprehensive income for the year</b>	-	<b>143,153,250</b>	-	-	-	-	<b>47,042,090</b>	<b>190,195,340</b>	
<b>Allocations/Appropriations:</b>									
Transferred to/ (from) General Reserve	-	(15,000,000)	15,000,000	-	-	-	-	-	
<b>Balance as at March 31, 2019</b>	<b>115,277,970</b>	<b>2,943,872,279</b>	<b>5,645,532,555</b>	-	<b>2,000,000</b>	<b>417,998,203</b>	<b>92,422,737</b>	<b>9,217,103,744</b>	
Change in equity for the year ended March 31, 2020	-	138,696,309	-	-	-	-	-	138,696,309	
Profit for the year	-	(28,819,493)	-	-	-	-	-	(28,819,493)	
Final Dividend paid for the year 2018-19	-	(5,923,932)	-	-	-	-	-	(5,923,932)	
Dividend distribution tax	-	(258,764)	-	-	-	-	(28,768,803)	(29,027,567)	
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-	-	-	
<b>Total comprehensive income for the year</b>	-	<b>103,694,120</b>	-	-	-	-	<b>(28,768,803)</b>	<b>74,925,317</b>	
<b>Allocations/Appropriations:</b>									
Transferred to/ (from) General Reserve	-	(15,000,000)	15,000,000	-	-	-	-	-	
<b>Effect of Scheme of Arrangement (Refer Note No 44)</b>	-	(1,308,518)	(743,501,145)	-	-	-	-	(1,308,518)	
Less: Loss for the period 31st March 2016 to 31st March 2019 pursuant to the Scheme (Note No 44)	-	-	-	-	-	-	-	(743,501,145)	
Less: Adjustment against General Reserve	-	-	-	-	-	-	-	-	
<b>Balance as at March 31, 2020</b>	<b>115,277,970</b>	<b>3,031,257,881</b>	<b>4,917,031,410</b>	-	<b>2,000,000</b>	<b>417,998,203</b>	<b>63,653,934</b>	<b>8,547,219,398</b>	

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

As per our report of even date

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

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

For and on behalf of the Board of Directors

**Radhe Shyam Saraf** (DIN: 00017962) Chairman  
**Arun K Saraf** (DIN: 00339772) Joint Managing Director  
**Umesh Saraf** (DIN: 00017985) Joint Managing Director  
**A. C. Chakraborti** (DIN: 00015622) Director  
**Rama Shankar Jhawar** (DIN: 00023792) Director  
**Padam Kumar Khaitan** (DIN: 00019700) Director  
**Rita Bhimani** (DIN: 07106069) Director

**Bimal Kr Jhunjhunwala** CFO & Vice President- Corporate Finance  
**Saumen Chatterjee** Chief Legal Officer & Company Secretary

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020**

Particulars	Amount in ₹	
	Year ended 31.03.2020	Year ended 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	221,404,922	244,369,523
Adjustment for :		
Depreciation/amortization	29,731,845	49,238,742
Loss/(profit) on sale of PPE (Net)	2,068,549	36,349
Interest expense	-	-
Provision for bad and doubtful debts	2,187,583	1,396,697
Excess provision written back	(16,435,639)	(28,407,804)
Provision for gratuity	1,037,397	2,454,826
Provision for leave encashment	(1,387,794)	171,864
Interest income	(43,228,075)	(33,863,808)
Dividend income	(9,543,576)	(12,849,034)
Assets written off (Non cash item)	70,886	960,428
Net gain (loss) on current investments	-	-
Fair value loss (gain) on mutual funds	(20,205,794)	(27,452,458)
<b>Operating profit before working capital changes</b>	<b>165,700,304</b>	<b>196,055,325</b>
Movements in working capital :		
Increase/(decrease) in current trade payables	3,979,593	14,416,109
Increase/(decrease) in non-current trade payables	-	-
Increase/(decrease) in other current financial liabilities	(8,497,596)	6,083,879
Increase/(decrease) in other non-current financial liabilities	(557,000)	(325,000)
Increase/(decrease) in other current liabilities	231,746,620	44,541,754
Increase/(decrease) in deferred tax liabilities	0	-
Decrease/(increase) in trade receivables	20,449,662	(4,656,277)
Decrease/(increase) in inventories	(5,132,678)	10,454,542
Decrease/(increase) in non current assets	-	-
Decrease/(increase) in non-current financial assets	(68,970)	(30,000)
Decrease/(increase) in current financial assets	137,100	(21,680,000)
Decrease/(increase) in non-current loans	-	-
Decrease/(increase) in current loans	-	136,068
Decrease/(increase) in other assets	4,325,054	10,161,537
<b>Cash generated from/(used in) operations</b>	<b>412,082,089</b>	<b>255,157,937</b>
Less: Direct taxes paid (Net of Refunds)	(20,074,794)	59,514,052
<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>432,156,883</b>	<b>195,643,885</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed assets	(18,220,898)	(25,049,011)
Decrease/(Increase) in capital work in progress	(2,468,054)	(828,389)
Decrease/(Increase) in capital advance	(3,547,374)	-
Proceeds from sale of PPE	1,123,058	468,335
Effect of Scheme of Arrangement	-	-
Investments in assets held for trading	(230,000,037)	-
Proceeds from sale of non current investments	(0)	-
Purchase of current investments	(170,322,051)	(202,300,961)
Non-current loans (given)/repaid	(11,362,077)	(146,440,320)
Interest received	35,664,372	31,321,827
Dividend received	9,543,576	12,849,034
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>(389,589,485)</b>	<b>(329,979,485)</b>

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020** (Cond.)

Particulars	Year ended 31.03.2020	Amount in ₹
		Year ended 31.03.2019
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(10,730,380)	-
Proceeds from borrowings	-	10,730,380
Interest paid on borrowings	-	-
Payment of other borrowing cost	-	-
Dividend paid on shares	(29,259,695)	(28,998,677)
Tax on dividend paid	(5,923,932)	(5,923,932)
<b>Net cash flow from/(used in) in Financing Activities (C)</b>	<b>(45,914,007)</b>	<b>(24,192,229)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(3,346,609)</b>	<b>(158,527,829)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>20,142,518</b>	<b>178,670,347</b>
Transfer In in the Scheme of Arrangement	163,440	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>16,959,349</b>	<b>20,142,518</b>

**Note:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".
- Figures in bracket represent cash outflow from respective activities.
- Cash and cash equivalent do not include any amount which is not available to the company for its use.
- Cash and cash equivalent at the end of the year consist of :

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Cash in hand	829,948	2,196,067
b) Balances with Banks in Current Accounts	16,129,401	17,946,451
	<b>16,959,349</b>	<b>20,142,518</b>

- Change in Liability arising from financing activities

	As at 1st April, 2019	Cash Flow	Foreign Exchange Movement	As at 31st March, 2020
Borrowings (Note 15)	10,730,380	(10,730,380)	-	(0)

In terms of our report attached

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

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

For and on behalf of the Board of Directors

**Radhe Shyam Saraf** (DIN: 00017962) Chairman  
**Arun K Saraf** (DIN: 00339772) Joint Managing Director  
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**Rita Bhimani** (DIN: 07106069) Director

**Bimal Kr Jhunjunwala**  
CFO & Vice President- Corporate Finance

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

## **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

### **1. Company Overview and Significant Accounting Policies**

#### **1.1 Company overview**

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

#### **1.2. Basis of preparation of financial statement**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are approved for issue by the Company's Board of Directors on July 31, 2020

#### **1.3 Functional & Presentation Currency**

These Financial statements are presented in Indian Rupees (INR) which is also the company's functional currency.

#### **1.4 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### **1.5 Significant Accounting Policies**

##### **a. Property Plant & Equipment:**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

Depreciation on fixed assets is calculated on a straight-line basis using the rates based on the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.

##### **b. Investments in Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company's investment in the equity shares of its subsidiaries are 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. However, the debt instruments in subsidiaries are recognised at fair value.

##### **c. Inventories**

Inventories are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion & selling expenses.

##### **d. Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

**e. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financials Asset**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Financial Asset at amortized cost
- (ii) Financial Asset At Fair Value through other comprehensive income (OCI)
- (iii) Financial Asset at Fair value through profit and loss (PL)

**Financial Asset at amortized cost**

A 'Financial Asset' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss.

**Financial Asset at Fair value through OCI**

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

**Financial Asset at fair value through profit or loss**

FVTPL is a residual category for Financial Assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

**Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable if the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

**Derecognition of Financial asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 116.
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables')
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

**Financial Liabilities**

**Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For financial liabilities maturing within one year from the balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

**Subsequent Measurement**

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the profit or loss.

**Financial Liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**f. Cash and Cash Equivalents**

Cash and Cash Equivalent in balance sheet comprise cash at banks and on hand, unpaid dividend, fixed deposits and short - term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**g. Trade Payables & Other Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**h. Provisions, Contingent liabilities**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed in case of;

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

## **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

- a present obligation arising from past events, when no reliable estimate is possible ;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### **i. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **Revenue from contract with customer**

Ind AS 115 " Revenue from Contracts with Customers " which is effective from 1st April,2018 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

#### **Sale of Goods:**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The normal credit term is 30 days days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

#### **Sale of Services:**

The Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room booking and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

### **j. Other Income**

Other income is comprised primarily of interest income, dividend income, gain on sale of investments and exchange gain/loss on translation of assets and liabilities. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recognised using the effective interest rate (EIR). Dividend income is recognised when right to receive payment is established.

### **k. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **l. Income taxes**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**m. Earnings per share**

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of equity shares to the extent that they are entitled to participate in dividends relative to a fully paid equity shares during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**n. Ind AS 116- Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards with the date of initial application on 1st April, 2019. Accordingly the financial statements for the year ended 31st March, 2019 have not been adjusted. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 36.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

**(ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

### **Short-term lease and lease of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **o. Fair Value Measurement**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### **p. Employee benefits**

#### **Provident Fund:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

#### **Gratuity & Leave Encashment (Unfunded):**

Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an independent actuary using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### **q. Foreign Currencies**

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### **r. Dividend**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### **s. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of Asian Hotels (East ) Limited generally assesses the financial performance and position of the company, and makes strategic decisions.

### **t. Impairment of non-current assets -**

Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

## **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

In accordance with Ind AS 36, goodwill and certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed over the period of three years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes.

### **u. Recent accounting pronouncements New and amended standards adopted by the Company:**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- i) Ind AS 116 - Leases;
- ii) Income tax consequences in case of dividends -Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend);
- iii) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities -Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments);
- iv) Accounting treatment for specific borrowings post capitalisation of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);
- v) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);
- vi) Accounting for plan amendment, curtailment or settlement occurring inbetween the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### **New Standards or other amendments issued but not yet effective:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would be applicable from April 1, 2020.

### **1.6 Estimation uncertainty relating to the global health pandemic on COVID-19:**

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country from March 22, 2020, and extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of the Company. Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of our hotel. With the lifting of the partial lockdown restrictions, the Company has started re-opening the hotel being in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company expects to become operational in a phased manner after the lockdown is lifted and the confidence of travelers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel. The Company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, supply chain and demand for its services. The Company has judiciously invoked the Force Majeure clauses for reliefs during the lock down period and does not foresee any disruption in raw material supplies. The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right-of-use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2020**

### **2. Key Accounting Estimates & Judgements**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimate uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **a. Income taxes**

Deferred tax assets are recognized for unused tax losses/MAT carry forward to the extent is possible that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies including amount expected to be paid / recovered for uncertain tax positions.

#### **b. Property, Plant and Equipment and Useful Life of PPE and Intangible Assets**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of Companys' assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the products or service output of the asset.

#### **c. Defined Benefit Plans**

Post-employment benefits represents obligation that will be settled in future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting require the Company to make assumptions regarding variables such as discount rate, rate of as at and for the year ended March 31, 2020.

#### **d. Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

#### **e. Provisions and Contingencies**

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**3. PROPERTY, PLANT & EQUIPMENT & INTANGIBLE ASSETS**

Amount in ₹

<b>Tangible Assets</b>	<b>Leasehold Land</b>	<b>Building</b>	<b>Plant &amp; Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Vehicles</b>	<b>Total</b>
<b>Gross Block (at cost )</b>						
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
Additions	-	653,763	3,623,137	2,149,130	18,622,981	25,049,011
Disposals	-	-	616,560	676,565	171,988	1,465,113
As at 31.03.2019	267,042,819	1,001,369,304	625,037,162	179,748,488	27,636,482	2,100,834,255
Additions	-	737,235	15,234,253	697,010	-	16,668,498
Disposals	-	-	23,520,875	799,361	70,886	24,391,122
<b>As at 31.03.2020</b>	<b>267,042,819</b>	<b>1,002,106,539</b>	<b>616,750,540</b>	<b>179,646,137</b>	<b>27,565,596</b>	<b>2,093,111,631</b>
<b>Depreciation</b>						
As at 31.03.2018	-	244,693,168	550,469,055	150,992,768	8,549,487	954,704,478
Charge for the year	-	15,868,867	22,908,499	8,537,209	1,223,387	48,537,962
Disposals	-	-	-	-	-	-
As at 31.03.2019	-	260,562,035	573,377,554	159,529,977	9,772,874	1,003,242,440
Charge for the year	-	15,917,243	7,873,262	3,253,335	2,228,981	29,272,821
Disposals	-	-	20,456,633	671,996	-	21,128,629
<b>As at 31.03.2020</b>	<b>-</b>	<b>276,479,278</b>	<b>560,794,183</b>	<b>162,111,316</b>	<b>12,001,855</b>	<b>1,011,386,632</b>
<b>Net Block</b>						
As at 31.03.2019	267,042,819	740,807,269	51,659,608	20,218,511	17,863,608	1,097,591,815
<b>As at 31.03.2020</b>	<b>267,042,819</b>	<b>725,627,261</b>	<b>55,956,357</b>	<b>17,534,821</b>	<b>15,563,741</b>	<b>1,081,724,999</b>
<b>Intangible Assets</b>						
	<b>Softwares</b>					
<b>Gross Block (at cost )</b>						
As at 31.03.2018	9,731,626					
Additions	-					
Disposals	-					
As at 31.03.2019	9,731,626					
Additions	1,552,400					
Disposals	-					
<b>As at 31.03.2020</b>	<b>11,284,026</b>					
<b>Amortisation</b>						
As at 31.03.2018	7,182,815					
Charge for the year	700,780					
Disposals	-					
As at 31.03.2019	7,883,595					
Charge for the year	459,024					
Disposals	-					
<b>As at 31.03.2020</b>	<b>8,342,619</b>					
<b>Net Block</b>						
As at 31.03.2019	1,848,031					
<b>As at 31.03.2020</b>	<b>2,941,407</b>					



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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**4. CAPITAL WORK IN PROGRESS**

Amount in ₹

Particulars	Building	Plant & Equipment	Furniture & Fixtures	Total
As at 31.03.2018	614,290	-	-	614,290
Additions	828,389	-	-	828,389
Capitalisation	-	-	-	-
As at 31.03.2019	1,442,679	-	-	1,442,679
Additions	1,583,054	885,000	-	2,468,054
Capitalisation	-	-	-	-
<b>As at 31.03.2020</b>	<b>3,025,733</b>	<b>885,000</b>	<b>-</b>	<b>3,910,733</b>

**5A. INVESTMENTS**

Amount in ₹

Particulars	Non-current	
	As at 31.03.2020	As at 31.03.2019
Unquoted		
Investment in Equity Shares carried at cost		
Investment in equity shares of subsidiary - GJS Hotels Limited (Refer Note No 44) 230,022 (previous year: 10,961,000) equity shares of ₹ 10/- each fully paid up	<b>39,204,730</b>	2,346,365,000
Investment in equity shares of subsidiary - Robust Hotels Private Limited (Refer Note No 44) 224,183,829 (previous year: 30,010,000) equity shares of ₹ 10/- each fully paid up	<b>5,673,617,528</b>	300,175,000
Investment in equity shares of subsidiary - Regency Convention Centre & Hotels Limited (Refer Note 42) 159,299 (previous year: 97,009) equity shares of ₹ 10/- each fully paid up	-	257,901,724
	<b>5,712,822,258</b>	2,904,441,724
Investment in Preference Shares carried at amortised cost		
Investment in preference shares of subsidiary - Robust Hotels Pvt. Ltd. (Refer Note No 44) 4,300,000 (previous year: 4,300,000) 12% cumulative redeemable preference shares of ₹ 100/-each fully paid up	-	615,374,060
	-	615,374,060
Quoted		
Investment carried at FVTOCI		
Investment in equity shares of Asian Hotels (West) Limited 524,438 (previous year: 524,438) equity shares of ₹ 10/- each fully paid up (Refer Note No 5.1)	-	184,602,178
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 ₹ 1000/-each (Refer Note No 5.1)	-	150,000,000
	-	334,602,178
	<b>5,712,822,258</b>	3,854,417,962
Aggregate value of quoted investments	-	334,602,178
Aggregate value of unquoted investments	<b>5,712,822,258</b>	3,519,815,784

# Asian Hotels (East) Limited

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## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

### 5B. INVESTMENTS

Amount in ₹

Particulars	As at		Current	
	31.03.2020 No. of units	31.03.2019 No. of units	31.03.2020 ₹	31.03.2019 ₹
<b>Quoted, fully paid up</b>				
<b>Investment carried at FVTPL (Held for Trading)</b>				
<b>Investment in Equity Shares (Quoted Shares)</b>				
<b>Face value (FV) of ₹ 10 each, unless otherwise stated</b>				
Bajaj Finance Limited (FV ₹ 2)	167	-	370,039	-
Bandhan Bank Ltd	820	-	167,075	-
Bharat Rasayan Ltd	21	-	108,352	-
Credit Access Grameen Ltd	264	-	89,060	-
DFM Food Ltd (FV ₹ 2)	562	-	98,153	-
Dixon Technologies ( India ) Ltd	19	-	68,017	-
Godrej Properties Ltd (FV ₹ 5)	316	-	190,627	-
HDFC Asset Management Company Ltd (FV ₹ 5)	187	-	395,094	-
HDFC Bank Ltd (FV ₹ 1)	196	-	168,932	-
ICICI Bank Ltd (FV ₹ 2)	1,333	-	431,559	-
Info Edge India Ltd	112	-	227,926	-
Inox Leisure Ltd	459	-	120,580	-
MAS Financial Services Ltd	129	-	67,635	-
Tata Consumers Products Ltd (FV ₹ 1)	343	-	101,134	-
T D Power Systems Ltd	1,972	-	167,324	-
Trent Ltd (FV ₹ 1)	1,347	-	652,418	-
Ujjivan Financial Services Ltd	311	-	46,168	-
United Spirits Ltd (FV ₹ 2)	589	-	285,430	-
VIP Industries Ltd (FV ₹ 2)	450	-	108,067	-
			<b>3,863,590</b>	-
<b>Quoted, fully paid up</b>				
<b>Investment carried at FVTPL (Held for Trading)</b>				
<b>Investment in units of mutual funds</b>				
<b>[Face value (FV) of ₹ 10 each, unless otherwise stated]</b>				
Franklin India Ultra Short Bond Fund-SIP-DDR	-	467,348	-	4,716,106
Franklin India Liquid Fund- Super Institutional Plan- DDR (FV ₹ 1000)	60,435	196,428	60,434,520	196,566,962
Aditya Birla Sunlife Fixed Term Plan- Series QH (1101 days) - Regular Growth	8,163,420	8,163,420	88,089,832	86,852,258
UTI Fixed Term Income Fund Series XXIX - IX (1109 Days) - Growth Plan	9,699,704	9,699,704	90,407,059	101,627,676
UTI Short Term Income Fund-Institutional Plan - Growth	11,453,037	13,007,280	247,761,264	292,796,481
UTI Treasury Advantage Fund -Instt.-Plan- Daily Dividend Reinvestment (FV ₹ 1000)	-	8,308	-	8,326,834
HDFC Liquid Fund -Direct Plan -Growth Option (FV ₹ 1000)	1,425	-	5,564,995	-
ICICI Prudential Savings Fund-Growth (FV ₹ 100)	186,684	-	72,311,773	-
			<b>564,569,443</b>	690,886,317
Investment carried at FVTPL (Held for Trading)				
Investment in Bonds of Indian Railways Financial Corporation Limited 150,000 (previous year: 150,000) 8.23% tax free bonds of ₹ 1000/-each- FMV as on 31/03/2020: ₹ 1,289/each			193,350,000	-
Investment carried at FVTOCI (Held for Trading)				
Investment in equity shares of Asian Hotels (West) Limited 524,438 (previous year: 524,438) equity shares of ₹ 10/- each fully paid up			149,464,831	-
			<b>342,814,831</b>	-
			<b>911,247,864</b>	690,886,317
Aggregate amount of quoted investments			911,247,864	690,886,317
Aggregate amount of unquoted investments			-	-
Aggregate amount of adjustments to impairment in value of investments			-	-

**Note 5.1:** The Company has commenced the business of dealing in Securities with effect from 1st July 2019 and as a result the Investments in below mentioned Securities have been classified and recognized as Held For Trading purposes:

- Investment held in Mutual Funds and tax free bonds have been converted into Stock in Trade and have therefore been classified as Held For Trading purposes under Current Investments. With effect from the said date, the Fair Value of mutual funds and bonds are recognized through Profit & Loss account.
- The Investment in Quoted Equity shares have also been converted into Stock In Trade and are therefore classified as assets held for trading purposes under Current Investments. With effect from the said date, all quoted shares are recognized at Fair value through Profit & Loss Account, except equity shares held in Asian Hotels (West) Ltd, whose Fair Value is recognized through Other Comprehensive Income due to the irrevocable option exercised at the inception date of application of Ind AS.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**6. OTHER FINANCIAL ASSETS**

Amount in ₹

**Particulars**

**Non-current**

	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Security deposits	<b>11,607,025</b>	11,448,055
	<b>11,607,025</b>	11,448,055

Amount in Rs

**Particulars**

**Current**

	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Interest accrued but not due	<b>7,854,512</b>	11,990,869
Interest accrued and due	<b>8,240,133</b>	7,400,343
Accrued Revenue	<b>42,900</b>	180,000
	<b>16,137,545</b>	19,571,212

**7. INCOME TAX ASSETS (Net)**

Amount in ₹

**Particulars**

**Non - current**

	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Income Tax Asset (Net)</b>		
Opening balance	<b>85,885,919</b>	94,723,649
Less: Tax payable for the year	<b>(47,317,508)</b>	(77,918,086)
Add: Taxes paid	<b>52,990,849</b>	75,422,303
Add/(Less): Refund/adjustment for earlier years	<b>(61,847,711)</b>	(6,341,947)
Closing balance	<b>29,711,549</b>	85,885,919

**8A. OTHER NON CURRENT ASSETS**

Amount in ₹

**Particulars**

**Non - current**

	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Capital Advance	<b>3,547,374</b>	-
	<b>3,547,374</b>	-

**8B. OTHER ASSETS**

Amount in ₹

**Particulars**

**Current**

	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Advance to suppliers	<b>8,687,096</b>	9,538,717
Prepaid expenses	<b>6,274,663</b>	13,883,470
Balance with statutory authorities	<b>9,973,078</b>	5,837,705
	<b>24,934,837</b>	29,259,892

**8C. ASSETS CLASSIFIED AS HELD FOR SALE**

Amount in ₹

**Particulars**

**Current**

	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Investment in equity shares of subsidiary - Regency Convention Centre & Hotels Limited (Refer Note No 42) 159,299 (previous year: 97,009) equity shares of ₹ 10/- each fully paid up	<b>508,174,741</b>	-
	<b>508,174,741</b>	-

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**9. INVENTORIES**

Amount in ₹

	<b>Current</b>	
	<b>As at 31.03.2020</b>	As at 31.03.2019
(valued at cost or net realisable value whichever is lower)		
Food, Liquor & Tobacco	<b>15,086,913</b>	12,696,316
General Stores and Spares	<b>3,703,347</b>	961,266
	<b>18,790,260</b>	13,657,582

**10. TRADE RECEIVABLES**

Amount in ₹

	<b>Current</b>	
	<b>As at 31.03.2020</b>	As at 31.03.2019
Trade Receivables		
– Unsecured, considered good	<b>45,948,014</b>	68,585,259
– Significant increase in credit risk	-	-
– Credit Impaired	<b>3,501,647</b>	1,494,731
	<b>49,449,661</b>	70,079,990
Less: Allowance for Credit Impaired	<b>3,501,647</b>	1,494,731
	<b>45,948,014</b>	68,585,259
	<b>45,948,014</b>	68,585,259

**11. CASH & CASH EQUIVALENTS & OTHER BANK BALANCES**

Amount in ₹

<b>Particulars</b>	<b>Current</b>	
	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>11A. Cash and Cash Equivalents</b>		
Balance with banks		
In current accounts	<b>16,129,401</b>	17,946,451
Cash in hand	<b>829,948</b>	2,196,067
	<b>16,959,349</b>	20,142,518

**11B. OTHER BANK BALANCES**

Amount in ₹

<b>Particulars</b>	<b>Current</b>	
	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>Other Bank Balances</b>		
Fixed Deposits with original maturity of more than 3 months & having remaining maturity of less than 12 months from the Balance Sheet date	<b>311,131,129</b>	41,500,000
Unpaid dividend accounts (Refer Note No 46)	<b>3,886,469</b>	4,326,671
	<b>315,017,598</b>	45,826,671

## Asian Hotels (East) Limited

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### NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

#### 12. LOANS

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
Loans/advance to subsidiary companies		
GJS Hotels Limited (Refer Note No 44)	40,710,830	3,230,344,250
Regency Convention Centre and Hotels Limited (Refer Note 12.2 below)	-	20,341,344
Robust Hotels Pvt. Ltd.	371,500,000	362,500,000
Other loans and advances		
Advance for acquisition of shares from shareholders of Regency Convention Centre & Hotels Ltd. (Refer Note 42)	33,448,275	33,448,275
	<b>445,659,105</b>	<b>3,646,633,869</b>

12.1 No loans and advances are due from directors or other officers of the company either severally or jointly with any other person.

12.2 The Company had given unsecured interest free loan to subsidiary, Regency Convention Centre & Hotels Limited (RCC) for the purposes of Company's day to day operations /working capital. The accumulated balance due as on 30th June 2019 was ₹ 2,02,72,980/-. The Board of Directors of RCC vide resolution dated 29th July 2019 considered the price at which shares of RCC had been transferred by its shareholders in the recent past as the basis for determining the fair value price of ₹ 5,135 per share as the allottee -Asian Hotels (East) Limited was the sole shareholder and the said loan was converted into Equity Shares of RCC.

#### 13. SHARE CAPITAL

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
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	<b>115,277,970</b>	<b>115,277,970</b>

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

Equity Shares	As at 31.03.2020	As at 31.03.2019
At the beginning of the year	11,527,797	11,527,797
Issued during the year	-	-
Cancelled during the year	-	-
At the end of the year	<b>11,527,797</b>	<b>11,527,797</b>

#### Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 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.

No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceeding the date at which Balance Sheet is prepared.

No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.

No calls are unpaid by any directors or officers of the company during the year.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**13. SHARE CAPITAL (Contd.)**

Amount in ₹

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

**Equity shares**

	<b>As at 31.03.2020</b>	As at 31.03.2019	<b>As at 31.03.2020</b>	As at 31.03.2019
	<b>% of Holding</b>	% of Holding	<b>No. of Shares</b>	No. of Shares
Saraf Industries Limited	<b>31.49%</b>	31.49%	<b>3,630,630</b>	3,630,630
Radhe Shyam Saraf	<b>28.49%</b>	28.49%	<b>3,284,680</b>	3,284,680
Ratna Saraf	<b>5.36%</b>	5.36%	<b>617,347</b>	617,347
Sachdeva Stocks Private Limited	<b>5.76%</b>	-	<b>663,500</b>	-

**14. OTHER EQUITY**

Amount in ₹

**Particulars**

	<b>As at 31.03.2020</b>	As at 31.03.2019
Capital reserve	<b>417,998,203</b>	417,998,203
Capital redemption reserve	<b>2,000,000</b>	2,000,000
General reserve	<b>4,917,031,410</b>	5,645,532,555
FVTOCI reserve	<b>63,653,934</b>	92,422,737
Retained earnings	<b>3,031,257,881</b>	2,943,872,279
	<b>8,431,941,428</b>	9,101,825,774

Refer statement of changes in Equity for movement details

**Nature and purpose of reserves**

- (a) **Capital Reserve:** During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.
- (b) **Capital Redemption Reserve:** This Reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.
- (c) **General Reserve:** This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.
- (d) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (e) **Items of Other Comprehensive Income:**
- Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.
  - Equity Instrument through Other Comprehensive Income:** The fair value change of the Equity instrument measured at fair value through other comprehensive income is recognised in Equity instrument through Other Comprehensive Income.

**15. BORROWINGS**

Amount in ₹

**Particulars**

	<b>As at 31.03.2020</b>	As at 31.03.2019
Secured		
Overdraft Account with IDBI Bank Limited*	-	10,730,380
	-	10,730,380

\* The Company maintains an overdraft account and is secured against fixed deposits. The Interest rate on Overdraft Account is 8.25%

**16. TRADE PAYABLES**

Amount in ₹

<b>Particulars</b>	<b>Current</b>	
	<b>As at 31.03.2020</b>	As at 31.03.2019
Trade payables (Refer Note No 38 for details of dues of micro & small enterprises)	<b>63,304,186</b>	54,652,793
	<b>63,304,186</b>	54,652,793
<b>Classification as required by MSME Act</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises*	<b>1,143,890</b>	409,811
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	<b>62,160,296</b>	54,242,982
Total Trade Payables	<b>63,304,186</b>	54,652,793

\* 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.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**17. OTHER FINANCIAL LIABILITIES**

Particulars	Amount in ₹	
	Non-Current	
	As at 31.03.2020	As at 31.03.2019
Security deposit	981,000	1,538,000
	<b>981,000</b>	1,538,000

Particulars	Amount in ₹	
	Current	
	As at 31.03.2020	As at 31.03.2019
Salary payable	12,545,370	9,027,385
Contract Payroll Payable	4,744,335	8,670,569
Unclaimed dividends (Refer Note No 46)	3,886,469	4,326,671
Expenses payable	28,766,862	53,732,050
	<b>49,943,036</b>	75,756,675

**18. PROVISIONS**

Particulars	Amount in ₹	
	Non-Current	
	As at 31.03.2020	As at 31.03.2019
Provision for gratuity (Refer Note No 31)	13,487,617	13,494,883
Provision for leave benefits (Refer Note No 31)	-	3,091,451
	<b>13,487,617</b>	16,586,334

Particulars	Amount in ₹	
	Current	
	As at 31.03.2020	As at 31.03.2019
Provision for gratuity (Refer Note No 31)	9,076,030	7,685,574
Provision for leave benefits (Refer Note No 31)	2,736,685	1,033,028
	<b>11,812,715</b>	8,718,602

**19. DEFERRED TAX LIABILITIES**

Particulars	Amount in ₹	
	Current	
	As at 31.03.2020	As at 31.03.2019
On fiscal allowances of fixed assets	129,434,797	146,848,397
On Fair value gain on current investments	1,301,567	12,335,631
	<b>130,736,364</b>	159,184,028
<b>Deferred tax assets</b>		
On Employees' separation and retirement etc.	6,977,364	9,885,776
On Provision for doubtful debts / advances	881,295	435,266
On Provision for VAT	20,525,479	23,791,408
On Provision for Service Tax and Other Tax	1,807,617	3,422,981
On Other Differences	896,992	-
MAT Credit Entitlement (Refer Note No 47)	-	50,529,813
	<b>31,088,747</b>	88,065,244
	<b>99,647,617</b>	71,118,784

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Note 19.1: As a matter of prudence no deferred tax asset has been created on long term capital loss. Similarly, deferred tax liability has not been taken on the unrealised long term capital gain to the extent of long term capital loss carried forward in the books.

Amount in ₹

**Movement in Deferred Tax Liabilities**

<b>Particulars</b>	On fiscal allowances of fixed assets	On Fair value gain on current investments	<b>Total</b>
As at 31.03.2018	147,984,304	4,341,475	152,325,779
Charged/(credited):			
- to profit and loss	(1,135,907)	7,994,156	6,858,249
- to Other comprehensive income	-	-	-
As at 31.03.2019	<b>146,848,397</b>	<b>12,335,631</b>	<b>159,184,028</b>
Charged/(credited):			
- to profit and loss	(17,413,600)	(17,402,608)	(34,816,208)
- to Other comprehensive income	-	6,368,544	6,368,544
As at 31.03.2020	<b>129,434,797</b>	<b>1,301,567</b>	<b>130,736,364</b>

**Movement in Deferred Tax Assets**

<b>Particulars</b>	On Employees' separation and retirement etc.	On Provision for doubtful debts / advances	On Provision for VAT	On Provision for Service Tax and Other Tax	MAT Credit Entitlement	Total
As at 31.03.2018	9,097,834	28,547	10,767,351	-	59,562,155	79,455,887
Charged/(credited):						
- to profit and loss	825,165	406,719	13,024,057	3,422,981	(9,032,342)	8,646,580
- to Other comprehensive income	(37,223)	-	-	-	-	(37,223)
As at 31.03.2019	<b>9,885,776</b>	<b>435,266</b>	<b>23,791,408</b>	<b>3,422,981</b>	<b>50,529,813</b>	<b>88,065,244</b>
Charged/(credited):						
- to profit and loss	(2,995,441)	446,029	(3,265,929)	(718,372)	(50,529,813)	(57,063,526)
- to Other comprehensive income	87,029	-	-	-	-	87,029
As at 31.03.2020	<b>6,977,364</b>	<b>881,295</b>	<b>20,525,479</b>	<b>2,704,609</b>	<b>(0)</b>	<b>31,088,747</b>



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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**20. OTHER CURRENT LIABILITIES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
Advance from customers	16,673,441	17,501,948
Statutory dues	110,693,564	110,490,521
Advance for sale of investment/ property (Refer Note No 42)	230,000,000	-
Others	5,372,084	3,000,000
	<b>362,739,089</b>	<b>130,992,469</b>

**21. REVENUE FROM OPERATIONS**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Sale of products	449,280,274	515,005,210
Sale of services	471,746,996	519,419,461
	<b>921,027,270</b>	<b>1,034,424,671</b>

Set out below is the disaggregation of the Company's revenue from operations:

**Sale of products**

Beverages, wines and liquor	70,077,320	94,192,915
Food and smokes	379,202,954	420,812,295
	<b>449,280,274</b>	<b>515,005,210</b>

**Sale of services**

Rooms	400,084,068	432,184,826
Banquet Income (only rental portion)	10,661,818	16,709,202
Health & Spa	24,480,024	26,074,961
Laundry & Dry Cleaning	11,635,874	16,488,078
Service Charge	7,311,582	8,761,417
Auto Rental	4,478,874	7,510,265
Communication	916,772	458,557
Other operating revenue	12,177,984	11,232,155
	<b>471,746,996</b>	<b>519,419,461</b>
	<b>921,027,270</b>	<b>1,034,424,671</b>

The company has presented revenue based on the type of goods or services provided to the customers. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

**22. OTHER INCOME**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Interest Income from IRFCL Bond	3,077,795	12,345,000
Interest Income from Loans & Advances	18,243,032	13,814,041
Interest Income from Fixed Deposits	11,046,978	2,634,431
Interest on Income Tax Refund	10,860,270	5,070,336
Dividend	9,543,576	12,849,034
Fair value changes on investment measured at fair value through profit and loss account	20,205,794	27,452,458
Profit on Sale of Mutual Fund	306,410	-
Provisions/ Liabilities written back	16,435,639	28,407,804
Miscellaneous income	44,491	125,001
	<b>89,763,985</b>	<b>102,698,105</b>

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**23. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Opening Stock	12,696,316	21,389,268
Add : Purchases	128,452,700	117,964,314
	141,149,016	139,353,582
Less : Closing Stock	15,086,913	12,696,316
<b>Total Consumption of Provisions, Beverages, Smokes &amp; Others</b>	<b>126,062,103</b>	<b>126,657,266</b>

**24. EMPLOYEE BENEFIT EXPENSES**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Salaries, wages & bonus	169,399,525	169,653,348
Contribution to provident & other funds	12,407,553	11,879,768
Staff welfare expenses	28,851,616	26,680,968
	210,658,694	208,214,084

**25. OTHER EXPENSES**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Contract labour and service	44,697,314	52,383,171
Room, catering & other supplies	40,903,344	44,611,411
Linen & operating equipments consumption	8,561,735	10,698,887
Fuel, power & light	96,114,694	102,801,469
Repairs, maintenance & refurbishing	41,809,983	54,403,218
Satellite & television charges	1,016,876	1,707,084
Rent	18,328,776	18,328,776
Rates & taxes	11,824,355	63,088,050
Insurance	3,068,559	2,730,446
Directors' sitting fees	1,440,000	1,240,000
Legal & professional expenses	20,390,808	11,942,101
Payment to auditors	-	-
- As Auditor	850,000	700,000
- For Tax Audit	150,000	150,000
- For Certification	65,000	20,000
- For Other Services	85,640	30,250
Printing & stationery	1,637,620	2,296,704
Guest transportation	11,161,298	19,340,034
Travelling & conveyance	11,023,542	14,228,765
Communication expenses	4,697,952	3,866,260
Technical services	30,338,027	37,880,265
Advertisement & publicity	25,946,253	26,044,969
Commission & brokerage	34,177,280	31,734,920
CSR expenditure	3,400,000	2,500,000
Charity & donation	100,000	-
Bank charges and commission	411,068	314,043
Provision for bad & doubtful debts	2,187,583	1,396,697
Loss on Sale of Equity Shares	167,958	-
Loss on Sale of Mutual Funds	880,407	-
Net loss on foreign exchange	539,100	563,149
PPE written off	70,886	960,428
Loss on sale of PPE	2,068,549	36,349
Miscellaneous expenses	4,819,084	2,645,715
	422,933,691	508,643,161

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**26. TAX EXPENSE**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Current Tax (including earlier years)	47,372,925	78,547,641
Deferred Tax	(22,000,980)	(10,783,450)
MAT	50,881,095	(1,163,517)
<b>Income Tax Expense</b>	<b>76,253,040</b>	<b>66,600,674</b>
Profit before income tax	221,404,922	244,369,523
Enacted Tax rates in India	25.17%	29.12%
Computed expected tax expenses	55,723,191	71,160,405
Effect of non deductible expenses	(23,739,832)	9,745,975
Effect of exempt non operating income	(1,803,018)	(5,777,588)
Effect of other items not subject of tax	(4,863,813)	(7,994,156)
MAT	50,881,095	(1,163,517)
Tax for earlier years	55,417	629,555
<b>Total</b>	<b>76,253,040</b>	<b>66,600,674</b>

**27. EARNINGS PER SHARE (BASIC & DILUTED)**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
(i) Profit available for Equity Shareholders	138,696,309	177,806,072
(ii) Weighted average number of Equity Shares @ Rs 10 each	11,527,797	11,527,797
(iii) Earnings/(Loss) per share (Rs)	12.03	15.42

**28. FINANCIAL INSTRUMENTS**

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as on March 31, 2020 are as follows:

Particulars	Amount in ₹				
	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Total Fair Value
<b>Assets:</b>					
Investments					
In Equity Shares	-	3,863,590	149,464,831	153,328,421	153,328,421
In Preference shares	-	-	-	-	-
In Tax Free Bonds	-	193,350,000	-	193,350,000	193,350,000
In Mutual Funds	-	564,569,443	-	564,569,443	564,569,443
Loans	445,659,105	-	-	445,659,105	445,659,105
Cash & Cash equivalents	16,959,349	-	-	16,959,349	16,959,349
Other bank balances	315,017,598	-	-	315,017,598	315,017,598
Trade Receivables	45,948,014	-	-	45,948,014	45,948,014
Other Financial Assets	27,744,570	-	-	27,744,570	27,744,570
<b>Total</b>	<b>851,328,636</b>	<b>761,783,033</b>	<b>149,464,831</b>	<b>1,762,576,500</b>	<b>1,762,576,500</b>
<b>Liabilities:</b>					
Borrowings	-	-	-	-	-
Trade Payables	63,304,186	-	-	63,304,186	63,304,186
Other Financial Liabilities	50,924,036	-	-	50,924,036	50,924,036
<b>Total</b>	<b>114,228,222</b>	<b>-</b>	<b>-</b>	<b>114,228,222</b>	<b>114,228,222</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**28. FINANCIAL INSTRUMENTS (Contd.)**

The carrying value and fair value of financial instruments by categories as on March 31, 2019 are as follows:

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Amount in ₹
					Total Fair Value
<b>Assets:</b>					
Investments					
In Equity Shares		-	184,602,178	184,602,178	184,602,178
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	-	690,886,317	-	690,886,317	690,886,317
Loans	3,646,633,869	-	-	3,646,633,869	3,646,633,869
Other bank balances	45,826,671	-	-	45,826,671	45,826,671
Cash & Cash equivalents	20,142,518	-	-	20,142,518	20,142,518
Trade Receivables	68,585,259	-	-	68,585,259	68,585,259
Other Financial Assets	31,019,267	-	-	31,019,267	31,019,267
<b>Total</b>	<b>4,577,581,644</b>	<b>690,886,317</b>	<b>184,602,178</b>	<b>5,453,070,139</b>	<b>5,453,070,139</b>
<b>Liabilities:</b>					
Borrowings	10,730,380	-	-	10,730,380	10,730,380
Trade Payables	54,652,793	-	-	54,652,793	54,652,793
Other Financial Liabilities	77,294,675	-	-	77,294,675	77,294,675
<b>Total</b>	<b>142,677,848</b>	-	-	<b>142,677,848</b>	<b>142,677,848</b>

**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, 2020:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments				
In Equity Shares	153,328,421	153,328,421	-	-
In Preference shares	-	-	-	-
In Tax free bonds	193,350,000	193,350,000	-	-
In Mutual Funds	564,569,443	564,569,443	-	-
Loans	445,659,105	-	-	445,659,105
Other bank balances	315,017,598	-	-	315,017,598
Cash & Cash equivalents	16,959,349	-	-	16,959,349
Trade Receivables	45,948,014	-	-	45,948,014
Other Financial Assets	27,744,570	-	-	27,744,570
<b>Total</b>	<b>1,762,576,500</b>	<b>911,247,864</b>	-	<b>851,328,636</b>
<b>Liabilities:</b>				
Borrowings	-	-	-	-
Trade payables	63,304,186	-	-	63,304,186
Other financial liabilities	50,924,036	-	-	50,924,036
<b>Total</b>	<b>114,228,222</b>	-	-	<b>114,228,222</b>

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**28. FINANCIAL INSTRUMENTS (Contd.)**

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2019:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments				
In Equity Shares	184,602,178	184,602,178	-	-
In Preference shares	615,374,060	-	-	615,374,060
In Tax free bonds	150,000,000	-	150,000,000	-
In Mutual Funds	690,886,317	690,886,317	-	-
Loans	3,646,633,869	-	-	3,646,633,869
Other bank balances	45,826,671	-	-	45,826,671
Cash & cash equivalents	20,142,518	-	-	20,142,518
Trade receivables	68,585,259	-	-	68,585,259
Other financial assets	31,019,267	-	-	31,019,267
<b>Total</b>	<b>5,453,070,139</b>	<b>875,488,495</b>	<b>150,000,000</b>	<b>4,427,581,644</b>
<b>Liabilities:</b>				
Borrowings	10,730,380	-	-	10,730,380
Trade payables	54,652,793	-	-	54,652,793
Other financial liabilities	77,294,675	-	-	77,294,675
<b>Total</b>	<b>142,677,848</b>	-	-	<b>142,677,848</b>

The carrying amount of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, 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.

**29. 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**

Market risk is the risk that the changes in market prices such as foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**a. Foreign Currency 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 2020 and 31st March 2019.

Particulars	31st March 2020	31st March 2019
	Amount in ₹	Amount in ₹
Trade payables (USD converted to INR)	<b>15,805,778</b>	15,216,663

For the year ended 31st March 2020 and 31st March 2019, 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 2020	31st March 2019
Appreciation in Exchange Rate	1%	(158,058)	(152,167)
Depreciation in Exchange Rate	-1%	158,058	152,167

**b) Other Market Price Risks**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through Other Comprehensive Income and Fair value through profit/loss. If the equity prices of quoted investments are 1% higher/lower, the Other Comprehensive Income for the year ended March 31, 2020 would increase/ decrease by ₹ 14,94,648 (for the year ended March 31, 2019: increase/ decrease by ₹ 18,46,022) and profit or loss for the year ended March 31, 2020 would increase/ decrease by ₹ 70,13,485 (for the year ended March 31, 2019: increase/ decrease by ₹ 69,08,863)

**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 2020. The Company believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**29. FINANCIAL RISK MANAGEMENT (Contd.)**

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2020: Amount in ₹

<b>Particulars</b>	<b>0-3 Months</b>	<b>3 Months- 1 yr</b>	<b>1-5 years</b>	<b>5-20 years</b>	<b>Total</b>
Borrowings	-	-	-	-	-
Trade payables	63,304,186	-	-	-	63,304,186
Other financial liabilities	21,176,174	29,747,862	-	-	50,924,036

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2019: Amount in ₹

<b>Particulars</b>	<b>0-3 Months</b>	<b>3 Months- 1 yr</b>	<b>1-5 years</b>	<b>5-20 years</b>	<b>Total</b>
Borrowings	10,730,380	-	-	-	10,730,380
Trade payables	54,652,793	-	-	-	54,652,793
Other Financial Liabilities	22,024,625	55,270,050	-	-	77,294,675

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

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
Investments	<b>6,624,070,122</b>	4,545,304,279
Trade Receivables	<b>45,948,014</b>	68,585,259
Loans	<b>445,659,105</b>	3,646,633,869
Other financial assets	<b>27,744,570</b>	31,019,267

Credit risk on Investments primarily include investments in liquid mutual fund units, quoted bonds and investment in subsidiaries. Loans are provided to subsidiary and are in the nature of short term as the same is repayable on demand.

**Risk towards Global Pandemic COVID-19**

Financial instruments carried at fair value as at March 31, 2020 is ₹ 91,12,47,864 and financial instruments carried at amortised cost as at March 31, 2020 is ₹ 85,13,28,636. A significant part of the financial assets are classified as Level 1 having fair value of ₹ 91,12,47,864 as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity shares of listed entities wherein the uncertainties arising out of COVID-19 has already been factored by the stock market as at March 31, 2020 and liquid debt securities wherein no material volatility is expected.

Trade receivables of ₹ 4,59,48,014 as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost. The Debtors do not have any concentrated risk and the Company does expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Company. The Company has specifically evaluated the potential impact with respect to customers in Airline and Travel Agents segments which could have an immediate impact though the outstanding is not significant. Further, we expect that there could be some delay in payments from debtors, over and above the credit cycle. Basis our internal assessment and the stringent provisioning policy of the Company, the management assessment for the allowance for doubtful trade receivables of ₹ 35,01,647 as at March 31, 2020 is considered adequate.

**30. 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 :

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
Net debt	-	10,730,380
Total Net Debt and Equity	<b>8,547,219,398</b>	9,227,834,124
Gearing Ratio	<b>0.00%</b>	0.12%

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 2020 and 31 March 2019.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**31. Gratuity and other post-employment benefit plans**

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

- a) Defined contribution plans  
i. Provident fund

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

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Employer's Contribution to Provident Fund	73,51,014	64,89,243
Employer's Contribution to Pension Scheme	33,18,271	33,48,409
b) Defined benefit plans		
i. Contribution to Gratuity fund		
ii. Compensated absences Earned leave		

In accordance with Indian Accounting Standard 19, Employee Benefits, actuarial valuation was done in respect of the aforesaid defined benefit 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 6.92 % 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	Amount in ₹	
	Gratuity (Unfunded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Present value of obligations as at the beginning of the year	2,11,80,457	1,88,53,457
Current service cost	2,853,094	27,18,340
Interest cost	1,622,423	14,70,570
Benefit Paid	(3,438,120)	(17,34,084)
Actuarial (gain)/ loss on obligation	345,793	(1,27,826)
<b>Present value of obligations as at the year end</b>	<b>22,563,647</b>	<b>2,11,80,457</b>
Current liability	9,076,030	76,85,574
Non-Current liability	13,487,617	1,34,94,883
<b>Total</b>	<b>22,563,647</b>	<b>2,11,80,457</b>

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

Particulars	Amount in ₹	
	Gratuity (Unfunded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Current Service Cost	2,853,094	27,18,340
Interest Cost	1,622,423	14,70,570
Actuarial (Gain) / loss recognized during the year	-	-
Expenses recognised in Statement of Profit and Loss	44,75,517	41,88,910

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**31. Gratuity and other post-employment benefit plans (Contd.)**

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

Amount in ₹

Particulars	Gratuity (Unfunded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Actuarial Gain / (loss) recognized during the year	<b>(345,793)</b>	1,27,826

**iv. Principal Actuarial Assumptions :**

Particulars	Refer Note Below	Year ended 31.03.2020	Year ended 31.03.2019
Discount rate (p.a.)	1	<b>6.92 %</b>	7.66%
Salary Escalation Rate (p.a.)	2	<b>6.00 %</b>	6.00%

**v. A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:** Amount in ₹

Particulars	31-March -20		31-March -20	
	Discount Rate		Future Salary	
<b>Gratuity Plan</b>				
Sensitivity Level	<b>0.5% Increase</b>	<b>0.5% Decrease</b>	<b>0.5% Increase</b>	<b>0.5% Decrease</b>
Impact on Defined Benefit Obligation	(317,216)	331,470	332,800	(321,385)

**A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:** Amount in ₹

Particulars	31-March -19		31-March -19	
	Discount Rate		Future Salary	
<b>Leave</b>				
Sensitivity Level	<b>0.5% Increase</b>	<b>0.5% Decrease</b>	<b>0.5% Increase</b>	<b>0.5% Decrease</b>
Impact on Defined Benefit Obligation	(3,31,337)	3,46,052	3,49,916	(3,37,978)

**Maturity Profile of Defined Benefit Obligation**

Amount in ₹

Particulars	Gratuity
	31 <sup>st</sup> March 2020
a) 0 to 1 Year	9,076,030
b) 1 to 2 Year	1,645,722
c) 2 to 3 Year	1,836,800
d) 3 to 4 Year	5,111,196
e) 4 to 5 Year	782,643
f) 5 to 6 Year	507,928
h) 6 Year Onwards	3,603,328

**Notes:**

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

**Demographic assumptions:**

- Retirement age : 58 years
- Mortality rate : Published rates under Indian Assured Lives Mortality (IALM) Ultimate table



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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**32. C.I.F. Value of Imports :**

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Stores & Spares	-	5,68,692
Capital Goods	24,19,493	14,04,073
<b>Total</b>	<b>24,19,493</b>	<b>19,72,765</b>

**33. Expenditure in Foreign Currency (on payment basis)**

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Commission & Brokerage	91,33,793	1,65,43,888
Technical Services	52,11,601	54,57,392
Advertisement & Publicity	1,33,38,947	1,26,16,367
Recruitment & Training	8,15,404	9,89,155
Others	1,05,67,107	1,27,86,181
<b>Total</b>	<b>3,90,66,852</b>	<b>4,83,92,983</b>

34. Earnings in Foreign Currency (on receipt basis)- ₹ 14,69,71,054 (Previous Year: ₹ 18,25,25,199)

35. 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	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Number of Non Resident Shareholders	454	472
Number of Equity Shares held by Non Resident Shareholders	77,58,649	77,68,082
Amount of Dividend Paid	1,93,96,622	1,94,20,205
Year to which Dividend Relates	2018-2019	2017-2018

**36. 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 ₹ 18,08,967/-.

The future receipts for operating lease are as follows:

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Not Later than 1 year	13,64,910	22,81,230
Later than one year and not later than five years	17,00,490	33,20,080
Later than five years	-	-

Since, the lease is an operating lease and not a finance lease, the Company is duly accounting the rental income in their books as per the requirements of Ind AS 116 which says that the lease rental in case of an operating lease should be recorded in a systematic manner over the period of the lease term.

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 ₹ 180,00,000/-.

The future Payments for operating lease are as follows:

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Not Later than 1 year	-	30,00,000
Later than one year and not later than five years	-	-
Later than five years	-	-

The Company has terminated the leave and license agreement w.e.f 31st March 2020 and hence, there will not be impact due to Ind AS 116.

37. The operating segments (Ind AS 108) of the Company are as follows:

a) Hotel Business (East): The hotel Business (East) includes namely the operating hotel "Hyatt Regency" in Kolkata.

b) Investments including investments in Hotel (South): It consists of (i) Securities Trading Unit & (ii) Strategic Investment Unit.

Securities Trading Unit comprising of treasury/liquid investments which are being regularly traded, bonds, mutual funds, and shares of certain companies (Refer Note No 5A & Note No 5B)

Strategic Investment Unit includes the loan & investment in its wholly owned subsidiary (Robust Hotels Pvt. Ltd.) having an operating hotel namely Hyatt Regency, Chennai and the loans and Investment in its wholly owned subsidiary (GJS Hotels Ltd.) for exploring business opportunities in Hotel in Bhubaneswar, Odisha. (Refer Note No 5A & Note No 5B).

*Asian Hotels (East) Limited*

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER & YEAR ENDED 31st MARCH 2020**

(Rs in lakhs, except share and per share data)

SI. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 Audited	31.12.2019 Unaudited	31.03.2019 Audited	31.03.2020 Audited	31.03.2019 Audited
1	<b>Segment Revenue</b>					
	<b>Revenue from Operations</b>					
	Hotel Business (East)	2,288.23	2,532.52	2,984.28	9,210.27	10,344.25
	Investments including investments in Hotel (South)	-	-	-	-	-
	<b>Total (A)</b>	<b>2,288.23</b>	<b>2,532.52</b>	<b>2,984.28</b>	<b>9,210.27</b>	<b>10,344.25</b>
	<b>Other Income</b>					
	Hotel Business (East)	50.12	45.64	7.91	275.27	311.67
	Investments including investments in Hotel (South)	259.39	163.15	199.35	513.77	664.61
	Other Unallocable Income	-	33.26	-	108.60	50.70
	<b>Total (B)</b>	<b>309.51</b>	<b>242.05</b>	<b>207.26</b>	<b>897.64</b>	<b>1,026.98</b>
	<b>Total Revenue (A+B)</b>	<b>2,597.74</b>	<b>2,774.57</b>	<b>3,191.54</b>	<b>10,107.91</b>	<b>11,371.23</b>
2	<b>Segment Results (EBITDA)</b>					
	Hotel Business (East)	636.78	736.87	619.69	2,358.15	2,648.74
	Investments including investments in Hotel (South)	352.14	159.01	195.89	486.89	650.19
	Total Segment Profit before Interest, Tax, Depreciation & Amortisation	<b>988.92</b>	<b>895.88</b>	<b>815.58</b>	<b>2,845.04</b>	<b>3,298.93</b>
3	<b>Segment Result (EBIT)</b>					
	Hotel Business (East)	563.20	662.91	340.98	2,060.83	2,156.35
	Investments including investments in Hotel (South)	352.14	159.01	195.89	486.89	650.19
	<b>Total Segment Profit Before Tax</b>	<b>915.34</b>	<b>821.92</b>	<b>536.87</b>	<b>2,547.72</b>	<b>2,806.54</b>
	i) Other Unallocable Cost	(118.59)	(103.90)	(100.15)	(442.28)	(413.54)
	ii) Other Unallocable Income	-	33.26	-	108.60	50.70
	<b>Profit Before Tax</b>	<b>796.75</b>	<b>751.28</b>	<b>436.72</b>	<b>2,214.04</b>	<b>2,443.70</b>
	i) Current Tax (including previous years)	51.44	206.61	295.89	473.73	785.48
	ii) Deferred Tax	(143.43)	14.78	(156.63)	(155.45)	(108.21)
	iii) MAT	510.49	(1.68)	(11.64)	508.81	(11.64)
	<b>Profit After Tax</b>	<b>378.25</b>	<b>531.57</b>	<b>309.10</b>	<b>1,386.95</b>	<b>1,778.07</b>
4	<b>Segment Assets</b>					
	Hotel Business (East)	15,594.41	15,254.59	13,745.64	15,594.41	13,745.64
	Investments including Investments in Hotel (South)	75,896.94	76,008.79	82,126.34	75,896.94	82,126.34
	<b>Total Segment Assets</b>	<b>91,491.35</b>	<b>91,263.38</b>	<b>95,871.98</b>	<b>91,491.35</b>	<b>95,871.98</b>
5	<b>Segment Liabilities</b>					
	Hotel Business (East)	3,718.82	3,459.02	3,700.65	3,718.82	3,700.65
	Investments including Investments in Hotel (South)	2,300.33	2,300.16	0.29	2,300.33	0.29
	<b>Total Segment Liabilities</b>	<b>6,019.15</b>	<b>5,759.18</b>	<b>3,700.94</b>	<b>6,019.15</b>	<b>3,700.94</b>

**Notes**

1 The operating segments (Ind AS 108) of the Company are as follows:

a) Hotel Business (East): The hotel Business (East) includes namely the operating hotel "Hyatt Regency" in Kolkata.

b) Investments including investments in Hotel (South): It consists of (i) Securities Trading Unit & (ii) Strategic Investment Unit.

Securities Trading Unit includes all the investment of the Company in mutual funds, bonds, listed equity shares including equity shares of Asian Hotels (West) Limited & wholly owned subsidiary (Regency Convention Centre and Hotels Ltd.).

Strategic Investment Unit includes the loan & investment in its wholly owned subsidiary (Robust Hotels Pvt. Ltd.) having an operating hotel namely Hyatt Regency, Chennai and the loans and Investment in its wholly owned subsidiary (GJS Hotels Ltd.) for exploring business opportunities in Hotel in Bhubaneswar, Odisha.

2 Other unallocable Income for the quarter ended December 2019, for the year ended March 2020 & year ended March 2019 represents interests on Income Tax refund.

3 Since the company has given the effect of the Scheme of Arrangement amongst involving the Company, GJS Hotels Ltd. and Robust Hotels Pvt. Ltd. on April 1, 2019, hence the figures of previous period are not comparable.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**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	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
The principal amount remaining unpaid to supplier as at the end of the accounting year.	<b>11,43,890</b>	4,09,811
The interest due thereon remaining unpaid to Supplier as at the end of the accounting year.	<b>NIL</b>	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.	<b>NIL</b>	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.	<b>NIL</b>	NIL
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	<b>NIL</b>	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.	<b>NIL</b>	NIL

**39. Contingent Liabilities:**

Contingent Liabilities	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Corporate Guarantee to IDBI Bank for Robust Hotels Pvt. Ltd.	<b>109,500,000</b>	109,500,000
Corporate Guarantee to HDFC Limited for Robust Hotels Pvt. Ltd.	<b>1,500,000,000</b>	1,500,000,000
Letter of Credit issued by IDBI Bank Ltd. in favour of West Bengal Electricity Distribution Company Limited	<b>1,95,00,000</b>	1,95,00,000
Service Tax under the Finance Act, 1994 pertaining to prior to F.Y. 2004-05 (The Company has opted for SVLDRS and the application has been accepted)	-	4,379,735
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2007-08 to F.Y. 2009-10	<b>26,753,749</b>	26,753,749
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2008-09 to F.Y. 2012-13	<b>6,836,585</b>	6,836,585
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2013-14 to F.Y. 2016-17	<b>7,644,193</b>	7,644,193
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2014-15 to F.Y. 2016-17 (Assistant Commissioner- Tech Kolkata Audit-I CGST & CX Commissionerate has dropped the demand vide Intimation dated 30th September 2019)	-	3,86,32,924
Income Tax under the Income Tax Act, 1961 for the F.Y. 2011-12 (ITAT has passed an order in favour of the company vide order dated 10th June 2020)	-	1,68,41,387
Income Tax under the Income Tax Act, 1961 for the F.Y. 2012-13 (ITAT has passed an order in favour of the company vide order dated 10th June 2020)	-	1,17,93,677
Income Tax under the Income Tax Act, 1961 for the F.Y. 2013-14 (ITAT has passed an order in favour of the company vide order dated 10th June 2020 )	-	1,21,41,837
Income Tax under the Income Tax Act, 1961 for the F.Y. 2014-15 (CIT- Appeals has passed an order in favour of the company vide order dated 2nd August 2019)	-	69,76,470
Sales Tax under West Bengal Sales Tax Act, 1994 pertaining to F.Y. 2012-13	<b>5,683,418</b>	5,683,418
Value Added Tax under West Bengal VAT Act, 2003 pertaining to F.Y. 2012-13 (Senior Joint Commissioner- Commercial Taxes has modified the Order of Joint Commissioner and for the balance amount payable, the Company has created a provision for it separately)	-	396,345
VAT Under WBVAT Act 2003 for the F.Y. 2014-15 Commercial Taxes has modified the Order of Joint Commissioner and a refund amounting to ₹ 99,075 has been determined. The Company has made an application for the refund of the same).	-	1,81,216
VAT Under WBVAT Act 2003 for the F.Y. 2011-12 (the Company has preferred an appeal against the demand)	<b>3,69,75,792</b>	-
The West Bengal Value Added Tax Rules, 2005 for the F.Y. 15-16 (Joint Commissioner- Commercial Taxes has issued a modified Order dated 19/12/2019 and a refund amounting to ₹ 77,411 has been determined and it was received by us on 17/01/2020).	-	13,09,677
Foreign Trade Development Regulation Act. 1992.	<b>3,96,36,944</b>	3,96,36,944

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

40. The Hon'ble Supreme Court (SC) of India by their order dated 28th February 2019 set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. The Company is awaiting the outcome of the review petition, and further clarification in the matter to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.

**41. Payments to Auditors**

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Statutory Audit Fees	<b>850,000</b>	700,000
Tax Audit Fees	<b>150,000</b>	150,000
Fees for other services	<b>65,000</b>	20,000
Reimbursement of Expenses	<b>85,640</b>	30,250

42. As far as the Regency Convention Centre and Hotels Limited (Regency)'s legal Suit No. 6846 of 1999 with the Airport Authority of India (AAI) & Ors in the High Court of Judicature at Bombay is concerned and its slow progress in more than last 20 years and pursuant to the discussion and understanding with Mumbai International Airport Limited (MIAL), the company considered the prospect of amicable settlement of the dispute through MIAL and accordingly Regency, the Company and MIAL have executed a Share Purchase Agreement dated 20th April 2019 (SPA) wherein MIAL has agreed to buy the Company's 100% investment in the Regency at a purchase consideration of Rs.64 crores against which the company has received an advance of Rs.23 crores from MIAL. The SPA is subject to fulfilment of certain conditions including withdrawal of the legal Suit by the RCC. However, the terms of the SPA could not be fulfilled by the Long Stop Date 30th June 2019 mentioned therein and now MIAL has extended the Long Stop Date to 31st March 2021 to pay the balance consideration of Rs.41 crores with an interest at the rate of 8.25% p.a. for the period commencing from 1st July 2019 till the revised Long Stop Date to complete the transaction. Further notwithstanding the above development, the company is always open to consider a hotel project in future at the CSI Airport, Mumbai subject to a suitable opportunity, terms, process, business and economic environment. The Regency shall pursue the legal case till the completion of the transaction.

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 (w.e.f 24<sup>th</sup> July 2019, the direct wholly owned subsidiary of the Company)

**(b) Key Management Personnel:**

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

**(c) Independent Directors:**

Mr. A.C Chakrabortti  
 Mrs. Rita Bhimani  
 Mr. Rama Shankar Jhavar  
 Mr. Padam Kumar Khaitan

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

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

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

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

Amount in ₹

Transactions during the period	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Dividend Paid</b>								
Saraf Industries Limited	-	-	-	-	9,076,575	9,076,575	9,076,575	9,076,575
Radhe Shyam Saraf	-	-	8,211,700	8,211,700	-	-	8,211,700	8,211,700
<b>Travelling Expenses</b>								
Robust Hotels Private Limited	-	95,443	-	-	-	-	-	95,443
Arun Kumar Saraf	-	-	1,171,854	1,137,034	-	-	1,171,854	1,137,034
Umesh Saraf	-	-	459,640	1,000,708	-	-	459,640	1,000,708
Radhe Shyam Saraf	-	-	78,358	-	-	-	78,358	-
A.C. Chakrabortti	-	-	-	7,440	-	-	-	7,440
Rita Bhimani	-	-	-	8,061	-	-	-	8,061
Rama Shankar Jhavar	-	-	-	8,067	-	-	-	8,067
Padam Kumar Khaitan	-	-	-	7,143	-	-	-	7,143
<b>Professional Expenses</b>								
Khaitan & Co	-	-	-	-	1,797,192	493,131	1,797,192	493,131
<b>Expenses Incurred (Reimbursement)</b>								
Robust Hotels Private Limited	678,689	516,209	-	-	-	-	678,689	516,209
<b>Support Staff Income ( Net )</b>								
Robust Hotels Private Limited	2,061,190	-	-	-	-	-	2,061,190	-
Unison Hotels Private Limited	-	-	-	-	143,033	-	143,033	-
<b>Advance Given</b>								
GJS Hotels Limited	2,430,441	1,805,210	-	-	-	-	2,430,441	1,805,210
Regency Convention Centre and Hotels Limited	-	5,940,870	-	-	-	-	-	5,940,870
Robust Hotels Pvt. Ltd.	9,000,000	140,000,000	-	-	-	-	9,000,000	140,000,000
<b>Conversion of Loan into Equity</b>								
Regency Convention Centre and Hotels Limited	20,272,980	-	-	-	-	-	20,272,980	-
<b>Effect of Scheme of Arrangement</b>								
<b>12% Preference Shares of Robust Hotels Private Limited</b> (43,00,000 12% Preference shares issued by Robust Hotels Private Limited converted into 3,20,35,000 equity shares of Rs 20 as per Clause 14.1 (i) & Clause 17.3 of Scheme of Arrangement )	615,374,060	-	-	-	-	-	615,374,060	-
<b>Equity Shares of GJS Hotels Limited</b> (investment in 1,07,30,978 equity shares of GJS Hotels Ltd (Investment Division) @ Rs 215 each has been cancelled after demerger of investment division of GJS Hotels Ltd into Asian Hotels (East) Ltd. as per clause 11.4 of Scheme of Arrangement)	2,307,160,270	-	-	-	-	-	2,307,160,270	-
<b>Equity Shares of Robust Hotels Private Limited</b> (Due to scheme of Arrangement, Investment held by GJS Hotels Ltd in Equity Shares, 1% Unsecured Redemable NCD, 12% Preference Shares have been transferred in Asian Hotels ( East ) Ltd & Converted in Equity Shares	5,373,442,528	-	-	-	-	-	5,373,442,528	-
Interest on debentures paid to Robust Hotels Pvt Ltd ( As per Scheme of Arrangement )	4,650,000	-	-	-	-	-	4,650,000	-
<b>Interest Income Earned</b>								
Robust Hotels Pvt. Ltd.	18,243,032	13,814,041	-	-	-	-	18,243,032	13,814,041
<b>Refund of Advance Given</b>								
GJS Hotels Limited	-	1,305,760	-	-	-	-	-	1,305,760
Regency Convention Centre and Hotels Limited	68,364	-	-	-	-	-	68,364	-
<b>Managerial Remuneration</b>								
Umesh Saraf	-	-	20,022,110	19,062,270	-	-	20,022,110	19,062,270
Arun Kr. Saraf	-	-	19,608,000	18,576,000	-	-	19,608,000	18,576,000
<b>Sitting Fees</b>								
Radhe Shyam Saraf	-	-	50,000	50,000	-	-	50,000	50,000
A.C. Chakrabortti	-	-	430,000	370,000	-	-	430,000	370,000
Rita Bhimani	-	-	280,000	280,000	-	-	280,000	280,000
Rama Shankar Jhavar	-	-	430,000	290,000	-	-	430,000	290,000
Padam Kumar Khaitan	-	-	250,000	250,000	-	-	250,000	250,000

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

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

Amount in ₹

Closing Balance as on 31st March 2020	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Account Receivables</b>								
GJS Hotels Limited	40,710,830	3,230,344,250	-	-	-	-	40,710,830	3,230,344,250
Regency Convention Centre and Hotels Limited	-	20,341,344	-	-	-	-	-	20,341,344
Unisons Hotels Pvt Ltd	-	-	-	-	25,745	-	25,745	-
Robust Hotels Pvt Ltd ( Expenses )	237,018	-	-	-	-	-	237,018	-
Robust Hotels Pvt Ltd ( Loan )	371,500,000	362,500,000	-	-	-	-	371,500,000	362,500,000
Accrued Interest from Robust Hotels Pvt Ltd	8,240,133	7,400,343	-	-	-	-	8,240,133	7,400,343
<b>Investments as at year end</b>								
Equity Shares of GJS Hotels Limited	39,204,730	2,346,365,000	-	-	-	-	39,204,730	2,346,365,000
Equity Shares of Regency Convention Centre and Hotels Limited	508,174,741	257,901,724	-	-	-	-	508,174,741	257,901,724
Equity Shares of Robust Hotels Private Limited	5,673,617,528	300,175,000	-	-	-	-	5,673,617,528	300,175,000
Preference Shares of Robust Hotels Private Limited	-	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. EFFECT OF THE SANCTIONED SCHEME OF ARRANGEMENT:**

The Scheme of Arrangement between the Company, GJS Hotels Limited (GJS) and Robust Hotels Private Limited (RHPL) and their respective shareholders and creditors under sections 230 and 232 of the Companies Act, 2013 for Demerger of investment division of GJS, a wholly-owned subsidiary into the Company and reorganization of share capital of RHPL has been sanctioned by the NCLT Benches, Kolkata and Chennai Bench vide its order dated 6th February, 2019 and 24th June, 2019 respectively.

The Scheme had become effective from 24th July, 2019 being the Effective Date with effect from 31st March, 2016 being the Appointed Date. Requisite steps have been taken by the Company to give effect to the Scheme.

The accounting effect of the scheme has been taken on 1st April 2019 and which effect is given below.

The Net-impact of Scheme of Arrangement on the financials is tabulated as under:

Particulars	Amount in INR
<b>Assets</b>	
Non-Current Investments ( Refer Note No 1 below )	2,450,908,198
Loans/advance to subsidiary companies -Current Investment ( Refer Note No 2 below )	(3,192,063,861)
Other financial assets	90,000
Income Tax Assets	413,078
Cash and Bank Balances	163,440
	<b>(740,489,145)</b>
<b>Liabilities</b>	
Reserves and Surplus	(743,501,145)
Profit & Loss ( Refer Note No 3 below )	(1,308,518)
Deferred tax liabilities	(351,282)
Trade Payables	4,671,800
	<b>(740,489,145)</b>

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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**44. EFFECT OF THE SANCTIONED SCHEME OF ARRANGEMENT (Contd.):**

<u>Particulars</u>	<u>Amount in INR</u>
<b>1) Non-Current Investments</b>	5,373,442,528
i) <b>Equity Shares of Robust Hotels Pvt Ltd ( RHPL )</b>	
a) 12,41,63,829 nos of Equity shares of RHPL of ₹ 39,732.43 lakh has been transferred from GJS Hotels Ltd ( Investment Division ) as per Clause 11.2 of Scheme of Arrangement	
b) 43,00,000 nos of 12% Preference shares issued by RHPL converted into 3,20,35,000 nos of equity shares of ₹ 20/- worth Rs 6407 lakh as per Clause 14.1(ii) & Clause 17.3 of Scheme of Arrangement	
c) 1,55,00,000 nos of 0.1% Debentures issued by RHPL converted into 3,79,75,000 equity shares of ₹ 20/- worth Rs 7595 lakh as per Clause 14.1(ii) & Clause 17.3 of Scheme of Arrangement	
ii) <b>12% Preference Shares of RHPL</b>	(615,374,060)
(43,00,000 nos of 12% Preference shares issued by RHPL converted into 3,20,35,000 nos of equity shares of ₹ 20/- worth ₹ 6407 lakh as per Clause 14.1(ii) & Clause 17.3 of Scheme of Arrangement & difference of ₹ ( 253.26 ) lakh has been adjusted with Reserve & Surplus	
iii) <b>Equity Shares of GJS Hotels Ltd -</b>	(2,307,160,270)
Investment in 1,07,30,978 nos of equity shares of GJS Hotels Ltd (Investment Division) @ ₹ 215 each has been cancelled after demerger of investment division of GJS Hotels Ltd into Asian Hotels (East) Ltd. as per clause 11.4 of Scheme of Arrangement )	
	<b>2,450,908,198</b>
<b>2) Loans/advance to Subsidiary Companies -Current Investment</b>	(3,192,063,861)
i) All Assets and liabilities of Investment division of GJS Hotels Limited has been transferred to Asian Hotels (East) Limited as per Clause 11.2 of Scheme of Arrangement ).So advances given to GJS Hotels Ltd ( Investment Division ) adjusted in Scheme of Arrangement	
<b>3) Profit &amp; Loss</b>	
<b>INCOME</b>	
Other Income	245,903
<b>Total Revenue ( I )</b>	<b>245,903</b>
<b>EXPENSES</b>	
Employee Benefit Expense	1,304,930
Other Expenses	249,491
<b>Total Expenses ( II )</b>	<b>1,554,421</b>
<b>Profit before Finance Cost, Tax, Depreciation &amp; Amortisation ( EBITDA ( I - II )</b>	(1,308,518)
Depreciation and Amortisation Expenses	-
Finance Cost	-
<b>Profit/( Loss ) before Tax</b>	(1,308,518)
Tax	-
<b>Profit/( Loss ) after Tax for the period</b>	(1,308,518)

Consequent to giving effects of the Scheme, all the securities held by GJS in RHPL transferred to the Company and accordingly RHPL became a direct wholly owned subsidiary of the Company.

**45. STATUS OF ONGOING SCHEME OF ARRANGEMENT:**

On 14<sup>th</sup> November, 2019 the Board of Directors of the Company approved a Scheme of Arrangement, Demerger and Reduction of Capital between the Company and its wholly owned subsidiary Robust Hotels Private Limited (RHPL) and their respective shareholders and creditors under Sections 230-232, 66 of the Companies Act, 2013 ("the Scheme") for inter alia :

- i) demerger and transfer of the undertaking, business activities and operations of the Company pertaining to 'Securities Trading Unit' comprising of treasury/liquid investments which are being regularly traded, bonds, mutual funds, and shares of certain companies (which already are under an agreement of sale, part performance completed)("Demerged Undertaking") from the Company into RHPL, as a going concern in compliance with Section 2(19AA) of Income Tax Act, 1961

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

**45. STATUS OF ONGOING SCHEME OF ARRANGEMENT (Contd.):**

- ii) capitalization of reserves of the Company and issuance and allotment of fully paid-up bonus equity shares having face value of ₹ 10/- each ("Bonus Shares") by the Company to its equity shareholders (as of the Record Date), in the ratio 1:2, meaning 1 (one) Bonus Share for every 2 (two) equity shares of the Company, ranking pari passu with the existing equity shares of the Company;
- iii) reorganization and reduction of shares of RHPL held by the Company (without any consideration) with 'Appointed Date' being the same as the Effective date or such other date as may be modified/fixed by the Tribunals;
- iv) upon effectiveness of the Scheme RHPL shall issue & allot equity shares to the shareholders of the Company in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share having a face value of ₹ 10/- each for every 1 (one) fully paid-up equity share of the Company having a face value of ₹ 10/- held by a shareholder of the Company as on the Record Date (to be determined in terms of the Scheme and the 2013 Act) and the shares of RHPL shall be listed and admitted for trading on all the stock exchanges where the equity shares of the Company are listed.

The Scheme along with necessary documents was filed by the Company on 28th January, 2020 with the stock exchanges where the equity shares of the Company are listed. The Company has received Observation Letters dated 21.05.2020 from BSE Limited (BSE), being the designated stock exchange of the Company and National stock Exchange of India Ltd (NSE) so as to file the Scheme with the Hon'ble National Company Law Tribunal Benches, Kolkata & Chennai.

In compliance with the requirement mentioned in the observation letters received from BSE and NSE dated 21st May, 2020, the Company Application has been filed through e-mode with the Hon'ble NCLT Bench, Kolkata on Tuesday, 21st July, 2020 having filing no. 1908134/00063/2020 for receiving necessary Directions/Orders in respect of convening the meeting of the equity shareholders and creditors for approval of the Scheme.

Further, RHPL is in the process of filing the application with the Hon'ble NCLT Bench, Chennai for receiving Orders in respect of convening/dispensing with the meeting of its equity shareholders and creditors for approval of the Scheme.

All stakeholders can see the Scheme documents including the observation letters dated 21.05.2020 in the Company's website at [www.ahleast.com](http://www.ahleast.com) and website of the BSE at <https://www.bseindia.com/corporates/NOCUnder.aspx> and NSE at <https://www1.nseindia.com/corporates/corporateHome.html?id=schemeofarrangement>

46. 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), ₹ 8,54,110/- and 14,626 shares have been transferred to the IEPF for the dividend declared in the financial year ended 2011-12 and the respective shares whose dividend remained unpaid or unclaimed for seven consecutive years. Further, ₹ 18,599 of F.Y 2011-12 and its 4,130 shares of F.Y 2011-12 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 August 24, 2019.
47. The Government of India vide Taxation Laws (Amendment) Ordinance, 2019 dated 20th September 2019 has inserted Section 115BAA in the Income Tax Act, 1961 which provides an option of reduced rate effective from April 1, 2019 subject to certain conditions. The Company has elected to exercise the option of lower tax rate of 25.168% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The full impact of this change has been recognized in tax expense in the current year ended 31st March, 2020. In view of the above, the MAT Credit Entitlement will not be available in future years, hence the same is reversed to the tune of ₹ 5,10,48,965. The deferred tax expense has reduced by ₹ 1,56,60,813 due to exercise of aforementioned option of lower tax rate.
48. The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption of regular business operations due to lock-down, disruption in transportation, supply chain and other emergency measures. The company's offices are under lockdown since 24th March, 2020 and the Hotel is running with curtailed manpower as per requisite permission from local administration. As a result the Hotel Operations for the month of March 2020 and also the performance for the F.Y 2020-21 will be severely impacted due to Covid -19. The company is monitoring the situation closely and operations are being ramped up in a phased manner taking into account directives from the Government. The management has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The Company has already initiated action plans including control of fixed overheads to reduce the impact on the profitability.
49. Estimated amount of Capital Contracts pending to be executed (Net of Advances ₹ 75,93,124 (Previous Year ₹ 13,81,699/-)
50. The Auditors have commented on the need for and necessity of carrying out an evaluation of impairment of the investment and loans given by the Company to its wholly owned subsidiary Robust Hotels Pvt. Ltd., Chennai (RHPL). Sometimes back RHPL had undertaken valuation of its assets which exceeded the Company's investments in and loans to it. During last 5 years, RHPL has improved its performance and also generated cash profits and as a result RHPL was able to fulfill its financial obligations to banks/financial institutions and accordingly the loan outstanding has come down from ₹150 Cr. to ₹ 114 Cr. as on 31st March 2020. Unfortunately, the entire Hotel industry is now devastated on account of Covid-19 pandemic and also long lockdown declared by the Government.



## *Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

### **NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**

These events have created uncertainty and unpredictability in the future of the Hotel industry across the country. The entire Hotel industry is grappling with the situation and therefore in the present adverse circumstances it is difficult to carry out the impairment test.

However, the management is confident that the recoverable value of the investment and loans given to RHPL will not be less than the amount at which they have been stated in the balance sheet. The operating performance of the RHPL has been satisfactory and the management of the subsidiary has taken reasonable steps in reducing the overheads especially the manpower cost and utility cost to safeguard itself from huge operating losses on account of Covid-19. The present adverse business conditions due to outbreak of Covid pandemic is temporary and it has become difficult to have the future projections of revenue/cash flows from the business for the purpose of Impairment as this industry has been affected badly. The management is optimistic that the long term prospects/fundamentals of RHPL is good and it expects quick recovery in the performance after business conditions are restored to its prior position. Hence, the management does not anticipate any impairment to the carrying amount of the asset.

**51.** Previous Year figures have been regrouped / reclassified, wherever necessary

In terms of our report attached

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

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

For and on behalf of the Board of Directors

<b>Radhe Shyam Saraf</b> (DIN: 00017962)	Chairman
<b>Arun K Saraf</b> (DIN: 00339772)	Joint Managing Director
<b>Umesh Saraf</b> (DIN: 00017985)	Joint Managing Director
<b>A. C. Chakrabortti</b> (DIN: 00015622)	Director
<b>Rama Shankar Jhawar</b> (DIN: 00023792)	Director
<b>Padam Kumar Khaitan</b> (DIN: 00019700)	Director
<b>Rita Bhimani</b> (DIN: 07106069)	Director

**Bimal Kr Jhunjunwala**  
CFO & Vice President- Corporate Finance

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

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Standalone)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020</b> <b>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) Rs in Lacs</b>	<b>Adjusted Figures (audited figures After adjusting for qualifications) Rs in Lacs</b>
	1.	Turnover / Total income	10,107.91	10,107.91
	2.	Total Expenditure	7,893.87	7,893.87
	3.	Net Profit/(Loss) before tax	2,214.04	2,214.04
	4.	Earnings Per Share	12.03	12.03
	5.	Total Assets	91,491.35	91,491.35
	6.	Total Liabilities	6,019.16	6,019.16
	7.	Net Worth	85,472.19	85,472.19
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<p><b><u>Audit Qualification (each audit qualification separately):</u></b></p> <p>a. <b>Details of Audit Qualification:</b></p> <p>The Company has investment in Robust Hotels Private Limited (subsidiary) amounting Rs 56,736.17 lacs and loan receivable of Rs 3,715 lacs as on March 31, 2020. The financial performance of the subsidiary company and adverse impact of the pandemic Covid-19 on the operation of the subsidiary indicate a need for impairment testing of investment and loan receivable in the subsidiary. However, management has not carried out any impairment testing as required under IND AS 36 (Impairment of Assets) of the above investment and loans. The management is confident that the recoverable amount of the investment and loan receivable in RHPL will not be less than the amount at which they have been stated in the Balance Sheet. Impact of the above matter on the financial statement is not ascertainable and as such cannot be commented upon.</p> <p>b. <b>Type of Audit Qualification:</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>c. <b>Frequency of qualification:</b> Whether appeared first time/repetitive/since how long continuing: First Time</p> <p>d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>Not Applicable</p> <p>e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>(i) <b>Management's estimation on the impact of audit qualification:</b> Estimation not ascertainable as explained in Point (ii) below.</p> <p>(ii) <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>The Auditors have commented on the need for and necessity of carrying out an evaluation of impairment of the investment and loans given by the Company to its wholly owned subsidiary Robust Hotels Pvt. Ltd., Chennai (RHPL). Sometimes back RHPL had undertaken valuation of its assets which exceeded the Company's investments in and loans to it. During last 5 years, RHPL has improved its performance and also generated cash profits and as a result RHPL was able to fulfill its financial obligations to banks/financial institutions and accordingly the loan outstanding has come down from Rs.150 Cr. to Rs.114 Cr. as on 31st March 2020. Unfortunately, the entire Hotel industry is now devastated on account of Covid-19 pandemic and also long lockdown declared by the Government.</p> <p>These events have created uncertainty and unpredictability in the future of the Hotel industry across the country. The entire Hotel industry is grappling with the situation and therefore in the present adverse circumstances it is difficult to carry out the impairment test.</p>			

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

<b>II.</b>	<p><b><u>Audit Qualification (each audit qualification separately):</u></b> (Contd.)</p> <p>(ii) <b>If management is unable to estimate the impact, reasons for the same:</b> (Contd.)</p> <p>However, the management is confident that the recoverable value of the investment and loans given to RHPL will not be less than the amount at which they have been stated in the balance sheet. The operating performance of the RHPL has been satisfactory and the management of the subsidiary has taken reasonable steps in reducing the overheads especially the manpower cost and utility cost to safeguard itself from huge operating losses on account of Covid-19. The present adverse business conditions due to outbreak of Covid pandemic is temporary and it has become difficult to have the future projections of revenue/cash flows from the business for the purpose of Impairment as this industry has been affected badly. The management is optimistic that the long term prospects/fundamentals of RHPL is good and it expects quick recovery in the performance after business conditions are restored to its prior position. Hence, the management does not anticipate any impairment to the carrying amount of the asset.</p> <p>(iii) <b>Auditors' Comments on (i) or (ii) above:</b></p> <p>Same as mentioned in Point II. (a) above.</p>
<b>III.</b>	<p><b><u>Signatories:</u></b></p>
	<p><b>Umesh Saraf</b> <b>Joint Managing Director</b></p>
	<p><b>Bimal Kr. Jhunjhunwala</b> <b>CFO &amp; Vice-President- Corporate Finance</b></p>
	<p><b>A.C. Chakrabortti</b> <b>Audit Committee Chairman</b></p>
	<p><b>Rajiv Singhi</b> <b>Partner</b> <b>Singhi &amp; Co. Chartered Accountants</b> <b>Statutory Auditor</b></p>

**Place: Kolkata**

**Date: 31.07.2020**

## CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED

REPORT ON THE CONSOLIDATED IndAS FINANCIAL STATEMENTS

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of **ASIAN HOTELS (EAST) LIMITED (the Holding Company)** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of changes in equity for the year then ended, the notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information (herein referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements except for the effects of the matter described in the Basis for Qualified Opinion section of our report, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

The Company is carrying a goodwill on consolidation amounting to Rs. 9,991.03 lakhs for the investment in subsidiaries of the company as on March 31, 2020. The financial performance of the subsidiary company and adverse impact of the pandemic Covid-19 on the operation of the subsidiaries indicate a need for impairment testing of the goodwill. However, management has not carried out any impairment testing of goodwill along with carrying value of net assets of subsidiary company to assess if there is any impairment charge to be recognised on goodwill for reasons mentioned in Note No 52 to the consolidated financial statements. Hence, we are unable to comment on the impacts of such impairment if any, on the Consolidated financial statements of the Company.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter

We draw attention to **Note 51 & 1.5.t** of the consolidated financial statements, which describes the impact of COVID 19, a global pandemic on the operations and financial matters of the Group. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S.No.	Key Audit Matter	Auditor's Response
1.	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p><b>Refer Note 43</b> to the Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>We have obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p>

## CONSOLIDATED FINANCIAL STATEMENTS

S.No.	Key Audit Matter	Auditor's Response
2.	<p><b>Impact of COVID-19 pandemic on estimation uncertainty</b></p> <p>On 11 March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government had imposed lock-downs across the country from 22 March 2020 up to 30 June 2020. These lockdowns and restrictions due to COVID-19 pandemic had posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.</p> <p>The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements. In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p> <p>Refer <b>Note 1.5.(t)</b> to the consolidated financial statements</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>● Obtained an understanding of the key controls relating to the Company's forecasting process.</li> <li>● Assessed the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company and compared them with the Company's business plan approved by the board of directors.</li> <li>● Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business.</li> <li>● Performed the following procedures as mitigating factors:             <ol style="list-style-type: none"> <li>1. Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner.</li> <li>2. Assessed disclosures made in the consolidated financial statements with regard to the above. Refer to <b>note 1.5.t</b> to the consolidated financial statements</li> </ol> </li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information etc., but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those charged with Governance

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

That respective Board of Directors of the companies included in the are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## **CONSOLIDATED FINANCIAL STATEMENTS**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 56,891.79 lacs and net assets of ₹ 37,816.91 lacs as at March 31, 2020 total revenues of ₹ 9,628.41 Lacs and net cash outflow amounting to ₹ 5.11 lacs for the year ended on that date, as considered in these consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Financial Statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and our report on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of other auditors and financial statements certified by the management.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion proper books of account as required by law relating to the aforesaid consolidated financial statements have been kept so far as it appears from examination of those books and reports of other Auditors;

## **CONSOLIDATED FINANCIAL STATEMENTS**

- c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of the preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Indian Accounting standard of the Companies (Accounts) Rules, 2015 (as amended);
- e. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its Subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director of that company in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting with reference to the consolidated financial statement of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A', and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also other financial information of the subsidiaries as noted in the "Other matter" paragraph:
  - i. The Consolidated Financial Statements has disclosed the impact of pending litigation on its Consolidated financial position in its financial statement. Refer **Note 43** to the Consolidated financial statements;
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except ₹ 18,599/- of F.Y. 2011-12 being restrained shares could not be transferred due to pending legal cases. Refer **Note 49** to the Financial Statements.

Place: Kolkata  
Date : July 31<sup>st</sup> , 2020

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

**(Rajiv Singhi)**  
Partner  
Membership No. 053518  
UDIN:20053518AAAABE5521

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **ASIAN HOTELS (EAST) LIMITED** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as on 31<sup>st</sup> March 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR'S RESPONSIBILITY**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the holding Company's internal financial controls system with reference to financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that : (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

#### **OPINION**

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.



*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**OTHER MATTERS**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of such companies incorporated in India.

Place: Kolkata  
Date : July 31<sup>st</sup>, 2020

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

**(Rajiv Singhi)**  
Partner  
Membership No. 053518  
UDIN:20053518AAAAABE5521

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020**

Particulars	Note	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
(1) <b>Non - Current Assets</b>			
(a) Property, plant and equipment	3	<b>6,305,251,390</b>	6,563,961,214
(b) Capital work in progress	4	<b>23,383,687</b>	18,799,595
(c) Goodwill on consolidation	5	<b>999,103,879</b>	1,256,775,740
(d) Other Intangible assets	5	<b>8,563,351</b>	7,375,868
(e) Financial assets			
(i) Investments	6	<b>41,871,637</b>	370,124,378
(ii) Other financial assets	8	<b>37,046,777</b>	39,991,517
(f) Income tax assets (net)	9	<b>29,711,553</b>	134,751,125
(g) Other non-current assets	10A	<b>154,747,374</b>	151,530,424
		<b>7,599,679,648</b>	8,543,309,861
(2) <b>Current Assets</b>			
(a) Inventories	11	<b>31,165,349</b>	21,997,698
(b) Financial assets			
(i) Investments	6	<b>911,247,864</b>	690,886,317
(ii) Trade receivables	12	<b>130,404,649</b>	178,967,038
(iii) Cash and cash equivalents	13A	<b>21,927,950</b>	25,782,486
(iv) Other Bank Balances	13B	<b>315,017,598</b>	45,826,671
(v) Loans	7	<b>33,448,275</b>	33,497,675
(vi) Other financial assets	8	<b>8,861,888</b>	13,119,225
(c) Income tax assets (net)	9	<b>70,460,519</b>	11,361,599
(d) Other current assets	10A	<b>53,096,528</b>	65,407,064
(e) Assets classified as held for sale ( Refer Note No 37 )	10B	<b>508,174,741</b>	-
		<b>2,083,805,361</b>	1,086,845,773
<b>Total Assets</b>		<b>9,683,485,009</b>	9,630,155,634
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	14	<b>115,277,970</b>	115,277,970
(b) Other equity	15	<b>7,479,268,133</b>	7,618,783,327
Equity attributable to owners of the Company		<b>7,594,546,103</b>	7,734,061,297
(c) Non-controlling interest		-	172,213
		<b>7,594,546,103</b>	7,734,233,510
<b>LIABILITIES</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	<b>968,100,000</b>	1,111,500,000
(ii) Other financial liabilities	18	<b>981,000</b>	1,538,000
(b) Provisions	19	<b>23,393,369</b>	24,703,396
(c) Deferred tax liabilities (net)	20	<b>99,647,617</b>	70,767,502
		<b>1,092,121,986</b>	1,208,508,898
(2) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	<b>1,552,966</b>	23,604,996
(ii) Trade payables	17		
- Total outstanding dues of Micro and Small Enterprise		<b>23,837,398</b>	409,811
- Total outstanding dues of creditors other than Micro & Small Enterprise		<b>141,462,851</b>	124,722,496
(iii) Other financial liabilities	18	<b>422,707,176</b>	354,737,313
(b) Provisions	19	<b>11,872,675</b>	8,776,710
(c) Other current liabilities	21	<b>395,383,854</b>	175,161,900
		<b>996,816,920</b>	687,413,226
<b>Total Equity &amp; Liabilities</b>		<b>9,683,485,009</b>	9,630,155,634

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

In terms of our report attached  
For **Singhi & Co.**  
Chartered Accountants  
Firm Registration. No. 302049E

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

For and on behalf of the Board of Directors

**Radhe Shyam Saraf** (DIN: 00017962) Chairman  
**Arun K Saraf** (DIN: 00339772) Joint Managing Director  
**Umesh Saraf** (DIN: 00017985) Joint Managing Director  
**A. C. Chakrabortti** (DIN: 00015622) Director  
**Rama Shankar Jhavar** (DIN: 00023792) Director  
**Padam Kumar Khaitan** (DIN: 00019700) Director  
**Rita Bhimani** (DIN: 07106069) Director

**Bimal Kr Jhunjhunwala**  
CFO & Vice President- Corporate Finance

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

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020**

		Amount in ₹		
Particulars	Note	Year ended 31.03.2020	Year ended 31.03.2019	
I	Revenue from operations	22	1,846,660,552	2,023,523,295
II	Other income	23	106,662,665	105,933,497
<b>III</b>	<b>Total income</b>		<b>1,953,323,217</b>	2,129,456,792
IV	Expenses			
	Consumption of provisions, beverages, smokes & others	24	240,742,395	235,442,556
	Employee benefits expenses	25	390,314,427	382,075,523
	Finance cost	26	139,211,576	144,617,674
	Depreciation and amortization expenses	3	259,915,519	279,504,987
	Other expenses	27	915,522,417	985,924,699
	<b>Total expenses</b>		<b>1,945,706,334</b>	2,027,565,439
V	Profit / (loss) before exceptional items and tax		7,616,883	101,891,353
VI	Exceptional items		-	-
<b>VII</b>	<b>Profit / (loss) before tax</b>		<b>7,616,883</b>	101,891,353
VIII	Tax expense			
	(1) Current tax		47,372,925	78,547,641
	(2) Deferred tax		(15,545,407)	(10,820,673)
	(3) MAT (Refer Note No 50)		50,881,095	(1,163,517)
<b>IX</b>	<b>Profit / (loss) for the year from continuing operations</b>		<b>(75,091,730)</b>	35,327,902
	<b>Net Profit or ( Loss ) from Discontinued operations</b>		<b>(28,973)</b>	-
	<b>Net profit &amp; loss</b>		<b>(75,120,703)</b>	35,327,902
<b>X</b>	<b>Other comprehensive income</b>			
A	(i) Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined benefit liability		(998,265)	218,506
	Equity instruments through other comprehensive income		(35,137,347)	47,042,090
	(ii) Income tax relating to items that will not be reclassified to profit or loss		6,455,573	(37,223)
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		-	-
	Other comprehensive income for the year, net of tax		(29,680,039)	47,223,373
<b>XI</b>	<b>Total comprehensive income for the period</b>		<b>(104,800,742)</b>	82,551,275
<b>XII</b>	<b>Profit / (loss) for the period attributable to:</b>			
	Owners of the Company		(75,120,703)	35,408,382
	Non-controlling interest		-	(80,480)
			<b>(75,120,703)</b>	35,327,902
<b>XIII</b>	<b>Other comprehensive income for the period attributable to:</b>			
	Owners of the Company		(104,800,742)	47,223,373
	Non-controlling interest		-	-
			<b>(104,800,742)</b>	47,223,373
<b>XIV</b>	<b>Total comprehensive income for the period attributable to:</b>			
	Owners of the Company		(104,800,742)	82,631,755
	Non-controlling interest		-	(80,480)
			<b>(104,800,742)</b>	82,551,275
<b>XV</b>	<b>Earnings per equity share</b>			
	(1) Basic	28	(6.51)	3.07
	(2) Diluted	28	(6.51)	3.07

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

In terms of our report attached

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

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

For and on behalf of the Board of Directors

**Radhe Shyam Saraf** (DIN: 00017962)  
**Arun K Saraf** (DIN: 00339772)  
**Umesh Saraf** (DIN: 00017985)  
**A. C. Chakrabortti** (DIN: 00015622)  
**Rama Shankar Jhawar** (DIN: 00023792)  
**Padam Kumar Khaitan** (DIN: 00019700)  
**Rita Bhimani** (DIN: 07106069)

Chairman  
Joint Managing Director  
Joint Managing Director  
Director  
Director  
Director  
Director

**Bimal Kr Jhunjhunwala**  
CFO & Vice President- Corporate Finance

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**

Amount in ₹

Particulars	Equity Share Capital	Reserves and Surplus				Comprehensive Income	Total equity attributable to owners of the Company	Atributable to Non Controlling Interest	Total Equity
		Retained earnings	General Reserve	Capital Redemption Reserve	Capital reserve				
<b>As at 01.4.2018</b>	<b>115,277,970</b>	<b>1,474,983,592</b>	<b>5,630,532,555</b>	<b>2,000,000</b>	<b>417,998,203</b>	<b>45,380,647</b>	<b>7,686,172,967</b>	<b>252,693</b>	<b>7,686,425,660</b>
Change in equity for the year ended March 31, 2019									
Profit/(Loss) for the period		35,327,902	-	-	-	-	35,327,902	-	35,327,902
Dividend		(28,819,493)	-	-	-	-	(28,819,493)	-	(28,819,493)
Corporate dividend tax		(5,923,932)	-	-	-	-	(5,923,932)	-	(5,923,932)
Remeasurement of defined benefit liability, net of tax		181,283	-	-	-	-	181,283	-	181,283
Equity instruments through OCI		-	-	-	-	47,042,090	47,042,090	-	47,042,090
Share of Non controlling interest		80,480	-	-	-	-	80,480	(80,480)	-
Non-controlling interest adjustment on account of increase in control		-	-	-	-	-	-	-	-
Profit transferred to general reserve		(15,000,000)	15,000,000	-	-	-	-	-	-
<b>As at 31.3.2019</b>	<b>115,277,970</b>	<b>1,460,829,832</b>	<b>5,645,532,555</b>	<b>2,000,000</b>	<b>417,998,203</b>	<b>92,422,737</b>	<b>7,734,061,297</b>	<b>172,213</b>	<b>7,734,233,511</b>
Change in equity for the year ended March 31, 2020									
Profit for the period		(75,091,730)	-	-	-	-	(75,091,730)	(172,213)	(75,263,943)
Dividend		(28,819,493)	-	-	-	-	(28,819,493)	-	(28,819,493)
Dividend distribution tax		(5,923,932)	-	-	-	-	(5,923,932)	-	(5,923,932)
Other comprehensive income / (loss) for the year, net of tax		(911,236)	-	-	-	(28,768,803)	(29,680,039)	-	(29,680,039)
Profit transferred to general reserve		(15,000,000)	15,000,000	-	-	-	-	-	-
<b>As at 31.3.2020</b>	<b>115,277,970</b>	<b>1,335,063,441</b>	<b>5,660,532,555</b>	<b>2,000,000</b>	<b>417,998,203</b>	<b>63,653,934</b>	<b>7,594,546,103</b>	<b>-</b>	<b>7,594,546,104</b>

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

As per our report of even date

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

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

For and on behalf of the Board of Directors

**Radhe Shyam Saraf** (DIN: 00017962) Chairman  
**Arun K Saraf** (DIN: 00339772) Joint Managing Director  
**Umesh Saraf** (DIN: 00017985) Joint Managing Director  
**A. C. Chakrabortti** (DIN: 00015622) Director  
**Rama Shankar Jhavar** (DIN: 00023792) Director  
**Padam Kumar Khaitan** (DIN: 00019700) Director  
**Rita Bhimani** (DIN: 07106069) Director

**Bimal Kr Jhunjhunwala** CFO & Vice President- Corporate Finance  
**Saumen Chatterjee** Chief Legal Officer & Company Secretary

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

Particulars	Amount in ₹	
	Year ended 31.03.2020	Year ended 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,616,883	101,891,353
Adjustment for :		
Depreciation/amortization	259,915,520	279,504,988
Loss/(profit) on sale of fixed assets	49,039,041	21,375,392
Interest expense	125,002,275	129,337,957
Excess provision written back	(16,435,639)	(689,133)
Provision for bad and doubtful debts	2,187,583	1,396,697
Excess provision written back	-	(28,407,804)
Provision for gratuity	3,714,395	4,346,216
Provision for leave encashment	258,098	2,098,361
Interest income	(35,568,348)	(21,447,232)
Dividend income	(9,543,576)	(12,849,034)
Assets written off (Non cash item)	70,886	960,428
Fair value gain on mutual funds	(10,938,589)	(27,452,458)
Fair value gain on non current investments	(4,630,436)	(3,829,320)
<b>Operating profit before working capital changes</b>	<b>370,688,093</b>	<b>446,236,411</b>
Movements in working capital :		
Increase/(decrease) in current trade payables	32,260,806	13,637,279
Increase/(decrease) in non-current trade payables	-	-
Increase/(decrease) in other current financial liabilities	29,903,400	(13,268,433)
Increase/(decrease) in other non-current financial liabilities	(557,000)	(325,000)
Increase/(decrease) in other current liabilities	220,223,788	1,879,667
Increase/(decrease) in Provisions	(3,186,672)	(3,962,610)
Decrease/(increase) in trade receivables	49,610,143	(31,106,639)
Decrease/(increase) in inventories	(9,167,651)	21,358,850
Decrease/(increase) in non-current financial assets	2,934,740	(3,113,629)
Decrease/(increase) in current financial assets	120,980	(25,025,151)
Decrease/(increase) in current loans	49,400	145,068
Decrease/(increase) in other assets	7,985,482	9,912,040
Decrease/(increase) in other non current assets	4,655,480	371,390
<b>Cash generated from/(used in) operations</b>	<b>705,520,989</b>	<b>416,739,243</b>
Less: Direct taxes paid	(9,428,004)	72,995,554
<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>714,948,993</b>	<b>343,743,689</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed assets	(76,623,659)	(50,375,606)
Decrease/(Increase) in capital work in progress	(3,795,553)	(1,638,337)
Decrease/(Increase) in capital advance	(3,547,374)	-
Proceeds from sale of fixed assets	3,679,559	5,969,335
Investments in assets held for trading	(230,000,037)	-
Purchase of current investments	(181,313,256)	(3,575,000)
Sale of National Saving Certificates	5,000	-
Proceeds from sale/maturity of current investments	-	(199,640,961)
Non-current loans repaid/(given)	68,361	-
Interest received	46,247,677	32,719,292
Dividend Received	9,543,576	12,849,034
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>(435,735,706)</b>	<b>(203,692,243)</b>

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020 (Contd.)**

Particulars	Amount in ₹	
	Year ended 31.03.2020	Year ended 31.03.2019
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	<b>(97,880,380)</b>	(95,550,000)
Proceeds from short term borrowings	<b>(11,321,650)</b>	(25,582,735)
Repayment of current borrowings	-	(1,305,760)
Interest paid on borrowings	<b>(138,595,308)</b>	(143,151,998)
Dividend paid on shares	<b>(29,259,695)</b>	(28,998,677)
Tax on dividend paid	<b>(5,923,932)</b>	(5,923,932)
<b>Net cash flow from/(used in) in Financing Activities (C)</b>	<b>(282,980,965)</b>	(300,513,102)
<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(3,767,678)</b>	(160,461,656)
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>25,782,486</b>	186,244,142
<b>Less: Opening Cash Balance of Regency Convention centre &amp; Hotels Ltd</b>	<b>86,858</b>	-
	<b>25,695,628</b>	186,244,142
<b>Cash and Cash Equivalents at the end of the year</b>	<b>21,927,950</b>	25,782,486

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

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".
- Figures in bracket represent cash outflow from respective activities.
- Cash and cash equivalent do not include any amount which is not available to the company for its use.

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Cash in hand	<b>1,337,133</b>	2,602,525
b) Balances with Banks in Current Accounts	<b>20,590,817</b>	23,179,961
	<b>21,927,950</b>	25,782,486

In terms of our report attached

For and on behalf of the Board of Directors

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

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

**Radhe Shyam Saraf** (DIN: 00017962)  
**Arun K Saraf** (DIN: 00339772)  
**Umesh Saraf** (DIN: 00017985)  
**A. C. Chakrabortti** (DIN: 00015622)  
**Rama Shankar Jhawar** (DIN: 00023792)  
**Padam Kumar Khaitan** (DIN: 00019700)  
**Rita Bhimani** (DIN: 07106069)

Chairman  
Joint Managing Director  
Joint Managing Director  
Director  
Director  
Director  
Director

**Bimal Kr Jhunjunwala**  
CFO & Vice President- Corporate Finance

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

#### **1. Company Overview and Significant Accounting Policies**

##### **1.1 Company overview**

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

##### **1.2. Basis of preparation of financial statement**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are approved for issue by the Company's Board of Directors on July 31st, 2020

##### **1.3 Functional & Presentation Currency**

These Financial statements are presented in Indian Rupees (INR) which is also the company's functional currency.

##### **1.4 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

##### **1.5 Significant Accounting Policies**

###### **a. Property Plant & Equipment:**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is calculated on a straight-line basis using the rates based on the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase. .

###### **Intangibles**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

Depreciation on fixed assets is calculated on a straight-line basis using the rates based on the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.

###### **b. Investments in Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company's investment in the equity shares of its subsidiaries are 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. However, the debt instruments in subsidiaries are recognized at fair value.

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

#### **c. Inventories**

Inventories are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion & selling expenses.

#### **d. Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **e. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financials Asset**

##### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Financial Asset at amortized cost
- (ii) Financial Asset At Fair Value through other comprehensive income (OCI)
- (iii) Financial Asset at Fair value through profit and loss (PL)

##### **Financial Asset at amortized cost**

A 'Financial Asset' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss.

##### **Financial Asset at Fair value through OCI**

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

##### **Financial Asset at fair value through profit or loss**

FVTPL is a residual category for Financial Assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

##### **Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable if the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

##### **Derogisation of Financial asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



## **CONSOLIDATED FINANCIAL STATEMENTS**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 116.
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables')
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

#### **Financial Liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For financial liabilities maturing within one year from the balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

##### **Subsequent Measurement**

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the profit or loss.

##### **Financial Liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **f. Cash and Cash Equivalents**

Cash and Cash Equivalent in balance sheet comprise cash at banks and on hand, unpaid dividend, money margin deposit, fixed deposits and short - term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **g. Trade Payables & Other Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **h. Provisions, Contingent liabilities**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed in case of;

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible ;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

**i. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Revenue from contract with customer**

Ind AS 115 " Revenue from Contracts with Customers " which is effective from 1st April,2018 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

**Sale of Goods:**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The normal credit term is 30 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

**Sale of Services:**

The Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room booking and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

**j. Other Income**

Other income is comprised primarily of interest income, dividend income, gain on sale of investments and exchange gain/loss on translation of assets and liabilities. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recognised using the effective interest rate (EIR). Dividend income is recognised when right to receive payment is established.

**k. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**l. Income taxes**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

#### **m. Earnings per share**

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of equity shares to the extent that they are entitled to participate in dividends relative to a fully paid equity shares during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **n. Ind AS 116- Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards with the date of initial application on 1st April, 2019. Accordingly the financial statements for the year ended 31st March, 2019 have not been adjusted. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 40.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **(i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

##### **(ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

#### **Short-term lease and lease of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **o. Fair Value Measurement**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### **p. Employee benefits**

**Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**Gratuity & Leave Encashment (Unfunded):** Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an independent actuary using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

#### **q. Foreign Currencies**

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **r. Dividend**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### **s. Impairment of non-current assets** - Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind AS 36, goodwill and certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed over the period of three years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes.

**t. Recent accounting pronouncements New and amended standards adopted by the Company:**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- i) Ind AS 116 - Leases;
- ii) Income tax consequences in case of dividends -Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend);
- iii) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities -Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments);
- iv) Accounting treatment for specific borrowings post capitalisation of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);
- v) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);
- vi) Accounting for plan amendment, curtailment or settlement occurring inbetween the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**New Standards or other amendments issued but not yet effective:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would be applicable from April 1, 2020.

**Estimation uncertainty relating to the global health pandemic on COVID-19:**

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country from March 22, 2020, and extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of the Company. Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of our hotel. With the lifting of the partial lockdown restrictions, the Company has started re-opening the hotel being in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company expects to become operational in a phased manner after the lockdown is lifted and the confidence of travelers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel. The Company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, supply chain and demand for its services. The Company has judiciously invoked the Force Majeure clauses for reliefs during the lock down period and does not foresee any disruption in raw material supplies. The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right-of-use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**u. Principles of Consolidation**

The Consolidated Financial Statements have been prepared in accordance with Ind AS 110 – "Consolidated Financial Statements".

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

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>% of Holding as on 31<sup>st</sup> March 2020</b>
GJS Hotels Limited	India	100
Regency Convention Centre & Hotels Limited	India	100
Robust Hotels Private Limited	India	100

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

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

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

#### **2. Key Accounting Estimates & Judgements**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimate uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

##### **a. Income taxes**

Deferred tax assets are recognized for unused tax losses/MAT carry forward to the extent it is possible that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies including amount expected to be paid / recovered for uncertain tax positions.

##### **b. Property, Plant and Equipment and Useful Life of PPE and Intangible Assets**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of Companies' assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the products or service output of the asset.

##### **c. Defined Benefit Plans**

Post-employment benefits represents obligation that will be settled in future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting require the Company to make assumptions regarding variables such as discount rate, rate of as at and for the year ended March 31, 2020.

##### **d. Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

##### **e. Provisions and Contingencies**

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

**3. PROPERTY, PLANT & EQUIPMENT**

Amount in ₹

Tangible Assets	Freehold Land	Leasehold Land	Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>Gross carrying value as at 01.04.2018</b>	<b>1,540,585,512</b>	<b>356,234,626</b>	<b>4,124,977,712</b>	<b>2,289,722,438</b>	<b>765,893,564</b>	<b>18,688,979</b>	<b>12,850,177</b>	<b>9,108,953,008</b>
Additions	-	-	653,763	24,676,616	3,254,003	17,312	18,622,981	47,224,675
Deletions	-	-	-	43,917,918	676,565	-	171,988	44,766,471
<b>Gross carrying value as at 31.03.2019</b>	<b>1,540,585,512</b>	<b>356,234,626</b>	<b>4,125,631,475</b>	<b>2,270,481,136</b>	<b>768,471,002</b>	<b>18,706,291</b>	<b>31,301,170</b>	<b>9,111,411,212</b>
Additions	-	-	6,624,624	58,035,805	6,913,318	2,619,512	-	74,193,259
Disposals/Adjustment	-	20,652,458	-	114,585,245	799,361	-	70,886	136,107,950
<b>Gross carrying value as at 31.03.2020</b>	<b>1,540,585,512</b>	<b>335,582,168</b>	<b>4,132,256,099</b>	<b>2,213,931,696</b>	<b>774,584,959</b>	<b>21,325,803</b>	<b>31,230,284</b>	<b>9,049,496,521</b>
<b>Accumulated depreciation as at 01.04.2018</b>	-	<b>14,130,174</b>	<b>533,322,555</b>	<b>1,159,031,220</b>	<b>551,642,520</b>	<b>16,378,571</b>	<b>10,753,391</b>	<b>2,285,258,431</b>
Charge for the year	-	<b>788,539</b>	65,375,146	127,250,809	83,256,899	599,789	1,381,700	278,652,881
Deletions	-	-	-	16,461,314	-	-	-	16,461,314
<b>Accumulated depreciation as at 31.03.2019</b>	-	<b>14,918,713</b>	<b>598,697,701</b>	<b>1,269,820,715</b>	<b>634,899,419</b>	<b>16,978,360</b>	<b>12,135,091</b>	<b>2,547,449,998</b>
Charge for the year	-	<b>788,540</b>	65,452,894	111,802,784	78,355,766	673,865	2,387,294	259,461,142
Disposals	-	-	-	61,994,013	671,996	-	-	62,666,009
<b>Accumulated depreciation as at 31.03.2020</b>	-	<b>15,707,253</b>	<b>664,150,595</b>	<b>1,319,629,486</b>	<b>712,583,189</b>	<b>17,652,225</b>	<b>14,522,385</b>	<b>2,744,245,131</b>
<b>Net carrying value as at 31.03.2019</b>	<b>1,540,585,512</b>	<b>341,315,913</b>	<b>3,526,933,774</b>	<b>1,000,660,421</b>	<b>133,571,583</b>	<b>1,727,931</b>	<b>19,166,079</b>	<b>6,563,961,214</b>
<b>Net carrying value as at 31.03.2020</b>	<b>1,540,585,512</b>	<b>319,874,915</b>	<b>3,468,105,504</b>	<b>894,302,210</b>	<b>62,001,770</b>	<b>3,673,578</b>	<b>16,707,899</b>	<b>6,305,251,390</b>

- 1) Since the Leasehold Land at Bhubaneshwar, Odisha was acquired by Company on lease for a period of 99 Years, We have applied IND AS 116 & amortized the cost of Land over the period of lease term. The Amortisation expenses including Depreciation of Rs 7,88,540 have been included as part of Capital Work in progress as the land is still under development & business operations of the Company has not yet commenced

**4. CAPITAL WORK IN PROGRESS**

Amount in ₹

Particulars	Total
<b>Carrying value as at 01.04.2018</b>	<b>16,122,719</b>
Additions	2,676,876
Deletions	-
<b>Carrying value as at 31.03.2019</b>	<b>18,799,595</b>
Additions	4,584,092
Disposals	-
<b>Carrying value as at 31.03.2020</b>	<b>23,383,687</b>

**5. INTANGIBLE ASSETS**

Amount in Rs

Particulars	Software	Goodwill on Consolidation	Total
<b>Gross carrying value as at 01.04.2018</b>	<b>49,809,960</b>	<b>1,256,775,740</b>	<b>1,306,585,700</b>
Additions	1,865,000	-	1,865,000
Deletions	-	-	-
<b>Gross carrying value as at 31.03.2019</b>	<b>51,674,960</b>	<b>1,256,775,740</b>	<b>1,308,450,700</b>
Additions	2,430,400	-	2,430,400
Disposals/Transfer to Asset Classified held for Sale	-	257,671,861	257,671,861.00
<b>Gross carrying value as at 31.03.2020</b>	<b>54,105,360</b>	<b>999,103,879</b>	<b>1,053,209,239</b>
<b>Accumulated depreciation as at 01.04.2018</b>	<b>42,658,447</b>	-	<b>42,658,447</b>
Charge for the year	1,640,645	-	1,640,645
Deletions	-	-	-
<b>Accumulated depreciation as at 31.03.2019</b>	<b>44,299,092</b>	-	<b>44,299,092</b>
Charge for the year	1,242,917	-	1,242,917
Disposals	-	-	-
<b>Accumulated depreciation as at 31.03.2020</b>	<b>45,542,009</b>	-	<b>45,542,009</b>
<b>Net carrying value as at 31.03.2019</b>	<b>7,375,868</b>	<b>1,256,775,740</b>	<b>1,264,151,608</b>
<b>Net carrying value as at 31.03.2020</b>	<b>8,563,351</b>	<b>999,103,879</b>	<b>1,007,667,230</b>

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**CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020****6. INVESTMENTS**

Amount in ₹

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Non - current</b>		
<b>Quoted</b>		
Investment carried at FVTOCI		
Investment in equity shares of Asian Hotels (West) Limited		
524,438 (previous year: 524,438) equity shares of ₹ 10/- each fully paid up (Refer Note No 6.1)	-	184,602,178
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 ₹ 1000/-each (Refer Note No 6.1)	-	150,000,000
	<u>-</u>	<u>334,602,178</u>
<b>Unquoted</b>		
Investments carried at FVTPL		
6,54,000 (Previous Year : 7,26,000) Class-B Equity Shares of Maple Renewable Power Private Limited of ₹ 10/- each	<b>29,873,442</b>	29,835,480
1,63,500 Class-A Equity Shares of Iris Ecopower Venture Private Limited of ₹ 10/- each	<b>11,993,195</b>	5,676,720
Investment carried at amortised cost		
Investment in Government Securities	<b>5,000</b>	10,000
	<u><b>41,871,637</b></u>	<u>35,522,200</u>
	<u><b>41,871,637</b></u>	<u>370,124,378</u>
Aggregate value of quoted investments	-	334,602,178
Aggregate value of unquoted investments	<b>41,871,637</b>	35,522,200



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**6. INVESTMENTS (Contd.)**

Amount in ₹

Particulars	As at		Current	
	31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	No. of units	No. of units	₹	₹
<b>Quoted, fully paid up</b>				
<b>Investment carried at FVTPL (Held for Trading)</b>				
<b>Investment in Equity Shares (Quoted Shares)</b>				
<b>Face value (FV) of ₹ 10 each, unless otherwise stated</b>				
Bajaj Finance Limited (FV ₹ 2)	167	-	370,040	-
Bandhan Bank Ltd	820	-	167,075	-
Bharat Rasayan Ltd	21	-	108,352	-
Credit Access Grameen Ltd	264	-	89,060	-
DFM Food Ltd (FV ₹ 2)	562	-	98,153	-
Dixon Technologies ( India ) Ltd	19	-	68,017	-
Godrej Properties Ltd (FV ₹ 5)	316	-	190,627	-
HDFC Asset Management Company Ltd (FV ₹ 5)	187	-	395,094	-
HDFC Bank Ltd (FV ₹ 1)	196	-	168,932	-
ICICI Bank Ltd (FV ₹ 2)	1,333	-	431,559	-
Info Edge India Ltd	112	-	227,926	-
Inox Leisure Ltd	459	-	120,580	-
MAS Financial Services Ltd	129	-	67,635	-
Tata Consumers Products Ltd (FV ₹ 1)	343	-	101,134	-
T D Power Systems Ltd	1,972	-	167,324	-
Trent Ltd (FV ₹ 1)	1,347	-	652,418	-
Ujjivan Financial Services Ltd	311	-	46,168	-
United Spirits Ltd (FV ₹ 2)	589	-	285,430	-
VIP Industries Ltd (FV ₹ 2)	450	-	108,067	-
			<b>3,863,590</b>	-
<b>Unquoted, fully paid up</b>				
<b>Investment carried at FVTPL (Held for Trading)</b>				
<b>Investment in units of mutual funds</b>				
<b>[Face value (FV) of ₹ 10 each, unless otherwise stated]</b>				
Franklin India Ultra Short Bond Fund-SIP-DDR	-	467,348	-	4,716,106
Franklin India Liquid Fund- Super Institutional Plan- DDR (FV ₹ 1000)	60,435	196,428	60,434,520	196,566,962
Aditya Birla Sunlife Fixed Term Plan- Series QH (1101 days)- Regular Growth	8,163,420	8,163,420	88,089,832	86,852,258
UTI Fixed Term Income Fund Series XXIX - IX (1109 Days) - Growth Plan	9,699,704	9,699,704	90,407,059	101,627,676
UTI Short Term Income Fund-Institutional Plan - Growth	11,453,037	13,007,280	247,761,264	292,796,481
UTI Treasury Advantage Fund -Instt.-Plan-Daily Dividend Reinvestment	-	8,308	-	8,326,834
HDFC Liquid Fund -Direct Plan -Growth Option (FV Rs 1000)	1,425	-	5,564,995	-
ICICI Prudential Savings Fund-Growth (FV ₹ 100)	186,684	-	72,311,773	-
			<b>564,569,443</b>	<b>690,886,317</b>
Investment carried at FVTPL (Held for Trading)				
Investment in Bonds of Indian Railways Financial Corporation Limited 150,000 (previous year: 150,000) 8.23% tax free bonds of ₹ 1000/-each- FMV as on 31/03/2020: ₹ 1,289/each			193,350,000	-
Investment carried at FVTOCI (Held for Trading)				
Investment in equity shares of Asian Hotels (West) Limited 524,438 (previous year: 524,438) equity shares of ₹ 10/- each fully paid up			149,464,831	-
			<b>342,814,831</b>	-
			<b>911,247,864</b>	<b>690,886,317</b>
Aggregate amount of quoted investments			911,247,864	690,886,317
Aggregate amount of unquoted investments			-	-
Aggregate amount of adjustments to impairment in value of investments			-	-

**Note 6.1:** The Company has commenced the business of dealing in Securities with effect from 1st July 2019 and as a result the Investments in below mentioned Securities have been classified and recognized as Held For Trading purposes:

- Investment held in Mutual Funds and tax free bonds have been converted into Stock in Trade and have therefore been classified as Held For Trading purposes under Current Investments. With effect from the said date, the Fair Value of mutual funds and bonds are recognized through Profit & Loss account.
- The Investment in Quoted Equity shares have also been converted into Stock In Trade and are therefore classified as assets held for trading purposes under Current Investments. With effect from the said date, all quoted shares are recognized at Fair value through Profit & Loss Account, except equity shares held in Asian Hotels (West) Ltd, whose Fair Value is recognized through Other Comprehensive Income due to the irrevocable option exercised at the inception date of application of Ind AS.

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<b>7. LOANS</b>	Amount in ₹	
<b>Particulars</b>	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>Current</b>		
Other loans and advances		
Advance for acquisition of shares from shareholders of Regency Convention Centre & Hotels Ltd ( Refer Note No 37 )	<b>33,448,275</b>	33,448,275
Employee advance	-	49,400
	<b>33,448,275</b>	33,497,675

7.1 No loans and advances are due from directors or other officers of the company either severally or jointly with any other person.

<b>8. OTHER FINANCIAL ASSETS</b>	Amount in ₹	
<b>Particulars</b>	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>Non - current</b>		
Security deposits with Government Department	<b>17,650,112</b>	17,097,572
Other Deposits	<b>15,399,025</b>	14,850,055
Fixed Deposits with Banks with maturity more than 12 months*	<b>3,997,640</b>	8,043,890
	<b>37,046,777</b>	39,991,517

\*Includes Margin Money deposit - NIL (Previous Year: ₹ 80,43,890)

<b>Particulars</b>	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>Current</b>		
Interest accrued but not due	<b>7,854,512</b>	11,990,869
Interest accrued and due	<b>964,476</b>	948,356
Accrued Revenue	<b>42,900</b>	180,000
Fixed Deposit with bank	-	-
	<b>8,861,888</b>	13,119,225

<b>9. INCOME TAX ASSETS (net)</b>	Amount in ₹	
<b>Particulars</b>	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>Non-current</b>		
Income tax assets	<b>138,876,768</b>	380,575,181
Less: Provision for taxes	<b>109,165,215</b>	245,824,056
	<b>29,711,553</b>	134,751,125

<b>Particulars</b>	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>Current</b>		
Income tax assets	<b>70,460,519</b>	11,713,833
Less: Provision for taxes	-	352,234
	<b>70,460,519</b>	11,361,599

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**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

**10A. OTHER ASSETS**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Non-current</b>		
Capital advance	3,547,374	-
Deposits with High Court	151,200,000	151,200,000
Balances with Statutory Authorities	-	330,424
Stamp duty recoverable from Odisha Govt.	-	-
	<b>154,747,374</b>	151,530,424
<b>Current</b>		
Advance to suppliers	18,703,306	27,976,949
Prepaid expenses	17,136,124	28,757,896
Balance with statutory authorities	16,940,602	8,672,219
Other Receivables	316,496	-
	<b>53,096,528</b>	65,407,064

**10B. ASSETS CLASSIFIED AS HELD FOR SALE**

Particulars	Amount in ₹	
	Current	
	As at 31.03.2020	As at 31.03.2019
Investment in equity shares of subsidiary - Regency Convention Centre & Hotels Limited 159,299 (previous year: 97,009) equity shares of ₹ 10/- each fully paid up	508,174,741	-
	<b>508,174,741</b>	-

**11. INVENTORIES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Current</b> (valued at cost or net realisable value whichever is lower)		
Food, Liquor & Tobacco	26,808,792	19,676,679
General Stores and Spares	4,356,557	2,321,019
	<b>31,165,349</b>	21,997,698

**12. TRADE RECEIVABLES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Other trade receivables		
- Unsecured, considered good	130,404,649	178,967,038
- Significant increase in credit risk		
- Credit Impaired	3,501,647	1,494,731
	<b>133,906,296</b>	180,461,769
Less: Allowance for Credit Impaired	3,501,647	1,494,731
	<b>130,404,649</b>	178,967,038
	<b>130,404,649</b>	178,967,038

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**CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020****13A. CASH & CASH EQUIVALENTS**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
<b>Cash and Cash Equivalents</b>		
Balance with banks		23,179,961
In current accounts	<b>20,590,817</b>	
Cash in hand	<b>1,337,133</b>	2,602,525
	<b>21,927,950</b>	25,782,486

**13B. OTHER BANK BALANCES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
Fixed Deposits with original maturity of more than 3 months & having remaining maturity of less than 12 months from the Balance Sheet date	<b>311,131,129</b>	41,500,000
In unpaid dividend accounts ( Refer Note No 49 )	<b>3,886,469</b>	4,326,671
	<b>315,017,598</b>	45,826,671

**14. SHARE CAPITAL**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
Authorised Shares		
90,000,000 Equity shares of ₹ 10/- each	<b>900,000,000</b>	900,000,000
1,000,000 Preference shares of ₹ 10/- each	<b>10,000,000</b>	10,000,000
Issued, subscribed & paid up		
11,527,797 (previous year: 11,527,797) Equity Shares of ₹ 10/- each	<b>115,277,970</b>	115,277,970
Total	<b>115,277,970</b>	115,277,970

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

Equity Shares	As at	
	31.03.2020	31.03.2019
At the beginning of the year	<b>11,527,797</b>	11,527,797
Issued during the year	-	-
Cancelled during the year	-	-
At the end of the year	<b>11,527,797</b>	11,527,797

**Terms/rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 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.

No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceeding the date at which Balance Sheet is prepared.

No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.

No calls are unpaid by any directors or officers of the company during the year.

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

**14. SHARE CAPITAL (Contd.)**

Amount in ₹

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

Equity shares	As at	As at	As at	As at
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	% of Holding	% of Holding	No. of Shares	No. of Shares
Saraf Industries Limited	31.49%	31.49%	3,630,630	3,630,630
Radhe Shyam Saraf	28.49%	28.49%	3,284,680	3,284,680
Ratna Saraf	5.36%	5.36%	617,347	617,347
Sachdeva Stocks Private Limited	5.76%	-	663,500	-

**15. OTHER EQUITY**

Amount in Rs

Particulars	As at	As at
	31.03.2020	31.03.2019
Capital reserve	417,998,203	417,998,203
Capital redemption reserve	2,000,000	2,000,000
General reserve	5,660,532,555	5,645,532,555
Retained earnings	1,335,083,441	1,460,829,832
FVTOCI reserve	63,653,934	92,422,737
Non controlling interest	-	172,213
	<b>7,479,268,133</b>	<b>7,618,955,540</b>

Refer statement of changes in Equity for movement details

**Nature and purpose of reserves**

- (a) Capital Reserve:** During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.
- (b) Capital Redemption Reserve:** This Reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.
- (c) General Reserve:** This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.
- (d) Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (e) Items of Other Comprehensive Income:**
  - i) Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.
  - ii) Equity Instrument through Other Comprehensive Income:** The fair value change of the Equity instrument measured at fair value through other comprehensive income is recognised in Equity instrument through Other Comprehensive Income.

**16. BORROWINGS**

Amount in Rs

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Non-current</b>		
Loan from HDFC Limited	1,142,400,000	1,229,550,000
Less: Repayable within one year	174,300,000	118,050,000
	<b>968,100,000</b>	<b>1,111,500,000</b>
	<b>968,100,000</b>	<b>1,111,500,000</b>

(The Company, Robust Hotels Pvt Ltd has taken a Loan from HDFC Ltd @ 11.45% P.A )

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**16.1**

**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 ₹ 93,00,000 each commenced from 31st March, 2015 and ended on 30th June, 2015,
- 4 Quarterly instalments of ₹ 94,50,000 each commenced from 30th September, 2015 and ended on 30th June, 2016,
- 4 Quarterly instalments of ₹ 1,50,00,000 each commenced from 30th September, 2016 and ended on 30th June, 2017,
- 4 Quarterly instalments of ₹ 1,95,00,000 each commenced from 30th September, 2017 and ended on 30th June, 2018,
- 4 Quarterly instalments of ₹ 2,53,50,000 each commenced from 30th September, 2018 and ending on 30th June, 2019,
- 4 Quarterly instalments of ₹ 3,09,00,000 each commencing from 30th September, 2019 and ending on 30th June, 2020,
- 4 Quarterly instalments of ₹ 3,75,00,000 each commencing from 30th September, 2020 and ending on 30th June, 2021,
- 4 Quarterly instalments of ₹ 4,50,00,000 each commencing from 30th September, 2021 and ending on 30th June, 2022 and 12 Quarterly instalments of ₹ 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

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Secured		
Cash Credit Account with IDBI Bank *	1,552,966	12,874,616
Overdraft Account with IDBI Bank** ( Refer Note 16.3 )	-	10,730,380
Unsecured, repayable on demand	-	-
Loan from other parties	-	-
	<b>1,552,966</b>	<b>23,604,996</b>

\* The Company, Robust Hotels Pvt Ltd has taken a Cash Credit Loan from IDBI Bank Ltd @ 12.85% P.A

\*\* The holding Company, maintains an overdraft account and is secured against fixed deposits. The Interest rate on Overdraft Account is 8.25%

16.2 The above cash credit 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 passu charge by way of hypothecation of entire movable properties (fixed assets) 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.

16.3 The Company maintains an overdraft account and is secured against fixed deposits.

**17. TRADE PAYABLES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Trade payables (Refer note no 42 for details of dues of micro & small enterprises)	165,300,249	125,132,307
	<b>165,300,249</b>	<b>125,132,307</b>
<b>Classification as required by MSME Act</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises*	23,837,398	409,811
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	141,462,851	124,722,496
Total Trade Payables	<b>165,300,249</b>	<b>125,132,307</b>

\* 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.

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**18. OTHER FINANCIAL LIABILITIES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Non-current</b>		
Security deposit	981,000	1,538,000
	<b>981,000</b>	1,538,000
		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Current maturities of long term debt	174,300,000	118,050,000
Salary payable	22,889,892	22,334,992
Contract Payroll Payable	6,475,874	10,637,357
Unpaid dividends	3,886,469	4,326,671
Expenses payable	32,188,240	60,492,398
Interest accrued and due on loan & Cash Credit	11,122,992	14,568
Other payables	171,843,709	138,881,327
	<b>422,707,176</b>	354,737,313

**19. PROVISIONS**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Non-current</b>		
Provision for gratuity (Refer Note 39)	19,129,543	17,805,600
Provision for leave benefits (Refer Note 39 )	1,251,834	4,523,705
Provision for LTA	3,011,992	2,374,091
	<b>23,393,369</b>	24,703,396
		Amount in ₹
Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Provision for gratuity (Refer Note 39 )	9,124,782	7,728,399
Provision for leave benefits ( Refer Note 39 )	2,747,893	1,048,311
	<b>11,872,675</b>	8,776,710

**20. DEFERRED TAX LIABILITIES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Non-current</b>		
Deferred tax liabilities		
On fiscal allowances of fixed assets	129,434,797	146,848,397
On Fair value gain on current investments	1,301,567	12,335,631
	<b>130,736,364</b>	159,184,028
Deferred tax assets		
On Employees' separation and retirement etc.	6,977,364	9,885,776
On Provision for doubtful debts / advances	881,295	435,266
On Provision for VAT	20,525,479	23,791,408
On Provision for Service Tax and Other Tax	1,807,617	3,422,981
MAT Credit Entitlement (Refer Note No 50 )	-	50,881,095
Other timing differences	896,992	-
	<b>31,088,747</b>	88,416,526
	<b>99,647,617</b>	70,767,502

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20.1: As a matter of prudence no deferred tax asset has been created on long term capital loss. Similarly, deferred tax liability has not been taken on the unrealised long term capital gain to the extent of long term capital loss carried forward in the books.

Amount in ₹

**Movement in Deferred Tax Liabilities**

<b>Particulars</b>	On fiscal allowances of fixed assets	On Fair value gain on current investments	<b>Total</b>
As at 31.03.2018	147,984,304	4,341,475	152,325,779
Charged/(credited):			
- to profit and loss	(1,135,907)	7,994,156	6,858,249
- to Other comprehensive income			
As at 31.03.2019	<b>146,848,397</b>	<b>12,335,631</b>	<b>159,184,028</b>
Charged/(credited):			
- to profit and loss	(17,413,600)	(17,402,608)	(34,816,208)
- to Other comprehensive income		6,368,544	6,368,544
As at 31.03.2020	<b>129,434,797</b>	<b>1,301,567</b>	<b>130,736,364</b>

**Movement in Deferred tax assets**

<b>Particulars</b>	On Employees' separation and retirement etc.	On Provision for doubtful debts / advances	On Provision for VAT	On Provision for Service Tax and Other Tax	MAT Credit Entitlement	Total
As at 31.03.2018	9,097,834	28,547	10,767,351	-	59,562,155	79,455,887
Charged/(credited):						
- to profit and loss	825,165	406,719	13,024,057	3,422,981	(9,032,342)	8,646,580
- to Other comprehensive income	(37,223)					(37,223)
As at 31.03.2019	<b>9,885,776</b>	<b>435,266</b>	<b>23,791,408</b>	<b>3,422,981</b>	<b>50,529,813</b>	<b>88,065,244</b>
Charged/(credited):						
- to profit and loss	(2,995,441)	446,029	(3,265,929)	(718,372)	(50,529,813)	(57,063,526)
- to Other comprehensive income	87,029	-	-	-	-	87,029
As at 31.03.2020	<b>6,977,364</b>	<b>881,295</b>	<b>20,525,479</b>	<b>2,704,609</b>	<b>-</b>	<b>31,088,747</b>



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**21. OTHER CURRENT LIABILITIES**

Particulars	Amount in ₹	
	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Advance from customers	28,204,560	37,468,066
Statutory dues	128,082,709	130,287,139
Other payables	9,096,585	7,406,695
Advance for sale of investment/ property (Refer Note No 37)	230,000,000	-
	<b>395,383,854</b>	175,161,900

**22. REVENUE FROM OPERATIONS**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Sale of products	449,280,274	902,435,760
Sale of services	471,746,995	1,121,087,535
	<b>921,027,269</b>	2,023,523,295

Set out below is the disaggregation of the Group's revenue from operations:

**Sale of products**

Beverages, wines and liquor	129,742,995	149,822,086
Food and smokes	711,525,656	752,613,674
	<b>841,268,651</b>	902,435,760

**Sale of services**

Rooms	838,013,005	916,245,372
Banquet income (only rental portion)	56,131,744	74,950,715
Health & spa	31,055,499	35,005,771
Laundry & dry cleaning	16,559,700	21,919,479
Auto rental	12,551,632	17,006,855
Communication	1,314,961	863,086
Equipment revenue	1,175,981	3,706,637
Service charge	28,433,375	19,270,895
Other operating revenue	20,156,004	32,118,725
	<b>1,005,391,901</b>	1,121,087,535
	<b>1,846,660,552</b>	2,023,523,295

The Group has presented revenue based on the type of goods or services provided to the customers. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

**23. OTHER INCOME**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Interest Income from IRFCL Bond	3,077,795	12,345,000
Interest Income from others	916,670	858,589
Interest Income from Fixed Deposits	11,446,408	3,173,307
Interest on Income Tax Refund	10,860,270	5,070,336
Dividend on current investment	9,543,576	12,849,034
Fair value gain on current investments	24,836,231	33,613,138
Insurance claim received	25,894,941	-
Profit on Sale of Mutual Fund	306,410	-
Excess provision written back	16,435,639	29,096,937
Miscellaneous income	3,344,725	8,927,156
	<b>106,662,665</b>	105,933,497

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**24. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Opening Stock	19,676,679	32,626,840
Add : Purchases	247,874,508	222,492,395
	267,551,187	255,119,235
Less : Closing Stock	26,808,792	19,676,679
<b>Total Consumption of Provisions, Beverages, Smokes &amp; Others</b>	<b>240,742,395</b>	<b>235,442,556</b>

**25. EMPLOYEE BENEFIT EXPENSES**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Salaries, wages & bonus	316,430,482	312,897,596
Contribution to provident & other funds	21,949,605	19,945,487
Staff welfare expenses*	49,196,524	44,418,945
Recruitment & training	2,737,816	4,813,495
	390,314,427	382,075,523

\*Includes cost of provisions consumed in staff cafeteria

**26. FINANCE COST**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Interest on term loan	136,283,111	141,110,693
Interest on cash credit	2,312,197	2,041,305
Interest on others	-	69,899
Other borrowing costs	616,268	1,395,778
	139,211,576	144,617,675

**27. OTHER EXPENSES**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
Contract labour and service	104,799,882	119,066,951
Room, catering & other supplies	81,029,071	85,781,933
Linen & operating equipments consumption	33,153,868	26,963,158
Fuel, power & light	181,735,376	201,456,489
Repairs, maintenance & refurbishing	86,289,500	99,723,920
Satellite & television charges	1,018,976	1,707,084
Rent	18,328,776	18,328,776
Rates & taxes	45,692,322	83,411,564
Insurance	6,018,174	7,760,707
Directors' sitting fees	1,501,325	1,264,000
Legal & professional expenses	25,833,948	18,348,541
Payment to auditors	1,779,240	1,411,610
Printing & stationery	4,417,328	5,490,298
Guest transportation	11,161,298	19,340,034
Travelling & conveyance	22,694,415	26,202,757
Communication expenses	6,814,844	8,082,703
Technical services	58,697,047	70,610,295
Advertisement & publicity	69,017,327	60,720,062
Commission & brokerage	76,019,728	80,529,575
CSR expenditure	3,400,000	2,500,000
Charity & donation	100,000	-
Bank charges and commission	411,068	314,043
Filing fees	1,043,985	30,000
Equipment hiring charges	4,930,274	3,968,330
Provision for bad & doubtful debts	2,187,583	1,396,697
Net loss on foreign exchange	5,348,364	9,416,491
Loss on Sale of Equity Shares	167,958	-
Loss on Sale of Mutual Funds	880,407	-
Loss on sale of PPE	49,039,041	21,375,392
Assets written off	70,886	960,428
Fair valuation loss on Non Current Investment	-	2,331,360
Miscellaneous expenses	11,940,406	7,431,501
	915,522,417	985,924,699

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**28. EARNINGS PER SHARE (BASIC & DILUTED)**

Particulars	Amount in ₹	
	Year Ended 31st March 2020	Year Ended 31st March 2019
(i) Profit available for Equity Shareholders	<b>(75,120,703)</b>	35,408,382
(ii) Weighted average number of Equity Shares @ ₹ 10 each	<b>11,527,797</b>	11,527,797
(iii) Earnings/(Loss) per share (R)	<b>(6.51)</b>	3.07

**29. FINANCIAL INSTRUMENTS**

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as on March 31, 2020 are as follows:

Particulars	Amount in ₹				
	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Total Fair Value
<b>Assets:</b>					
Investments					
In Equity Shares	-	45,730,227	149,464,831	195,195,058	195,195,058
In Tax free bonds	-	193,350,000	-	193,350,000	193,350,000
In Mutual Funds	-	564,569,443	-	564,569,443	564,569,443
In Government Securities	5,000	-	-	5,000	5,000
Loans	33,448,275	-	-	33,448,275	33,448,275
Cash & cash equivalents	21,927,950	-	-	21,927,950	21,927,950
Other bank balances	315,017,598	-	-	315,017,598	315,017,598
Trade receivables	130,404,649	-	-	130,404,649	130,404,649
Other financial assets	45,908,665	-	-	45,908,665	45,908,665
<b>Total</b>	<b>546,712,137</b>	<b>803,649,670</b>	<b>149,464,831</b>	<b>1,499,826,638</b>	<b>1,499,826,638</b>
<b>Liabilities:</b>					
Borrowings	969,652,966	-	-	969,652,966	969,652,966
Trade payables	165,300,249	-	-	165,300,249	165,300,249
Other financial liabilities	423,688,176	-	-	423,688,176	423,688,176
<b>Total</b>	<b>1,558,641,391</b>	-	-	<b>1,558,641,391</b>	<b>1,558,641,391</b>

The carrying value and fair value of financial instruments by categories as on March 31, 2019 are as follows:

Particulars	Amount in ₹				
	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Total Fair Value
<b>Assets:</b>					
Investments					
In Equity Shares	-	35,512,200	184,602,178	220,114,378	220,114,378
In Tax free bonds	150,000,000	-	-	150,000,000	150,000,000
In Mutual Funds	-	690,886,317	-	690,886,317	690,886,317
In Government Securities	10,000	-	-	10,000	10,000
Loans	33,497,675	-	-	33,497,675	33,497,675
Cash & cash equivalents	25,782,486	-	-	25,782,486	25,782,486
Other bank balances	45,826,671	-	-	45,826,671	45,826,671
Trade receivables	178,967,038	-	-	178,967,038	178,967,038
Other financial assets	53,110,742	-	-	53,110,742	53,110,742
<b>Total</b>	<b>487,194,612</b>	<b>726,398,517</b>	<b>184,602,178</b>	<b>1,398,195,307</b>	<b>1,398,195,307</b>
<b>Liabilities:</b>					
Borrowings	1,135,104,996	-	-	1,135,104,996	1,135,104,996
Trade payables	125,132,307	-	-	125,132,307	125,132,307
Other financial liabilities	356,275,313	-	-	356,275,313	356,275,313
<b>Total</b>	<b>1,616,512,616</b>	-	-	<b>1,616,512,616</b>	<b>1,616,512,616</b>

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**29. FINANCIAL INSTRUMENTS (Contd.)**

**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 group 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, 2020: Amount in ₹

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments				
In Equity Shares	195,195,058	153,328,420	41,866,638	-
In Tax free bonds	193,350,000	193,350,000	-	-
In Mutual Funds	564,569,443	564,569,443	-	-
In Government Securities	5,000	-	5,000	-
Loans	33,448,275	-	-	33,448,275
Cash & cash equivalents	21,927,950	-	-	21,927,950
Other bank balances	315,017,598	-	-	315,017,598
Trade receivables	130,404,649	-	-	130,404,649
Other financial assets	45,908,665	-	-	45,908,665
<b>Total</b>	<b>1,499,826,638</b>	<b>911,247,864</b>	<b>41,871,638</b>	<b>546,707,136</b>
<b>Liabilities:</b>				
Borrowings	969,652,966	-	-	969,652,966
Trade payables	165,300,249	-	-	165,300,249
Other financial liabilities	423,688,176	-	-	423,688,176
<b>Total</b>	<b>1,558,641,391</b>	<b>-</b>	<b>-</b>	<b>1,558,641,391</b>

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2019:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments				
In Equity Shares	220,114,378	184,602,178	35,512,200	-
In Tax free bonds	150,000,000	-	150,000,000	-
In Mutual Funds	690,886,317	690,886,317	-	-
In Government Securities	10,000	-	-	10,000
Loans	33,497,675	-	-	33,497,675
Cash & cash equivalents	25,782,486	-	-	25,782,486
Other bank balances	45,826,671	-	-	45,826,671
Trade receivables	178,967,038	-	-	178,967,038
Other financial assets	53,110,742	-	-	53,110,742
<b>Total</b>	<b>1,398,195,307</b>	<b>875,488,495</b>	<b>185,512,200</b>	<b>337,194,612</b>
<b>Liabilities:</b>				
Borrowings	1,135,104,996	-	-	1,135,104,996
Trade payables	125,132,307	-	-	125,132,307
Other financial liabilities	356,275,313	-	-	356,275,313
<b>Total</b>	<b>-1,616,512,616</b>	<b>-</b>	<b>-</b>	<b>1,616,512,616</b>

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.

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**30. FINANCIAL RISK MANAGEMENT**

**Financial risk factors**

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

**Market risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**a) Foreign Currency risk**

The Group is exposed to foreign exchange risk through its purchases from overseas suppliers and payment for services availed in various foreign currencies. The Group 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 2020 and 31st March 2019.

Particulars	Amount in ₹	
	31st March 2020	31st March 2019
Trade payables (USD Converted to INR)	96,326,233	73,324,476

For the year ended 31st March 2020 and 31st March 2019, the effect of every percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S.dollar on profit before tax is as under;

	Change in USD rate	Effect on profit before tax	
		31st March 2020	31st March 2019
Appreciation in exchange rate	1%	(963,262)	(733,245)
Depreciation on exchange rate	-1%	963,262	733,245

**b) Other Market Price Risks**

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as fair value through Other Comprehensive Income and Fair value through profit/loss. If the equity prices of quoted investments are 1% higher/lower, the Other Comprehensive Income for the year ended March 31, 2020 would increase/ decrease by ₹ 14,94,648 (for the year ended March 31, 2019: increase/ decrease by ₹ 18,46,022) and profit or loss for the year ended March 31, 2020 would increase/ decrease by ₹ 70,13,485 (for the year ended March 31, 2019: increase/ decrease by ₹ 69,08,863)

**Liquidity risk**

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

The Group's principle source of liquidity are cash and cash equivalent, cash flows from operations and investment in mutual funds. The Group 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, 2020:

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Borrowings	1,552,966	172,500,000	733,050,000	62,550,000	969,652,966
Trade payables	165,300,249	-	-	-	165,300,249
Other financial liabilities	422,707,176	981,000	-	-	423,688,176

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2019:

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Borrowings	23,604,996	143,400,000	655,350,000	312,750,000	1,135,104,996
Trade payables	125,132,307	-	-	-	125,132,307
Other financial liabilities	354,737,313	1,538,000	-	-	356,275,313

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**30. FINANCIAL RISK MANAGEMENT** (Contd.)

**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 Group is exposed to credit risk from investments, trade receivables, cash and cash equivalents, loans and other financial assets.

The Group's credit risk is minimised as the Group'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 :

<b>Particulars</b>	Amount in ₹	
	<b>31st March 2020</b>	31st March 2019
Investments	<b>953,119,501</b>	1,061,010,695
Trade receivables	<b>130,404,649</b>	178,967,038
Cash & cash equivalents	<b>21,927,950</b>	25,782,486
Loans	<b>33,448,275</b>	33,497,675
Other financial assets	<b>45,908,665</b>	53,110,742

Credit risk on cash and cash equivalent is limited as the Group generally invest in deposits with nationalised banks. Investments primarily include investments in liquid mutual fund units, fixed maturity plans, short term fund, quoted bonds and equity shares.

**Risk towards Global Pandemic COVID-19**

Financial instruments carried at fair value as at March 31, 2020 is ₹ 1,49,98,26,638 and financial instruments carried at amortised cost as at March 31, 2020 is ₹ 54,67,12,137. A significant part of the financial assets are classified as Level 1 having fair value of ₹ 91,12,47,864 as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Group are mainly investments in equity shares of listed entities wherein the uncertainties arising out of COVID-19 has already been factored by the stock market as at March 31, 2020 and liquid debt securities wherein no material volatility is expected.

Trade receivables of ₹ 13,04,04,649 as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost. The Debtors do not have any concentrated risk and the Group does expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Group. The Group has specifically evaluated the potential impact with respect to customers in Airline and Travel Agents segments which could have an immediate impact though the outstanding is not significant. Further, we expect that there could be some delay in payments from debtors, over and above the credit cycle. Basis our internal assessment and the stringent provisioning policy of the Group, the management assessment for the allowance for doubtful trade receivables of ₹ 35,01,647 as at March 31, 2020 is considered adequate.

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**31. 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 Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, less cash and cash equivalents.

Gearing Ratio is as follows :

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Net debt	969,652,966	1,135,104,996
Total net debt and equity	8,564,199,069	8,869,166,293
Gearing Ratio	11.32%	12.80%

In order to achieve this overall objective, the Group'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 2020 and 31 March 2019.

**32. C.I.F Value of Imports :**

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Stores & Spares	-	568,692
Capital Goods	3,343,948	1,404,073
<b>Total</b>	<b>3,343,948</b>	<b>1,972,765</b>

**33. Expenditure in Foreign Currency (on payment basis)**

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Commission & Brokerage	33,895,218	38,266,913
Technical Services	20,634,226	27,653,088
Advertisement & Publicity	17,981,667	12,206,041
Recruitment & Training	815,404	535,028
Others	34,911,014	40,007,550
<b>Total</b>	<b>108,237,529</b>	<b>118,668,620</b>

**34. Earnings in Foreign Currency (on receipt basis)**

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Earnings	387,861,843	475,617,873

**35.** 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	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Number of non resident shareholders	454	472
Number of equity shares held by non resident shareholders	7,758,649	7,768,082
Amount of dividend paid	19,396,622	19,420,205
Year to which dividend relates	2018-2019	2017-2018

**36.** Estimated amount of Capital Contracts pending to be executed (Net of Advances ₹ 1,80,63,022 (₹ 2,00,45,970/-))

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37. As far as the Regency Convention Centre and Hotels Limited (Regency)'s legal Suit No. 6846 of 1999 with the Airport Authority of India (AAI) & Ors in the High Court of Judicature at Bombay is concerned and its slow progress in more than last 20 years and pursuant to the discussion and understanding with Mumbai International Airport Limited (MIAL), the company considered the prospect of amicable settlement of the dispute through MIAL and accordingly Regency, the Company and MIAL have executed a Share Purchase Agreement dated 20th April 2019 (SPA) wherein MIAL has agreed to buy the Company's 100% investment in the Regency at a purchase consideration of Rs.64 crores against which the company has received an advance of Rs.23 crores from MIAL. The SPA is subject to fulfilment of certain conditions including withdrawal of the legal Suit by the RCC. However, the terms of the SPA could not be fulfilled by the Long Stop Date 30th June 2019 mentioned therein and now MIAL has extended the Long Stop Date to 31st March 2021 to pay the balance consideration of Rs.41 crores with an interest at the rate of 8.25% p.a. for the period commencing from 1st July 2019 till the revised Long Stop Date to complete the transaction. Further notwithstanding the above development, the company is always open to consider a hotel project in future at the CSI Airport, Mumbai subject to a suitable opportunity, terms, process, business and economic environment. The Regency shall pursue the legal case till the completion of the transaction.

### 38. Statutory Group Information

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹	As % of consolidated profit and loss	₹	As % of consolidated other comprehensive income	₹	As % of consolidated total comprehensive income	₹
<b>Parent</b>								
<b>Asian Hotels (East) Limited</b>								
Balance as at 31st March 2020	112.54%	8,547,219,389	(193.11%)	145,064,844	119.26%	(35,396,111)	-104.64%	109,668,733
Balance as at 31st March 2019	119.17%	9,217,103,744	2498.73%	882,747,201	99.81%	47,132,693	1126.43%	929,879,894
<b>Subsidiaries</b>								
<b>GJS Hotels Limited</b>								
Balance as at 31st March 2020	0.42%	31,655,919	1.36%	(1,021,546)	-	-	0.97%	(1,021,546)
Balance as at 31st March 2019	20.77%	1,606,503,051	237.14%	83,775,423	-	-	101.48%	83,775,423
<b>Robust Hotels Private Limited</b>								
Balance as at 31st March 2020	49.11%	3,729,389,175	283.23%	(212,766,492)	2.20%	(652,472)	199.21%	(208,768,964)
Balance as at 31st March 2019	35.12%	2,716,507,221	(639.83%)	(226,039,318)	0.19%	90,680	(273.71%)	(225,948,638)
<b>Regency Convention Centre &amp; Hotels Limited</b>								
Balance as at 31st March 2020	0.27%	20,646,079	0.04%	(28,973)	-	-	0.03%	(28,973)
Balance as at 31st March 2019	0.01%	402,072	-0.61%	(214,270)	-	-	(0.26%)	(214,270)
<b>Non-controlling interest in subsidiary</b>								
Balance as at 31st March 2020	0.00%	-	0.00%	-	-	-	0.00%	-
Balance as at 31st March 2019	0.00%	172,213	(0.23%)	(80,480)	-	-	(0.10%)	(80,480)
<b>Elimination</b>								
Balance as at 31st March 2020	(0.6234)	(4,734,364,459)	-	(6,368,529)	-	6,368,544	-	(4,649,985)
Balance as at 31st March 2019	(0.7507)	(5,806,454,792)	-	(704,860,653)	-	-	-	(704,860,653)
<b>Total</b>								
Balance as at 31st March 2020	1.0000	7,594,546,103	1	(75,120,703)	1	(29,680,039)	1	(104,800,742)
Balance as at 31st March 2019	1.0000	7,734,233,510	1	35,327,902	1	47,223,373	1	82,551,275



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Amount in ₹

**39. Gratuity and other post-employment benefit plans**

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

a) Defined contribution plans

i. Provident fund

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

<b>Particulars</b>	<b>31<sup>st</sup> March 2020</b>	31 <sup>st</sup> March 2019
Employer's Contribution to Provident Fund	<b>1,22,73,171</b>	1,08,44,868
Employer's Contribution to Pension Scheme	<b>61,95,524</b>	61,22,173

b) Defined benefit plans

i. Contribution to Gratuity fund

ii. 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 6.92% 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 Group'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:**

Amount in ₹

<b>Particulars</b>	<b>Gratuity (Unfunded)</b>	
	<b>31<sup>st</sup> March 2020</b>	31 <sup>st</sup> March 2019
Present value of obligations as at the beginning of the year	<b>2,55,33,999</b>	2,29,56,967
Current service cost	<b>46,30,818</b>	40,25,351
Interest cost	<b>18,69,225</b>	17,24,005
Benefit Paid	<b>(47,77,982)</b>	(33,75,442)
Actuarial (gain)/ loss on obligation	<b>9,98,265</b>	2,03,118
<b>Present value of obligations as at the year end</b>	<b>2,82,54,325</b>	2,55,33,999
Current liability	<b>91,24,782</b>	77,28,399
Non -Current liability	<b>1,91,29,543</b>	1,78,05,600
<b>Total</b>	<b>2,82,54,325</b>	2,55,33,999

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

Amount in ₹

<b>Particulars</b>	<b>Gratuity (Unfunded)</b>	
	<b>31<sup>st</sup> March 2020</b>	31 <sup>st</sup> March 2019
Current Service Cost	<b>46,30,818</b>	40,25,351
Interest Cost	<b>18,69,225</b>	17,24,005
Actuarial (Gain) / loss recognized during the year	-	-
Expenses recognised in Statement of Profit and Loss	<b>65,00,043</b>	57,49,356

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Amount in ₹

**39. Gratuity and other post-employment benefit plans (Contd.)**

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

Particulars	Gratuity (Unfunded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Actuarial Gain / (loss) recognized during the year	<b>(9,98,265)</b>	(2,03,118)

**iv. Principal Actuarial assumptions:**

Particulars	Refer Note below	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Discount rate (p.a.)	1	<b>6.92 %</b>	7.66%
Salary Escalation Rate (p.a.)	2	<b>6.00 %</b>	6.00%

**Notes:**

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

**Demographic assumptions:**

- Retirement age: 58 years
- Mortality rate : Published rates under Indian Assured Lives Mortality (IALM) Ultimate table

**40. Leases:**

Amount in ₹

The Group 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 57,33,182/-.

The future receipts for operating lease are as follows:

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Not Later than 1 year	<b>13,64,910</b>	22,81,230
Later than one year and not later than five years	<b>17,00,490</b>	33,20,080
Later than five years	-	-

The Group 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 180,00,000/-.

The future Payments for operating lease are as follows:

	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Not Later than 1 year	-	30,00,000
Later than one year and not later than five years	-	-
Later than five years	-	-

**41. The operating segments (Ind AS 108) of the Company are as follows:**

- Hotel Business (East): The hotel Business (East) includes namely the operating hotel "Hyatt Regency" in Kolkata.
- Investments including investments in Hotel (South): It consists of (i) Securities Trading Unit & (ii) Strategic Investment Unit.

Securities Trading Unit comprising of treasury/liquid investments which are being regularly traded, bonds, mutual funds, and shares of certain companies ( Refer Note No- 6)

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Amount in ₹

**41. (Contd.)**

Strategic Investment Unit includes the loan & investment in its wholly owned subsidiary (Robust Hotels Pvt. Ltd.) having an operating hotel namely Hyatt Regency, Chennai and the loans and Investment in its wholly owned subsidiary (GJS Hotels Ltd.) for exploring business opportunities in Hotel in Bhubaneswar, Odisha.

**STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER & YEAR ENDED 31st MARCH 2020**

(Rs in lakhs, except share and per share data)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 Audited	31.12.2019 Unaudited	31.03.2019 Audited	31.03.2020 Audited	31.03.2019 Audited
1	<b>Segment Revenue</b>					
	<b>Revenue from Operations</b>					
	Hotel Business (East)	2,267.58	2,532.52	2,979.11	9,189.62	10,339.08
	Investments including investments in Hotel (South)	2,012.27	2,331.33	2,627.87	9,276.99	9,896.15
	<b>Total ( A )</b>	<b>4,279.85</b>	<b>4,863.85</b>	<b>5,606.98</b>	<b>18,466.61</b>	<b>20,235.23</b>
	<b>Other Income</b>					
	Hotel Business (East)	50.12	45.64	7.91	275.27	311.67
Investments including investments in Hotel (South)	528.97	130.30	164.31	682.76	696.97	
Other Unallocable Income	-	33.26	-	108.60	50.70	
<b>Total ( B )</b>	<b>579.09</b>	<b>209.20</b>	<b>172.22</b>	<b>1,066.63</b>	<b>1,059.34</b>	
	<b>Total Revenue ( A+B )</b>	<b>4,858.94</b>	<b>5,073.05</b>	<b>5,779.20</b>	<b>19,533.24</b>	<b>21,294.57</b>
2	<b>Segment Results (EBITDA)</b>					
	Hotel Business (East)	616.12	736.22	614.53	2,337.50	2,643.57
	Investments including investments in Hotel (South)	944.95	452.00	686.44	2,063.33	2,979.41
	Total Segment Profit before Interest , Tax, Depreciation & Amortisation	<b>1,561.07</b>	<b>1,188.22</b>	<b>1,300.97</b>	<b>4,400.83</b>	<b>5,622.98</b>
3	<b>Segment Result (EBIT)</b>					
	Hotel Business (East)	542.54	662.25	335.82	2,040.18	2,151.19
	Investments including investments in Hotel (South)	376.58	(128.21)	148.56	(238.50)	676.74
	<b>Total Segment Profit Before Tax</b>	<b>919.12</b>	<b>534.04</b>	<b>484.38</b>	<b>1,801.68</b>	<b>2,827.93</b>
	i) Other Unallocable Cost	(118.60)	(103.89)	(100.15)	(442.28)	(413.54)
	ii) Other Unallocable Income	-	33.26	-	108.60	50.70
	iii) Finance Cost	(331.62)	(350.22)	(358.18)	(1,392.12)	(1,446.18)
	iv) Exceptional Items	-	-	-	-	-
	<b>Profit Before Tax</b>	<b>468.90</b>	<b>113.19</b>	<b>26.05</b>	<b>75.88</b>	<b>1,018.91</b>
	i) Current Tax	51.44	206.62	295.89	473.73	785.48
iii) Deferred Tax	(143.43)	14.78	(156.63)	(155.45)	(108.21)	
iii) MAT	510.49	(1.68)	(11.64)	508.81	(11.64)	
	<b>Profit After Tax</b>	<b>50.40</b>	<b>(106.53)</b>	<b>(101.57)</b>	<b>(751.21)</b>	<b>353.28</b>
4	<b>Segment Assets</b>					
	Hotel Business (East)	15,594.41	15,254.59	13,709.77	15,594.41	13,709.77
	Investments including Investments in Hotel (South)	81,240.44	81,819.24	82,795.20	81,240.44	82,795.20
	<b>Total Segment Assets</b>	<b>96,834.85</b>	<b>97,073.83</b>	<b>96,504.97</b>	<b>96,834.85</b>	<b>96,504.97</b>
5	<b>Segment Liabilities</b>					
	Hotel Business (East)	3,719.63	3,459.02	3,687.96	3,719.63	3,687.96
	Investments including Investments in Hotel (South)	17,168.19	17,298.56	15,271.26	17,168.19	15,271.26
	<b>Total Segment Liabilities</b>	<b>20,887.82</b>	<b>20,757.58</b>	<b>18,959.22</b>	<b>20,887.82</b>	<b>18,959.22</b>

**Notes**

**1** The operating segments (Ind AS 108) of the Company are as follows:

a) Hotel Business (East): The hotel Business (East) includes namely the operating hotel "Hyatt Regency" in Kolkata.

b) Investments including investments in Hotel (South): It consists of (i) Securities Trading Unit & (ii) Strategic Investment Unit.

Securities Trading Unit includes all the investment of the Company in mutual funds, bonds, listed equity shares including equity shares of Asian Hotels (West) Limited & wholly owned subsidiary (Regency Convention Centre and Hotels Ltd.).

Strategic Investment Unit includes the loan & investment in its wholly owned subsidiary (Robust Hotels Pvt. Ltd.) having an operating hotel namely Hyatt Regency, Chennai and the loans and Investment in its wholly owned subsidiary (GJS Hotels Ltd.) for exploring business opportunities in Hotel in Bhubaneswar, Odisha.

**2** Other unallocable Income for the year ended March 2020 & year ended March 2019 represents interests on Income Tax refund.

**3** Since the company has given the effect of the Scheme of Arrangement amongst involving the Company, GJS Hotels Ltd. and Robust Hotels Pvt. Ltd. on April 1, 2019, hence the figures of previous period are not comparable.

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Amount in ₹

**42.** 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 :-

<b>Particulars</b>	<b>31<sup>st</sup>March 2020</b>	31 <sup>st</sup> March 2019
The principal amount remaining unpaid to supplier as at the end of the accounting year.	<b>2,38,37,398</b>	4,09,811
The interest due thereon remaining unpaid to Supplier as at the end of the accounting year.	<b>NIL</b>	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.	<b>NIL</b>	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.	<b>NIL</b>	NIL
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	<b>NIL</b>	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.	<b>NIL</b>	NIL

**43. Contingent Liabilities :**

<b>Contingent Liabilities</b>	<b>31<sup>st</sup>March 2020</b>	31 <sup>st</sup> March 2019
Bank Guarantee	-	34,67,373
Claims against the Company not acknowledged as debts	<b>34,680</b>	82,180
Letter of Credit issued by IDBI Bank Ltd. in favour of West Bengal Electricity Distribution Company Limited	<b>1,95,00,000</b>	1,95,00,000
Service Tax under the Finance Act, 1994 pertaining to prior to F.Y. 2004-05 (The Company has opted for SVLDRS and its application has been accepted)		4,379,735
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2007-08 to F.Y. 2009-10	<b>26,753,749</b>	26,753,749
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2008-09 to F.Y. 2012-13	<b>6,836,585</b>	6,836,585
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2013-14	<b>7,644,193</b>	7,644,193
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2014-15 to F.Y. 2016-17 (Assistant Commissioner- Tech Kolkata Audit-I CGST & CX Commissionerate has dropped the demand vide Intimation dated 30th September 2019)	-	3,86,32,924
Income Tax under the Income Tax Act, 1961 for the F.Y. 2011-12 (ITAT has passed an order in favour of the company vide order dated 10th June 2020)	-	1,68,41,387
Income Tax under the Income Tax Act, 1961 for the F.Y. 2012-13 (ITAT has passed an order in favour of the company vide order dated 10th June 2020)	-	1,17,93,677
Income Tax under the Income Tax Act, 1961 for the F.Y. 2013-14 (ITAT has passed an order in favour of the company vide order dated 10th June 2020 )	-	1,21,41,837
Income Tax under the Income Tax Act, 1961 for the F.Y. 2014-15 (CIT- Appeals has passed an order in favour of the company vide order dated 2nd August 2019)	-	69,76,470
Sales Tax under West Bengal Sales Tax Act, 1994 pertaining to F.Y. 2012-13	<b>5,683,418</b>	5,683,418
Value Added Tax under West Bengal VAT Act, 2003 pertaining to F.Y. 2012-13 (Senior Joint Commissioner- Commercial Taxes has modified the Order of Joint Commissioner and for the balance amount payable, the Company has created a provision for it separately )		396,345
VAT Under WB VAT Act 2003 for the F.Y 2014-15 Commercial Taxes has modified the Order of Joint Commissioner and a refund amounting to ₹ 99,075 has been determined. The Company has made an application for the refund of the same).	-	1,81,216
VAT Under WB VAT Act 2003 for the F.Y 2011-12 (the Company has preferred an appeal against the demand)	<b>3,69,75,792</b>	-
Disputed Excise Duty and Penalty from April 2012 to October 2015	-	49,30,507
Pending claims from IOC Limited for non-submission of 'C' forms for purchase of diesel	<b>4,00,000</b>	4,00,000
The West Bengal Value Added Tax Rules, 2005 for the F.Y 15-16 (Joint Commissioner- Commercial Taxes has issued a modified Order dated 19/12/2019 and a refund amounting to ₹77,411 has been determined and it was received by us on 17/01/2020).		13,09,677
Foreign Trade Development Regulation Act. 1992.	<b>3,96,36,944</b>	3,96,36,944

**CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

44. The Hon'ble Supreme Court (SC) of India by their order dated 28th February 2019 set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. The Group is awaiting the outcome of the review petition, and further clarification in the matter to assess any potential impact on the group and consequently no adjustments have been made in the books of account.

**45. Payments to Auditors**

Particulars	Amount in ₹	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Statutory Audit Fees	13,40,000	10,91,300
Tax Audit Fees	2,50,000	3,00,000
Fees for other services	70,000	20,000
Reimbursement of Expenses	85,640	30,250

The above Audit Fees include Audit fees of All the Auditors including subsidiaries.

46. 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) Key Management Personnel :**

Mr Radhe Shyam Saraf, Chairman  
 Mr Arun Kumar Saraf, Joint Managing Director  
 Mr Umesh Saraf, Joint Managing Director  
 Mr A Srinivasan  
 Mr Varun Saraf  
 Mr Pawan Kumar Kakarania  
 Mr Soumya Saha  
 Mr Rama Shankar Jhawar  
 Ms. Rita Bhimani  
 Mr. T.N. Thanikachalam  
 Ms. N. Muthulakshmi  
 Ms. T Ramyaa  
 Ms Manisha Sharma

**(b) Independent Directors:**

Mr. A.C Chakrabortti  
 Mrs. Rita Bhimani  
 Mr. Rama Shankar Jhawar  
 Mr. Padam Kumar Khaitan

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

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

*Asian Hotels (East) Limited*

CIN: L15122WB2007PLC162762

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

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

Amount in ₹

Transactions during the period	Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Dividend Paid</b>						
Saraf Industries Limited	-	-	<b>9,076,575</b>	9,076,575	<b>9,076,575</b>	9,076,575
Radhe Shyam Saraf	<b>8,211,700</b>	8,211,700	-	-	<b>8,211,700</b>	8,211,700
<b>Sale of Service</b>						
Juniper Hotels Private Limited	-	-	<b>68,982</b>	529,047	<b>68,982</b>	529,047
Chartered Hotels Pvt Limited	-	-	<b>40,423</b>	506,544	<b>40,423</b>	506,544
<b>Travelling Expenses</b>						
Arun Saraf	<b>1,171,854</b>	1,137,034	-	-	<b>1,171,854</b>	1,137,034
Umesh Saraf	<b>459,640</b>	1,000,708	-	-	<b>459,640</b>	1,000,708
Radheyshyam Saraf	<b>78,358</b>	-	-	-	<b>78,358</b>	-
A.C Chakraborty	-	7,440	-	-	-	7,440
Rita Bhimani	-	8,061	-	-	-	8,061
Rama Shankar Jhawar	-	8,067	-	-	-	8,067
Padam Kumar Khaitan	-	7,143	-	-	-	7,143
<b>Support Staff Income</b>						
Unison Hotels Private Limited	-	-	<b>143,033</b>	-	<b>143,033</b>	-
<b>Sales Promotion</b>						
Juniper Hotels Private Limited	-	-	<b>53,017</b>	183,600	<b>53,017</b>	183,600
<b>Expenses Incurred (Reimbursement)</b>						
Chartered Hotels Pvt Limited	-	-	<b>42,280</b>	17,702	<b>42,280</b>	17,702
Juniper Hotels Private Limited	-	-	<b>719,972</b>	98,264	<b>719,972</b>	98,264
Taragaon Regency Hotels Limited	-	-	-	78,833	-	78,833
Unison Hotels Private Limited	-	-	-	19,037	-	19,037
<b>Legal Consultancy Fees</b>						
A Srinivasan	<b>600,000</b>	600,000	-	-	<b>600,000</b>	600,000
<b>Managerial Remuneration*</b>						
Umesh Saraf	<b>20,022,110</b>	19,062,270	-	-	<b>20,022,110</b>	19,062,270
Arun Kr. Saraf	<b>19,608,000</b>	18,576,000	-	-	<b>19,608,000</b>	18,576,000
Mr.T.N.Thanikachalam	<b>3,727,640</b>	3,794,179	-	-	<b>3,727,640</b>	3,794,179
Ms. N.Muthulakshmi	-	1,024,297	-	-	-	1,024,297
Ms. Ramyaa Thirumaran	<b>140,613</b>	282,830	-	-	<b>140,613</b>	282,830
Ms. Manisha Sharma	<b>334,565</b>	-	-	-	<b>334,565</b>	-
<b>Sitting Fees</b>						
Radheyshyam Saraf	<b>50,000</b>	50,000	-	-	<b>50,000</b>	50,000
A.C Chakrabortti	<b>430,000</b>	350,000	-	-	<b>430,000</b>	350,000
Rita Bhimani	<b>295,000</b>	230,000	-	-	<b>295,000</b>	230,000
Rama Shankar Jhawar	<b>445,000</b>	270,000	-	-	<b>445,000</b>	270,000
Padam Kumar Khaitan	<b>250,000</b>	230,000	-	-	<b>250,000</b>	230,000
Arun Kr. Saraf	<b>6,000</b>	2,000	-	-	<b>6,000</b>	2,000
Umesh Saraf	<b>9,000</b>	6,000	-	-	<b>9,000</b>	6,000
Varun Kuamr Saraf	<b>1,000</b>	5,000	-	-	<b>1,000</b>	5,000
A Srinivasan	<b>1,000</b>	2,000	-	-	<b>1,000</b>	2,000
Soumya Saha	<b>10,000</b>	5,000	-	-	<b>10,000</b>	5,000
Pawan Kumar Kakarania	<b>1,000</b>	4,000	-	-	<b>1,000</b>	4,000

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

**Related Party Disclosures** (Contd.)

Closing Balance as on 31st March, 2019	Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Trade receivables</b>						
Juniper Hotels Private Limited	-	-	<b>605,038</b>	572,188	<b>605,038</b>	572,188
Chartered Hampi Hotels Private Limited	-	-	-	-	-	-
Unison Hotels Private Limited	<b>25,745</b>	-	<b>17,682</b>	17,682	<b>43,427</b>	17,682
Chartered Hotels Limited	-	-	<b>118,413</b>	498,418	<b>118,413</b>	498,418
Taragaon Regency Hotels Limited	-	-	<b>78,833</b>	78,833	<b>78,833</b>	-
<b>Trade payables</b>						
Juniper Hotels Private Limited	-	-	<b>1,429,443</b>	654,671	<b>1,429,443</b>	654,671
Unison Hotels Private Limited	-	-	<b>159,784</b>	159,784	<b>159,784</b>	159,784
Chartered Hotels Limited	-	-	-	17,702	-	17,702
<b>Other Payable</b>						
Pawan Kumar Kakarania	-	-	<b>4,000</b>	-	<b>4,000</b>	-

**47. EFFECT OF THE SANCTIONED SCHEME OF ARRANGEMENT:**

The Scheme of Arrangement between the Company, GJS Hotels Limited (GJS) and Robust Hotels Private Limited (RHPL) and their respective shareholders and creditors under sections 230 and 232 of the Companies Act, 2013 for Demerger of investment division of GJS, a wholly-owned subsidiary into the Company and reorganization of share capital of RHPL has been sanctioned by the NCLT Benches, Kolkata and Chennai Bench vide its order dated 6th February, 2019 and 24th June, 2019 respectively.

The Scheme had become effective from 24th July, 2019 being the Effective Date with effect from 31st March, 2016 being the Appointed Date. Requisite steps have been taken by the Company to give effect to the Scheme.

Consequent to giving effects of the Scheme, all the securities held by GJS in RHPL transferred to the Company and accordingly RHPL became a direct wholly owned subsidiary of the Company.

**48. STATUS OF ONGOING SCHEME OF ARRANGEMENT:**

On 14th November, 2019 the Board of Directors of the Company approved a Scheme of Arrangement, Demerger and Reduction of Capital between the Company and its wholly owned subsidiary Robust Hotels Private Limited (RHPL) and their respective shareholders and creditors under Sections 230-232, 66 of the Companies Act, 2013 ("the Scheme") for inter alia :

- i) demerger and transfer of the undertaking, business activities and operations of the Company pertaining to 'Securities Trading Unit' comprising of treasury/liquid investments which are being regularly traded, bonds, mutual funds, and shares of certain companies (which already are under an agreement of sale, part performance completed) ("Demerged Undertaking") from the Company into RHPL, as a going concern in compliance with Section 2(19AA) of Income Tax Act, 1961
- ii) capitalization of reserves of the Company and issuance and allotment of fully paid-up bonus equity shares having face value of Rs. 10/- each ("Bonus Shares") by the Company to its equity shareholders (as of the Record Date), in the ratio 1:2, meaning 1 (one) Bonus Share for every 2 (two) equity shares of the Company, ranking pari passu with the existing equity shares of the Company;
- iii) reorganization and reduction of shares of RHPL held by the Company (without any consideration) with 'Appointed Date' being the same as the Effective date or such other date as may be modified/fixed by the Tribunals;
- iv) upon effectiveness of the Scheme RHPL shall issue & allot equity shares to the shareholders of the Company in the ration of 1:1 i.e., 1 (one) fully paid-up equity share of having a face value of ₹ 10/- each for every 1 (one) fully paid-up equity share of the Company having a face value of ₹ 10/- held by a shareholder of the Company as on the Record Date (to be determined in terms of the Scheme and the 2013 Act) and the shares of RHPL shall be listed and admitted for trading on all the stock exchanges where the equity shares of the Company are listed.

The Scheme along with necessary documents was filed by the Company on 28th January, 2020 with the stock exchanges where the equity shares of the Company are listed. The Company has received Observation Letters dated 21.05.2020 from BSE Limited (BSE), being the designated stock exchange of the Company and National stock Exchange of India Ltd (NSE) so as to file the Scheme with the Hon'ble National Company Law Tribunal Benches, Kolkata & Chennai.

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

**48. STATUS OF ONGOING SCHEME OF ARRANGEMENT:** (Contd.)

In compliance with the requirement mentioned in the observation letters received from BSE and NSE dated 21st May, 2020, the Company Application has been filed through e-mode with the Hon'ble NCLT Bench, Kolkata on Tuesday, 21st July, 2020 having filing no. 1908134/00063/2020 for receiving necessary Directions/Orders in respect of convening the meeting of the equity shareholders and creditors for approval of the Scheme.

Further, RHPL is in the process of filing the application with the Hon'ble NCLT Bench, Chennai for receiving Orders in respect of convening/dispensing with the meeting of its equity shareholders and creditors for approval of the Scheme.

All stakeholders can see the Scheme documents including the observation letters dated 21.05.2020 in the Company's website at [www.ahleast.com](http://www.ahleast.com) and website of the BSE at

<https://www.bseindia.com/corporates/NOCUnder.aspx> and NSE at

<https://www1.nseindia.com/corporates/corporateHome.html?id=schemeofarrangement>

**49.** 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), ₹ 8,54,110/- and 14,626 shares have been transferred to the IEPF for the dividend declared in the financial year ended 2011-12 and the respective shares whose dividend remained unpaid or unclaimed for seven consecutive years. Further, ₹ 18,599 of F.Y 2011-12 and its 4,130 shares of F.Y 2011-12 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 August 24, 2019

**50.** The Government of India vide Taxation Laws (Amendment) Ordinance, 2019 dated 20th September 2019 has inserted Section 115BAA in the Income Tax Act, 1961 which provides an option of reduced rate effective from April 1, 2019 subject to certain conditions. The Company has elected to exercise the option of lower tax rate of 25.168% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019 whereas Subsidiary Company, Robust Hotels Pvt Ltd, has not opted this scheme. The full impact of this change has been recognized in tax expense in the current year ended 31st March, 2020. In view of the above, the MAT Credit Entitlement will not be available in future years, hence the same is reversed to the tune of ₹ 5,10,48,965. The deferred tax expense has reduced by ₹ 1,56,60,813 due to exercise of aforementioned option of lower tax rate.

**51.** The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption of regular business operations due to lock-down, disruption in transportation, supply chain and other emergency measures. The Group's offices are under lockdown since 24th March, 2020 and the Hotel is running with curtailed manpower as per requisite permission from local administration. As a result the Hotel Operations for the month of March 2020 and also the performance for the F.Y 2020-21 will be severely impacted due to Covid -19. The Group is monitoring the situation closely and operations are being ramped up in a phased manner taking into account directives from the Government. The management has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The Group has already initiated action plans including control of fixed overheads to reduce the impact on the profitability.

**52.** The Auditors have commented on the need for and necessity of carrying out an evaluation of impairment of the goodwill on consolidation.

The management is confident that the realizable value of the goodwill on consolidation will not be less than the amount at which they have been stated in the balance sheet. The operating performance of the subsidiaries has been satisfactory. The present adverse business conditions due to outbreak of Covid pandemic is temporary and it has become difficult to have the future projections of revenue/cash flows from the business for the purpose of Impairment as this industry has been affected badly. The management is optimistic that the long term prospects/fundamentals of the subsidiaries is good and it expects quick recovery in the performance after business conditions are restored to its prior position.

Unfortunately, the entire Hotel industry is now devastated on account of Covid-19 pandemic and also long lockdown declared by the Government. These events have created uncertainty and unpredictability in the future of the Hotel industry across the country. The entire Hotel industry is grappling with the situation and therefore in the present adverse circumstances, it is difficult to carry out the impairment test.

**53.** Previous Year figures have been regrouped / reclassified, wherever necessary

In terms of our report attached

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

**Rajiv Singhi**  
Partner  
Membership No. : 053518

Place: Kolkata  
Date: 31st July 2020

For and on behalf of the Board of Directors

<b>Radhe Shyam Saraf</b> (DIN: 00017962)	Chairman
<b>Arun K Saraf</b> (DIN: 00339772)	Joint Managing Director
<b>Umesh Saraf</b> (DIN: 00017985)	Joint Managing Director
<b>A. C. Chakrabortti</b> (DIN: 00015622)	Director
<b>Rama Shankar Jhawar</b> (DIN: 00023792)	Director
<b>Padam Kumar Khaitan</b> (DIN: 00019700)	Director
<b>Rita Bhimani</b> (DIN: 07106069)	Director

**Bimal Kr Jhunjunwala**  
CFO & Vice President- Corporate Finance

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



**CONSOLIDATED FINANCIAL STATEMENTS**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Consolidated)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020</b> <b>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) Rs in Lacs</b>	<b>Adjusted Figures (audited figures After adjusting for qualifications) Rs in Lacs</b>
	1.	Turnover / Total income	19,533.24	19,533.23
	2.	Total Expenditure	19,457.07	19,457.06
	3.	Net Profit/(Loss) before tax	76.17	76.17
	4.	Earnings Per Share	(6.51)	(6.51)
	5.	Total Assets	96,834.85	96,834.85
	6.	Total Liabilities	20,889.39	20,889.39
	7.	Net Worth	75,945.46	75,945.46
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<p><b><u>Audit Qualification (each audit qualification separately):</u></b></p> <p>a. <b>Details of Audit Qualification:</b></p> <p>The Company is carrying goodwill on consolidation amounting to Rs. 9,991.03 lacs for the investment in subsidiaries of the company as on March 31, 2020. The financial performance of the subsidiaries and adverse impact of the pandemic Covid-19 on the operation of the subsidiaries indicate a need for impairment testing of the goodwill. However, management has not carried out any impairment testing of goodwill along with carrying value of net assets of subsidiary company to assess if there is any impairment charge to be recognized on goodwill. The management is confident that the recoverable amount of the goodwill on consolidation will not be less than the amount at which they have been stated in the Balance Sheet. The impact of the above matter on the consolidated financial statements of the Company is not ascertainable and as such cannot be commented upon.</p> <p>b. <b>Type of Audit Qualification:</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>c. <b>Frequency of qualification:</b> Whether appeared first time/repetitive/since how long continuing: First Time</p> <p>d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p style="padding-left: 20px;">Not Applicable</p> <p>e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>(i) <b>Management's estimation on the impact of audit qualification:</b> Estimation not ascertainable as explained in Point (ii) below.</p> <p>(ii) <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p style="padding-left: 20px;">The Auditors have commented on the need for and necessity of carrying out an evaluation of impairment of the goodwill on consolidation.</p> <p style="padding-left: 20px;">The management is confident that the realizable value of the goodwill on consolidation will not be less than the amount at which they have been stated in the balance sheet. The operating performance of the subsidiaries has been satisfactory. The present adverse business conditions due to outbreak of Covid pandemic is temporary and it has become difficult to have the future projections of revenue/cash flows from the business for the purpose of Impairment as this industry has been affected badly. The management is optimistic that the long term prospects/fundamentals of the subsidiaries is good and it expects quick recovery in the performance after business conditions are restored to its prior position.</p>			

**CONSOLIDATED FINANCIAL STATEMENTS**

<b>II.</b>	<p><b>Audit Qualification (each audit qualification separately):</b> (Contd.)</p> <p>(ii) <b>If management is unable to estimate the impact, reasons for the same:</b> (Contd.)</p> <p>Unfortunately, the entire Hotel industry is now devastated on account of Covid-19 pandemic and also long lockdown declared by the Government. These events have created uncertainty and unpredictability in the future of the Hotel industry across the country. The entire Hotel industry is grappling with the situation and therefore in the present adverse circumstances, it is difficult to carry out the impairment test.</p> <p>(iii) <b>Auditors' Comments on (i) or (ii) above:</b></p> <p>Same as mentioned in Point II. (a) above.</p>								
<b>III.</b>	<p><b>Signatories:</b></p>								
	<table border="1" style="width: 100%;"><tr><td style="width: 45%;"><b>Umesh Saraf</b> <b>Joint Managing Director</b></td><td></td></tr><tr><td><b>Bimal Kr. Jhunjhunwala</b> <b>CFO &amp; Vice-President- Corporate Finance</b></td><td></td></tr><tr><td><b>A.C. Chakrabortti</b> <b>Audit Committee Chairman</b></td><td></td></tr><tr><td><b>Rajiv Singhi</b> <b>Partner</b> <b>Singhi &amp; Co. Chartered Accountants</b> <b>Statutory Auditor</b></td><td></td></tr></table>	<b>Umesh Saraf</b> <b>Joint Managing Director</b>		<b>Bimal Kr. Jhunjhunwala</b> <b>CFO &amp; Vice-President- Corporate Finance</b>		<b>A.C. Chakrabortti</b> <b>Audit Committee Chairman</b>		<b>Rajiv Singhi</b> <b>Partner</b> <b>Singhi &amp; Co. Chartered Accountants</b> <b>Statutory Auditor</b>	
<b>Umesh Saraf</b> <b>Joint Managing Director</b>									
<b>Bimal Kr. Jhunjhunwala</b> <b>CFO &amp; Vice-President- Corporate Finance</b>									
<b>A.C. Chakrabortti</b> <b>Audit Committee Chairman</b>									
<b>Rajiv Singhi</b> <b>Partner</b> <b>Singhi &amp; Co. Chartered Accountants</b> <b>Statutory Auditor</b>									

**Place: Kolkata**

**Date: 31.07.2020**



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

CIN : L15122WB2007PLC162762

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