

# ASIAN HOTELS (EAST) LIMITED



9th Annual Report and Accounts 2015-16





► Hyatt Regency Kolkata



Hyatt Regency Chennai ◀

## **BOARD OF DIRECTORS**

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

## **CFO & VICE PRESIDENT – CORPORATE FINANCE**

Bimal Kumar Jhunjhunwala

## **CHIEF LEGAL OFFICER & COMPANY SECRETARY**

Saumen Chattopadhyay

## **AUDITOR**

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

## **BANKERS**

IDBI Bank Limited  
ICICI Bank Ltd.  
Standard Chartered Bank  
State Bank of India  
HDFC Bank Limited

## **REGISTERED OFFICE**

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

## **REGISTRAR & SHARE TRANSFER AGENT**

Karvy Computershare Private Limited  
Karvy Selenium Tower B  
Plot No. 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Telangana, India  
Tel : +91 40 23312454  
Fax No. 040-23420814  
E-mail: mailmanager@karvy.com

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## **DIRECTORS' REPORT**

### **To the Members,**

Your Directors have pleasure in presenting the 9<sup>th</sup> Annual Report of the Company together with the audited financial statements of the Company for the financial year ended 31st March, 2016.

### **FINANCIAL HIGHLIGHTS**

Your Company's performance for the year ended 31<sup>st</sup> March, 2016 is summarised as under:

<b>Particulars</b>	<b>Standalone (Rs. in lacs)</b>		<b>Consolidated (Rs. in lacs)</b>	
	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>
Revenue from operations	9809.26	9952.33	19273.40	18841.42
Profit before Depreciation and Tax Expenses	1606.73	2804.10	1908.49	(177.47)
Less: Depreciation	685.33	712.00	3139.15	3151.53
Profit /(Loss) Before Tax	921.40	2092.10	(1230.66)	(3329.00)
Less: Current Tax	171.72	679.74	173.91	679.74
Deferred Tax	(50.56)	(107.58)	(50.56)	(107.58)
MAT Credit	(40.97)	-	(43.16)	-
Others	22.05	16.50	22.05	16.26
Profit after tax before adjustment of minority interest	819.16	1503.44	(1332.90)	(3917.42)
Add: Share of loss transferred to minority interest	-	-	691.15	1728.80
Profit for the year	819.16	1503.44	(641.75)	(2188.62)
Add: Balance in profit & loss account	18978.96	18512.78	9892.68	13118.56
Less: Transferred to General Reserve	150.00	150.00	150.00	150.00
Others	-	611.87	-	611.87
Proposed Dividend on Equity Shares	228.81	228.81	228.81	228.81
Tax on Dividend	46.84	46.58	46.84	46.58
Closing Balance	19372.47	18978.96	8825.28	9892.68

### **TRANSFER TO RESERVES**

During the financial year 2015-16 an amount of Rs. 150 lacs (Rs. 150 lacs last year) has been transferred to General Reserve out of amount available for appropriations.

### **DIVIDEND**

The Board of Directors are pleased to recommend a dividend @ 20%, i.e. Rs. 2/- per equity share (previous year Rs. 2/- per equity share) on 1,14,40,585 equity shares of Rs. 10/- each for the year ended 31<sup>st</sup> March, 2016. The total cost to the Company on account of dividend payment will be Rs. 275.65 lacs including dividend distribution tax of Rs. 46.84 lacs resulting in a payout of 33.65 % of the standalone profits after tax of the Company.

### **BUSINESS OVERVIEW AND OPERATING PERFORMANCE**

During the financial year 2015-16, Hyatt Regency Kolkata (the hotel) has been successful in securing major project based business and could sustain its leading position in wedding related business in the city. Major achievement has been in the field of medical conferences held during the year. Further your hotel could secure long staying projects business from the service sector, repeated relating business of Indian Super League (ISL) and outdoor catering business.



## *Asian Hotels (East) Limited*

New hotels opening in the city had a major impact on the pricing policies of your hotel as their pricing strategy in the beginning was very aggressive and put all the existing hotels in Kolkata under pressure. Considering the influx in supply which your Company is anticipating in the year 2016-17, adding value to our customer experience is becoming crucial. This is measured by the hotel online surveys, where the hotel could achieve in 2015-16 at 47.8% in Net Promoter Score. Satisfaction of the hotel's customers was the satisfaction index for the hotel which was at a very high rate with 4.69% for two years measured by Gallup and also for the "Great places to work" resulted in Hyatt Regency, Kolkata achieving together with Hyatt India a ranking under the top 10. There were no material changes and commitments affecting financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements and this report relate. However, the Company has repaid in full the short term loan of Rs. 165 crores to ICICI Bank Ltd. and accordingly as on the date of this Report, there is no outstanding loan of the Company.

### **SUBSIDIARY COMPANIES**

The Company has two subsidiaries, namely, GJS Hotels Limited, a wholly owned and a material non-listed Indian Subsidiary, Regency Convention Centre and Hotels Limited and one step-down subsidiary, namely Robust Hotels Private Limited. There has been no significant developments in the matters concerning the subsidiaries during the year under review.

With reference to GJS Hotels Limited, your Board is exploring various options to build a luxury 5 star deluxe hotel at Bhubaneswar, Odisha. Present plot of land at Bhubaneswar is not suitable for such hotel. Feasibility study findings are being reviewed to explore various possibilities. During the year, the loan amount invested in Robust Hotels Private Limited, Chennai through GJS Hotels Limited was repaid in full out of the redemption proceeds of the mutual funds of the Company.

With reference to Regency Convention Centre and Hotels Limited, during the year, your subsidiary has entered into an agreement with Mumbai International Airport Pvt. Limited (MIAL) for alternate pocket of land admeasuring 9775.95 sq. mtrs. at CSI Airport, Mumbai. Your Board is hopeful of a positive outcome.

Robust Hotels Private Limited (Robust) at Chennai has shown improved performance during the year under review. Revenue has increased to Rs.95.07 crores as against Rs.89.34 crores in the previous year. Room occupancy has increased to 67% as compared 59% in the previous year. EBDITA has increased to Rs. 25.18 crores from Rs.21.50 crores. Robust could meet the principal re-payment of the lender amounting to Rs.4.70 crores out of internal accruals during the year. Robust has for the first time since commencing business made cash profit (PBDT) of Rs.2.92 crores. Your directors are hopeful of better performance of Robust in the current financial year also.

In terms of proviso to sub section (3) of Section 129 of the Companies Act, 2013, a report on the performance and financial position of each of the subsidiaries of the Company is annexed herewith marked as **Annexure I** to this Report.

None of your subsidiary company has ceased to be subsidiaries during the year and no company has become the new subsidiary company during the financial year.

### **AMALGAMATION**

In respect of the Scheme of Amalgamation (the Scheme) of Forex Finance Private Limited with your Company pursuant to the Sections 391-394 of the Companies Act, 1956, the Scheme is pending before the High Court at Calcutta for sanction. Your Board is hopeful that during the current financial year 2016-17, the Scheme would be sanctioned by the Court.

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

M/s S.S. Kothari Mehta & Co., Chartered Accountants, Kolkata, (Firm Registration No. 000756N) was appointed as Statutory Auditors of the Company at the Annual General Meeting held on 30<sup>th</sup> July, 2014 for 3 consecutive years subject to ratification in every annual general meeting by way of passing of an ordinary resolution. Their appointment was ratified at the Annual General Meeting held on 31<sup>st</sup> July, 2015. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting.

### **INTERNAL AUDITOR**

M/s KSMN & Co., Chartered Accountants, has expressed its unwillingness to be appointed as an Internal Auditor of the Company for the financial year 2016-17. Your Board is looking for new internal auditors for the financial year 2016-17. Your Board appreciated the service rendered by M/s. KSMN & Co., Chartered Accountants as the internal auditor of the Company during its tenure.

### **SECRETARIAL AUDITOR**

The Board has appointed M/s. D. Raut & Associates, Practicing Company Secretaries, to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

Mr. Radhe Shyam Saraf (DIN No. 00017962), Director retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

No Director or Key Managerial Personnel was appointed or resigned during this year except Ms. Rita Bhimani whose appointment was regularised at Annual General Meeting held on 31<sup>st</sup> July, 2015 as an Independent Director. Details of Directors seeking re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 are given in the notice calling Annual General Meeting of the Company.

## *Asian Hotels (East) Limited*

The Company has received 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.

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

During the year, pursuant to Section 134(3)(p), Schedule IV (VIII) of the Companies Act, 2013 and Regulation 17(10) and 19(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) the performance evaluation of Directors, Board and Committee was done at three levels by the Independent Directors at a separate meeting, Nomination and Remuneration Committee and Board. Firstly, the independent directors of the Company at their meeting held on 10th March, 2016, had already carried out the evaluation of performance of the non-independent directors, the Board and the Chairman of the Company as per the prescribed criteria adopted by the Board at its meeting held on 30th October, 2015. Secondly, the Nomination and Remuneration Committee carried out evaluations, as appropriate and whenever required as per the prescribed criteria adopted by the Board. Lastly, the Board of Directors has carried out an annual evaluation of performance of independent directors, its own, the Committees and individual directors based on the evaluation marking by the Directors. The performance was evaluated by the Board on the basis of the criteria such as the composition of Board and Committee and structure, effectiveness of Board and committee processes, information and functioning. The performance was considered satisfactory. The Policy on performance evaluation of Directors can be accessed on the Company's website: [www.ahleast.com](http://www.ahleast.com). The Nomination & Remuneration Policy of the Company is annexed herewith and marked as **Annexure III** to this Report.

### **BOARD DIVERSITY**

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. Your Board recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Board diversity policy is available on our website [www.ahleast.com](http://www.ahleast.com).

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Sections 134(3)(c) and 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016 and state that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to materials departures, if any;
- 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 or loss of the Company for that period;
- 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 Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that 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 being **Annexure IV** and forming part of this Report. The Company's earnings and outgo in foreign exchange for the year under review were Rs. 2489.96 lacs/Rs. 987.38 lacs respectively.

### **PARTICULARS OF EMPLOYEES**

As per Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided as **Annexure V** and forming part of this Report.

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

There were no contracts or arrangements entered into by the Company in accordance with the Section 188 of the Companies Act, 2013 and no material related party transactions in terms of Regulation 23 of the Listing Regulations. All related party transactions that were entered by the Company during the financial year were in the ordinary course of business and on arm's length basis. All related party transactions are presented to the Audit Committee and the Board for approval.

## *Asian Hotels (East) Limited*

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board can be accessed on the Company's website : [www.ahleast.com](http://www.ahleast.com). The details of the transactions with related parties are provided in the accompanying financial statements.

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

Pursuant to Schedule V of Regulation 34(3) of the Listing Regulations, Report on Management Discussion and Analysis as **Annexure- VI** and Corporate Governance as **Annexure-VII** and Compliance Certificate on Corporate Governance are annexed to this Report.

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

As required under Section 135 of the Companies Act, 2013, during the financial year 2015-16, your Company has spent Rs. 50 lacs being 2% of average net profit of the Company made during three (3) immediately preceding financial years on the Superspeciality Hospital Project at Dehradun, Uttarakhand undertaken by a registered society. The Annual Report on CSR activities is annexed and marked as **Annexure -VIII** to this report. The same is also displayed on the Company's website : [www.ahleast.com](http://www.ahleast.com).

Besides the above, Hyatt Regency Kolkata (the hotel) has also been involved in many CSR activities under our "Hyatt Thrive" umbrella. The focus area during the year under review has been the immediate community area of your hotel and Kathmandu, Nepal for the earthquake. Also the hotel is continuously involved with "Ek Tara", a girls education and women empowerment initiative, where your hotel explain and offer some of the women the "Hunar se rozgar" program to get an introduction to hospitality and for possible future employment. Further your hotel has organized a blood donation Camp with the Lion's Club and also helped the start of a new slum school in Salt Lake "Hope Center" run by an Australian couple and provided support as and when required. Also during the Christmas time, the hotel first time supported the "Jungle Crows", a NGO working with children and teenagers teaching them Rugby, a team sport which educates social skills and confidence. As a part of community service, the hotel continues to support "Tiljala Shed" with "Clothes for a Cause", in collaboration with its corporate clients.

### **INTERNAL FINANCIAL CONTROL POLICY AND ITS ADEQUACY**

The Board has adopted an Internal Financial Control Policy to be followed by the Company and such policies and procedures adopted by the Company 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. The Audit Committee evaluates the internal financial control system periodically. The observation and comments of the Audit Committee are placed before the Board.

### **RISK MANAGEMENT**

Your Board reviews and observes risk management and minimization procedures followed by the Company which are adequate and operating effectively. Although risk management policy and risk management committee is not applicable to your Company under the purview of the law, the system established in the Company to identify, assess, manage, monitor and mitigate risk and control is considered sufficient and adequate. Risk Management is an integral part of the Company's business process. In your Company, risks are carefully mapped and a risk management framework is involved.

### **DISCLOSURES:**

#### **A) EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure-IX** to this Report.

#### **B) MEETINGS OF THE BOARD**

During the financial year 2015-16, the Board of Directors had four (4) meetings. These were held on 28<sup>th</sup> May, 2015, 31<sup>st</sup> July, 2015, 30<sup>th</sup> October, 2015 and 4<sup>th</sup> February, 2016.

#### **C) COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises of three (3) Directors amongst which two (2) are Independent Non-Executive Directors, namely Mr. A. C. Chakrabortti and Mr. Rama Shankar Jhawar and one (1) is Joint Managing Director namely Mr. Umesh Saraf. All the recommendations made by the Audit Committee were accepted by the Board.

#### **D) VIGIL MACHANISM/WHISTLE BLOWER POLICY**

Pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the Listing Regulations, the Board of Directors at its meeting held on 30<sup>th</sup> October, 2015 has adopted a vigil mechanism/whistle blower policy of the Company. The policy provides a framework for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Protected disclosures can be made by a whistle blower through an email or to the Chairman of the Audit Committee. The vigil mechanism/whistle blower policy can be accessed on the Company's website : [www.ahleast.com](http://www.ahleast.com)

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

The Company has zero tolerance towards sexual harassment at workplace and has an Internal Complaints Committee to consider and redress complaints of sexual harassment & 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. During the financial year 2015-16, the Company has received no complaints on sexual harassment.

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

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**G) PARTICULARS OF REMUNERATION**

Disclosures pertaining to managerial 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 are provided as **Annexure-X** to this report.

**H) 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 2015-16 under review:

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

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

Place: Kolkata  
24<sup>th</sup> May 2016

**Umesh Saraf**  
Joint Managing Director

**Rama Shankar Jhawar**  
Director



**ANNEXURE- I****AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013  
read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the Financial Statement of subsidiaries**

<b>Sl. No.</b>	<b>Particulars</b>	<b>GJS Hotels Limited</b>	<b>Regency Convention Centre and Hotels Limited</b>	<b>Robust Hotels Private Limited</b>
1	Reporting Currency	Rs.	Rs.	Rs.
2	Issued and Subscribed Share Capital	109,610,000	1,553,570	1,459,073,920
3	Reserves	2,253,610,990	(628,574)	1,417,531,266
4	Total Assets	6,094,704,167	18,162,068	6,801,736,701
5	Total Liabilities	6,094,704,167	18,162,068	6,801,736,701
6	Investments - Long Term	-	-	6,684,000
7	Investments - Current	-	-	-
8	Investments - Total	-	-	6,684,000
9	Turnover	2,062,600	-	950,695,389
10	Profit/(Loss) before Taxation	1,146,651	(140,133)	(216,212,185)
11	Provision for Taxation	952	-	-
12	Profit After Taxation	1,145,699	(140,133)	(216,212,185)
13	Proposed Dividend	-	-	-
14	% of Shareholding	100%	58.99%	68.06%

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**

[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 - 3, 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.

Based on our verification of the company's 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 , 2016** 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - (Not applicable to the Company during the Audit Period).
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;-
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -(Not applicable as the Company has not delisted / propose to delist its equity share from any stock exchange during the financial year under review).
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;-  
(Not applicable as the Company has not bought back / propose to be bought back its securities during the financial year under review).

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- (vi) As identified by the Company, following other laws are applicable to the Company:
- The Sarais Act, 1867;
  - Guidelines for Classification of Hotels by Ministry of Tourism, Government of India, 2010;
  - The West Bngal Entertainment- cum- Amusement Tax Act, 1982;
  - Foreigners Registration (Application and Amendment) Act, 1962;
  - West Bengal Police Act, 1952;
  - Food Safety and Standards Act, 2006;
  - Food Safety and Standards Act, 2011;
  - Explosives Act, 1884;
  - The Luxury Tax Act, 1996.

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

- Secretarial Standard issued by The Institute of Company Secretaries of India.
- The Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Stock Exchange.

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

### **Management Responsibility:**

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
- Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc;
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis;
- 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.

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

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.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of 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.

For D.Raut & Associates  
Company Secretary in Practice

Debendra Raut

Place : Kolkata  
24<sup>th</sup> May, 2016

ACS No. 16626  
CP No.- 5232

## **Nomination and Remuneration Policy**

### **Introduction:**

In terms of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49(IV) of the Listing Agreement, a listed company shall constitute a Nomination and Remuneration Committee (the Committee) consisting of three or more non-executive directors out of which not less than one half shall be independent directors and the Chairman of the Committee shall be an independent director.

### **Role of the Committee:**

The role of the Committee shall be governed by the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Agreement.

### **Constitution of the Nomination and Remuneration Committee:**

The Board has changed the nomenclature of Remuneration Committee constituted on 22nd February, 2010 by renaming it as Nomination and Remuneration Committee on 22nd May, 2014. The Nomination and Remuneration Committee comprises of following Directors:

- Mr. Rama Shankar Jhawar - Independent Director (Chairman)
- Mr. Padam Kumar Khaitan - Independent Director (Member)
- Mr. A. C. Chakrabortti - Independent Director (Member)

### **Applicability:**

The Nomination and Remuneration Policy (the Policy) is applicable to Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

### **Frequency of Meetings:**

The meetings of the Committee shall be held when required.

### **Secretary:**

The Company Secretary shall act as Secretary of the Committee.

### **Policy relating to the appointment and removal of Director, KMP and Senior Management Personnel:**

The appointment/re-appointment/removal and term/tenure of Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval and the same shall be in accordance with the provisions of the Companies Act, 2013 read with the rules made thereunder and the Listing Agreements with Stock Exchanges and other applicable Act, rules and regulations.

### **Policy relating to the remuneration for the Director, KMP and Senior Management Personnel:**

The remuneration/compensation/commission/fee etc. to the Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval and the same shall be in accordance with the provisions of the Companies Act, 2013 read with the rules made thereunder and the Listing Agreements with Stock Exchanges and other applicable Act, rules and regulations.



## **ANNEXURE - IV**

### **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;
  - 1. Replacement of Existing 4 feet & 2 feet fluorescent tube lights with LED Tube lights for Energy saving, Estimated annual saving 1,87,610 kwh. Investment Rs. 11,06,530/-.
  - 2. Replacement of Steam operated Dish washing machines to Electrical operated and rescheduled boiler timings. Estimated Annual savings 62,050 liters of Diesel. Investment Rs. 18,51,664/-

#### **(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.

##### **1. Online Leave Management**

The changeover from manual leave card system to online leave management improved work efficiency and saved considerable amount of time spent on manual data entries.

Cost Rs. 50,000/-

##### **2. Product Improvement - Upgradation of wireless internet infrastructure from old B/G network to HP Dual Band AC network**

There are no complaints with internet connectivity in the hotel after we opted for one room one AP solution where all guest rooms have their own individual access points which are more powerful and can also handle more number of users concurrently. The public area and the conference room's coverage improved significantly after adopting the new technology.

Project Cost approx Rs.42 Laks approximately

#### **(C) 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 - Rs.24,77,10,031/-

Foreign Exchange Outgo - Rs. 9,87,38,469/-

**ANNEXURE - V****Information as per Rules 5(2) & (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
<b>(A) Personnel who are in receipt of remuneration aggregating not less than Rs. 60,00,000 per annum and employed through out the financial year:</b>											
1	Mr. Arun Kumar Saraf	Joint Managing Director	13,462,107	Permanent	Graduate in Business Administration	34	04.08.2010	57	Asian Hotels Ltd.	NIL	Related to Mr. Radhe Shyam Saraf & Mr. Umesh Saraf
2	Mr. Umesh Saraf	Joint Managing Director	13,350,507	Permanent	B.Sc	31	22.02.2010	53	Asian Hotels Ltd.	0.14	Related to Mr. Radhe Shyam Saraf & Mr. Arun K Saraf
3	Ms. Britta Leick Milde	General Manager	10,562,370	Permanent	Trade School Graduate	21	15.05.2013	43	Grand Hyatt Mumbai, Hotel Manager	NIL	No

**(B) Personnel who are in receipt of remuneration aggregating not less than Rs. 5,00,000 per month and employed for part of the financial year:**

NIL

**Note:** Remuneration comprises of Basic Salary, HRA, Special Allowance, Company's Contribution to provident fund, LTA, monetary value of perquisites, if any, on the basis of Income Tax Rules, performance incentive, Exgratia payments and Commission to Managing Directors on payment basis.

## **ANNEXURE - VI**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

The hospitality industry in India is showing a slow but steady revival in the sector. Significant rise of the middle class has increased demand for both business and leisure travels, which however was restricted to budget range rather than in the up market segment. Hotels have to focus deriving revenue from all fronts-room, F & B, conference and event. This will help the hotel to derive high profitability. It is expected that Indian leisure tourists will begin travelling to destination for reasons other than to visit friends or relatives and therefore to stay in more hotels. To prepare for the increase in Indian tourists, hotels have to provide safety & security and variety of things to do and see the overall image of the destination, good tourist facility and infrastructure. Your Company is fully aware of the challenges and competitiveness which engulf the industry and is taking necessary steps, such as, technical up-gradation, innovativeness and other possible measures to overcome the future difficulties. There is no doubt that, with the experience and expertise together with the Brand image of the Group, the management is fully confident of meeting such challenges.

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

Hotel industry in India has huge staff turnover. Rising staff & utility costs, staff retention & guests satisfaction are the major concerns of the hotel industry in India. In addition there is a risk that the elements of Indian hotel market may move into over supply at least in the short term. Delivering the brand experience consistently at a transparent price point will be vital to success. The benefit of loyalty program will continue to be a key differentiation for the consumer. Hotels have to realign their expenditure, optimize opportunual efficiency and adopt flexible business model. They have to provide new facilities in the existing properties, stylish bars and trendy and fresh F & B experiences, free hotel-wide-WiFi connection to customers plus fitness areas besides offering discounts announcing happy hours and free wine testing events to leisure travelers. Profitability will continue to be a concern with high operational and debt costs. To meet this situation, hotels have to add new customers and increase occupancy and additional attention has to be provided towards talent search, training and development of human resources on a long term basis. As mentioned earlier, the management is fully aware of the problems and gearing itself to deal with such adverse circumstances, as and when they are faced.

#### **SEGMENTWISE, FINANCIAL AND OPERATING PERFORMANCE**

The Company operates in the only segment i.e., hoteliering & please refer to the Directors Report for performance.

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

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. An external audit has been successfully conducted to monitor energy efficiencies, safety and security as well as audits on hygiene standards in the hotel. The detailed process of review not only ensures reliability of control systems and legal compliances with applicable legislation, defined policies and processes but also reviews efficiency of systems and ensures safeguarding of tangible and intangible assets. The Audit Committee of the Board reviews the findings of the Internal Auditor and closely monitors the implementation of their recommendations by reviewing the compliance reports furnished. The Board of Directors at its meeting held on 24<sup>th</sup> May, 2016 had laid an Internal Financial Control Policy after the same is reviewed and recommended by the Audit Committee.

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

The Company believes that the quality of the employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills and enabling them to keep pace with ongoing technological advancements and evolve. Hyatt Regency Kolkata is known worldwide for its impeccable services - a reflection of careful employee selection, training and motivation. Employees are provided opportunity to grow and prosper. In the mean time all efforts are being made to control cost so as to maintain present level of profitability. Industrial relations remained stable throughout the financial year 2015-16. As on 31<sup>st</sup> March 2016, the number of people employed by the Company was 295.

#### **CAUTIONARY STATEMENT**

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

For and on behalf of the Board of Directors

Place: Kolkata  
24<sup>th</sup> May 2016

**Umesh Saraf**  
Joint Managing Director

**Rama Shankar Jhawar**  
Director

## **REPORT ON CORPORATE GOVERNANCE**

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

Asian Hotels (East) Limited believes that good corporate governance is essential to achieve long term corporate goals and enhance stakeholders' value. Our corporate governance is based on principle of equity, fairness, integrity, transparency, accountability and commitment to value. Your Company has adopted best practices for corporate governance, disclosure standard and enhanced shareholder value while protecting the interest of all other stakeholders including clients, suppliers and its employee. This has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### **BOARD OF DIRECTORS**

The Company has a high-profile Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience.

As on 31<sup>st</sup> March 2016, the total Board strength comprises of seven (7) Directors which includes one (1) Non-Executive Chairman, two (2) Joint Managing Directors and four (4) Independent Directors including one (1) Woman Director. The Company is in compliance with the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations pertaining to composition of the Board as on 31<sup>st</sup> March, 2016.

None of the Directors is a member of more than 10 committees or act as chairman of more than 5 committees as specified in Regulation 26 of the Listing Regulations, across all companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2016 have been made by the Directors as per Regulation 26 of the Listing Regulations.

The Non-Executive/Independent Directors are paid sitting fees within the limits prescribed under the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive/Independent Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees during the year 2015-16. Independent Directors are not serving as independent directors in more than seven listed companies as prescribed in Regulation 25 of the Listing Regulations. The Company is in conformity with Regulations 25 and 26 (1)(2)(4) of the Listing Regulations.

The Board normally meets four times in a year and as and when required. The time gap between two Board Meetings has not exceeded the limit of one hundred and twenty days as specified under Regulations 17 of the Listing Regulations. During the financial year 2015-16, the Board of Directors had four (4) meetings. These were held on 28<sup>th</sup> May, 2015, 31<sup>st</sup> July, 2015, 30<sup>th</sup> October, 2015, and 4<sup>th</sup> February, 2016 respectively. 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.

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 Memberships/Chairmanships 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, 2016.

Sl. No.	Name of Director	DIN No.	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorship(s)*	No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies#	
							Member	Chairman
1.	Mr. Radhe Shyam Saraf <sup>+</sup>	00017962	Promoter/ Non-Independent, Non-Executive Chairman	1	Yes	Nil	Nil	Nil
2.	Mr. A. C. Chakrabortti	00015622	Independent	4	Yes	2	2	1
3.	Mr. R. S. Jhawar	00023792	Independent	4	Yes	6	3	1
4.	Mr. Padam K. Khaitan	00019700	Independent	3	Yes	8	1	1



## Asian Hotels (East) Limited

Sl. No.	Name of Director	DIN No.	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorship(s) <sup>+</sup>	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies <sup>#</sup>	
							Member	Chairman
5.	Ms. Rita Bhimani**	07106069	Independent/ Woman Director	4	Yes	1	Nil	Nil
6.	Mr. Arun K. Saraf <sup>+</sup>	00339772	Promoter/ Joint Managing Director	4	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 K Saraf and Mr. Umesh Saraf are related to each other as father, sons and brothers.

\*\* Appointment of Ms. Rita Bhimani was regularised at the Annual General Meeting held on 31<sup>st</sup> July, 2015 as an Independent Director.

### Familiarisation programme for Independent Directors

The Board of Directors formulated and adopted the familiarisation programme for Independent Directors at its meeting held on 30<sup>th</sup> October, 2015 for understanding of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company. The Company has also adopted a structured programme for orientation and training of independent directors at the time of their joining and on time to time basis so as to enable them to understand the Company's operations, business, industry and environment. The familiarisation programme is available on the Company's official website : [www.ahleast.com](http://www.ahleast.com)

### Meeting of Independent Directors

Pursuant to Section 149 and Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the meeting of the independent directors was held on 10<sup>th</sup> March, 2016 without the attendance of non-independent directors and members of management. All the independent directors of the company were present at the meeting. They reviewed the performance of non-independent directors and the Board as a whole and evaluated the performance of the Chairperson of the company.

### COMMITTEES OF BOARD OF DIRECTORS

The Company has four (4) Board level Committees in accordance with Listing Regulations & 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 Companies Act, 2013 and Regulation 18 of the Listing Regulations. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Companies Act, 2013 and the Listing Regulations.

As on 31<sup>st</sup> March, 2016, the Audit Committee comprises of three (3) Directors amongst which two (2) are Independent Non-Executive Directors namely Mr. A. C. Chakraborti and Mr. R. S. 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. A. C. Chakraborti, 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. R. S. Jhawar, a 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 2015-16, four (4) Audit Committee meetings were held on 28<sup>th</sup> May, 2015, 31<sup>st</sup> July, 2015, 30<sup>th</sup> October, 2015, and 4<sup>th</sup> February, 2016 respectively. Necessary quorum was present for all the meetings. The time gap between any two Audit Committee meetings are not more than one hundred and twenty 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. A. C. Chakraborti (Independent Director)	Chairman	4	Yes
Mr. R. S. Jhawar (Independent Director)	Member	4	Yes
Mr. Umesh Saraf (Joint Managing Director)	Member	4	Yes

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

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

On 30<sup>th</sup> October, 2015, your Board has adopted Whistle Blower Policy/Vigil Mechanism for Directors and employees, which has been placed in the website of the Company at the website: [www.ahleast.com](http://www.ahleast.com). Audit Committee also oversees and reviews the functioning of a vigil mechanism and reviews the finding of investigation into cases of material nature and actions taken in respect thereof.

## 2) Nomination and Remuneration Committee

The constitution and terms of reference of the Nomination and Remuneration Committee of the Company are in compliance with provisions of the Section 178 of the Companies Act, 2013 as well as requirement of Regulation 19 of the Listing Regulations. The Nomination and Remuneration Committee of the Company 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. During the year the Nomination and Remuneration Committee met three times 30<sup>th</sup> October, 2015, 4<sup>th</sup> February, 2016 and 10<sup>th</sup> March, 2016 respectively. As per requirement the aforesaid Committee reviews the remuneration packages of the Directors, Key Managerial Personnel and Senior Management and recommends suitable revision to the Board. The remuneration is then subject to Members' approval. The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2016 is as under:

Name of the Chairman/Member	Status	Meetings Attended	Last AGM attended
Mr. R. S. Jhawar (Independent Director)	Chairman	3	Yes
Mr. Padam K. Khaitan (Independent Director)	Member	2	Yes
Mr. A. C. Chakrabortti (Independent Director)	Member	3	Yes

Nomination and Remuneration Committee at its meeting held on 30<sup>th</sup> October, 2015 adopted the performance evaluation policy for Directors which includes the evaluation process and criteria for Directors and the same had been adopted by the Board in its meeting held on the same day. The Committee in its meeting held on 10<sup>th</sup> March, 2016 evaluated the performance of the Independent Directors, Non-Independent Directors and the Board as per the prescribed criteria.

Details of remuneration paid/payable to the Directors during the financial year ended 31<sup>st</sup> March, 2016:

### (a) Joint Managing Directors

(Rs. in Lacs)					
Name	Salary	Perquisites and allowances	Commission payable	Total amount paid/payable in 2015-16	Period of appointment
Mr. Arun K Saraf	81.00	53.62	—	134.62	5 years starting from 4 <sup>th</sup> August, 2015
Mr. Umesh Saraf	71.70	61.80	—	133.50	5 years starting from 22 <sup>nd</sup> February, 2015

Reference may be made to the Postal Ballot Notice dated 30<sup>th</sup> October, 2015 for details of remunerations for the two Joint Managing Directors. The Company does not have any stock option plan or performance linked incentive or benefits or bonus or severance fees for the Joint Managing Directors. The Joint Managing Directors do not have any notice period or service contracts with the Company. Their appointment is governed by the special resolution passed by members through Postal Ballot.

### (b) Non-Executive Directors/Independent Director:

Name	Sitting fees (Rs.)*
Mr. Radhe Shyam Saraf	50,000
Mr. A. C. Chakrabortti	3,50,000
Mr. R. S. Jhawar	3,20,000
Mr. Padam K. Khaitan	1,60,000
Ms. Rita Bhimani	2,10,000

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

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

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

## 3) Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee to carry out handling of transfer and transmission of shares, issue of duplicate/re-materialised shares and consolidation and splitting of certificates etc. and handling of shareholders'/investors grievances. The brief terms of reference of the Committee include redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc. and to expedite the process of share transfer. The Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of insider trading in pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. During the year the Committee met one time on 31<sup>st</sup> March, 2016.

## *Asian Hotels (East) Limited*

The composition of the Committee is as under:

Name of the Members	Status	Meetings Attended
Mr. Padam K. Khaitan (Independent Director)	Chairman	1
Mr. R. S. Jhawar (Independent Director)	Member	1
Mr. Umesh Saraf (Joint Managing Director)	Member	–

The Committee meets on need basis.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 39. There are no pending complaints as on 31<sup>st</sup> March, 2016. 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, 2016.

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

### **Compliance Officer**

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

### **Executive Share Transfer Committee**

Pursuant to 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 Stakeholders Relationship Committee are described as follows:

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

## **4. Corporate Social Responsibility Committee**

During the year the Corporate Social Responsibility Committee met one time on 4<sup>th</sup> February, 2016. The composition of the Committee is as under:

Name of the Members	Status	Meetings Attended
Mr. Arun K Saraf (Joint Managing Director)	Chairman	1
Mr. R. S. Jhawar (Independent Director)	Member	1
Mr. Umesh Saraf (Joint Managing Director)	Member	1

The purpose of the Committee is to formulate and monitor the Corporate Social Responsibility policy of the Company. Please refer to Annexure VIII of the Directors' Report for details.

## **DIRECTORS' REPORT AND GENERAL BODY MEETINGS**

A) Particulars of last three Annual General Meetings:

Financial Year	Nature of meeting	Venue	Date	Time	Special Resolutions passed
2014-15	8th Annual General Meeting	Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata- 700098, West Bengal.	31.07.2015	10.00 a.m	Adoption of new set of Article of Association
2013-14	7th Annual General Meeting	– Do –	30.07.2014	10.00 a.m	None
2012-13	6th Annual General Meeting	– Do –	08.08.2013	11.00 a.m	None

## Asian Hotels (East) Limited

### B) Postal Ballot:

During the year 2015-16, members of the company have approved the following resolutions by passing special resolution through Postal Ballot under Section 110 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014:

- a) Approval of remuneration payable to Mr. Arun K Saraf (DIN :00339772) as the Joint Managing Director of the Company for a period of three (3) years from 1st April, 2015 to 31st March, 2018 in the event of loss or inadequacy of profit as per Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013. The details of the voting pattern in respect of this special resolution passed are as follows:

Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting	7478908	7478908	100%	7478908	-	100%	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	-	-	-	-	-	-	-
	Total	7478908	7478908	100%	7478908	-	100%	-
Public Institutions	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-
Public- Non Institutions	E-Voting	488233	483056	98.94%	483055	1	99.99%	0.0002%
	Poll	-	-	-	-	-	-	-
	Postal Ballot	488233	5177	1.06%	4711	405	90.99%	7.82%
	Total	488233	488233	100%	487766	406	99.90%	0.08%
<b>Total</b>		<b>7967141</b>	<b>7967141</b>	<b>100%</b>	<b>7966674</b>	<b>406</b>	<b>99.99%</b>	<b>0.01%</b>

- b) Approval of remuneration payable to Mr. Umesh Saraf (DIN :00017985) as the Joint Managing Director of the Company for a period of three (3) years from 1st April, 2015 to 31st March, 2018 in the event of loss or inadequacy of profit as per Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013. The details of the voting pattern in respect of this special resolution passed are as follows:

Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting	7478908	7478908	100%	7478908	-	100%	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	-	-	-	-	-	-	-
	Total	7478908	7478908	100%	7478908	-	100%	-
Public Institutions	E-Voting	-	-	-	-	-	-	-
	Poll	-	-	-	-	-	-	-
	Postal Ballot	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-
Public- Non-Institutions	E-Voting	488233	483056	98.94%	483055	1	99.99%	0.0002%
	Poll	-	-	-	-	-	-	-
	Postal Ballot	488233	5177	1.06%	4711	362	90.99%	6.99%
	Total	488233	488233	100%	487766	363	99.90%	0.07%
<b>Total</b>		<b>7967141</b>	<b>7967141</b>	<b>100%</b>	<b>7966674</b>	<b>363</b>	<b>99.99%</b>	<b>0.004%</b>

The result of Postal Ballot was declared on 18th December, 2015. Mr. Debendra Raut, Practicing Company Secretary, M/s. D. Raut & Associates, Kolkata (Membership No. 16626 & Certificate of Practice No. 5232) was appointed as the Scrutinizer for conducting the postal ballot and remote e-voting process.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

### MEANS OF COMMUNICATION

The reports, statements, documents, filing and any other informations are filed with the electronic platform of the stock exchanges. These are also 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).



## *Asian Hotels (East) Limited*

The Company maintains a functional website containing all prescribed information as mentioned in the Regulation 46 of the Listing Regulations.

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

### GENERAL SHAREHOLDERS' INFORMATION

#### Annual General Meeting

<b>Day, Date &amp; Time</b>	:	Wednesday 10 <sup>th</sup> August, 2016 at 11.00 a.m.
<b>Venue</b>	:	Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector III, Salt Lake City, Kolkata – 700 098.
<b>Financial Year</b>	:	31 <sup>st</sup> March, 2016
<b>Financial Calendar</b>	:	
1st Quarterly Results	}	Within 45 days from the end of the quarter
2nd Quarterly/ Half yearly Results		
3rd Quarterly Results		
Audited yearly Results for the year ended 31 <sup>st</sup> March, 2016	:	Within 60 days of the end of the Financial Year.
<b>Date of Book closure</b>	:	4 <sup>th</sup> August, 2016 to 10 <sup>th</sup> August, 2016 (both days inclusive)
<b>Dividend Payment date</b>	:	Within 30 days from the date of declaration.

#### Listing on Stock Exchanges

Details of listing of equity shares of the Company:

Sl.No.	Name and address of the Stock Exchanges	Scrip Code/Symbol	ISIN
1.	BSE Limited (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 to the above Stock Exchanges for the financial year 2016-17.

Annual Custody/Issuer fees for the year 2016-17 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.

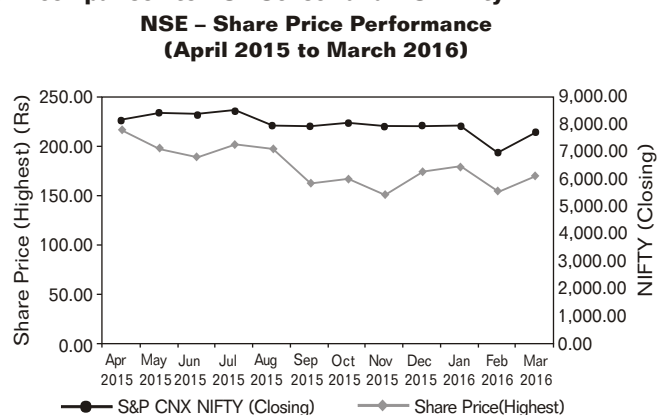
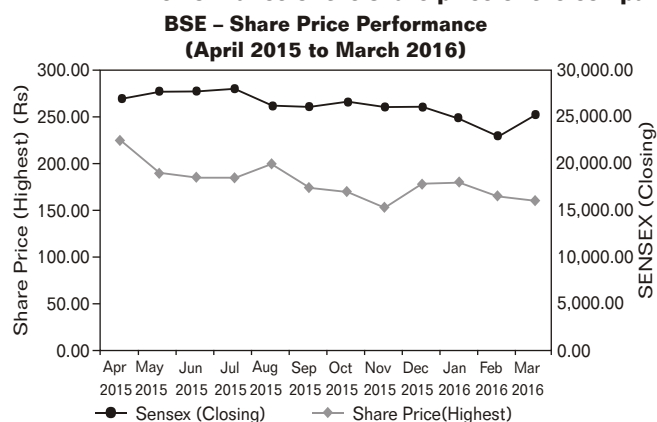
**Corporate Identity Number (CIN):** L15122WB2007PLC162762

#### Market Price Data during the period from April, 2015 to March, 2016

Month	BSE				NSE			
	High Rs.	Low Rs.	Total Number of Shares Traded	Sensex (Closing)	High Rs.	Low Rs.	Total Number of Shares Traded	S&P CNX NIFTY (Closing)
April 2015	225.45	180.40	8106	27,011.31	217.00	180.25	24,891	8181.50
May 2015	189.90	170.00	4,911	27,828.44	197.90	166.50	9,545	8433.65
June 2015	185.00	166.00	4,562	27,780.33	189.00	161.25	9,337	8368.50
July 2015	185.00	165.00	16,825	28,114.56	203.00	165.00	46,099	8532.85
Aug 2015	200.00	133.00	4865	26,283.09	197.20	135.10	25,452	7971.30
Sep 2015	174.00	140.10	4158	26,153.83	163.50	139.90	14,362	7948.90
Oct 2015	170.00	136.50	12,598	26,656.83	167.60	141.05	25,025	8065.20
Nov 2015	152.00	136.00	3,147	26,145.00	150.90	136.00	16,336	7935.25
Dec 2015	178.00	140.00	7,923	26,117.54	175.05	141.10	54,784	7946.35
Jan 2016	180.00	140.00	5,797	24,870.69	179.75	130.10	26,256	7946.35
Feb 2016	164.90	121.50	1437	23,002.00	155.00	124.05	7,552	6987.05
Mar 2016	160.00	120.00	63442	25,341.86	171.00	121.00	24,805	7738.90

## Asian Hotels (East) Limited

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



### Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
Karvy Selenium Tower B  
Plot No. 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India  
Tel : +91 40 23312454  
Fax No. 040-23420814  
E-mail: mailmanager@karvy.com

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

### Share Transfer System

Share transfers in physical form are generally registered within a fortnight from the date of receipt provided the documents are found to be in order. Stakeholders Relationship Committee and Executive Share Transfer Committee consider and approve the transfer proposals.

The Company affirms that no shareholders' complaints were lying pending as on 31<sup>st</sup> March, 2016 under SCORES.

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

### Distribution of Shareholding as on 31st March, 2016

DISTRIBUTION SCHEDULE AS ON 31ST MARCH, 2016					
Sl. No.	Category	Cases	% of Cases	Amount (Rs.)	% Amount
1	upto 1 - 5000	12940	96.77	7519750.00	6.57
2	5001 - 10000	257	1.92	1815670.00	1.59
3	10001 - 20000	80	0.60	1129950.00	0.99
4	20001 - 30000	17	0.13	416600.00	0.36
5	30001 - 40000	14	0.10	494220.00	0.43
6	40001 - 50000	17	0.13	788030.00	0.69
7	50001 - 100000	12	0.09	798970.00	0.70
8	100001 & ABOVE	35	0.26	101442660.00	88.67
	<b>Total:</b>	<b>13372</b>	<b>100.00</b>	<b>114405850.00</b>	<b>100.00</b>

### No. of Shares (As on 31<sup>st</sup> March, 2016)

**Physical Mode** : 3,13,441

#### Electronic Mode:

– NSDL : 1,07,26,500

– CDSL : 4,00,644

### Dematerialisation of Equity Shares

1,11,27,144 shares (equivalent to 97.26%) of the total outstanding shares of the Company are held in dematerialized form as on 31<sup>st</sup> March, 2016.

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

During the financial year 2015-16 the Company has not issued GDRs/ADRs/Warrants or any Convertible Instruments likely to impact on equity.

## *Asian Hotels (East) Limited*

### Shareholding Pattern as on 31<sup>st</sup> March, 2016

Category	No. of Shares held	% of shareholding
<b>A. Promoter &amp; Promoter Group</b>		
– Indian	3143072	27.47
– Foreign	4335836	37.90
<b>Total Promoter &amp; Promoter Group Shareholding</b>	<b>7478908</b>	<b>65.37</b>
<b>B. Public Shareholding</b>		
– Banks	661747	5.78
– NBFC	192	0.00
– Mutual Funds	425	0.00
– Insurance Companies	645131	5.64
– Indian Financial Institutions	6430	0.06
– Body Corporate	1099269	9.61
– Resident Individuals	1299886	11.36
– HUF	26147	0.23
– Clearing Members	1206	0.01
– Foreign Corporate Bodies	38803	0.34
– Trusts	358	0.00
– Foreign Institutional Investor	419	0.00
– Foreign Portfolio Investors	2500	0.02
– Non Resident Indians	179164	1.57
<b>Total Public Shareholding</b>	<b>3961677</b>	<b>34.63</b>
<b>Total (Promoter &amp; Promoter + Public Shareholding)</b>	<b>11440585</b>	<b>100.00</b>

### Hotels Location

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

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

### Registered Office Address

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

### 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.

### Reconciliation of Share Capital Audit

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

## Asian Hotels (East) Limited

### 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:-

Sl. No.	Particulars	Number of shareholders	Number of equity shares
1.	Aggregate Number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1 <sup>st</sup> April, 2015.	822	62995
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, 2015 to 31 <sup>st</sup> March, 2016.	12	2785
3.	Number of shareholders to whom shares were transferred from the unclaimed suspense account during the financial year 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016.	12	2785
4.	Aggregate number of shareholders and outstanding shares lying in the unclaimed suspense account as on 31 <sup>st</sup> March, 2016.	810	60210

The voting rights on the shares outstanding in the unclaimed suspense account as on 31<sup>st</sup> March, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

### Equity Dividend History of the Company

Financial Year	Date of Declaration	Equity Dividend per share (Rs.)
2012-13	8 <sup>th</sup> August, 2013	4.50/-
2013-14	30 <sup>th</sup> July, 2014	3.00/-
2014-15	31 <sup>st</sup> July, 2015	2.00/-

### 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 Investor Education and Protection Fund (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
2009-10	29 <sup>th</sup> September 2010	20 <sup>th</sup> October 2010	4 <sup>th</sup> November 2017
2010-11	24 <sup>th</sup> August 2011	30 <sup>th</sup> August 2011	29 <sup>th</sup> September 2018
2011-12	19 <sup>th</sup> July 2012	27 <sup>th</sup> July 2012	24 <sup>th</sup> August 2019
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

### 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 two unlisted subsidiaries namely GJS Hotels Limited and Regency Convention Centre and Hotels Limited and one unlisted step down subsidiary namely Robust Hotels Private Limited, owning company of Hotel Hyatt Regency Chennai. GJS Hotels Limited is wholly owned and a unlisted material subsidiary within the meaning of Regulation 16(1)(c) of the Listing Regulations. The Audit Committee reviews the financial statements, in particular the investments made by the unlisted subsidiary companies. Minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board regularly and statement containing significant transactions and arrangements entered into by the unlisted subsidiary companies are regularly placed before the Board of Directors of your Company. As per the requirement of the Schedule V of the Regulation 34(2) of the Listing Regulations, the Company has formulated a policy for determining 'material subsidiaries' which has been put up on website of the Company at [www.ahleast.com](http://www.ahleast.com). 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

- The Board in its meeting held on 30th October, 2015 has adopted Related Party Transaction Policy as per Section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations for determining the materiality of related party transactions and also on the dealings with related parties. This Policy has been placed on the website of the Company at [www.ahleast.com](http://www.ahleast.com). During the year there were no transactions of material nature with related parties that had potential conflict with the interests of the Company. Details of all related party transactions form a part of the accounts as required under Accounting Standard 18 as notified by the Companies (Accounting Standards) Rules, 2006 and the same are given in 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.



## *Asian Hotels (East) Limited*

- (ii) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- (iii) The Company has not adopted a treatment different from that prescribed in accounting standards. While preparing the financial statements of the Company for the year ended 31<sup>st</sup> March, 2016, the management has ensured that all Accounting Standards have been properly followed and there has been no deviation from this practice.
- (iv) The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.
- (v) The Company has not come out with any public issue or right issue etc. during the financial year under review.
- (vi) The Company has complied with all the applicable requirements of the Listing 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.
- (vii) The Company has not adopted the non-mandatory requirements of the Listing Regulations.

### **COMPLIANCE**

- **Code of Conduct**

The Board at its meeting held on 30<sup>th</sup> October, 2015 has adopted a Code of Conduct for Board and Senior Management in terms of Regulation 17 and Schedule V of Regulation 34(3) of the Listing Regulations. All Directors and the Senior Management Personnel have affirmed in writing their adherence to the above Code. The full text of the Code is displayed at Company's website [www.ahleast.com](http://www.ahleast.com). 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 Schedule V of Regulation 34(3) of the Listing Regulations for the purpose of Corporate Governance. A compliance certificate has been obtained from M/s. S. S. Kothari Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company.

- **Code of Conduct and Code of Fair Disclosure Under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted two codes namely, Code of Conduct and Code of Fair Disclosure at its meeting held on 28<sup>th</sup> May, 2015. All the connected persons and designated persons who can have access to the unpublished price sensitive information of the Company are governed by this Code. The Company has appointed Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary, as Compliance Officer who is responsible for setting forth procedures, implementation and compliance of the Code of Conduct for trading in Company's securities. The full text of the Code is displayed at Company's website [www.ahleast.com](http://www.ahleast.com).

### **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 24<sup>th</sup> May, 2016 in respect of the financial year ended 31<sup>st</sup> March, 2016 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.

- 2. Shareholders' Rights**

The Company's financial results are published in the newspapers and also posted 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**

The Company, at present, does not have any modification in the audit opinion.

- 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

Place: Kolkata  
24<sup>th</sup> May 2016

**Umesh Saraf**  
Joint Managing Director

**Rama Shankar Jhawar**  
Director

## **ANNEXURE - VIII**

### **Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16:**

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The Company has its CSR Policy within broad scope laid down in Schedule VII of the Companies Act, 2013. The CSR Policy was approved by the Board of Directors at its Meeting held on 30<sup>th</sup> July, 2014 and has been uploaded on the Company's website: [www.ahleast.com](http://www.ahleast.com)

2. The Composition of the CSR Committee:

Mr. Arun Kumar Saraf, Joint Managing Director as Chairman

Mr. Umesh Saraf, Joint Managing Director as Member

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

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. 24.16 crores.

4. Prescribed CSR Expenditure (two percent of the amount mentioned in item 3 above):

The Company is required to spend Rs. 50 lacs (approx) towards CSR for the financial year 2015-16.

5. Details of CSR spent during the financial year:

- i) Total amount to be spent for the financial year : Rs. 50 lacs (approx)
- ii) Amount unspent, if any : Not applicable
- 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.	Superspeciality Hospital in Dehradun, Uttarakhand	Health care, Hospital	Doiwala, Dehradun, Uttarakhand	Rs. 50 lacs	Rs. 50 lacs	Rs. 50 lacs	—
	<b>Total</b>			Rs. 50 lacs	Rs. 50 lacs	Rs. 50 lacs	—

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.'

Place : Kolkata  
24<sup>th</sup> May, 2016

**Mr. Arun Kumar Saraf**  
Chairman of CSR Committee

**Mr. Rama Shankar Jhawar**  
Member

## ANNEXURE - IX

## Form No. MGT - 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L15122WB2007PLC162762
- ii) Registration Date: 08/01/2007
- iii) Name of the Company: Asian Hotels (East) Limited
- iv) Category/Sub-Category of the Company: Company limited by shares/Indian Non Government Company
- v) Address of the Registered office and contact details: Hyatt Regency Kolkata, JA-1, Sector – III, Salt Lake City, Kolkata – 700098, West Bengal, India
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent: Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, India, Tel : +91 40 23312454

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Hotel	N.A.	91.59

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	GJS Hotels Ltd. Hyatt Regency Kolkata, JA-1, Sector – III, Salt Lake City, Kolkata – 700098.	U55101WB2002 PLC160608	Subsidiary	100%	2(87) of Companies Act, 2013
2	Regency Convention Centre and Hotels Limited Hyatt Regency, JA-1, Sector – III, Salt Lake City, Kolkata – 700098.	U74899WB1994 PLC160633	Subsidiary	58.99%	2(87) of Companies Act, 2013
3	Robust Hotels Private Limited 365, Annasalai, Teynampet, Chennai - 600018	U55101TN2007P TC062085	Step-down Subsidiary	68.06%*	2(87) of Companies Act, 2013

\* held through GJS Hotels Limited

## IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	16000	0	16000	0.14	16000	0	16000	0.14	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	3127072	0	3127072	27.33	3127072	0	3127072	27.33	0.00

*Asian Hotels (East) Limited*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>3143072</b>	<b>0</b>	<b>3143072</b>	<b>27.47</b>	<b>3143072</b>	<b>0</b>	<b>3143072</b>	<b>27.47</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	705206	0	705206	6.16	705206	0	705206	6.16	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	3630630	0	3630630	31.73	3630630	0	3630630	31.73	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>4335836</b>	<b>0</b>	<b>4335836</b>	<b>37.90</b>	<b>4335836</b>	<b>0</b>	<b>4335836</b>	<b>37.90</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>7478908</b>	<b>0</b>	<b>7478908</b>	<b>65.37</b>	<b>7478908</b>	<b>0</b>	<b>7478908</b>	<b>65.37</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	195	230	425	0.00	195	230	425	0.00	0.00
b) Banks / FI	662914	6302	669216	5.85	661875	6302	668177	5.84	-0.01
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	632746	265	633011	5.53	644866	265	645131	5.64	0.11
g) FIs	22482	385	22867	0.20	2534	385	2919	0.03	-0.17
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>1318337</b>	<b>7182</b>	<b>1325519</b>	<b>11.59</b>	<b>1309470</b>	<b>7182</b>	<b>1316652</b>	<b>11.51</b>	<b>-0.08</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	1035448	5271	1040719	9.10	1094033	5236	1099269	9.61	0.51
ii) Overseas	38803	0	38803	0.34	38803	0	38803	0.34	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	839165	236736	1075901	9.40	810393	227619	1038012	9.07	-0.33
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	306971	0	306971	2.68	288213	0	288213	2.52	-0.16
c) Others (Specify)									
i) NRI	87057	75461	162518	1.42	105830	73334	179164	1.57	0.15
ii) Trust	288	70	358	0.00	288	70	358	0.00	0.00
iii) Clearing	10888	0	10888	0.10	1206	0	1206	0.01	-0.08
<b>Sub-total (B)(2):-</b>	<b>2318620</b>	<b>317538</b>	<b>2636158</b>	<b>23.04</b>	<b>2338766</b>	<b>306259</b>	<b>2645025</b>	<b>23.12</b>	<b>0.08</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3636957</b>	<b>324720</b>	<b>3961677</b>	<b>34.63</b>	<b>3648236</b>	<b>313441</b>	<b>3961677</b>	<b>34.63</b>	<b>0.00</b>
<b>Total (A+B) :</b>	<b>11115865</b>	<b>324720</b>	<b>11440585</b>	<b>100.00</b>	<b>11127144</b>	<b>313441</b>	<b>11440585</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>11115865</b>	<b>324720</b>	<b>11440585</b>	<b>100.00</b>	<b>11127144</b>	<b>313441</b>	<b>11440585</b>	<b>100.00</b>	<b>0.00</b>

## Asian Hotels (East) Limited

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares s Pledged/encumbered to total share	
1.	Saraf Industries Limited	3630630	31.73	0	3630630	31.73	0	0
2.	Forex Finance Pvt. Ltd	3127072	27.33	0	3127072	27.33	0	0
3.	Radhe Shyam Saraf	571930	5.00	0	571930	5.00	0	0
4.	Ratna Saraf	133276	1.16	0	133276	1.16	0	0
5.	Umesh Saraf	16000	0.14	0	16000	0.14	0	0
	Total	<b>7478908</b>	<b>65.37</b>	<b>0</b>	<b>7478908</b>	<b>65.37</b>	<b>0</b>	<b>0</b>

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7478908	65.37	0	0
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	At the end of the year	7478908	65.37	0	0

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2015)/end of the year (31.03.2016)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year (01.04.2015 to 31.03.2016)	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
1	Axis Bank Limited	640152	5.60	01/04/2015			640152	5.60
			0.00	31/03/2016	0	Nil movement during the year	640152	5.60
2	Whitepin Tie Up Limited	482065	4.21	01/04/2015			482065	4.21
			0.00	31/03/2016	0.00	Nil movement during the year	482065	4.21
3	Birla Sun Life Insurance Company Limited	480142	4.20	01/04/2015			480142	4.20
		12866	0.11	10/04/2015	12866	Transfer	493008	4.31
		746	0.01	17/04/2015	746	Transfer	492262	4.30
			0.00	31/03/2016			492262	4.30

*Asian Hotels (East) Limited*

		<b>Shareholding at the beginning of the year (01.04.2015)/end of the year (31.03.2016)</b>					<b>Cumulative Shareholding during the Year (01.04.2015 to 31.03.2016)</b>	
<b>Sl. No.</b>	<b>Name</b>	<b>No of Shares</b>	<b>% of total shares of the Company</b>	<b>Date</b>	<b>Increase/ Decrease in share holding</b>	<b>Reason</b>	<b>No of Shares</b>	<b>% of total shares of the Company</b>
4	Makalu Trading Ltd	136604	1.19	01/04/2015			136604	1.19
			0.00	31/03/2016	0	Nil movement during the year	136604	1.19
5	Life Insurance Corporation of India	127599	1.12	01/04/2015			127599	1.12
			0.00	31/03/2016	0	Nil movement during the year	127599	1.12
6	Ramesh Kumar Jatia	75190	0.66	01/04/2015			75190	0.66
			0.00	31/03/2016	0	Nil movement during the year	75190	0.66
7	Smita Ramesh Kumar Jatia	57350	0.50	01/04/2015			57350	0.50
			0.00	31/03/2016	0	Nil movement during the year	57350	0.50
8	VIC Enterprises Private Limited	54000	0.47	01/04/2015			54000	0.47
		54000	0.47	04/03/2016	54000	Transfer	0	0.00
			0.00	31/03/2016			0	0.00
9	Superways Investment and Finance Private Limited	44083	0.39	01/04/2015			44083	0.39
			0.00	31/03/2016	0	Nil movement during the year	44083	0.39
10	Vinod Subhkaran Jatia	44025	0.38	01/04/2015			44025	0.38
			0.00	31/03/2016	0	Nil movement during the year	44025	0.38



## *Asian Hotels (East) Limited*

(v) Shareholding of Directors and Key Managerial Personnel:

		<b>Shareholding at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)</b>					<b>Cumulative Shareholding during the Year (01.04.2015 to 31.03.2016)</b>	
<b>Sl. No.</b>	<b>For each of the Directors and KMP</b>	<b>No of Shares</b>	<b>% of total shares of the Company</b>	<b>Date</b>	<b>Increase/ Decrease in share holding</b>	<b>Reason</b>	<b>No of Shares</b>	<b>% of total shares of the Company</b>
A.	Directors:							
1.	Radhe Shayam Saraf Non-Executive Chairman	571930	5.00	01/04/2015				
		571930	5.00	31/03/2016	0	Nil movement during the year	571930	5.00
2.	Arun K Saraf Joint Managing Director	0	0.00	01/04/2015				
		0	0.00	31/03/2016	0	Nil movement during the year	0	0.00
3.	Umesh Saraf Joint Managing Director	16000	0.14	01/04/2015				
		16000	0.14	31/03/2016	0	Nil movement during the year	16000	0.14
4.	Rama Shankar Jhavar Independent Director	0	0.00	01/04/2015				
		0	0.00	31/03/2016	0	Nil movement during the year	0	0.00
5.	Padam K Khaitan Independent Director	0	0.00	01/04/2015				
		0	0.00	31/03/2016	0	Nil movement during the year	0	0.00
6.	A. C. Chakrabortti Independent Director	0	0.00	01/04/2015				
		0	0.00	31/03/2016	0	Nil movement during the year	0	0.00
7.	Rita Bhimani Independent/Woman Director	0	0.00	01/04/2015				
		0	0.00	31/03/2016	0	Nil movement during the year	0	0.00

## Asian Hotels (East) Limited

		Shareholding at the beginning of the year (01.04.2015) / end of the year (31.03.2016)					Cumulative Shareholding during the Year (01.04.2015 to 31.03.2016)	
Sl. No.	For each of the Directors and KMP	No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
B.	Key Managerial Personnel's :							
1.	Bimal Kumar Jhunjhunwala CFO & Vice-President Corporate Finance	0	0.00	01/04/2015				
		0	0.00	31/03/2016	0	Nil movement during the year	0	0.00
2.	Saumen Chattopadhyay Chief Legal Officer & Company Secretary	0	0.00	01/04/2015				
		0	0.00	31/03/2016	0	Nil movement during the year	0	0.00

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	165.00	NIL	NIL	165.00
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(i + ii + iii)</b>	<b>165.00</b>	<b>NIL</b>	<b>NIL</b>	<b>165.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	NIL	NIL	NIL	NIL
Reduction	33.06	NIL	NIL	33.06
<b>Net Change</b>	<b>33.06</b>	<b>NIL</b>	<b>NIL</b>	<b>33.06</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	131.94	NIL	NIL	131.94
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(i + ii + iii)</b>	<b>131.94</b>	<b>NIL</b>	<b>NIL</b>	<b>131.94*</b>

\* As on the date of the Report, the Company has Nil indebtedness as the debt was repaid. Please see the Directors' Report for details.

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager		Total Amount
		Umesh Saraf	Arun K Saraf	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	74.50	124.90	199.40
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	11.17	NIL	11.17
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961			
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	– as % of profit	NIL	NIL	NIL
	– others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	85.67	124.90	210.57
	Ceiling as per the Act (under Section 198 of the Companies Act, 2013)	NA	NA	NA

B. Remuneration to other directors (Rs.in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Padam K Khaitan	R. S. Jhawar	A. C. Chakrabortti	Radhe Shyam Saraf	Ms. Rita Bhimani	
	1. Independent Directors						
	→ Fee for attending board/committee meetings	1.60	3.20	3.50	NIL	2.10	10.90
	→ Commission	NIL	NIL	NIL	NIL	NIL	NIL
	→ Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	1.60	3.20	3.50	NIL	2.10	10.90
	2. Other Non-Executive Directors						
	→ Fee for attending board/committee meetings	NIL	NIL	NIL	0.50	NIL	NIL
	→ Commission	NIL	NIL	NIL	NIL	NIL	NIL
	→ Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	0.50	NIL	NIL
	Total (B)=(1+2)	1.60	3.20	3.50	0.50	2.10	10.90
	Total Managerial Remuneration						10.90
	Overall Ceiling as per the Act (under Section 198 of the Companies Act, 2013)						

## Asian Hotels (East) Limited

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	CEO	Key Managerial Personnel		Total
			Company Secretary - Saumen Chattopadhyay	CFO - Bimal K. Jhunjhunwala	
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		28.99	35.86	64.85
	(b) Value of perquisites u/s17(2) of the Income-tax Act, 1961		0.22	0.22	0.44
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961		—	—	—
2	Stock Option		—	—	—
3	Sweat Equity		—	—	—
4	Commission				
	– as % of profit		—	—	—
	– others, specify...		—	—	—
5	Others, please specify		—	—	—
	Total		29.21	36.08	65.29

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## ANNEXURE - X

### 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

**i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:**

Directors	Ratio to Median Remuneration
Mr. R. S. Jhavar- Independent Director	1.29
Mr. A. C. Chakrabortti Independent Director	1.41
Mr. Padam K Khaitan Independent Director	0.65
Ms. Rita Bhimani Independent/Woman Director	0.85
Mr. Radhe Shyam Saraf – Non-Executive Chairman	0.20
Mr. Arun K Saraf - Joint Managing Director	54.37
Mr. Umesh Saraf - Joint Managing Director	53.92

**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 2015-16:**

Name of Person	% Increase in remuneration
Mr. R. S. Jhavar, Independent Director	28%
Mr. A. C. Chakrabortti, Independent Director	40%
Mr. Padam K Khaitan, Independent Director	-5.88%
Ms. Rita Bhimani, Independent/Woman Director	100%
Mr. Radhe Shyam Saraf, Non-Executive Director	66.67%
Mr. Arun K Saraf, Joint Managing Director	24.24%
Mr. Umesh Saraf, Joint Managing Director	10.37%
Mr. Bimal Kumar Jhunjhunwala, CFO & Vice-President Corporate Finance	4.83%
Mr. Saumen Chattopadhyay Chief Legal Officer & Company Secretary	20.31%

Remuneration of Independent Directors and Chairman only includes sitting fees for attending board & committee meetings of the Company.

**iii) the percentage increase in the median remuneration of employees in the financial year 2015-16: 7%**

**iv) the number of permanent employees on the rolls of company: 295**

**v) the explanation on the relationship between average increase in remuneration and company performance:**

On an average, employees received an increase of 7%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

**vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	Rs./Lacs
Remuneration of Key Managerial Personnel (KMP) during the year	336.89
Revenue from operations	9809.26
Remuneration (as % of revenue)	3.43%
Profit before tax (PBT)	921.40
Remuneration (as % of PBT)	36.56%

**vii) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:**

Particulars	Unit	As at 31st March, 2016	As at 31st March, 2015	Variation
Closing rate of share at BSE	Rs.	151.40	197.60	(23.38)%
EPS	Rs.	7.16	13.14	(45.51)%
Market Capitalization	Rs./lac	17321.04	22606.60	(2.34)%
Price Earnings Ratio	Ratio	21.15	15.04	40.63%

**viii) 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 percentile increase in the salaries of employees other than the managerial personnel in 2015-16 was 7%. Percentage increase in the managerial remuneration for the year was 7.14%

**ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	CFO & Vice-President Corporate Finance	Chief Legal Officer & Company Secretary
Remuneration (Rs in Lacs)	38.37	30.39
Revenue (Rs in Lacs)	9809.26	9809.26
Remuneration (as % of revenue)	0.39%	0.31%
Profit before tax (PBT)	921.40	921.40
Remuneration (as % of PBT)	4.16%	3.30%

**x) the key parameters for any variable component of remuneration availed by the Directors:**

The key parameters for the variable component of remuneration, if any, availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Nomination & Remuneration Policy for Directors.

**xi) the ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receivable remuneration in excess of the highest paid director during the year:**

Not applicable

**xii) 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 as per the Nomination and Remuneration Policy of the Company.



## *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, 2016 as per Part-B of Schedule II of Regulation 17(8) and 33 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015.**

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We, the undersigned, in our capacities as the Joint Managing Director & 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 Result and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016:
  - (i) These statements do not contain any materially untrue or false statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws & regulations.
  - (iii) No major accounting entry, based on exercise of judgment by management, has been passed in the above Audited Financial Statements.
  - (iv) There has been no default by the Company in the payment to the depositors and debenture-holders, if any.
- (b) That, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violating the Company's code of conduct.
- (c) We are responsible for establishing & maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

For **Asian Hotels (East) Limited**

Place: Kolkata  
24th May 2016

**Umesh Saraf**  
Joint Managing Director

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

**DECLARATION**

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 2015-16.

For **Asian Hotels (East) Limited**

Place: Kolkata  
24th May 2016

**Umesh Saraf**  
Joint Managing Director

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Asian Hotels (East) Limited

We have reviewed the implementation of Corporate Governance procedure by the company during the twelve-month period ended 31<sup>st</sup> March, 2016 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges in India for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December 2015 to 31<sup>st</sup> March 2016 with the relevant records/documents maintained by the company furnished to us for our review and the report of Corporate Governance as approved by the Board of Directors.

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

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

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

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

Place: Kolkata  
24<sup>th</sup> May 2016

**K K Tulshan**  
Partner  
Membership No: 085033

## **INDEPENDENT AUDITORS' REPORT**

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

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **ASIAN HOTELS (EAST) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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;
  - 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

## *Asian Hotels (East) Limited*

- e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. 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:
  - i. The Company has disclosed the impact of pending litigations on its financial positions in its financial statements as referred in note no. 36 of the financial statements;
  - ii. The Company has no material foreseeable losses on long-term contracts including derivative contracts;
  - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kolkata  
Date: 24th May 2016

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

**K K Tulshan**  
Partner  
Membership No: 085033

## *Asian Hotels (East) Limited*

### **Annexure A to the Independent Auditor's Report to the members of ASIAN HOTELS (EAST) LIMITED dated 24th May 2016**

#### **Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (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 reasonable intervals by the management. No material discrepancies were noticed on such physical verification;
- (iii) The Company has granted unsecured loans/advances to Companies, or other parties covered in the register maintained under section 189 of the Companies Act, 2013. With respect to the said loans/advances, we have to state that:
- (a) In our opinion the terms and conditions of the grant of such loans/advances are not prejudicial to the Company's interest;
- (b) These unsecured loans/advances are repayable on demand. There is no stipulation as to interest.
- (c) The total amount overdue for more than ninety days is Nil;
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees or securities, wherever transacted and applicable.
- (v) The Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed hereunder are not applicable.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Therefore, the provision is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanation 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, on account of disputes are as follows:

<b>Name 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	43,74,245	Commissioner (Appeals)	Prior To FY 2004-05
Finance Act 1994	Service Tax	59,09,585	Service Tax Tribunal	FY 2003-04 to FY 2006-07
Finance Act 1994	Service Tax	2,67,53,749	Commissioner of Service Tax	FY 2007-08 to FY 2009-10
Finance Act 1994	Service Tax	68,36,585	Commissioner of Service Tax	FY 2008-09 to FY 2012-13
Income Tax Act 1961	Income Tax	1,69,06,870	CIT ( Appeal)	FY 2011-12
Income Tax Act 1961	Income Tax	1,22,73,270	CIT ( Appeal)	FY 2012-13
Employees State Insurance Act, 1948	ESI	2,180,235	ESIC	FY 2004-05

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders, if any.
- (ix) No money has been raised by way of initial public offer or further public offer (including debt instruments). Further, term loans were applied for the purposes for which those are raised.

## *Asian Hotels (East) Limited*

- (x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;
- (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, hence clause (xii) of the Order is not applicable to the Company;
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, as applicable and the details have been disclosed in these Financial Statements as required by the applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully & partly convertible debentures during the year under review. The requirement of section 42 of the Companies Act, 2013 need not be complied with.
- (xv) The Company has not entered into non-cash transactions with directors and persons connected with him. In this respect, the provisions of section 192 of Companies Act, 2013 need not be complied with;
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place of Signature: Kolkata  
Date: 24th May 2016

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

**K K Tulshan**  
Partner  
Membership No: 085033



**Annexure B to the Independent Auditor's Report to the members of ASIAN HOTELS (EAST) LIMITED dated 24<sup>th</sup> May 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **ASIAN HOTELS (EAST) LIMITED** ("the Company") as of March 31, 2016 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 Company's management is 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". 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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 authorisations of management and directors of the company; and
- c) 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.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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".

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

**K K Tulshan**  
Partner  
Membership No: 085033

Place of Signature: Kolkata  
Date: 24th May 2016

# Asian Hotels (East) Limited

CIN: L15122WB2007PLC162762

## BALANCE SHEET as at 31st March 2016

	Note	As at 31st March 2016	Amount in ₹ As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
(a) Share Capital	3	<b>114,405,850</b>	114,405,850
(b) Reserves & Surplus	4	<b>8,416,175,183</b>	8,361,823,942
		<b>8,530,581,033</b>	8,476,229,792
<b>NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	5	-	1,650,000,000
(b) Deferred Tax Liabilities (Net)	6	<b>175,252,818</b>	180,308,421
(c) Other Long Term Liabilities	7	<b>2,227,500</b>	4,468,065
(d) Long-term Provisions	8	<b>13,748,445</b>	15,120,328
		<b>191,228,763</b>	1,849,896,814
<b>CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	9	<b>72,835,905</b>	-
(b) Trade Payables	10	<b>88,990,063</b>	99,191,585
(c) Other Current Liabilities	11	<b>1,364,040,588</b>	44,792,421
(d) Short -Term Provisions	12	<b>33,026,047</b>	29,643,581
		<b>1,558,892,603</b>	173,627,587
<b>Total</b>		<b>10,280,702,399</b>	10,499,754,193
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	13	<b>1,236,115,966</b>	1,286,619,233
(ii) Capital Work-in-Progress		<b>16,342,029</b>	18,099,792
(b) Non-Current Investments	14	<b>3,369,640,784</b>	3,369,640,784
(c) Long-term Loans and Advance	15	<b>3,855,501,937</b>	3,782,738,092
		<b>8,477,600,716</b>	8,457,097,901
<b>CURRENT ASSETS</b>			
(a) Current Investments	16	<b>1,546,657,897</b>	1,808,037,074
(b) Inventories	17	<b>22,930,605</b>	20,056,225
(c) Trade Receivable	18	<b>53,465,736</b>	33,370,583
(d) Cash and Bank Balances	19	<b>49,491,299</b>	37,495,617
(e) Short-term Loans and Advances	20	<b>116,557,804</b>	129,570,369
(f) Other Current Assets	21	<b>13,998,342</b>	14,126,424
		<b>1,803,101,683</b>	2,042,656,292
		<b>10,280,702,399</b>	10,499,754,193
Notes forming part of Financial Statements	1-45		

As per our report of even date

For and on behalf of the Board of Directors

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

**K K Tulshan**  
Partner  
Membership No. 085033

Place : Kolkata  
Date : 24th May 2016

**Arun K Saraf** Joint Managing Director  
**Umesh Saraf** Joint Managing Director  
**A. C. Chakrabortti** Director  
**Rama Shankar Jhawar** Director  
**Padam Kumar Khaitan** Director  
**Rita Bhimani** Director

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

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

# Asian Hotels (East) Limited

CIN: L15122WB2007PLC162762

## STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2016

			Amount in ₹
	Note	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>INCOME</b>			
(a) Revenue from Operations	22	<b>980,926,272</b>	995,233,160
(b) Other Income	23	<b>90,076,541</b>	56,850,333
		<b>1,071,002,813</b>	1,052,083,493
<b>EXPENDITURE</b>			
(a) Consumption of Provisions, Beverages, Smokes & Others	24	<b>128,380,351</b>	131,754,658
(b) Employee Benefit Expense	25	<b>187,603,936</b>	186,414,922
(c) Finance Cost	26	<b>156,296,455</b>	3,603,753
(d) Depreciation and Amortization Expenses	13	<b>68,533,473</b>	71,199,603
(e) Other Expenses	27	<b>438,048,567</b>	449,900,320
		<b>978,862,782</b>	842,873,256
<b>PROFIT BEFORE TAX</b>		<b>92,140,031</b>	209,210,237
<b>TAX EXPENSES</b>			
(a) Current Tax		<b>17,171,862</b>	67,973,531
(b) Deferred Tax		<b>(5,055,603)</b>	(10,758,001)
(c) MAT Credit		<b>(4,097,341)</b>	-
(d) Others (Short / (Excess) Provision of earlier years)		<b>2,204,927</b>	1,650,128
<b>PROFIT AFTER TAX</b>		<b>81,916,186</b>	150,344,579
<b>EARNINGS PER EQUITY SHARE</b>	29		
(a) Basic		<b>7.16</b>	13.14
(b) Diluted		<b>7.16</b>	13.14
Notes forming part of Financial Statements	1-45		

As per our report of even date

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

**K K Tulshan**  
Partner  
Membership No. 085033

Place : Kolkata  
Date : 24th May 2016

For and on behalf of the Board of Directors

<b>Arun K Saraf</b>	Joint Managing Director
<b>Umesh Saraf</b>	Joint Managing Director
<b>A. C. Chakrabortti</b>	Director
<b>Rama Shankar Jhawar</b>	Director
<b>Padam Kumar Khaitan</b>	Director
<b>Rita Bhimani</b>	Director

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

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

# Asian Hotels (East) Limited

CIN: L15122WB2007PLC162762

## CASH FLOW STATEMENT for the year ended 31st March 2016

	Year Ended 31st March, 2016	Amount in ₹ Year Ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	92,140,031	209,210,237
Adjustment for :		
Depreciation/amortization	68,533,473	71,199,603
Loss/(profit) on sale of fixed assets	1,266,808	494,980
Interest Expense	155,070,956	452,055
Other Borrowing Cost	1,094,400	3,151,698
Provision for bad and doubtful debts	1,379,969	1,241,389
Excess Provision Written Back	(52)	(1,832,093)
Adjustment to Carrying amount of investment	-	216,804
Net loss/(gain) on sale of current investments	(65,805,615)	(2,137,756)
Provision for Gratuity	1,841,459	858,235
Provision for Leave Encashment	143,417	(242,862)
Interest income	(22,942,007)	(24,645,953)
Dividend income	(180,405)	(27,689,056)
<b>Operating profit before working capital changes</b>	<b>232,542,434</b>	<b>230,277,281</b>
Movements in working capital :		
Increase/(decrease) in trade payables	(10,201,470)	21,463,850
Increase / (decrease) in other long-term liabilities	(2,240,565)	(2,679,585)
Increase/(decrease) in other current liabilities	(648,116)	(10,074,698)
Decrease/(increase) in trade receivables	(21,475,122)	22,765,157
Decrease/(increase) in inventories	(2,874,380)	(851,091)
Decrease / (increase) in long term loans and advances	121,445	(8,624,000)
Decrease / (increase) in short-term loans and advances	12,097,143	(7,336,828)
<b>Cash generated from / (used in) operations</b>	<b>207,321,369</b>	<b>244,940,086</b>
Less: Direct taxes paid (net of refunds)	72,984,023	65,765,688
<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>134,337,346</b>	<b>179,174,398</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed assets	(19,514,238)	(25,603,952)
(Increase) / Decrease in Capital Work in progress	1,757,763	1,547,970
Increase in Capital Advance	62,885	(296,719)
Proceeds from sale of fixed assets	217,224	47,161
Purchase of current investments	(72,826,137)	(328,040,163)
Proceeds from sale/maturity of current investments	400,010,930	800,766,045
Short term loans and advances given	915,421	(1,704,474)
Long term loans and advances given	(15,243,600)	(2,278,500,000)
Interest received	23,070,089	16,928,268
Dividend received	180,405	27,689,056
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>318,630,742</b>	<b>(1,787,166,808)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	1,650,000,000
Repayment of Long Term Borrowings	(330,561,646)	-
Proceeds from Short Term Borrowings	72,835,905	-
Interest paid on borrowings	(155,070,956)	(452,055)
Payment of Other Borrowing Cost	(1,094,400)	(3,151,698)
Dividend paid on shares	(22,423,241)	(33,615,825)
Tax on dividend paid	(4,658,068)	(5,832,982)
<b>Net cash flow from/(used in) in Financing Activities (C)</b>	<b>(440,972,406)</b>	<b>1,606,947,440</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>11,995,682</b>	<b>(1,044,970)</b>
<b>Cash and Cash Equivalents at the beginning of the year (Refer Note 19)</b>	<b>37,495,617</b>	<b>38,540,587</b>
<b>Cash and Cash Equivalents at the end of the year (Refer Note 19)</b>	<b>49,491,299</b>	<b>37,495,617</b>

Notes:-

1. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard - 3.
2. Figures in brackets indicates cash outgo.
3. Previous year figures have been regrouped/reclassified, wherever considered necessary to confirm the current year classification.

Notes forming part of Financial Statements

1-45

As per our report of even date

For and on behalf of the Board of Directors

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

**K K Tulshan**  
Partner  
Membership No. 085033

Place : Kolkata  
Date : 24th May 2016

**Arun K Saraf** Joint Managing Director  
**Umesh Saraf** Joint Managing Director  
**A. C. Chakrabortti** Director  
**Rama Shankar Jhawar** Director  
**Padam Kumar Khaitan** Director  
**Rita Bhimani** Director

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

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

## **Notes to Financial Statements for the Year Ended 31st March 2016**

### **1. Corporate Overview**

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

### **2. Basis of preparation**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on going concern basis on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below, if any.

### **2.1 Significant Accounting Policies**

#### **a. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### **b. Tangible Fixed Assets**

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

#### **c. Depreciation**

Depreciation on fixed assets is calculated on a straight-line basis using the rates 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. No depreciation is charged for the quarter on the assets sold/ discarded during the year.

#### **d. Impairment of Tangible Assets**

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is determined for assets or group of assets which are capable of generating independent cash flows i.e. cash generating units.

#### **e. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

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

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

## **Notes to Financial Statements for the Year Ended 31st March 2016**

### **f. Inventories**

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

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

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

### **g. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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

### **h. Foreign Currency Transaction**

#### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **Conversion**

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

#### **Exchange differences**

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

#### **Income in Foreign Exchange**

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

#### **Expenses remittable in foreign exchange**

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

### **i. Retirement and other employee benefits**

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

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

### **j. Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.



## **Notes to Financial Statements for the Year Ended 31st March 2016**

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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

### **k. Earnings Per Share**

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

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

### **l. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **m. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### **n. Cash and Cash Equivalents**

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

### **o. Dividend**

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

# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

3. Share Capital	Amount in ₹	
	As at 31st March 2016	As at 31st March 2015
<b>Authorised Shares</b>		
14,000,000 (Previous Year: 14,000,000) Equity Shares of ₹10 each	<b>140,000,000</b>	140,000,000
1,000,000 (Previous Year: 1,000,000) Preference Shares of ₹10 each	<b>10,000,000</b>	10,000,000
	<b>150,000,000</b>	150,000,000
<b>Issued, Subscribed and Paid-up Shares</b>		
11,440,585 (Previous Year : 11,440,585) Equity Shares of ₹10 each fully paid up	<b>114,405,850</b>	114,405,850
	<b>114,405,850</b>	114,405,850

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

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	<b>11,440,585</b>	<b>114,405,850</b>	11,440,585	114,405,850
Issued during the year	—	—	—	—
Deducted during the year	—	—	—	—
<b>At the end of the year</b>	<b>11,440,585</b>	<b>114,405,850</b>	11,440,585	114,405,850

### 3.2 Terms/rights attached to Equity Shares

#### Equity Shares

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

#### Preference Shares

The rights, preferences and restrictions attached to the preference shares are in accordance with the provisions of the Companies Act, 2013, unless stated otherwise.

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

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Saraf Industries Limited	<b>3,630,630</b>	<b>31.73</b>	3,630,630	31.73
Forex Finance Private Limited	<b>3,127,072</b>	<b>27.33</b>	3,127,072	27.33
Axis Bank Limited	<b>640,152</b>	<b>5.60</b>	640,152	5.60

# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

	Amount in ₹	
	Year ended 31st March 2016	Year ended 31st March 2015
<b>4. Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Opening Balance	141,043	141,043
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
Closing Balance	141,043	141,043
<b>Capital Redemption Reserve (for redeemed Non Convertible Preference Shares -NCPS)</b>		
Opening Balance	2,000,000	2,000,000
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
Closing Balance	2,000,000	2,000,000
<b>Securities Premium Account</b>		
Opening Balance	14,612,822	14,612,822
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
Closing Balance	14,612,822	14,612,822
<b>General Reserve</b>		
Opening Balance	6,447,174,116	6,432,174,116
Add: Transferred from Statement of Profit & Loss	15,000,000	15,000,000
<b>Closing Balance</b>	6,462,174,116	6,447,174,116
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	1,897,895,961	1,851,277,463
Add: Profit for the Year	81,916,186	150,344,579
Less: Appropriations-		
Accumulated Depreciation due to reclassification	-	61,186,843
Amount transferred to General Reserve	15,000,000	15,000,000
Proposed final dividend on equity shares*	22,881,170	22,881,170
Corporate Dividend Tax (including earlier years adjustment)	4,683,775	4,658,068
<b>Closing Balance</b>	1,937,247,202	1,897,895,961
<b>Total</b>	<b>8,416,175,183</b>	<b>8,361,823,942</b>
* The Board of Directors at their meeting held on 24th May 2016 has recommended a final dividend of ₹ 2.00 per share (Previous Year ₹2.00 per share)		
<b>5. Long Term Borrowings</b>		
<b>Secured, From ICICI Bank Limited (Refer Note 11)</b>		
Gross Amount*	1,319,438,354	1,650,000,000
Less: Repayable within one year	1,319,438,354	-
	-	1,650,000,000
<b>*Nature :- Loan against security of Mutual Funds of carrying value (Refer Note - 16)</b>	<b>1,353,246,737</b>	<b>1,603,246,737</b>
Interest Rate :- At base rate of Bank	9.35%	10.00%
Tenure :- Within 16 months from date of sanction, i.e. 31st March 2015		

# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

	As at 31st March 2016	Amount in ₹ As at 31st March 2015
<b>6. Deferred Tax Liabilities (Net)</b>		
<b>Deferred tax liabilities :-</b>		
On Fiscal Allowances on Fixed Assets	183,976,048	189,732,820
	<b>183,976,048</b>	189,732,820
<b>Deferred tax assets :-</b>		
On Employees' separation and retirement etc.	7,707,579	8,333,117
On Provision for doubtful debts / advances	1,015,651	1,016,250
Other timing differences	-	75,032
	<b>8,723,230</b>	9,424,399
<b>Net Deferred Tax Liabilities</b>	<b>175,252,818</b>	180,308,421
<b>7. Other Long Term Liabilities</b>		
Trade Payable	-	2,482,565
Others -		
Security Deposit Received	2,227,500	1,985,500
<b>Total</b>	<b>2,227,500</b>	4,468,065
<b>8. Long Term Provisions</b>		
Provision for employee benefits		
Provision for gratuity (refer note 28)	10,595,590	11,853,822
Provision for leave benefits (refer note 28)	3,152,855	3,266,506
<b>Total</b>	<b>13,748,445</b>	15,120,328
<b>9. Short Term Borrowings</b>		
<b>Secured</b>		
Overdraft Facility with ICICI Bank Limited* (Refer Note 16)	72,835,905	-
	<b>72,835,905</b>	-
* Secured against Mutual Fund of ₹17,34,11,160/- (Previous Year ₹NIL)		
Interest Rate :- At base rate of Bank plus 25 basis points	9.60%	-
Tenure :- 1 year from date of sanction and renewable every year		
<b>10. Trade Payable</b>		
Trade Payable (including acceptances)	88,990,063	99,191,585
(refer note 36 for details of dues to micro and small enterprise)		
<b>Total</b>	<b>88,990,063</b>	99,191,585
<b>11. Other Current Liabilities</b>		
Current Maturities of Long Term Debt	1,319,438,354	-
Advance from Customers	22,757,370	19,305,537
Salary Payable	3,240,809	7,240,396
Unpaid Dividend	3,983,706	3,525,777
Other Payables -		
Expenses Payable	9,308,653	9,866,483
Statutory Dues	5,251,696	4,794,228
Security Deposit	60,000	60,000
<b>Total</b>	<b>1,364,040,588</b>	44,792,421
<b>12. Short Term Provisions</b>		
<b>Provision for employee benefits -</b>		
Provision for gratuity (refer note 28)	4,677,993	1,578,302
Provision for leave benefits (refer note 28)	783,109	526,041
<b>Total (A)</b>	<b>5,461,102</b>	2,104,343
<b>Other provisions</b>		
Proposed equity dividend	22,881,170	22,881,170
Dividend tax	4,683,775	4,658,068
<b>Total (B)</b>	<b>27,564,945</b>	27,539,238
<b>Total (A+B)</b>	<b>33,026,047</b>	29,643,581

### Notes to Financial Statements for the Year Ended 31st March 2016

Amount in ₹

Particulars	Gross Carrying Value						Depreciation				Net Carrying Value	
	Balance as at 1st April 2015	Additions	Deduction during the year	Assets Written Off**	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation for the period	Deduction during the year	Balance as at 31st March 2016	Balance as at 31st March 2015	Balance as at 31st March 2016	Balance as at 31st March 2015
<b>Tangible Asset</b>												
Lease Hold Land	267,042,819	-	-	-	267,042,819	-	-	-	-	-	267,042,819	267,042,819
Buildings	996,691,755	2,325,345	-	-	999,017,100	196,378,609	16,272,041	-	212,650,650	800,313,146	786,366,450	800,313,146
Furniture and Fixtures	177,009,343	4,106,570	-	-	181,115,913	161,721,450	1,421,128	-	163,142,578	15,287,893	17,973,335	15,287,893
Plant & Equipment	647,780,558	13,082,323	5,709,328	-	655,153,554	445,901,856	50,098,422	4,277,639	491,722,639	201,878,703	163,430,914	201,878,703
Vehicles	9,747,396	-	1,046,850	-	8,700,546	7,650,723	741,882	994,507	7,398,098	2,096,673	1,302,448	2,096,673
<b>Total</b>	<b>2,098,271,871</b>	<b>19,514,238</b>	<b>6,756,178</b>	<b>-</b>	<b>2,111,029,932</b>	<b>811,652,638</b>	<b>68,533,473</b>	<b>5,272,146</b>	<b>874,913,965</b>	<b>1,286,619,233</b>	<b>1,236,115,966</b>	<b>1,286,619,233</b>
Previous Year	2,167,089,712	25,603,952	1,728,498	92,693,294	2,098,271,871	741,639,392	71,199,603	1,186,357	811,652,638	1,425,450,320	1,286,619,233	1,425,450,320
Capital Work-in-progress	18,099,792	567,562	2,325,345	-	16,342,029	-	-	-	-	18,099,792	16,342,029	18,099,792
Previous Year	19,647,762	546,742	2,094,712	-	18,099,792	-	-	-	-	19,647,762	18,099,792	19,647,762
<b>Total</b>	<b>2,116,371,663</b>	<b>20,081,820</b>	<b>9,081,523</b>	<b>-</b>	<b>2,127,371,961</b>	<b>811,652,638</b>	<b>68,533,473</b>	<b>5,272,146</b>	<b>874,913,965</b>	<b>1,304,719,025</b>	<b>1,252,457,995</b>	<b>1,304,719,025</b>
Previous Year	2,186,737,474	26,150,694	3,823,210	92,693,294	2,116,371,663	741,639,392	71,199,603	1,186,357	811,652,638	1,445,098,082	1,304,719,025	1,445,098,082

# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

Amount in ₹

	As at 31st March 2016	As at 31st March 2015
<b>14. Non-Current Investments</b>		
<b>Trade, Unquoted, Fully Paid Up</b>		
<b>In Equity Shares of Subsidiary Companies</b>		
91,652 (Previous Year 91,652) equity shares of ₹10 each of Regency Convention Centre & Hotels Limited (Refer Note 39)	257,901,724	257,901,724
1,09,61,000 (Previous Year 1,09,61,000) equity shares of ₹10 each of GJS Hotels Limited	2,346,365,000	2,346,365,000
<b>In Preference Shares of Subsidiary Company (Refer Note 42)</b>		
43,00,000 (Previous Year 43,00,000) 12% Cumulative Redeemable Preference Shares of Robust Hotels Private Limited of ₹100 each.	615,374,060	615,374,060
<b>Total (A)</b>	<b>3,219,640,784</b>	3,219,640,784
<b>Non Trade, Quoted, Fully Paid up</b>		
<b>In Bonds of Indian Railways Financial Corporation Limited</b>		
150,000 (Previous Year: 150,000) 8.23% Tax Free Bonds of ₹1000 each	150,000,000	150,000,000
<b>Total (B)</b>	<b>150,000,000</b>	150,000,000
<b>Total (A+B)</b>	<b>3,369,640,784</b>	3,369,640,784
Aggregate Market Value of Quoted Investment	150,000,000	150,000,000
Aggregate amount of Unquoted Investment	3,219,640,784	3,219,640,784
Aggregate Provision for diminution in value of Investments	-	-
<b>15. Long Term Loans &amp; Advances</b>		
(Unsecured, Considered Good)		
Capital Advance	233,834	296,719
Security Deposits	11,635,000	11,756,445
Advances to GJS Hotels Limited, a wholly owned subsidiary Company (Refer note -15.1 & 43)	3,731,418,600	3,716,175,000
Advance for acquisition of shares from shareholders of Regency Convention Centre & Hotels Limited (Refer Note 39)	33,448,275	33,448,275
Other Loans and Advances:		
Advance Tax & TDS (Net of Provision for taxes ₹287,719,668 (Previous Year - ₹268,373,264)	67,778,856	14,175,308
MAT Credit Entitlement	10,987,372	6,886,345
<b>Total</b>	<b>3,855,501,937</b>	3,782,738,092
<b>15.1 Additional Disclosure Under Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>		
Maximum amount outstanding at anytime during the year		
- GJS Hotels Limited	3,731,418,600	3,716,175,000

# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	Amount in ₹ As at 31st March 2015
	No. of Shares	No. of Shares	₹	₹
<b>16. Current Investments</b>				
<b>Non-Trade, Quoted, fully paid-up</b>				
<b>In Equity Shares</b>				
<b>(Face Value (FV) of ₹10 each, unless otherwise stated)</b>				
Ahlcons Parenterals Limited	-	800	-	364,920
Apcotex Industries Limited (FV ₹5 each)	-	300	-	54,092
Arman Financial Services Ltd.	-	1,500	-	117,199
Ashapura Minechem Ltd (FV ₹2 each)	-	6,600	-	402,834
Atul Auto Limited (FV ₹5 each)	-	1,254	-	162,379
Capital First Limited	-	3,122	-	460,245
DCM Shriram Ltd. (FV ₹2 each)	-	248	-	26,635
Dhanuka Agritech Limited (FV ₹2 each)	-	1,450	-	187,939
Gateway Distriparks Limited	-	1,423	-	183,008
Godrej Properties Ltd (FV ₹5 each)	-	1,050	-	233,589
Gujarat Pipavav Port Limited	-	6,872	-	386,770
Granules India Limited (FV ₹1 each)	-	5,650	-	468,495
Greenlam Industries Limited (FV ₹5 each)	-	825	-	102,006
Greenply Industries Limited (FV ₹5 each)	-	825	-	188,609
Indusind Bank Limited	-	1,177	-	460,561
Intec Capital Ltd.	-	747	-	63,495
IPCA Laboratories Ltd. (FV ₹2 each)	-	498	-	316,653
Jyothy Laboratories Limited (FV ₹1 each)	-	1,931	-	294,447
KPIT Technologies Limited (FV - ₹2 each)	-	3,793	-	405,537
Mahindra & Mahindra Financial Services Limited (FV ₹2 each)	-	1,436	-	352,812
Oriental Carbon & Chemicals Limited	-	3,364	-	341,527
Persistent Systems Limited	-	720	-	189,783
PTC India Financial Services Limited	-	5,640	-	276,736
PVR Limited	-	701	-	170,498
Selan Exploration Technology Limited	-	1,417	-	322,013
Shasun Pharmaceuticals Ltd (FV ₹2 each)	-	4,100	-	587,591
Shilpa Medicare Limited (FV ₹2 each)	-	1,524	-	373,410
Shriram Transport Finance Company Limited	-	969	-	547,692
SMS Pharmaceuticals Ltd	-	536	-	231,387
Snowman Logistics Ltd.	-	2,700	-	223,886
South Indian Bank Limited (FV ₹1 each)	-	8,530	-	168,705
Sterling Holiday Resorts India Ltd	-	6,960	-	686,702
Strides Arcolab Limited	-	1,247	-	472,123
Suntech Reality Limited (FV ₹2 each)	-	1,755	-	437,960
SQS India BFSI Limited	-	955	-	228,382
Uniply Industries Limited	-	8,570	-	198,463
<b>Total</b>			-	<b>10,689,083</b>

(Market Value as on 31st March 2016 is ₹NIL (Previous Year - ₹2,37,49,116/-))



# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

Non-Trade, Unquoted, fully paid-up	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	Amount in ₹ As at 31st March 2015
	No. of Units	No. of Units	₹	₹
<b>In Mutual Funds (Face Value of ₹10 each, unless otherwise stated)</b>				
DSP BlackRock Short Term Fund Regular Plan- Growth*	<b>11,252,127</b>	11,252,127	<b>224,673,474</b>	224,673,474
DHFL Pramerica (DWS) Short Maturity Fund - Growth*	<b>8,101,478</b>	8,101,478	<b>170,650,337</b>	170,650,337
HDFC Income Fund - Growth*	<b>4,389,855</b>	4,389,855	<b>120,696,443</b>	120,696,443
HDFC Income Fund - Growth	<b>727,421</b>	727,421	<b>20,000,000</b>	20,000,000
HDFC Liquid Fund - DDR	-	16,024	-	163,419
ICICI Prudential Dynamic Bond Fund - (Growth)*	<b>11,208,615</b>	11,208,615	<b>150,297,441</b>	150,297,441
ICICI Prudential Fixed Maturity Plan-Series 68 <sup>#</sup>	<b>10,000,000</b>	10,000,000	<b>100,000,000</b>	100,000,000
Kotak Bond Scheme Plan A - Growth*	<b>15,974,828</b>	21,903,566	<b>542,783,504</b>	742,783,504
Kotak FMP Series 106-Growth <sup>#</sup>	<b>7,341,116</b>	7,341,116	<b>73,411,160</b>	73,411,160
Pramerica Liquid Fund (Face Value ₹1000 each)	-	357	-	526,675
UTI Bond Fund-Growth Plan-Regular*	<b>4,105,424</b>	5,544,223	<b>144,145,538</b>	194,145,538
(Market Value as on 31st March 2016 is ₹1,945,611,534/- (Previous Year - ₹2,122,505,822/-))				
<b>Total (B)</b>			<b>1,546,657,897</b>	<b>1,797,347,991</b>
<b>Total (A+B)</b>			<b>1,546,657,897</b>	<b>1,808,037,074</b>
* Pledged against loan taken from ICICI Bank Limited(Refer Note 5)			<b>1,353,246,737</b>	1,603,246,737
<sup>#</sup> Pledged against Overdraft Limit taken from ICICI Bank Limited (Refer Note 9)			<b>173,411,160</b>	-
Basis of Valuation - Lower of Cost or Market Value on an individual investment basis				
Aggregate Amount of Quoted Investments			-	10,689,083
Aggregate Amount of Unquoted Investments			<b>1,546,657,897</b>	1,797,347,991
Aggregate amount of Adjustments to Carrying amount of Quoted Investments			-	216,804
Aggregate amount of Adjustments to Carrying amount of Unquoted Investments			-	-

### 17. Inventories

(Valued at cost or Net Realisable Value whichever is lower)

Food, Liquor & Tobacco	<b>15,008,371</b>	12,116,849
Crockery, Cutlery, Silverware, Linen	<b>4,459,149</b>	4,518,588
General Stores and Spares	<b>3,463,085</b>	3,420,788
<b>Total</b>	<b>22,930,605</b>	20,056,225

# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

	As at 31st March 2016	Amount in ₹ As at 31st March 2015
<b>18. Trade Receivable</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured , Considered good	464,728	5,437,208
Doubtful	2,934,729	2,936,459
	3,399,457	8,373,667
Less: Provision for Doubtful Debts	2,934,729	2,936,459
(A)	464,728	5,437,208
Other receivables		
Unsecured ,Considered good (B)	53,001,008	27,933,375
<b>Total (A+B)</b>	<b>53,465,736</b>	<b>33,370,583</b>
<b>19. Cash &amp; Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Balance with banks	23,938,465	12,200,030
Cash on hand (Including Stamps in Hand ₹189,673 (Previous Year ₹189,673))	1,463,175	1,353,974
Cheques on Hand	105,953	415,836
Other Bank Balances		
Fixed Deposits- under lien (Refer Note 19.1)	20,000,000	20,000,000
Unpaid Dividend Accounts	3,983,706	3,525,777
<b>Total</b>	<b>49,491,299</b>	<b>37,495,617</b>
<b>19.1</b> The Company maintains a cash credit account (secured against Fixed Deposit Receipts) with a favourable balance as on the current and comparative reporting date and have been included in balance with banks. Further, the Company has given revolving Letter of Credit to West Bengal State Electricity Distribution Company Limited (WBSEDCL).		
<b>20. Short Term Loans &amp; Advances</b>		
(Unsecured, Considered Good)		
Advance to Subsidiaries Companies (Refer Note 20.1 & 43)		
Regency Convention Centre and Hotels Limited, a Subsidiary Company	12,569,474	12,119,474
Robust Hotels Pvt Ltd, a step down Subsidiary Company	-	77,028
Advance to Companies in which Directors or their relatives can exercise significant influence or control (Refer Note 20.1 & 43)		
Chartered Hotels Private Limited	-	349,310
Juniper Hotels Private Limited	-	297,378
Chartered Hampi Hotels Pvt. Ltd.	-	126,168
Taragaon Regency Hotels Ltd.	-	131,155
Unison Hotels Pvt. Limited	-	222,798
Yak & Yeti Hotels Ltd.	-	161,584
Other loans and advances -		
Inter Corporate Deposits	75,000,000	75,000,000
Balances with Statutory Authorities	12,445,476	11,156,120
Advance to Suppliers & Other Parties	8,073,111	7,558,372
Prepaid Expenses	8,085,543	7,914,019
Stamp Duty Recoverable from Odisha Govt.	-	14,000,000
Others	384,200	456,963
<b>Total</b>	<b>116,557,804</b>	<b>129,570,369</b>
<b>20.1</b> Additional Disclosure Under Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015		
Maximum amount outstanding at anytime during the year		
- Regency Convention Centre & Hotels Limited	12,569,474	12,119,474
- Chartered Hotels Private Limited	349,310	366,170
- Juniper Hotels Private Limited	732,236	297,378
- Robust Hotels Pvt Ltd	175,003	129,307
- Chartered Hampi Hotels Pvt. Ltd.	314,902	144,623
- Taragaon Regency Hotels Ltd.	319,764	131,155
- Unison Hotels Pvt. Limited	222,798	222,798
- Yak & Yeti Hotels Ltd.	161,584	161,584
<b>21. Other Current Assets</b>		
Interest accrued but not due	11,978,890	12,129,164
Interest accrued and due	2,019,452	1,997,260
<b>Total</b>	<b>13,998,342</b>	<b>14,126,424</b>

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## Notes to Financial Statements for the Year Ended 31st March 2016

	Year Ended 31st March 2016	Amount in ₹ Year Ended 31st March 2015
<b>22. Revenue from Operations</b>		
Sale of products		
Beverages, Wines and Liquor	59,862,979	54,493,085
Food and Smokes	440,845,062	443,269,270
	500,708,041	497,762,355
Less: Excise Duty	524,699	676,986
	500,183,342	497,085,369
Sale of Services		
Rooms	395,980,571	413,589,926
Banquet Income (Only Rental Portion)	25,337,282	26,531,702
Health & Spa	26,757,361	22,345,879
Laundry & Dry Cleaning	12,571,248	13,179,099
Auto Rental	11,314,864	12,661,208
Communication	1,127,292	1,471,960
Other Operating Revenue	7,654,312	8,368,017
	480,742,930	498,147,791
<b>Total</b>	<b>980,926,272</b>	<b>995,233,160</b>
<b>23. Other Income</b>		
Interest Income from Non-Current Investments	12,345,000	12,345,000
Interest Income - Others	10,597,007	12,300,953
Dividend on Current Investment	180,405	27,689,056
Net Gain on Sale of Current Investments	65,894,305	2,161,030
Net Gain on Foreign Currency Translation	713,122	272,201
Profit on Sale of Fixed Assets	41,510	-
Excess Provision Written Back	52	1,832,093
Miscellaneous Income	305,140	250,000
<b>Total</b>	<b>90,076,541</b>	<b>56,850,333</b>
<b>24. Consumption of Provisions, Beverages, Smokes &amp; Others</b>		
Food, Beverages, Smokes, Wine & Liquor		
Opening Stock	12,116,849	12,483,207
Add : Purchases	131,271,873	131,388,300
	143,388,722	143,871,507
Less : Closing Stock	15,008,371	12,116,849
<b>Total Cost of Consumption</b>	<b>128,380,351</b>	<b>131,754,658</b>

# Asian Hotels (East) Limited

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## Notes to Financial Statements for the Year Ended 31st March 2016

	Year Ended 31st March 2016	Amount in ₹ Year Ended 31st March 2015
<b>25. Employee Benefit Expenses</b>		
Salaries, Wages & Bonus	155,793,002	153,317,828
Contribution to Provident & other funds	11,126,369	11,049,476
Staff Welfare Expenses	17,290,497	19,249,039
Recruitment & Training	3,394,068	2,798,579
<b>Total</b>	<b>187,603,936</b>	<b>186,414,922</b>
<b>26. Finance Cost</b>		
Interest on Loan against Securities	154,050,946	452,055
Interest on Bank Overdraft	1,020,010	-
Other Borrowing Cost	1,094,400	3,151,698
Interest on Late Payment of TDS	131,099	-
<b>Total</b>	<b>156,296,455</b>	<b>3,603,753</b>
<b>27. Other Expenses</b>		
Contract Labour and Service	46,943,554	47,911,778
Room, Catering & other supplies	51,347,055	45,312,714
Linen & Operating equipments Consumption	6,744,181	13,907,895
Fuel, Power & Light	96,388,394	114,761,948
Repairs, Maintenance & Refurbishing*	43,944,453	38,482,805
Satellite & Television Charges	654,959	2,729,536
Lease Rent	18,308,262	16,058,268
Rates & Taxes	9,650,437	9,329,004
Insurance	3,210,367	3,511,816
Directors' Sitting Fees	1,090,000	740,000
Legal & Professional Expenses	8,117,214	9,689,421
Payment to Auditors	880,000	855,000
Printing & Stationery	2,261,207	3,016,295
Guest Transportation	19,017,291	18,330,667
Travelling & Conveyance**	12,445,044	9,842,084
Communication Expenses	4,562,542	4,520,118
Technical Services	32,555,230	33,092,062
Advertisement & Publicity	31,191,192	30,934,589
Commission & Brokerage	34,773,706	36,434,205
CSR Expenditure	5,000,000	6,000,000
Charity & Donation	2,435,626	31,000
Adjustments to Carrying Amount of Current Investments	-	216,804
Bank charges and Commission	601,831	242,177
Provision for Bad & Doubtful Debts	1,379,969	1,241,389
Loss on sale of Fixed Assets	1,308,318	494,980
Loss on sale of Current Investments	88,690	23,274
Miscellaneous	3,149,045	2,190,491
<b>Total</b>	<b>438,048,567</b>	<b>449,900,320</b>
* Repairs, Maintenance & Refurbishing includes		
Repairs & Maintenance - Building	5,608,132	6,335,447
Repairs & Maintenance - Plant & Machinery	21,681,275	18,207,582
Repairs & Maintenance - Others	16,655,046	13,939,776
** Travelling & Conveyance includes		
Travel of Directors	739,471	1,024,197

## Notes to Financial Statements for the Year Ended 31st March 2016

Amount in ₹

### 28. Gratuity and other post-employment benefit plans

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

a) Defined contribution plans

i. Provident fund

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

	31st March 2016	31st March 2015
Employer's Contribution to Provident Fund	6,220,627	6,372,787
Employer's Contribution to Pension Scheme	3,279,071	2,738,581

b) Defined benefit plans

i. Contribution to Gratuity fund

ii. Compensated absences Earned leave

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

#### Economic Assumptions

The discount rate and salary increases assumed are key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

#### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long-term risk free investments. For the current valuation a discount rate of 8.00 % p.a. compound, has been used.

#### Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

#### i. Change in Benefit Obligations:

##### Particulars

##### Gratuity (Unfunded)

##### Compensated absences Earned leave (Unfunded)

	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Present value of obligations as at the beginning of the year	13,432,124	12,573,889	3,792,547	4,035,409
Current service cost	2,432,700	2,548,314	1,195,230	1,263,001
Interest cost	1,047,706	1,068,781	295,819	343,010
Benefit Paid	(1,173,701)	(2,373,216)	(860,378)	(1,135,174)
Actuarial (gain)/ loss on obligation	(465,246)	(385,644)	(487,254)	(713,699)
<b>Present value of obligations as at the year end</b>	<b>15,273,583</b>	<b>13,432,124</b>	<b>3,935,964</b>	<b>3,792,547</b>
Current liability	4,677,993	1,578,302	783,109	526,041
Non-Current liability	10,595,590	11,853,822	3,152,855	3,266,506
<b>Total</b>	<b>15,273,583</b>	<b>13,432,124</b>	<b>3,935,964</b>	<b>3,792,547</b>

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

##### Particulars

##### Gratuity (Unfunded)

##### Compensated absences Earned leave (unfunded)

	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Current Service Cost	2,432,700	2,548,314	1,195,230	1,263,001
Interest Cost	1,047,706	1,068,781	295,819	343,010
Actuarial (Gain) / loss recognized during the year	(465,246)	(385,644)	(487,254)	(713,699)
Expenses recognised in Statement of Profit and Loss	3,015,160	3,231,451	1,003,795	892,312

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## Notes to Financial Statements for the Year Ended 31st March 2016

Amount in ₹

### iii. Principal Actuarial assumptions:

Particulars	Refer Note below	Year ended 31st March 2016	Year ended 31st March 2015
Discount rate (p.a.)	1	8.00%	7.80%
Salary Escalation Rate (p.a.)	2	6.75%	7.00%

#### 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

	31st March 2016	31st March 2015
<b>29. Earnings per share (Basic &amp; Diluted)</b>		
<b>A. Basic</b>		
(i) Profit / (Loss) for the period	81,916,186	150,344,579
(ii) Profit Available for Equity Shareholders	81,916,186	150,344,579
(iii) Weighted average number of Equity Shares of ₹10 each	11,440,585	11,440,585
(vi) Earnings / (Loss) per share	7.16	13.14
<b>B. Diluted</b>		
(i) Profit / (Loss) for the period	81,916,186	150,344,579
(ii) Profit Available for Equity Shareholders	81,916,186	150,344,579
(iii) Weighted average number of Equity Shares of ₹10 each for diluted EPS	11,440,585	11,440,585
(iv) Earnings / (Loss) per share	7.16	13.14
<b>30. C.I.F Value of Imports:</b>		
Stores & Spares	4,338,191	2,757,789
Capital Goods	3,107,392	2,084,667
Beverages - through canalizing agencies	16,928,304	7,512,434
<b>Total</b>	<b>24,373,887</b>	<b>12,354,890</b>
<b>31. Expenditure in Foreign Currency (on payment basis)</b>		
Technical Services	39,484,846	30,976,232
Commission & Brokerage	50,758,876	13,208,507
Training & Recruitment	1,751,495	793,391
Others	6,743,252	2,964,664
<b>Total</b>	<b>98,738,469</b>	<b>47,942,794</b>

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## Notes to Financial Statements for the Year Ended 31st March 2016

	31st March 2016	31st March 2015
	Rs. 247,710,031	Rs. 279,845,401
<b>32. Earnings in Foreign Currency (on receipt basis)</b>		
<b>33. The Company has paid dividend in respect of shares held by Non-Residents.</b> The total amount remitted in this respect is given herein below:-		
Number of Non Resident Shareholders	554	595
Number of Equity Shares held by Non Resident Shareholders	4,583,077	4,614,393
Amount of Dividend Paid	9,166,154	13,843,179
Year to which Dividend Relates	2014-15	2013-14
<b>34. Leases:</b>		
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 ₹ 5,520,214/-.		
The future receipts for operating lease are as follows:		
	31st March 2016	31st March 2015
Not Later than 1 year	2,240,450	1,998,048
Later than one year and not later than five years	3,580,800	1,880,450
Later than five years	1,694,880	1,353,000
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 ₹ 18,000,000/-.		
The future Payments for operating lease are as follows:		
	31st March 2016	31st March 2015
Not Later than 1 year	3,000,000	18,000,000
Later than one year and not later than five years	-	3,000,000
Later than five years	-	-
<b>35. As the Company is engaged in only one segment of Hotel Business, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable. Further the Company operates only in India; hence additional information under geographical segments is also not applicable.</b>		
<b>36. The disclosures relating to Micro, Small &amp; Medium Enterprises Development Act, 2006 are as under :-</b>		
i. The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.		
ii. The disclosures relating to Micro and Small Enterprises are as under :-		
	31st March 2016	31st March 2015
The principal amount remaining unpaid to supplier as at the end of the accounting year.	67,728	335,420
The interest due thereon remaining unpaid to Supplier as at the end of the accounting year.	NIL	NIL
The amount of interest paid in terms of Section 16 alongwith the amount of payment made to the Supplier beyond the appointed day during the year.	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	NIL	NIL
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	NIL	NIL
The amount of further interest due and payable even in the succeeding year, until such date when interest dues as above are actually paid.	NIL	NIL
<b>37. Contingent Liabilities :</b>		
<b>Contingent Liabilities</b>	31st March 2016	31st March 2015
Corporate Guarantee to IDBI Bank for Robust Hotels Pvt. Ltd.	350,000,000	350,000,000
Letter of Credit issued by IDBI Bank Ltd. in favour of West Bengal Electricity Distribution Company Limited	8,000,000	8,000,000
Service Tax under the Finance Act, 1994 pertaining to prior to F.Y. 2004-05	4,374,245	4,374,245
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2003-04 to F.Y. 2006-07	5,909,585	5,909,585
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2007-08 to F.Y. 2009-10	26,753,749	26,753,749
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2008-09 to F.Y. 2012-13	6,836,585	13,028,999
Service Tax under the Finance Act, 1994 pertaining to period Oct-2007 to Jan-2013	348,656	NIL
ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 2004-05	2,180,235	2,180,235
Income Tax under the Income Tax Act, 1961 for the F.Y. 2011-12 (the Company has preferred an appeal against the demand)*	16,906,870	16,906,870
Income Tax under the Income Tax Act, 1961 for the F.Y. 2012-13 (the Company has preferred an appeal against the demand)#	12,273,270	NIL
Others	3,644,056	3,644,056
<b>Commitments</b>		
Export Obligation in respect of EPCG Licences	NIL	24,301,279
* The Company has paid demand of ₹ 14,750,000/- under protest and is included in Long Term Loans & Advances (Refer Note 15)		
# The Company has paid demand of ₹ 1,841,000/- under protest on 3 <sup>rd</sup> May 2016.		



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## Notes to Financial Statements for the Year Ended 31st March 2016

	Amount in ₹
	31st March 2016
	31st March 2015
<b>38. Payment to Auditors</b>	
Statutory Audit Fees	600,000
Tax Audit Fees	150,000
Fees for other services	75,000
Reimbursement of Expenses	55,000

- 39.** As on date, the Company holds 91,652 Equity shares of ₹10 each of its subsidiaries, Regency Convention Centre and Hotels Limited (RCC), representing 58.99% of the paid up capital of RCC. Apart from the above, the Company had also made an advance of ₹33,448,275 for acquiring further shares of RCC from their existing shareholders and paid advances to RCC amounting to ₹12,569,474 up to the Balance Sheet date which has been disclosed as Short Term Loans and Advances.

The principal assets of RCC comprise of an interest in a piece of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court. Such assets form part of Company's undertaking at book values. The Company has handed over the land to Airport Authority of India (AAI). As per the understanding with AAI, an alternate piece of land will be leased back to the Company for its operations. Further, an agreement has been entered with Mumbai International Airport Private Limited (MIAPL) in July 2015 for an alternate piece of land admeasuring 9776 sq. mtr. at CSI Airport, Mumbai. Till date AAI has not yet approved the said agreement and the matter is pending before the Court. The Company is hopeful of a positive outcome out of the same.

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

- 40.** In the opinion of the Board, all the assets of the Company have a value on realization in ordinary course of business at least equal to the amount at which they are stated. Therefore, the Company has not recognised any loss on impairment in respect of any of the assets of the Company. In respect of subsidiaries, such decision is based on the audited accounts of the subsidiaries.
- 41.** In respect of the scheme of amalgamation of the Company with Forex Finance Private Limited, a promoter body corporate, the Court convened meeting was held approving the amalgamation and the Company has subsequently filed petition to Hon'ble High Court of Calcutta for sanction of the scheme. Presently the scheme of amalgamation is pending for hearing in the Hon'ble High Court of Calcutta. Post sanction of scheme of amalgamation, Robust Hotels Private Limited, owner of Hyatt Regency Chennai, will be a wholly owned subsidiary of the Company; partially by having direct holding and balance through GJS Hotels Limited (wholly owned subsidiary of the Company).
- 42.** The cumulative dividend income of ₹390,887,671 accrued till 31<sup>st</sup> March 2016 (Previous Year - ₹339,146,301) in respect of investment made by the Company in 12% Cumulative Redeemable Preference Shares of Robust Hotels Private Limited, a step down subsidiary Company, will be accounted for as and when declared by the investee Company.
- 43.** In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transactions with them are as follows: -

### Related Party Disclosures

#### (i) List of Related Parties

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

# Asian Hotels (East) Limited

CIN: L15122WB2007PLC162762

## Notes to Financial Statements for the Year Ended 31st March 2016

Amount in ₹

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

Transactions during the year	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Dividend Paid</b>								
Forex Finance Private Limited	-	-	-	-	6,254,144	9,381,216	6,254,144	9,381,216
Saraf Industries Limited	-	-	-	-	7,261,260	10,891,890	7,261,260	10,891,890
Radhe Shyam Saraf	-	-	1,143,860	1,715,790	-	-	1,143,860	1,715,790
<b>Sale of Services</b>								
Robust Hotels Private Limited	-	118,588	-	-	-	-	-	118,588
<b>Expenses Incurred (Reimbursement)</b>								
Robust Hotels Private Limited	264,039	869,430	-	-	-	-	264,039	869,430
Chartered Hampi Hotels Private Limited	-	-	-	-	314,902	269,790	314,902	269,790
Chartered Hotels Private Limited	-	-	-	-	-	249,995	-	249,995
Juniper Hotels Private Limited	-	-	-	-	488,140	297,378	488,140	297,378
Taragaon Regency Hotels Limited	-	-	-	-	242,871	539,364	242,871	539,364
Yak & Yeti Hotels Limited	-	-	-	-	-	161,584	-	161,584
Unison Hotels Private Limited	-	-	-	-	107,676	318,870	107,676	318,870
<b>Advance Given</b>								
GJS Hotels Limited	15,248,400	2,278,501,800	-	-	-	-	15,248,400	2,278,501,800
Regency Convention Centre and Hotels Limited	456,500	550,000	-	-	-	-	456,500	550,000
<b>Advance Repaid</b>								
GJS Hotels Limited	4,800	1,800	-	-	-	-	4,800	1,800
<b>Managerial Remuneration</b>								
Umesh Saraf	-	-	13,350,507	12,096,000	-	-	13,350,507	12,096,000
Arun Kr. Saraf	-	-	13,462,107	10,836,000	-	-	13,462,107	10,836,000

Closing Balance as on 31st March 2016	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Account Receivables</b>								
GJS Hotels Limited	3,731,418,600	3,716,175,000	-	-	-	-	3,731,418,600	3,716,175,000
Regency Convention Centre and Hotels Limited	12,569,474	12,119,474	-	-	-	-	12,569,474	12,119,474
Robust Hotels Private Limited	-	136,914	-	-	-	-	-	136,914
Chartered Hampi Hotels Private Limited	-	-	-	-	-	126,168	-	126,168
Chartered Hotels Private Limited	-	-	-	-	-	349,310	-	349,310
Juniper Hotels Private Limited	-	-	-	-	-	297,378	-	297,378
Taragaon Regency Hotels Limited	-	-	-	-	-	191,314	-	191,314
Yak & Yeti Hotels Limited	-	-	-	-	-	222,798	-	222,798
Unison Hotels Private Limited	-	-	-	-	-	161,584	-	161,584
<b>Investments as at year end</b>								
GJS Hotels Limited	2,346,365,000	2,346,365,000	-	-	-	-	2,346,365,000	2,346,365,000
Regency Convention Centre and Hotels Limited	257,901,724	257,901,724	-	-	-	-	257,901,724	257,901,724
Robust Hotels Private Limited	615,374,060	615,374,060	-	-	-	-	615,374,060	615,374,060

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

45. There is no other additional material information required to be disclosed pursuant to the provisions of the Companies Act, 2013, Schedule III to the Companies Act, 2013, Companies (Accounting Standards) Rules, 2006 and other material applicable enactments, circulars, orders, notifications etc.

As per our report of even date

For and on behalf of the Board of Directors

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

**K K Tulshan**  
Partner  
Membership No. 085033

**Arun K Saraf** Joint Managing Director  
**Umesh Saraf** Joint Managing Director  
**A. C. Chakrabortti** Director  
**Rama Shankar Jhawar** Director  
**Padam Kumar Khaitan** Director  
**Rita Bhimani** Director

Place : Kolkata  
Date : 24th May 2016

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

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

**CONSOLIDATED FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **ASIAN HOTELS (EAST) LIMITED** (herein referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the Audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us in terms of the reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of Rs. 75,108.31 Lacs as at 31st March, 2016, total revenues of Rs. 9,507.08 Lacs and net cash outflow amounting to Rs. 45.14 Lacs for the year ended on that date, as considered in these consolidated financial statements. These financial statements / financial information have been

## **CONSOLIDATED FINANCIAL STATEMENTS**

audited by other auditors whose report 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 in terms of sub sections (3) and (11) of section 143 of the act, in so far relates to the aforesaid subsidiaries, is based solely on the reports of 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 the other auditors and financial statements/financial information 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 preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company / subsidiary companies as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company / subsidiaries, none of the directors of the Group companies is disqualified as on 31st March, 2016 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) 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:
  - i. The Company has disclosed the impact of pending litigations on its financial positions in its financial statements as referred in note no. 38 of the financial statements;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

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

**K K Tulshan**  
Partner  
Membership No: 085033

Place of Signature : Kolkata  
Date: 24<sup>th</sup> May, 2016

## **CONSOLIDATED FINANCIAL STATEMENTS**

**Annexure A to the Independent Auditor's Report to the members of ASIAN HOTELS (EAST) LIMITED (Company) dated 24<sup>th</sup> May 2016**

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section of our report referred above**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **ASIAN HOTELS (EAST) LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of 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 the 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 Company's internal financial controls over financial reporting 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 ICAI 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, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations 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.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**K K Tulshan**  
Partner  
Membership No: 085033

Place of Signature : Kolkata  
Date: 24<sup>th</sup> May, 2016

*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEET as at 31st March 2016**

	Note	As at 31st March 2016	Amount in ₹ As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
(a) Share Capital	4	<b>114,405,850</b>	114,405,850
(b) Reserves & Surplus	5	<b>7,361,456,090</b>	7,453,195,826
		<b>7,475,861,940</b>	7,567,601,676
<b>MINORITY INTEREST</b>			
		<b>166,262,138</b>	235,377,779
<b>NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	6	<b>1,398,600,000</b>	3,103,050,000
(b) Deferred tax liabilities (Net)	7	<b>175,252,818</b>	180,308,421
(c) Other Long Term Liabilities	8	<b>2,227,500</b>	4,529,969
(d) Long-term Provisions	9	<b>23,848,967</b>	23,599,685
		<b>1,599,929,285</b>	3,311,488,075
<b>CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	10	<b>125,559,144</b>	53,868,574
(b) Trade Payables	11	<b>341,852,667</b>	330,155,472
(c) Other Current Liabilities	12	<b>1,527,758,461</b>	194,379,763
(d) Short -term Provisions	13	<b>33,026,047</b>	29,643,581
		<b>2,028,196,319</b>	608,047,390
<b>Total</b>		<b>11,270,249,682</b>	11,722,514,920
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) <b>Fixed Assets</b>			
(i) Tangible Assets	14	<b>7,398,450,211</b>	7,667,265,439
(ii) Intangible Assets		<b>1,077,324,792</b>	1,081,991,788
(iii) Capital Work-in-Progress		<b>19,283,403</b>	18,881,523
(b) Non-Current Investments	15	<b>156,684,000</b>	156,684,000
(c) Long-term Loans and Advance	16	<b>170,196,676</b>	113,503,536
		<b>8,821,939,082</b>	9,038,326,286
<b>CURRENT ASSETS</b>			
(a) Current Investments	17	<b>1,546,657,897</b>	1,808,037,074
(b) Inventories	18	<b>29,496,159</b>	31,583,118
(c) Trade Receivable	19	<b>116,131,752</b>	77,642,373
(d) Cash and Bank Balances	20	<b>69,356,628</b>	61,874,682
(e) Short-term Loans and Advances	21	<b>648,618,256</b>	661,732,775
(f) Other Current Assets	22	<b>38,049,908</b>	43,318,612
		<b>2,448,310,600</b>	2,684,188,634
<b>Total</b>		<b>11,270,249,682</b>	11,722,514,920
Notes forming part of Consolidated Financial Statements	1-49		

As per our report of even date

For and on behalf of the Board of Directors

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

**K K Tulshan**  
Partner  
Membership No. 085033

Place : Kolkata  
Date : 24th May 2016

**Arun K Saraf** Joint Managing Director  
**Umesh Saraf** Joint Managing Director  
**A. C. Chakrabortti** Director  
**Rama Shankar Jhawar** Director  
**Padam Kumar Khaitan** Director  
**Rita Bhimani** Director

**Bimal K Jhunjunwala** CFO & Vice President - Corporate Finance  
**Saumen Chattopadhyay** Chief Legal Officer & Company Secretary

*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2016**

			Amount in ₹
	Note	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>I INCOME</b>			
(a) Revenue from Operations	23	<b>1,927,340,114</b>	1,884,142,086
(b) Other Income	24	<b>93,657,566</b>	61,040,717
		<b>2,020,997,680</b>	1,945,182,803
<b>II EXPENDITURE</b>			
(a) Consumption of Provisions, Beverages, Smokes & Others	25	<b>250,846,563</b>	246,678,891
(b) Employee Benefit Expense	26	<b>354,996,918</b>	356,532,898
(c) Finance Cost	27	<b>376,796,124</b>	515,752,436
(d) Depreciation and Amortization Expenses	14	<b>313,914,771</b>	315,153,501
(e) Other Expenses	28	<b>847,508,939</b>	843,965,545
		<b>2,144,063,315</b>	2,278,083,271
<b>III PROFIT BEFORE TAX ( I - II )</b>		<b>(123,065,635)</b>	(332,900,468)
<b>IV TAX EXPENSE</b>			
(a) Current Tax		<b>17,391,314</b>	67,973,531
(b) Deferred Tax		<b>(5,055,603)</b>	(10,758,001)
(c) MAT Credit		<b>(4,315,841)</b>	-
(d) Tax adjustments for earlier years		<b>2,204,927</b>	1,626,080
<b>V PROFIT / (LOSS) AFTER TAX (before adjustment for Minority Interest) ( III - IV )</b>		<b>(133,290,432)</b>	(391,742,078)
Add: Share of Loss transferred to Minority Interest		<b>69,115,641</b>	172,880,559
<b>VI PROFIT / (LOSS) AFTER TAX (after adjustment for Minority Interest)</b>		<b>(64,174,791)</b>	(218,861,519)
<b>VII EARNING PER SHARE</b>	29		
(a) Basic		<b>(5.61)</b>	(19.13)
(b) Diluted		<b>(5.61)</b>	(19.13)

Notes forming part of Consolidated Financial Statements

1-49

As per our report of even date

For and on behalf of the Board of Directors

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

**K K Tulshan**  
Partner  
Membership No. 085033

Place : Kolkata  
Date : 24th May 2016

**Arun K Saraf** Joint Managing Director  
**Umesh Saraf** Joint Managing Director  
**A. C. Chakrabortti** Director  
**Rama Shankar Jhawar** Director  
**Padam Kumar Khaitan** Director  
**Rita Bhimani** Director

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

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



**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2016**

	Year Ended 31st March, 2016	Amount in ₹ Year Ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(123,065,635)	(332,900,468)
Adjustment for :		
Depreciation/amortization	313,914,771	315,153,501
Loss/(profit) on sale of fixed assets	1,019,334	494,980
Provision for bad and doubtful debts	1,379,969	1,241,389
Excess Provision written back	(52)	(1,832,093)
Adjustment to Carrying Amount of Investment	-	216,804
Liabilities Written back	(12,600)	(1,148,300)
Interest expenses	362,460,803	510,117,547
Other Borrowing Cost	14,197,845	3,151,698
Provision for leave benefits	859,300	(1,100,986)
Provision for gratuity	2,746,741	4,967,688
Net loss/(gain) on sale of current investments	(65,805,615)	(2,137,756)
Interest income	(25,149,953)	(27,573,538)
Dividend income	(180,405)	(27,689,056)
<b>Operating profit before working capital changes</b>	<b>482,364,503</b>	<b>440,961,410</b>
Movements in working capital :		
Increase/(decrease) in trade payables	11,697,247	52,335,717
Increase/(decrease) in other current liabilities	6,772,086	(28,512,166)
Increase/(decrease) in other long term liabilities	(2,240,565)	(2,679,585)
Decrease/(increase) in trade receivables	(39,869,348)	26,856,891
Decrease/(increase) in inventories	2,086,959	(4,088,976)
Decrease/(increase) in other current assets	5,174,320	(3,853,029)
Increase / (Decrease) in Advance from Customers	(945,506)	1,670,458
Increase / (Decrease) in Stale cheque	(61,904)	(1,000)
Decrease / (increase) in long term loans and advances	1,980,528	(8,450,444)
Decrease / (increase) in short term loans and advances	11,826,125	(2,510,855)
<b>Cash generated from / (used in) operations</b>	<b>478,784,445</b>	<b>471,728,421</b>
Direct taxes paid (net of refunds)	74,016,953	73,268,272
<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>404,767,492</b>	<b>398,460,149</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for fixed assets	(41,916,579)	(55,653,931)
(Increase) / Decrease in Capital Work in progress	(401,880)	20,357,652
Decrease / (Increase) in Capital Advance	62,885	110,944
Proceeds from sale of fixed assets	464,698	1,028,446
Purchase of Non-current investments	-	(355,000)
Sale of Non-current investments	-	-
Purchase of current investments	(72,826,137)	(328,040,163)
Proceeds from sale/maturity of current investments	400,010,930	800,766,045
Short term loans and advances given	1,288,393	(1,154,474)
Interest received	25,244,337	20,906,827
Dividend received	180,405	27,689,056
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>312,107,052</b>	<b>485,655,402</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest and finance charges paid	(362,292,368)	(547,665,499)
Payment of Other Borrowing Cost	(14,197,845)	-
Proceeds from Long Term Borrowings	-	1,650,000,000
Repayment of Long Term Borrowings	(377,511,646)	(1,979,123,866)
Proceeds from short term borrowings	71,690,570	5,806
Dividend paid on shares	(22,423,241)	(33,615,825)
Tax on dividend paid	(4,658,068)	(5,832,982)
<b>Net cash flow from/(used in) in Financing Activities (C)</b>	<b>(709,392,598)</b>	<b>(916,232,366)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>7,481,946</b>	<b>(32,116,815)</b>
<b>Cash and Cash Equivalents at the beginning of the year (Refer Note 20)</b>	<b>61,874,682</b>	<b>93,991,497</b>
<b>Cash and Cash Equivalents at the end of the year (Refer Note 20)</b>	<b>69,356,628</b>	<b>61,874,682</b>

Notes forming part of Consolidated Financial Statements

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As per our report of even date

For and on behalf of the Board of Directors

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

**K K Tulshan**  
Partner  
Membership No. 085033

Place : Kolkata  
Date : 24th May 2016

**Arun K Saraf** Joint Managing Director  
**Umesh Saraf** Joint Managing Director  
**A. C. Chakrabortti** Director  
**Rama Shankar Jhawar** Director  
**Padam Kumar Khaitan** Director  
**Rita Bhimani** Director

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

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

#### **1. Corporate Information**

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

#### **2. Basis of preparation**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on going concern basis on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below, if any.

#### **3. Significant Accounting Policies**

##### **a. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **b. Tangible Fixed Assets**

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

##### **c. Depreciation**

Depreciation on fixed assets is calculated on a straight-line basis using the rates 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. No depreciation is charged for the quarter on the assets sold/ discarded during the year.

##### **d. Impairment of Tangible Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is determined for assets or group of assets which are capable of generating independent cash flows i.e. cash generating units.

##### **e. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

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

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

**f. Inventories**

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

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

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

**g. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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

**h. Foreign Currency Transaction**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

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

**Exchange differences**

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

**Income in Foreign Exchange**

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

**Expenses remittable in foreign exchange**

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

**i. Retirement and other employee benefits**

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

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

**j. Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

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

#### **k. Earnings Per Share**

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

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

#### **l. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **m. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **n. Cash and Cash Equivalents**

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

#### **o. Dividend**

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

#### **p. Principles of Consolidation**

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

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

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>% of Holding as on 31-March 2016</b>
GJS Hotels Limited	India	100
Regency Convention Centre & Hotels Limited	India	58.99
Robust Hotels Private Limited	India	68.06

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

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

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

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

4. Share Capital	Amount in ₹	
	As at 31st March 2016	As at 31st March 2015
<b>Authorised Shares</b>		
14,000,000 (Previous Year : 14,000,000) Equity Shares of ₹10/- each	<b>140,000,000</b>	140,000,000
1,000,000 (Previous Year : 1,000,000) Preference Shares of ₹10/- each	<b>10,000,000</b>	10,000,000
<b>Total</b>	<b>150,000,000</b>	150,000,000
<b>Issued, Subscribed and Paid-up</b>		
11,440,585 (Previous Year : 11,440,585) Equity Shares of ₹10/- each fully paid-up	<b>114,405,850</b>	114,405,850
	<b>114,405,850</b>	114,405,850

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

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	<b>11,440,585</b>	<b>114,405,850</b>	11,440,585	114,405,850
Issued during the year	—	—	—	—
Deducted during the year	—	—	—	—
<b>At the end of the year</b>	<b>11,440,585</b>	<b>114,405,850</b>	11,440,585	114,405,850

**4.2 Terms / rights attached to Equity Shares**

**Equity Shares**

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

**Preference Shares**

The rights, preferences and restrictions attached to the preference shares are in accordance with the provisions of the Companies Act, 2013, unless stated otherwise.

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

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Saraf Industries Limited	<b>3,630,630</b>	<b>31.73</b>	3,630,630	31.73
Forex Finance Private Limited	<b>3,127,072</b>	<b>27.33</b>	3,127,072	27.33
Axis Bank Limited	<b>640,152</b>	<b>5.60</b>	640,152	5.60

*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Amount in ₹	
<b>5. Reserves and Surplus</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Capital Reserve</b>		
Opening Balance	<b>141,043</b>	141,043
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
<b>Closing Balance</b>	<b>141,043</b>	141,043
<b>Capital Redemption Reserve (for redeemed Non Conversion Preference Shares -NCPS)</b>		
Opening Balance	<b>2,000,000</b>	2,000,000
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
<b>Closing Balance</b>	<b>2,000,000</b>	2,000,000
<b>Securities Premium Account</b>		
Opening Balance	<b>14,612,822</b>	14,612,822
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
<b>Closing Balance</b>	<b>14,612,822</b>	14,612,822
<b>General Reserve</b>		
Opening Balance	<b>6,447,174,116</b>	6,432,174,116
Add: Transferred from Statement of Profit & Loss	<b>15,000,000</b>	15,000,000
<b>Closing Balance</b>	<b>6,462,174,116</b>	6,447,174,116
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	<b>989,267,845</b>	1,311,855,445
Add: Profit for the Year	<b>(64,174,791)</b>	(218,861,519)
Less: Appropriations-		
Accumulated Depreciation due to reclassification	-	61,186,843
Amount transferred to General Reserve	<b>15,000,000</b>	15,000,000
Proposed final dividend on equity shares*	<b>22,881,170</b>	22,881,170
Corporate Dividend Tax (including earlier years adjustment)	<b>4,683,775</b>	4,658,068
<b>Closing Balance</b>	<b>882,528,109</b>	989,267,845
<b>Total</b>	<b>7,361,456,090</b>	7,453,195,826

\* The Board of Directors at their meeting held on 24th May 2016 has recommended a final dividend of ₹ 2.00 per share (Previous Year ₹2.00 per share)

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Notes to Financial Statements for the Year Ended 31st March 2016

	Amount in ₹	
	As at	As at
	31st March 2016	31st March 2015
<b>6. Long Term Borrowings</b>		
<b>Secured - Term Loans</b>		
<b>From HDFC Limited (Refer Note 'a' &amp; 'b' below)</b>		
Gross Amount	1,453,050,000	1,500,000,000
Less: Repayable within one year	54,450,000	46,950,000
	<b>1,398,600,000</b>	1,453,050,000
<b>From ICICI Bank (Refer Note 'c' below)</b>		
Gross Amount	1,319,438,354	1,650,000,000
Less: Repayable within one year	1,319,438,354	-
	-	1,650,000,000
<b>Total</b>	<b>1,398,600,000</b>	3,103,050,000
<b>a) Security Clause</b>		
The above term loan is secured by pari passu charge by way of hypothecation of entire movable properties both present and future and equitable mortgage by way of deposit of title deeds of immovable properties together with buildings & structures, plant & equipment, furniture & fittings installed/to be installed thereon situated at 365 Anna Salai, Teynampet, Chennai in the state of Tamilnadu. Above securities are ranking pari passu for the Bank Guarantee facility of ₹ 15 crores granted by IDBI Bank Limited. Further, the above term loan is also secured by second charge on all book debts, operating cash flows, revenues, commission and receivables of the Company both present and future, ranking pari passu with each other. Bank Guarantee of ₹ 15 crores from IDBI Bank Ltd are further secured by corporate guarantee of Asian Hotels (East) Limited. The Term Loan from HDFC Limited is further secured by corporate guarantee of Forex Finance Private Limited.		
<b>b) Terms of Repayment and Rate of Interest</b>		
<b>i) HDFC Limited @ 12.40% p.a.: The loan is repayable in 42 Quarterly Instalments being:</b>		
2 Quarterly instalments of ₹ 93,00,000 each commenced from March 31, 2015 and ended on June 30, 2015, 4 Quarterly instalments of ₹ 94,50,000 each commenced from September 30, 2015 and ending on June 30, 2016, 4 Quarterly instalments of ₹ 1,50,00,000 each commencing from September 30, 2016 and ending on June 30, 2017, 4 Quarterly instalments of ₹ 1,95,00,000 each commencing from September 30, 2017 and ending on June 30, 2018, 4 Quarterly instalments of ₹ 2,53,50,000 each commencing from September 30, 2018 and ending on June 30, 2019, 4 Quarterly instalments of ₹ 3,09,00,000 each commencing from September 30, 2019 and ending on June 30, 2020, 4 Quarterly instalments of ₹ 3,75,00,000 each commencing from September 30, 2020 and ending on June 30, 2021, 4 Quarterly instalments of ₹ 4,50,00,000 each commencing from September 30, 2021 and ending on June 30, 2022 and 12 Quarterly instalments of ₹ 6,25,50,000 each commencing from September 30, 2022 and ending on June 30, 2025 as per Repayments Schedule letter dated August 16, 2012 of Repayment Schedule		
<b>c) Nature :- Loan against security of Mutual Funds of carrying value (Refer Note - 17)</b>	<b>1,353,246,737</b>	1,603,246,737
Interest Rate :- At base rate of Bank	<b>9.35%</b>	10.00%
Tenure :- Within 16 months from date of sanction, i.e. 31st March 2015		



*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Amount in ₹	
	As at 31st March 2016	As at 31st March 2015
<b>7. Deferred Tax Liabilities (Net)</b>		
<b>Deferred tax liabilities :-</b>		
On Fiscal Allowances on Fixed Assets	<b>183,976,048</b>	189,732,820
Gross deferred tax liabilities	<b>183,976,048</b>	189,732,820
<b>Deferred tax assets :-</b>		
On Employees' separation and retirement etc.	<b>7,707,579</b>	8,333,117
On Provision for doubtful debts / advances	<b>1,015,651</b>	1,016,250
Other timing differences	-	75,032
Gross deferred tax assets	<b>8,723,230</b>	9,424,399
<b>Net Deferred Tax Liabilities</b>	<b>175,252,818</b>	180,308,421
<b>8. Other Long Term Liabilities</b>		
Trade Payable	-	2,482,565
Others -		
Security Deposit Received	<b>2,227,500</b>	1,985,500
Stale Cheque Liabilities	-	61,904
<b>Total</b>	<b>2,227,500</b>	4,529,969
<b>9. Long Term Provisions</b>		
Provision for employee benefits		
Provision for gratuity (refer note 30)	<b>15,664,428</b>	16,017,378
Provision for leave benefits (refer note 30)	<b>8,184,539</b>	7,582,307
<b>Total</b>	<b>23,848,967</b>	23,599,685
<b>10. Short Term Borrowings</b>		
<b>Unsecured</b>		
From Other parties - interest free borrowing repayable on demand	<b>4,615,784</b>	4,615,784
<b>Secured</b>		
Overdraft Facility with ICICI Bank Limited (Interest Rate - 9.60%) (Refer Note 17 and 'a' below)	<b>72,835,905</b>	-
Cash Credit facility from IDBI Bank Limited (Interest Rate :12.25% p.a.) {Refer Note 'b' below}	<b>48,107,455</b>	49,252,790
	<b>125,559,144</b>	53,868,574
(a) Secured against Mutual Fund of ₹17,34,11,160/- (Previous Year ₹NIL)		
Interest Rate :- At base rate of Bank plus 25 basis points	<b>9.60%</b>	-
Tenure : - 1 year from date of sanction and renewable every year		
(b) 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 by way of hypothecation of entire movable properties including movable machineries, tools & accessories present and future and further secured by second charge by way of Equitable Mortgage on Immovable property situated at 365, Anna Salai, Chennai - 600018 and by Corporate Guarantee of Asian Hotels (East) Limited.		

*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Amount in ₹	
	As at 31st March 2016	As at 31st March 2015.
<b>11. Trade Payables</b>		
Trade Payable (including acceptances) (refer note 37 for details of dues to micro and small enterprise)	<b>341,852,667</b>	330,155,472
<b>Total</b>	<b>341,852,667</b>	330,155,472
<b>12. Other Current Liabilities</b>		
Advance from Customers	<b>30,782,839</b>	31,728,345
Current Maturities of Long Term Debt		
– From HDFC Bank ( Refer Note No. 6 'b')	<b>54,450,000</b>	46,950,000
– From ICICI Bank	<b>1,319,438,354</b>	-
Salary Payable	<b>3,240,809</b>	7,240,396
Unpaid Dividend	<b>3,983,706</b>	3,525,777
Interest accrued but not due	<b>479,997</b>	616,716
Interest accrued and due	<b>28,900,819</b>	28,595,665
Other Payables -		
Expenses Payable	<b>9,308,653</b>	9,866,483
Statutory Dues	<b>21,147,249</b>	21,506,282
Others	<b>56,026,035</b>	44,350,099
<b>Total</b>	<b>1,527,758,461</b>	194,379,763
<b>13. Short Term Provisions</b>		
<b>Provision for employee benefits -</b>		
Provision for gratuity (refer note 30)	<b>4,677,993</b>	1,578,302
Provision for leave benefits (refer note 30)	<b>783,109</b>	526,041
<b>Total (A)</b>	<b>5,461,102</b>	2,104,343
<b>Other provisions</b>		
Proposed equity dividend	<b>22,881,170</b>	22,881,170
Dividend tax	<b>4,683,775</b>	4,658,068
<b>Total (B)</b>	<b>27,564,945</b>	27,539,238
<b>Total (A+B)</b>	<b>33,026,047</b>	29,643,581

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Notes to Financial Statements for the Year Ended 31st March 2016

Amount in ₹

**14. Fixed Assets**

Particulars	Gross Carrying Value					Depreciation			Net Carrying Value	
	Balance as at 1st April 2015	Additions	Deduction during the year	Assets Written Off during the year	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation for the period	Deduction during the year	Balance as at 31st March 2016	Balance as at 31st March 2015
<b>Tangible Assets</b>										
Lease Hold Land*	339,210,704	14,400,412	-	-	353,611,116	-	-	-	353,611,116	339,210,704
Freehold Land	1,540,585,512	-	-	-	1,540,585,512	-	-	-	1,540,585,512	1,540,585,512
Buildings	4,103,938,548	2,325,345	-	-	4,106,263,893	336,657,061	65,641,049	-	402,298,110	3,767,281,487
Plant & Equipment	2,308,642,299	17,000,905	5,709,328	-	2,319,933,876	723,531,514	161,349,712	4,277,639	880,603,587	1,585,110,785
Furniture and Fixtures	760,755,004	5,448,562	-	-	766,203,566	338,129,897	76,357,716	-	414,487,613	422,625,106
Vehicles	13,440,544	1,665,842	2,324,938	-	12,781,448	11,343,871	815,087	2,272,595	9,886,363	2,096,673
Office Equipments	17,117,217	321,299	-	-	17,438,516	6,762,046	4,329,997	-	11,092,043	10,355,171
<b>Total</b>	<b>9,083,689,828</b>	<b>41,162,365</b>	<b>8,034,266</b>	<b>-</b>	<b>9,116,817,927</b>	<b>1,416,424,389</b>	<b>308,493,561</b>	<b>6,550,234</b>	<b>1,718,367,716</b>	<b>7,398,450,211</b>
<b>Previous Year</b>	<b>9,123,438,974</b>	<b>55,653,931</b>	<b>2,709,783</b>	<b>92,693,294</b>	<b>9,083,689,828</b>	<b>1,107,784,792</b>	<b>309,825,954</b>	<b>1,186,357</b>	<b>1,416,424,389</b>	<b>7,667,265,439</b>
Capital Work-in-progress	18,881,523	2,727,225	2,325,345	-	19,283,403	-	-	-	-	18,881,523
Previous Year	39,239,182	4,817,811	25,175,470	-	18,881,523	-	-	-	-	-
<b>Intangible Assets</b>										
Softwares	36,597,112	754,214	-	-	37,351,326	18,280,534	5,421,210	-	23,701,744	18,316,578
Goodwill on Consolidation**	1,063,675,210	-	-	-	1,063,675,210	-	-	-	-	1,063,675,210
<b>Total</b>	<b>1,100,272,322</b>	<b>754,214</b>	<b>-</b>	<b>-</b>	<b>1,101,026,536</b>	<b>18,280,534</b>	<b>5,421,210</b>	<b>-</b>	<b>23,701,744</b>	<b>1,081,991,788</b>
Previous Year	1,100,272,322	-	-	-	1,100,272,322	12,952,994	5,327,540	-	18,280,534	1,087,319,328
<b>Total</b>	<b>10,202,843,673</b>	<b>44,643,804</b>	<b>10,359,611</b>	<b>-</b>	<b>10,237,127,866</b>	<b>1,434,704,923</b>	<b>313,914,771</b>	<b>6,550,234</b>	<b>1,742,069,460</b>	<b>8,768,138,750</b>
<b>Previous Year</b>	<b>10,262,950,478</b>	<b>60,471,742</b>	<b>27,885,253</b>	<b>92,693,294</b>	<b>10,202,843,673</b>	<b>1,120,737,786</b>	<b>315,153,501</b>	<b>1,186,357</b>	<b>1,434,704,923</b>	<b>8,768,138,750</b>

\* During the year, ₹ 1.40 Crores earlier expensed by Asian Hotels (East) Limited (Holding Company) on the registration of the land at Bhubaneshwar has been transferred to GUS Hotels Limited, Subsidiary Company. The same has been capitalised against the said land.

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

**CONSOLIDATED FINANCIAL STATEMENTS****Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Amount in ₹	
	As at 31st March 2016	As at 31st March 2015
<b>15. Non-Current Investments</b>		
<b>Non Trade, Quoted, Fully Paid up</b>		
<b>In Bonds of Indian Railways Financial Corporation Limited</b>		
150,000 (Previous Year: 150,000) 8.23% Tax Free Bonds of ₹1000 each	<b>150,000,000</b>	150,000,000
<b>Non Trade, Unquoted, Fully Paid up</b>		
<b>In Equity Shares</b>		
665,000 (Previous Year 665,000) Equity Shares of Maple Renewable Power Private Limited of ₹ 10/- each	<b>6,650,000</b>	6,650,000
<b>In Government Securities</b>		
– National Savings Certificate	<b>34,000</b>	34,000
<b>Total</b>	<b>156,684,000</b>	156,684,000
Aggregate Market Value of Quoted Investment	<b>150,000,000</b>	150,000,000
Aggregate amount of Unquoted Investment	<b>6,684,000</b>	6,684,000
Aggregate Provision for diminution in value of Investments	-	-
<b>16. Long Term Loans &amp; Advances</b>		
(Unsecured, Considered Good)		
Capital Advance	<b>233,834</b>	296,719
Security Deposits	<b>32,318,241</b>	34,298,769
Advance for acquisition of shares from shareholders of Regency Convention Centre & Hotels Limited (Refer Note - 41)	<b>33,448,275</b>	33,448,275
Advances recoverable in cash or in kind	<b>84,770</b>	84,770
Other Loans and Advances:		
Advance Tax & TDS (Net of Provision for taxes ₹288,439,120 (Previous Year - ₹268,873,264)	<b>92,905,684</b>	38,488,658
MAT Credit Entitlement	<b>11,205,872</b>	6,886,345
<b>Total</b>	<b>170,196,676</b>	113,503,536

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Amount in ₹	
	As at 31st March 2016 No. of Shares	As at 31st March 2015 No. of Shares
	As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>17. Current Investments</b>		
<b>Non-Trade, Quoted, fully paid-up</b>		
<b>In Equity Shares</b>		
(Face Value of ₹10 each, unless otherwise stated)		
Ahlcons Parenterals Limited	-	800
ApcoTex Industries Limited (Face Value ₹5 each)	-	300
Arman Financial Services Ltd.	-	1,500
Ashapura Minechem Ltd (Face Value ₹2 each)	-	6,600
Atul Auto Limited (Face Value ₹5 each)	-	1,254
Capital First Limited	-	3,122
DCM Shriram Ltd. (Face Value ₹2 each)	-	248
Dhanuka Agritech Limited (Face Value ₹2 each)	-	1,450
Gateway Distriparks Limited	-	1,423
Godrej Properties Ltd (Face Value ₹5 each)	-	1,050
Gujarat Pipavav Port Limited	-	6,872
Granules India Limited (Face Value ₹1 each)	-	5,650
Greenlam Industries Limited (Face Value ₹5 each)	-	825
Greenply Industries Limited (Face Value ₹5 each)	-	825
Indusind Bank Limited	-	1,177
Intec Capital Ltd.	-	747
IPCA Laboratories Ltd. (Face Value ₹2 each)	-	498
Jyothy Laboratories Limited (Face Value ₹1 each)	-	1,931
KPIT Technologies Limited (Face Value - ₹2 each)	-	3,793
Mahindra & Mahindra Financial Services Limited (Face Value ₹2 each)	-	1,436
Oriental Carbon & Chemicals Limited	-	3,364
Persistent Systems Limited	-	720
PTC India Financial Services Limited	-	5,640
PVR Limited	-	701
Selan Exploration Technology Limited	-	1,417
Shasun Pharmaceuticals Ltd (Face Value ₹2 each)	-	4,100
Shilpa Medicare Limited (Face Value ₹2 each)	-	1,524
Shriram Transport Finance Company Limited	-	969
SMS Pharmaceuticals Ltd	-	536
Snowman Logistics Ltd.	-	2,700
South Indian Bank Limited (Face Value ₹1 each)	-	8,530
Sterling Holiday Resorts India Ltd	-	6,960
Strides Arcolab Limited	-	1,247
Sunteck Reality Limited (Face Value ₹2 each)	-	1,755
SQS India BFSI Limited	-	955
Uniply Industries Limited	-	8,570
<b>Total</b>	-	10,689,083

(Market Value as on 31st March 2016 is ₹NIL (Previous Year - ₹2,37,49,116/-))

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	<b>As at 31st March 2016 No. of Units</b>	As at 31st March 2015 No. of Units	<b>As at 31st March 2016 ₹</b>	Amount in ₹ As at 31st March 2015 ₹
<b>17. Current Investments (Contd.)</b>				
<b>Non -Trade ,Unquoted, fully paid-up</b>				
<b>In Mutual Funds</b>				
(Face Value of ₹10 each, unless otherwise stated)				
DSP BlackRock Short Term Fund Regular Plan- Growth*	<b>11,252,127</b>	11,252,127	<b>224,673,474</b>	224,673,474
DHFL Pramerica (DWS) Short Maturity Fund - Growth*	<b>8,101,478</b>	8,101,478	<b>170,650,337</b>	170,650,337
HDFC Income Fund - Growth*	<b>4,389,855</b>	4,389,855	<b>120,696,443</b>	120,696,443
HDFC Income Fund - Growth	<b>727,421</b>	727,421	<b>20,000,000</b>	20,000,000
HDFC Liquid Fund - DDR	-	16,024	-	163,419
ICICI Prudential Dynamic Bond Fund - (Growth)*	<b>11,208,615</b>	11,208,615	<b>150,297,441</b>	150,297,441
ICICI Prudential Fixed Maturity Plan-Series 68 <sup>#</sup>	<b>10,000,000</b>	10,000,000	<b>100,000,000</b>	100,000,000
Kotak Bond Scheme Plan A - Growth*	<b>15,974,828</b>	21,903,566	<b>542,783,504</b>	742,783,504
Kotak FMP Series 106-Growth <sup>#</sup>	<b>7,341,116</b>	7,341,116	<b>73,411,160</b>	73,411,160
Pramerica Liquid Fund (Face Value ₹1000 each)	-	357	-	526,675
UTI Bond Fund-Growth Plan-Regular*	<b>4,105,424</b>	5,544,223	<b>144,145,538</b>	194,145,538
(Market Value as on 31st March 2016 is ₹1,945,611,534/- (Previous Year - ₹2,122,505,822/-))				
<b>Total (B)</b>			<b>1,546,657,897</b>	1,797,347,991
<b>Total (A+B)</b>			<b>1,546,657,897</b>	1,808,037,074
* Pledged against loan taken from ICICI Bank during the year (Refer Note 6) -		-		
<sup>#</sup> Pledged against Overdraft Limit taken from ICICI Bank Limited (Refer Note 10)			<b>1,546,657,897</b>	1,797,347,991
Basis of Valuation - Lower of Cost or Market Value on an individual investment basis				
Aggregate Amount of Quoted Investments			-	10,689,083
Aggregate Amount of Unquoted Investments			<b>1,546,657,897</b>	1,797,347,991
Aggregate amount of Adjustments to Carrying amount of Quoted Investments			-	216,804
Aggregate amount of Adjustments to Carrying amount of Unquoted Investments			-	-

*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Amount in ₹
	As at
	As at
	31st March 2015
As at	
31st March 2016	
<b>18. Inventories</b>	
(Valued at cost or Net Realisable Value whichever is lower)	
Food, Liquor & Tobacco	23,643,742
Crockery, Cutlery, Silverware, Linen	4,518,588
General Stores and Spares	3,420,788
<b>Total</b>	<b>31,583,118</b>
<b>19. Trade Receivable</b>	
Outstanding for a period exceeding six months from the date they are due for payment	
Unsecured , Considered good	11,650,672
Doubtful	2,936,459
	<b>14,587,131</b>
Less: Provision for Doubtful Debts	2,936,459
<b>(A)</b>	<b>11,650,672</b>
Other receivables	
Unsecured, Considered good	65,991,701
<b>(B)</b>	<b>65,991,701</b>
<b>Total (A+B)</b>	<b>77,642,373</b>
<b>20. Cash &amp; Bank Balances</b>	
<b>Cash and Cash Equivalents</b>	
Balance with banks	19,837,343
Cash on hand (Including Stamps in Hand ₹189,673 (Previous Year ₹189,673))	2,739,230
Cheques on Hand	415,836
Other Bank Balances	
Fixed Deposits- under lien (Refer Note 20.1)	20,000,000
Margin Money Deposit (having maturity more than 12 months)	15,356,496
Unpaid Dividend Accounts	3,525,777
<b>Total</b>	<b>61,874,682</b>
<b>20.1</b> The Company maintains a cash credit account (secured against Fixed Deposit Receipts) with a favourable balance as on the current and comparative reporting date and have been included in balance with banks. Further, the Company has given revolving Letter of Credit to West Bengal State Electricity Distribution Company Limited (WBSEDCL).	
<b>21. Short Term Loans &amp; Advances</b>	
(Unsecured, Considered Good)	
Advance to Related Parties (Refer Note 43)	
Chartered Hotels Private Limited	349,310
Forex Finance Private Limited	532,000,000
Juniper Hotels Private Limited	297,378
Chartered Hampi Hotels Pvt. Ltd.	126,168
Taragaon Regency Hotels Ltd.	131,155
Unison Hotels Pvt. Limited	222,798
Yak & Yeti Hotels Ltd.	161,584
Other loans and advances -	
Inter Corporate Deposits	75,000,000
Balances with Statutory Authorities	11,156,120
Advance to Suppliers & Other Parties	19,167,340
Prepaid Expenses	7,914,019
Stamp Duty Recoverable from Odisha Govt.	14,000,000
Advance to Employees	749,940
Others	456,963
<b>Total</b>	<b>661,732,775</b>



*Asian Hotels (East) Limited*

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	As at 31st March 2016	Amount in ₹ As at 31st March 2015
<b>22. Other Current Assets</b>		
Prepaid Expenses	<b>10,974,962</b>	9,769,044
Interest accrued but not due	<b>11,978,890</b>	12,129,164
Interest accrued on Term Deposit	<b>183,042</b>	153,158
Interest accrued on Others	<b>2,032,401</b>	2,006,395
Service Tax	<b>12,880,613</b>	19,260,851
<b>Total</b>	<b>38,049,908</b>	43,318,612
<b>23. Revenue from Operations</b>		
Sale of products		
Beverages, Wines and Liquor	<b>94,751,807</b>	91,254,775
Food and Smokes	<b>833,223,087</b>	808,771,360
	<b>927,974,894</b>	900,026,135
Less: Excise Duty	<b>524,699</b>	676,986
	<b>927,450,195</b>	899,349,149
Sale of services		
Rooms	<b>806,420,134</b>	788,649,605
Banquet Income (Only Rental Portion)	<b>64,576,627</b>	79,782,383
Health & Spa	<b>34,576,007</b>	30,549,495
Laundry & Dry Cleaning	<b>22,689,689</b>	22,287,044
Auto Rental	<b>37,953,587</b>	37,387,036
Communication	<b>3,675,740</b>	4,843,327
Other Operating Revenue	<b>29,998,135</b>	21,294,047
	<b>999,889,919</b>	984,792,937
<b>Total</b>	<b>1,927,340,114</b>	1,884,142,086
<b>24. Other Income</b>		
Interest Income from Non-Current Investments	<b>12,345,000</b>	12,345,000
Interest Income from Others	<b>12,804,953</b>	15,228,538
Dividend on Current Investment	<b>180,405</b>	27,689,056
Net Gain on Sale of Current Investments	<b>65,894,305</b>	2,161,030
Profit on Sale of Fixed Assets	<b>288,984</b>	-
Excess Provision Written Back	<b>52</b>	1,832,093
Liabilities Written Back	<b>12,600</b>	1,148,300
Miscellaneous Income	<b>2,131,267</b>	636,700
<b>Total</b>	<b>93,657,566</b>	61,040,717

*Asian Hotels (East) Limited***CONSOLIDATED FINANCIAL STATEMENTS****Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Amount in ₹	
	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>25. Consumption of Provisions, Beverages, Smokes &amp; Others</b>		
Food, Beverages, Smokes, Wine & Liquor		
Opening Stock	<b>23,643,742</b>	20,772,215
Add : Purchases	<b>248,776,746</b>	249,550,418
	<b>272,420,488</b>	270,322,633
Less : Closing Stock	<b>21,573,925</b>	23,643,742
<b>Total Cost of Consumption</b>	<b>250,846,563</b>	246,678,891
 <b>26. Employee Benefit Expenses</b>		
Salaries, Wages & Bonus	<b>287,479,839</b>	287,559,033
Contribution to Provident & other funds	<b>19,810,397</b>	19,795,158
Staff Welfare Expenses	<b>41,507,010</b>	43,705,366
Recruitment & Training	<b>6,199,672</b>	5,473,341
<b>Total</b>	<b>354,996,918</b>	356,532,898
 <b>27. Finance Cost</b>		
Interest on		
- Term Loan	<b>201,101,201</b>	503,375,776
- Loan Against Securities	<b>154,050,946</b>	452,055
- Cash Credit / Overdraft	<b>7,308,656</b>	6,289,716
- TDS	<b>137,476</b>	835,365
- Others	-	-
Other Borrowing Cost	<b>14,197,845</b>	4,799,524
<b>Total</b>	<b>376,796,124</b>	515,752,436

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

	Year Ended 31st March 2016	Amount in ₹ Year Ended 31st March 2015
<b>28. Other Expenses</b>		
Contract Labour and Service	<b>114,745,566</b>	109,648,557
Room, Catering & other supplies	<b>77,608,696</b>	75,238,376
Linen & Operating equipments Consumption	<b>21,055,547</b>	35,349,922
Fuel, Power & Light	<b>200,816,848</b>	219,931,413
Repairs, Maintenance & Refurbishing*	<b>77,528,378</b>	67,861,726
Satellite & Television Charges	<b>654,959</b>	2,729,536
Lease Rent	<b>18,310,362</b>	16,089,768
Rates & Taxes	<b>39,340,354</b>	38,280,554
Insurance	<b>6,122,514</b>	6,259,803
Directors' Sitting Fees	<b>1,090,000</b>	740,000
Legal & Professional Expenses	<b>12,359,151</b>	13,038,507
Payment to Auditors	<b>1,386,473</b>	1,271,066
Printing & Stationery	<b>5,772,684</b>	6,041,217
Guest Transportation	<b>19,017,291</b>	18,330,667
Travelling & Conveyance**	<b>18,179,937</b>	15,055,442
Communication Expenses	<b>9,123,988</b>	8,676,937
Technical Services	<b>60,445,859</b>	58,366,722
Advertisement & Publicity	<b>66,905,157</b>	57,605,395
Commission & Brokerage	<b>76,254,620</b>	72,793,792
CSR Expenditure	<b>5,000,000</b>	6,000,000
Charity & Donation	<b>2,435,626</b>	31,000
Net (Gain) / Loss on Foreign Currency Translation	<b>784,159</b>	5,259,587
Adjustments to Carrying Amount of Current Investments	-	216,804
Bank charges and Commission	<b>601,831</b>	242,177
Provision for Bad & Doubtful Debts	<b>1,379,969</b>	1,241,389
Loss on sale of Fixed Assets	<b>1,308,318</b>	494,980
Loss on sale of Current Investments	<b>88,690</b>	23,274
Interest on Late Payment of Lease rent	<b>11,350</b>	-
Filing Fees	<b>55,255</b>	18,031
Motor Car Expenses	<b>323,499</b>	502,428
Freight Charges	-	300
Prior Period Expenses	<b>1,021,200</b>	-
Miscellaneous	<b>7,780,658</b>	6,626,175
<b>Total</b>	<b>847,508,939</b>	843,965,545
* Repairs, Maintenance & Refurbishing includes		
Repairs & Maintenance - Building	<b>14,795,847</b>	11,293,215
Repairs & Maintenance - Plant & Machinery	<b>42,658,728</b>	40,283,385
Repairs & Maintenance - Others	<b>20,073,803</b>	16,285,126
** Travelling & Conveyance includes		
Travel of Directors	<b>739,471</b>	1,024,197

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Notes to Financial Statements for the Year Ended 31st March 2016

		Amount in ₹
	31st March 2016	31st March 2015
<b>29. Earnings per share (Basic &amp; Diluted)</b>		
<b>A. Basic</b>		
(i) Profit / (Loss) for the period	<b>(64,174,791)</b>	(218,861,519)
(ii) Profit / (Loss) Available for Equity Shareholders	<b>(64,174,791)</b>	(218,861,519)
(iii) Weighted average number of Equity Shares of ₹10 each	<b>11,440,585</b>	11,440,585
(iv) Earnings / (Loss) per share	<b>(5.61)</b>	(19.13)
<b>B. Diluted</b>		
(i) Profit / (Loss) for the period	<b>(64,174,791)</b>	(218,861,519)
(ii) Profit / (Loss) Available for Equity Shareholders	<b>(64,174,791)</b>	(218,861,519)
(iii) Weighted average number of Equity Shares of ₹10 each	<b>11,440,585</b>	11,440,585
(iv) Earnings / (Loss) per share	<b>(5.61)</b>	(19.13)

### 30. Gratuity and other post-employment benefit plans

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

a) Defined contribution plans

i. Provident fund

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

Particulars	31st March 2016	31st March 2015
Employer's Contribution to provident Fund	<b>6,220,627</b>	6,372,787
Employer's Contribution to Pension Scheme	<b>3,279,071</b>	2,738,581

b) Defined benefit plans

i. Contribution to Gratuity fund

ii. Compensated absences Earned leave

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

#### Economic Assumptions

The discount rate and salary increases assumed are key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

#### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long-term risk free investments. For the current valuation a discount rate of 8.00 % p.a. compound, has been used.

#### Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long- term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

i. Change in benefit obligations:

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Present value of obligations as at the beginning of the year	<b>17,595,679</b>	14,077,033	<b>5,176,058</b>	9,153,751
Current service cost	<b>3,947,318</b>	3,801,823	<b>1,974,543</b>	1,851,899
Interest cost	<b>1,312,149</b>	1,136,138	<b>354,379</b>	657,672
Benefit Paid	<b>(2,889,745)</b>	(3,695,572)	<b>(2,163,403)</b>	(3,505,302)
Actuarial (gain)/ loss on obligation	<b>377,020</b>	2,276,257	<b>340,472</b>	(2,981,962)
<b>Present value of obligations as at the year end</b>	<b>20,342,421</b>	17,595,679	<b>5,682,049</b>	5,176,058
Current liability	<b>4,677,993</b>	1,578,302	<b>783,109</b>	526,041
Non-Current liability	<b>15,664,428</b>	16,017,377	<b>4,898,940</b>	4,650,017
<b>Total</b>	<b>20,342,421</b>	17,595,679	<b>5,682,049</b>	5,176,058

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

Amount in ₹

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

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Current Service Cost	3,947,318	3,801,823	1,974,543	1,851,899
Interest Cost	1,312,149	1,136,138	354,379	657,672
Actuarial (Gain) / Loss recognized during the year	377,020	2,276,257	340,472	(2,981,962)
<b>Expenses recognised in Statement of Profit and Loss</b>	<b>5,636,487</b>	<b>7,214,218</b>	<b>2,669,394</b>	<b>(472,391)</b>

**iii. Principal Actuarial assumptions:**

Particulars	Refer Note below	Year ended 31st March 2016	Year ended 31st March 2015
Discount rate (p.a.)	1	8.00%	7.80%
Salary Escalation Rate (p.a.)	2	6.75%	7.00%

**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.

**31. C.I.F Value of Imports:**

	31st March 2016	31st March 2015
Stores & Spares	4,338,191	2,757,789
Capital Goods	4,172,844	2,857,954
Beverages through canalizing agencies	16,928,304	7,512,434
<b>Total</b>	<b>25,439,339</b>	<b>13,128,177</b>

**32. Expenditure in Foreign Currency (on payment basis)**

Technical Services	102,353,361	73,107,818
Commission & Brokerage	56,231,438	29,554,274
Training & Recruitment	2,786,467	2,213,179
Travelling Expenses	6,228	440,154
Professional & Consultancy	-	676,711
Business Promotion and Advertisement	778,694	1,478,859
Repair and Maintenance	243,550	4,898,636
Staff Welfare	472,591	407,998
Cost of Supplies	1,040,037	223,483
Others	6,871,139	5,893,408
<b>Total</b>	<b>170,783,505</b>	<b>118,894,520</b>

**33. Earnings in Foreign Currency (on receipt basis)**

	647,167,501	664,522,010
--	-------------	-------------

**34. The Company has paid dividend in respect of shares held by Non-Residents.**

The total amount remitted in this respect is given herein below:-

Number of Non Resident Shareholders	554	595
Number of Equity Shares held by them	4,583,077	4,614,393
Amount of Dividend Paid	9,166,154	13,843,179
Year to which Dividend Relates	2014-15	2013-14

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Notes to Financial Statements for the Year Ended 31st March 2016

Amount in ₹

#### 35. Leases:

The Company has entered into Operating lease agreements for letting out space. The lease agreements are made for specific period as per agreement. Lease payments received recognized in the Statement of Profit & Loss for the year ended amounted to ₹ 5,520,214/-.

The future Payments for operating lease are as follows:

	31st March 2016	31st March 2015
Not Later than 1 year	2,240,450	1,998,048
Later than one year and not later than five years	3,580,800	1,880,450
Later than five years	1,694,880	1,353,000

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 ₹ 15,000,000/-.

The future Payments for operating lease are as follows:

	31st March 2016	31st March 2015
Not Later than 1 year	3,000,000	18,000,000
Later than one year and not later than five years	—	3,000,000
Later than five years	—	—

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

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

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

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

	31st March 2016	31st March 2015
The principal amount remaining unpaid to supplier as at the end of the accounting year.	67,728	335,420
The interest due thereon remaining unpaid to Supplier as at the end of the accounting year.	Nil	Nil
The amount of interest paid in terms of Section 16 alongwith the amount of payment made to the Supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	Nil	Nil
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when interest dues as above are actually paid.	Nil	Nil

#### 38. Contingent Liabilities :

Bank Guarantee	124,108,348	126,118,564
Claims against the Company not acknowledged as debt	794,480	36,703,572
Letter of Credit issued by IDBI Bank Ltd. in favour of West Bengal Electricity Distribution Company Limited	8,000,000	8,000,000
Service Tax under the Finance Act, 1994 pertaining to prior to F.Y. 2004-05	4,374,245	4,374,245
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2003-04 to F.Y. 2006-07	59,09,585	59,09,585
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2007-08 to F.Y. 2009-10	26,753,749	26,753,749
Service Tax under the Finance Act, 1994 pertaining to F.Y. 2008-09 to F.Y. 2012-13	6,836,585	1,30,28,999
Service Tax under the Finance Act, 1994 pertaining to period Oct-2007 to Jan-2013	348,656	NIL
ESIC under the Employees' State Insurance Act, 1948 pertaining to F.Y. 2004-05	2,180,235	2,180,235
Income Tax under the Income Tax Act, 1961 for the F.Y. 2009-10	171,283,635	NIL
Income Tax under the Income Tax Act, 1961 for the F.Y. 2011-12 (the Company has preferred an appeal against the demand)	16,906,870	16,906,870
Income Tax under the Income Tax Act, 1961 for the F.Y. 2012-13 (the Company has preferred an appeal against the demand)#	12,273,270	NIL
Others	36,44,056	36,44,056

#### Commitments

Export Obligation in respect of EPCG Licenses 984,409,864 1,037,047,479

\* The Company has paid demand of ₹ 14,750,000/- under protest and is included in Long Term Loans & Advances (Refer Note 16)

# The Company has paid demand of ₹1,841,000/- under protest on 3<sup>rd</sup> May 2016.

**CONSOLIDATED FINANCIAL STATEMENTS****Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

Amount in ₹

39. Estimated amount of Capital Contracts pending to be executed (Net of advances of ₹227,700/- (Previous Year ₹NIL)) - ₹531,300/- (Previous Year - ₹NIL).

	<u>31st March 2016</u>	<u>31st March 2015</u>
<b>40. Payment to Auditors</b>		
Statutory Audit Fees	<b>923,488</b>	921,236
Tax Audit Fees	<b>225,375</b>	225,000
Fees for other services	<b>182,610</b>	69,830
Reimbursement of Expenses	<b>55,000</b>	55,000

41. As on date, the Company holds 91,652 Equity shares of ₹10 each of its subsidiaries, Regency Convention Centre and Hotels Limited (RCC), representing 58.99% of the paid up capital of RCC. Apart from the above, the Company had also made an advance of ₹33,448,275 for acquiring further shares of RCC from their existing shareholders and paid advances to Regency Convention Centre and Hotels Limited amounting to ₹12,569,474 up to the Balance Sheet date which has been disclosed as Short Term Loans and Advances.

The principal assets of Regency Convention Centre and Hotels Limited comprise of an interest in a piece of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court. Such assets form part of Company's undertaking at book values. The Company has handed over the land to Airport Authority of India (AAI). As per the understanding with AAI, an alternate piece of land will be leased back to the Company for its operations. Further, an agreement has been entered with Mumbai International Airport Private Limited (MIAL) in July 2015 for an alternate piece of land admeasuring 9776 sq. mtr. at CSI Airport, Mumbai. Till date AAI has not yet approved the said agreement and the matter is pending before the Court. The Company is hopeful of a positive outcome out of the same.

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

42. During the year Robust Hotels Private Limited (Subsidiary Company) has incurred loss of ₹2,162.12 lacs. The loss is mainly attributable to the long gestation period of Robust Hotels Private Limited due to its size and scale and the Company is hopeful of improvement in the consolidated results in coming years.
43. In accordance with the Accounting Standard on " Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transactions with them are as follows: -

**Related Party Disclosures****(i) List of Related Parties**

## (a) Key Management Personnel :

- |                       |                   |
|-----------------------|-------------------|
| (i) Radhe Shyam Saraf | (iii) Umesh Saraf |
| (ii) Arun Kumar Saraf | (iv) A Srinivasan |

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

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



**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

Amount in ₹

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

Transactions during the year	Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Dividend Paid</b>						
Forex Finance Private Limited	-	-	<b>6,254,144</b>	9,381,216	<b>6,254,144</b>	9,381,216
Saraf Industries Limited	-	-	<b>7,261,260</b>	10,891,890	<b>7,261,260</b>	10,891,890
Radhe Shyam Saraf	<b>1,143,860</b>	1,715,790	-	-	<b>1,143,860</b>	1,715,790
<b>Sale of Service and Scrap Sales</b>						
Juniper Hotels Private Limited	-	-	<b>639,179</b>	174,532	<b>639,179</b>	174,532
Taragaon Regency Hotels Limited	-	-	-	126,301	-	126,301
Chartered Hampi Hotels Private Limited	-	-	-	129,012	-	129,012
<b>Expenses incurred including reimbursement of expenses</b>						
Chartered Hampi Hotels Private Limited	-	-	<b>314,902</b>	334,060	<b>314,902</b>	334,060
Chartered Hotels Private Limited	-	-	-	249,995	-	249,995
Juniper Hotels Private Limited	-	-	<b>1,847,720</b>	837,805	<b>1,847,720</b>	837,805
Taragaon Regency Hotels Limited	-	-	<b>242,871</b>	540,511	<b>242,871</b>	540,511
Yak & Yeti Hotels Limited	-	-	-	161,584	-	161,584
Unison Hotels Private Limited	-	-	<b>196,198</b>	342,717	<b>196,198</b>	342,717
<b>Managerial Remuneration</b>						
Mr. Umesh Saraf	<b>13,350,507</b>	12,096,000	-	-	<b>13,350,507</b>	12,096,000
Mr. Arun Kr. Saraf	<b>13,462,107</b>	10,836,000	-	-	<b>13,462,107</b>	10,836,000
Mr. A. Srinivasan	<b>4,606,004</b>	4,606,004	-	-	<b>4,606,004</b>	4,606,004

Closing Balance as on 31st March, 2016	Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Loans and Advances given to</b>						
Forex Finance Private Limited	-	-	<b>532,000,000</b>	532,000,000	<b>532,000,000</b>	532,000,000
<b>Corporate Guarantee given by in favour of Robust Hotles Pvt. Ltd.</b>						
Forex Finance Private Limited	-	-	<b>1,500,000,000</b>	1,500,000,000	<b>1,500,000,000</b>	1,500,000,000
<b>Account Receivables</b>						
Chartered Hampi Hotels Private Limited	-	-	<b>4,447</b>	133,650	<b>4,447</b>	133,650
Chartered Hotels Private Limited	-	-	-	349,310	-	349,310
Juniper Hotels Private Limited	-	-	<b>191,659</b>	297,378	<b>191,659</b>	297,378
Taragaon Regency Hotels Limited	-	-	-	318,762	-	318,762
Yak & Yeti Hotels Ltd.	-	-	-	222,798	-	222,798
Unison Hotels Private Limited	-	-	-	161,584	-	161,584
<b>Account Payables</b>						
Unison Hotels Private Limited	-	-	<b>88,522</b>	217,426	<b>88,522</b>	217,426
Juniper Hotels Private Limited	-	-	<b>1,311,847</b>	77,599	<b>1,311,847</b>	77,599

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

## *Asian Hotels (East) Limited*

### **CONSOLIDATED FINANCIAL STATEMENTS**

#### **Consolidated Notes to Financial Statements for the Year Ended 31st March 2016**

45. In respect of the scheme of amalgamation of the Company with Forex Finance Private Limited, a promoter body corporate, the Court convened meeting was held approving the amalgamation and the Company has subsequently filed petition to Hon'ble High Court of Calcutta for sanction of the scheme. Presently the scheme of amalgamation is pending for hearing in the Hon'ble High Court of Calcutta. Post sanction of scheme of amalgamation, Robust Hotels Private Limited, owner of Hyatt Regency Chennai, will be a wholly owned subsidiary of the Company; partially by having direct holding and balance through GJS Hotels Limited (wholly owned subsidiary of the Company).

46. Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary :-

Particulars	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (₹)	As a % of Consolidated Profit / (Loss)	Amount (₹)
<b>PARENT</b>				
Asian Hotels (East) Limited	114.11%	8,503,581,033	-127.65%	81,916,186
<b>SUBSIDIARIES</b>				
GJS Hotels Limited	31.61%	2,363,220,990	-1.79%	1,145,699
Regency Convention Centre & Hotels Limited	0.01%	924,996	0.22%	(140,133)
Robust Hotels Private Limited	38.48%	2,876,605,186	336.91%	(216,212,185)
<b>Minority Interest in all subsidiaries</b>	2.22%	166,262,138	-107.70%	69,115,641

47. The Company has not amortized the leasehold expenses in respect of the land.

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

49. There is no other additional material information required to be disclosed pursuant to the provisions of the Companies Act, 2013, Schedule III to the Companies Act, 2013, Companies (Accounting Standards) Rules, 2006 and other material applicable enactments, circulars, orders, notifications etc.

As per our report of even date

For and on behalf of the Board of Directors

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

**K K Tulshan**  
Partner  
Membership No. 085033

Place : Kolkata  
Date : 24th May 2016

**Arun K Saraf** Joint Managing Director  
**Umesh Saraf** Joint Managing Director  
**A. C. Chakrabortti** Director  
**Rama Shankar Jhavar** Director  
**Padam Kumar Khaitan** Director  
**Rita Bhimani** Director

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

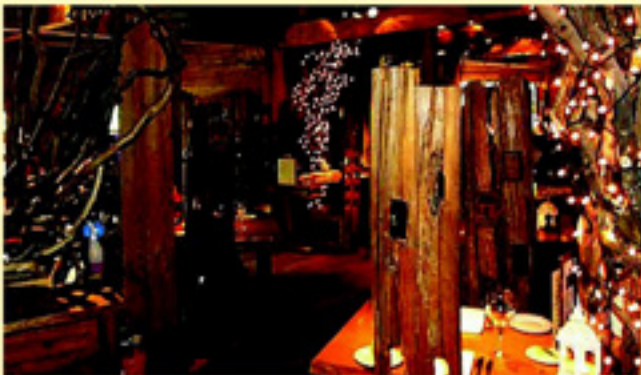
**Saumen Chattopadhyay**  
Chief Legal Officer & Company Secretary

## NOTES

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## NOTES

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

CIN : L15122WB2007PLC162762

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