

INDEPENDENT AUDITOR'S REPORT

To the Members of GJS Hotels Limited

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **GJS Hotels Limited** ("**the Company**"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

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

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note No. 29 to the financial statement, explaining the consequential effect of Scheme of Demerger, more fully explained in the said note.

Our opinion is not modified in respect of above matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the *Management Discussion and*



Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind As and other accounting principles generally accepted in India, prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is



a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 (including other comprehensive Income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian 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 as on 31st March, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - g) In our opinion and to the best of our information and according to the explanations given to us, the Company did not pay any remuneration to its directors during the year, therefore statement of auditor on it, as required Under Section 197(16) of the Act, does not require.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position;
- ii) The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses as at March, 31, 2020.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **G. SANYAL & CO.**
Chartered Accountants
FRN. 301143E

C. Sanyal

(C. Sanyal)
Partner
M. No.054022
UDIN:20054022AAAAAW1534



Place: Kolkata

Dated: 14.07.2020

Annexure A

Responsibilities for Audit of Ind AS Financial Statement

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

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

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



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

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

For **G. SANYAL & CO.**
Chartered Accountants
FRN. 301143E


(C. Sanyal)

Partner
M. No.054022
UDIN:20054022AAAAAW1534



Place: Kolkata

Dated: 14.07.2020

Annexure B to the Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our Report to the members of the GJS Hotels Limited on the Ind AS financial statements for the year ended 31 March 2020, we report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The company has verified its tangible fixed assets during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is a service company and it does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable to the company.
- iii. According to information and explanation given to us the Company has not granted any secured/unsecured loans to companies, firms, LLP's or other parties covered in the register maintained under Section 189 of the Act, during the financial year. Thus, paragraph 3(iii) of the order is not applicable to the company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the investments made.
- v. The Company has not accepted any deposits from the public. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
- vii. a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Goods & Service Tax and any other statutory dues as applicable with the appropriate authorities. There are no undisputed amount outstanding in respect of the above mentioned statutory dues as at 31st March 2020, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax etc. which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institutions, bank or government nor has it issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.



- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the year. Hence the provisions of Section 197 of the Act is not applicable to the Company and the related reporting requirement of the Order are not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act; details of such transaction have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **G. SANYAL & CO.**
Chartered Accountants
FRN. 301143E

C. Sanyal

(C. Sanyal)

Partner

M. No.054022

UDIN:20054022AAAAAW1534



Place: Kolkata

Dated: 14.07.2020

Annexure C to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **GJS Hotels Limited** ('the Company') as of 31 March 2020 in conjunction with our audit of the Ind AS 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 ('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 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 auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 31 March 2020, 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 **G. SANYAL & CO.**
Chartered Accountants
FRN. 301143E

C. Sanyal
(C. Sanyal)

Partner

M. No.054022

UDIN:20054022AAAAAW1534



Place: Kolkata

Dated: 14.07.2020

GJS HOTELS LIMITED
CIN: U55101WB2002PLC160608
BALANCE SHEET AT MARCH 31, 2020

			Amount in Rs
	Note	As at 31.03.2020	As at 31.03.2019
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	2	52,832,096	53,620,636
(b) Capital work in progress	3	19,472,955	17,356,916
(c) Financial assets			
(i) Investments	4	-	4,764,893,447
(ii) Other financial assets	5	32,692	122,692
(d) Deferred tax assets	6	-	351,282
Total Non Current Assets		72,337,743	4,836,344,973
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	7	292,209	163,440
(b) Current tax assets (net)	8	-	413,078
Total Current Assets		292,209	576,518
Total assets		72,629,952	4,836,921,491
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	9	2,300,220	109,610,000
(b) Other equity	10	29,355,699	1,496,893,051
		31,655,919	1,606,503,051
LIABILITIES			
(1) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	40,710,830	3,230,344,250
(ii) Other financial liabilities	12	212,100	74,190
(b) Other current liabilities	13	51,103	-
Total Current Liabilities		40,974,033	3,230,418,440
Total Equity & Liabilities		72,629,952	4,836,921,491
Significant Accounting Policies	1		

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

As per our report of even date attached

For **G. Sanyal & Co.**
Chartered Accountants
Firm Registration. No. 301143E

C. Sanyal

C.Sanyal
Partner
Membership No. : 054022
UDIN

Place: Kolkata
Date: 14.07.2020



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

Umesh Saraf

Umesh Saraf
Director
DIN No. - 00017985

Padam Khaitan

Padam Khaitan
Director
DIN No. - 00019700

Bimal K Jhunjhunwala

Bimal K Jhunjhunwala
Chief Financial Officer

Saumen Chatterjee

Saumen Chatterjee
Company Secretary

Place: Kolkata
Date: 14.07.2020

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

			Amount in Rs
	Note	Year ended 31.03.2020	Year ended 31.03.2019
Revenue			
I Revenue from operations		-	-
II Other Income	14	-	84,985,813
Total income (A)		-	84,985,813
Expenses			
III Employee benefits expenses	15	908,935	971,339
IV Other expenses	16	112,611	239,051
Total Expenses (B)		1,021,546	1,210,390
V (Loss)/Profit before exceptional items and tax (A-B)		(1,021,546)	83,775,423
VI Exceptional items		-	-
(Loss)/Profit before tax		(1,021,546)	83,775,423
VII Tax Expense :			
(1) Current tax		-	-
(2) Deferred tax		-	-
VIII (Loss)/Profit for the year		(1,021,546)	83,775,423
IX Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		-	-
X Total comprehensive income for the Year		(1,021,546)	83,775,423
XI Earnings per equity share (Face Value of Rs 10/-each)			
(1) Basic	17	(4.44)	7.64
(2) Diluted	17	(4.44)	7.64
Significant Accounting Policies	1		

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

As per our report of even date

For G. Sanyal & Co.

Chartered Accountants

Firm Registration. No. 301143E

C. Sanyal

C.Sanyal

Partner

Membership No. : 054022

UDIN

Place: Kolkata

Date: 14.07.2020



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

Umesh Saraf

Director

DIN No. - 00017985

Padam Khaitan

Director

DIN No. - 00019700

Bimal K Jhunjhunwala

Chief Financial Officer

Saumen Chatterjee

Company Secretary

Place: Kolkata

Date: 14.07.2020

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED M

Particulars	Eq
As at 01.4.2018	
Change in equity for the year ended March 31, 2019	
Profit for the year	
As at 31.3.2019	
Change in equity for the year ended March 31, 2020	
Effects of Scheme of Arrangement	
Profit for the year	
As at 31.3.2020	

Significant Accounting Policies

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For G. Sanyal & Co.

Chartered Accountants

Firm Registration No. 301143E

C. Sanyal

C. Sanyal

Partner

Membership No. : 054022

Place: Kolkata

Date: 14.07.2020



GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Amount in Rs	
	Year ended 31.03.2020	Year ended 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(1,021,546)	83,775,423
Adjustments to reconcile profit before tax to net cash flows		
Interest income	-	(84,985,813)
Operating (loss) before working capital changes	(1,021,546)	(1,210,390)
Increase/(Decrease) in Other financial liabilities	159,710	27,556
Decrease/(Increase) Other financial assets	-	(120,692)
Increase/(Decrease) Other current liabilities	51,103	(3,890)
Cash used in operations	(810,733)	(1,307,416)
Income Taxes paid	-	155,000
Net Cash used in Operating Activities	(810,733)	(1,462,416)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure- Land Development Fees (including Capital Advance)	(1,327,499)	(809,948)
Interest received on investments	-	1,550,000
Net Cash flow from Investing Activities	(1,327,499)	740,052
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,430,441	1,805,210
Repayment of short-term borrowings	-	(1,305,760)
Net cash flow from/(used in) Financing Activities	2,430,441	499,450
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	292,209	(222,914)
Cash and cash equivalents at the beginning of the year	163,440	386,354
Less: Transfer Out in the Scheme of Arrangement	(163,440)	-
Cash and cash equivalents at the end of the year	292,209	163,440

Significant Accounting Policies

Note:

1. Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-

-Cash on Hand	7,334	6,640
-Balances with Scheduled Banks in Current A/c	284,875	156,800
Total	292,209	163,440

2. Figures in bracket indicate cash outflow.

3. The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 specified under section 133 of the Companies Act 2013

4. Previous period figures have been regrouped and recasted wherever necessary to confirm to the current year's classification.

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

As per our report of even date attached

For G. Sanyal & Co.

Chartered Accountants

Firm Registration. No. 301143E

C. Sanyal

C. Sanyal

Partner

Membership No. : 054022

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

Umesh Saraf

Director

DIN No. - 00017985

Padam Khaitan

Director

DIN No. - 00019700

Bimal K Jhunjhunwala

Chief Financial Officer

Saumen Chatterjee

Company Secretary

Place: Kolkata

Date: 14.07.2020



Place: Kolkata

Date: 14.07.2020

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Company Overview and Significant Accounting Policies

1.1 Company overview

The Company is a wholly Owned subsidiary of Asian Hotels (East) Limited which is listed in Bombay Stock Exchange and National Stock Exchange. The Company possess leasehold land in Bhubaneswar (Odisha) for setting up a hotel.

1.2. Basis of preparation of financial statement

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

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

1.3 Functional & Presentation Currency

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

1.4 Use of estimates

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

1.5 Significant accounting estimates

Property Plant & Equipment:

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets .

Financial Instruments

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

Financials Asset

Initial recognition and measurement

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



Subsequent measurement

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

- (i) Financial Asset at amortized cost
- (ii) Financial Asset At Fair Value through OCI (FVTOCI)
- (iii) Financial Asset at Fair value through P&L (FVTPL)

Financial Asset at amortized cost

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

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

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

Financial Asset at Fair value through OCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI. Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial Asset at fair value through profit or loss

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

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

Equity Instruments

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

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

Derecognition of Financial asset

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

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



Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 17.
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables')
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

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

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

Financial Liabilities

Initial recognition and measurement

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

Subsequent Measurement

Financial liabilities at fair value through profit or loss

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

Financial Liabilities at amortized cost

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

Cash and Cash Equivalents

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

Provisions, Contingent liabilities

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

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

A contingent liability is disclosed in case of;

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible ;

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



Revenue recognition

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

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Borrowing Costs

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

Income Tax

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

Earnings per share

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

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



Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Since the Land at Bhubaneswar, Odisha was acquired by Company on lease for a period of 99 Years, We have applied IND AS 116 & amortized the cost of Land over the period of lease term. The Amortisation expenses have been included as part of Capital Work in progress as the land is still under development & business operations of the Company has not yet commenced

Fair Value Measurement

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



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2. PROPERTY, PLANT & EQUIPMENT				Amount in Rs
Particulars	Leasehold Land	Property & Plant	Others	
Gross Block (at cost)				
As at 01.04.2018	68,539,349	-	-	
Additions	-	-	-	
Disposals	-	-	-	
As at 31.03.2019	68,539,349	-	-	
Additions	-	-	-	
Disposals	-	-	-	
As at 31.03.2020	68,539,349	-	-	
Amortisation/Depreciation				
As at 01.04.2018	14,130,174	-	-	
Charge for the year	788,539	-	-	
As at 31.03.2019	14,918,713	-	-	
Charge for the year	788,540	-	-	
As at 31.03.2020	15,707,253	-	-	
Net Block				
As at 31.03.2019	53,620,636	-	-	
As at 31.03.2020	52,832,096	-	-	

3. CAPITAL WORK IN PROGRESS				Amount in Rs
Particulars	As at Mar 31, 2020	Additions	As at March 31, 2019	
Pre-operative expenses				
Rates & taxes	662,593	163,137	499,456	
Travelling expense	337,078	152,608	184,470	
Legal & professional charges	1,881,731	500,000	1,381,731	
Electricity Expenses	75,280	-	75,280	
Security Expenses	574,210	376,944	197,266	
Miscellaneous expenses	234,810	134,810	100,000	
Amortisation of Land	15,707,253	788,540	14,918,713	
	19,472,955	2,116,039	17,356,916	

4. INVESTMENTS			Amount in Rs
Particulars	As at 31.03.2020	As at 31.03.2019	
Non-current			
Unquoted			
Investment carried at cost			
Investment in equity instruments of subsidiary - Robust Hotels Pvt. Ltd.			
Nil (previous year: 124,163,829) equity shares of Rs 10/- each fully paid up	-	3,973,242,528	
	-	3,973,242,528	
Investment carried at amortised cost			
Investment in debentures of subsidiary - Robust Hotels Pvt. Ltd.	-		
Nil (previous year: 15,500,000) 0.10% unsecured redeemable non-convertible debentures of Rs 100/-each fully paid up	-	791,650,919	
	-	791,650,919	
	-	4,764,893,447	
Aggregate value of unquoted investments	-	4,764,893,447	
Aggregate value of provision for impairment in value of investments	-	-	

5. OTHER FINANCIAL ASSETS			Amount in Rs
Particulars	As at 31.03.2020	As at 31.03.2019	
Non-current			
Unsecured, Considered Good			
Security deposits	32,692	122,692	
	32,692	122,692	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6. DEFERRED TAX ASSETS

Particulars	As at 31.03.2020	As at 31.03.2019
Non-current		
MAT Credit Entitlement	-	351,282
	-	351,282

7. CASH & CASH EQUIVALENTS

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Balances with banks in current account	284,875	156,800
Cash on hand	7,334	6,640
	292,209	163,440

8. INCOME TAX ASSETS (net)

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Income tax assets	-	765,312
Less: Provision for tax	-	352,234
	-	413,078

9. SHARE CAPITAL

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised Shares		
14,000,000 (Previous Year 14,000,000) Equity Shares of R10/- each	140,000,000	140,000,000
Issued, subscribed & paid up		
2,30,022 (Previous Year 10,961,000) Equity Shares of R10/- each	2,300,220	109,610,000
Total	2,300,220	109,610,000

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

Equity Shares	As at 31.03.2020	As at 31.03.2019
At the beginning of the year	10,961,000	10,961,000
Changes during the Year (Refer Note 29 below)	(10,730,978)	-
At the end of the year	230,022	10,961,000

Terms/rights attached to Equity Shares

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

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

There are Six (6) nominees Shareholders holding 10 shares each, as nominated by Asian Hotels (East) Ltd

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

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

	As at 31.03.2020		As at 31.03.2019	
	No. of shares	Amount	No. of shares	Amount
Asian Hotels (East) Limited, the Holding Company and its Nominees				
2,30,022 (Previous Year 10,961,000) Equity Shares of R10/- each	230,022	2,300,220	10,961,000	109,610,000

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

Equity shares	% of Holding	As at 31.03.2020 No. of Shares	As at 31.03.2019 No. of Shares
Asian Hotels (East) Limited and its Nominees	100%	230,022	10,961,000

10. OTHER EQUITY

Particulars	As at 31.03.2020	As at 31.03.2019
Securities premium	36,904,510	2,236,755,000
Retained earnings	(7,548,811)	(739,861,949)
	29,355,699	1,496,893,051

11. BORROWINGS

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Unsecured, repayable on demand		
Loan from related party (holding company, interest free)	40,710,830	3,230,344,250
	40,710,830	3,230,344,250



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**12. OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Expenses payable	212,100	74,190
	212,100	74,190

13. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Statutory Dues	51,103	-
	51,103	-

14. OTHER INCOME

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Interest income on debentures	-	1,550,000
Finance income (unwinding) on debentures	-	83,435,813
	-	84,985,813

15. EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Salaries and wages	901,166	953,316
Staff welfare expenses	7,769	18,023
	908,935	971,339

16. OTHER EXPENSES

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Travelling and conveyance	4,827	32,080
<u>Payment to auditor</u>		
Audit Fees	10,000	35,000
Taxes on Audit Fees	1,800	6,300
Certification fees	21,800	-
Rates and taxes	2,500	32,502
Legal & professional expenses	43,426	36,280
Lease rent	2,100	2,452
Filing fees	8,400	5,150
Annual Custody Fees	-	26,550
Printing & stationery	4,460	14,710
Telephone expenses	9,879	15,169
Miscellaneous expenses	3,419	32,858
	112,611	239,051

17. EARNINGS PER SHARE

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
(i) Profit available for Equity Shareholders	(1,021,546)	83,775,423
(ii) Weighted average number of Equity Shares @ Rs 10 each	230,022	10,961,000
(iii) Basic Earnings per share (R)	(4.44)	7.64
(iv) Diluted Earnings per share (R)	(4.44)	7.64
(v) Face Value per share	10.00	10.00



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Related Party Disclosures

(i) List of Related Parties

(a) Holding Company :

Asian Hotels (East) Limited

(b) Subsidiary Company :

Robust Hotels Private Limited (Ceases to be Subsidiary w.e.f 25.07.2019)

(c) Fellow Subsidiary Company :

Regency Convention Centre and Hotels Limited

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

(i) Samra Importex Private Limited

(xiv) Triumph Realty Pvt. Ltd.

(ii) Unison Hotels Private Limited

(xv) Nepal Travel Agency Pvt. Ltd., Nepal

(iii) Vedic Hotels Limited

(xvi) Yak & Yeti Hotels Limited, Nepal

(iv) Unison Power Limited

(xvii) Taragaon Regency Hotels Limited, Nepal

(v) Unison Hotels South Private Limited

(xix) Saraf Industries Limited, Mauritius

(vi) Juniper Hotels Private Limited

(xx) Saraf Hotels Limited, Mauritius

(vii) Juniper Investments Limited

(xxi) Saraf Investments Limited, Mauritius

(viii) Chartered Hotels Pvt. Ltd.

(ix) Blue Energy Private Limited

(x) Footsteps of Buddha Hotels Private Limited

(xi) Chartered Hampi Hotels Pvt. Ltd.

(xii) Sara Hospitality Limited, Hong Kong

(xiii) Sara International Limited, Hong Kong

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

Transactions	31st March 2020	31st March 2019
Interest on Debentures from Subsidiary Company (Ind AS Impact)	-	84,985,813

Investment made by Holding Company i.e Asian Hotels (East) Ltd. in Share Capital & Securities Premium

Opening balance	2,346,365,000	2,346,365,000
During the year	(2,307,160,270)	-
Closing balance	39,204,730	2,346,365,000

(As per Clause 11.3 of Scheme of Arrangement , 1,07,30,978 nos of Equity Shares held by Holding Company i.e Asian Hotels (East) Ltd. of Rs 230,71,60,270 have been cancelled

Investment in Equity Shares of Subsidiary Company

Opening balance	3,973,242,528	3,973,242,528
During the year	(3,973,242,528)	-
Closing balance	-	3,973,242,528

(As per Clause 11.2 of Scheme of Arrangement , 124,163,829 nos of Equity Shares of Robust Hotels Pvt Ltd worth Rs 397,32,42,528 have been transferred to Asian Hotels (East) Ltd)

Investment in Non Convertible Debenture of Subsidiary Company

Opening balance	791,650,919	708,215,106
Interest (unwinding) during the year		83,435,813
Reversal of Ind As Impact (Due to Scheme of Arrangement)	758,349,081	-
During the year	1,550,000,000	791,650,919
Closing balance	(1,550,000,000)	-
	-	791,650,919

(As per Clause 11.2 Scheme of Arrangement , 1,55,00,000 nos of Non Convertible Debentures of Robust Hotels Pvt Ltd worth Rs 155,00,00,000 have been transferred to Asian Hotels (East) Ltd)

Advances taken from Holding Company

Opening balance	3,230,344,250	3,229,844,800
Reversal (Due to Scheme of Arrangement)	(3,192,063,861)	-
Taken/(repaid) during the year	2,430,441	499,450
Closing balance	40,710,830	3,230,344,250

(As per Clause 11.2 of Scheme of Arrangement , all the Asset & Liabilities of Investment undertaking of Company have been transferred to Asian Hotels (East) Ltd & opening balance of advances of Rs 3,19,20,63,861 pertaining to Investment division has been adjusted in Scheme of Arrangement.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19. The loans outstanding to Holding Company carries no interest and repayable on demand as at 31st March 2020 :

Holding Company	Maximum amount outstanding during the year	
	31st March 2020	31st March 2019
Asian Hotels (East) Limited	3,230,344,250	3,231,644,800

Holding Company	Outstanding as on	
	31st March 2020	31st March 2019
Asian Hotels (East) Limited	40,710,830	3,230,344,250

20. FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as on March 31, 2020 are as follows:

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Amount in Rs
					Total Fair Value
Assets:					
Investments					
Debentures	-	-	-	-	-
Preference Shares	-	-	-	-	-
Cash & cash equivalents	292,209	-	-	292,209	292,209
Other financial assets	32,692	-	-	32,692	32,692
Total	324,901	-	-	324,901	324,901
Liabilities:					
Borrowings	40,710,830	-	-	40,710,830	40,710,830
Other financial liabilities	212,100	-	-	212,100	212,100
Total	40,922,930	-	-	40,922,930	40,922,930

The carrying value and fair value of financial instruments by categories as on March 31, 2019 are as follows:

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Amount in Rs
					Total Fair Value
Assets:					
Investments					
Debentures	791,650,919	-	-	791,650,919	791,650,919
Preference Shares	-	-	-	-	-
Cash & cash equivalents	163,440	-	-	163,440	163,440
Other financial assets	122,692	-	-	122,692	122,692
Total	791,937,051	-	-	791,937,051	791,937,051
Liabilities:					
Borrowings	3,230,344,250	-	-	3,230,344,250	3,230,344,250
Other financial liabilities	74,190	-	-	74,190	74,190
Total	3,230,418,440	-	-	3,230,418,440	3,230,418,440

Fair value hierarchy

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

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2020:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets:				
Investments				
Cash & cash equivalents	292,209	-	-	292,209
Other financial assets	32,692	-	-	32,692
Total	324,901	-	-	324,901
Liabilities:				
Borrowings	40,710,830	-	-	40,710,830
Other financial liabilities	212,100	-	-	212,100
Total	40,922,930	-	-	40,922,930

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2019:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets:				
Investments				
Debentures	791,650,919	-	-	791,650,919
Cash & cash equivalents	163,440	-	-	163,440
Other financial assets	122,692	-	-	122,692
Total	791,937,051	-	-	791,937,051
Liabilities:				
Borrowings	3,230,344,250	-	-	3,230,344,250
Other financial liabilities	74,190	-	-	74,190
Total	3,230,418,440	-	-	3,230,418,440

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

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

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



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

21. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

Liquidity risk

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

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

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2020:

Particulars	Amount in Rs			Total
	Less than 6 months	6 months to 1 year	1 - 5 years	
Borrowings	-	-	40,710,830	40,710,830
Other financial liabilities	191,450	20,650.00	-	212,100

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2019:

Particulars	Amount in Rs			Total
	Less than 6 months	6 months to 1 year	1 - 5 years	
Borrowings	-	-	3,230,344,250	3,230,344,250
Other financial liabilities	74,190	-	-	74,190

Credit Risk

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

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

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

Particulars	Amount in Rs	
	31st March 2020	31st March 2019
Investments	-	4,764,893,447
Other financial assets	32,692	122,692
Cash & cash equivalents	292,209	163,440

22. CAPITAL MANAGEMENT

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

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

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

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

Gearing Ratio is as follows :

Particulars	Amount in Rs	
	31st March 2020	31st March 2019
Net debt	40,710,830	3,230,344,250
Total net debt and equity	72,366,749	4,836,847,301
Gearing Ratio	56.26%	66.79%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

23. There is no Contingent liabilities as on 31st March 2020 (Previous Year - Nil).

24. The Estimated amount of Capital Contracts pending to be executed is Nil as on 31st March 2020 (Previous Year - Rs 5,17,000).

Other commitments- Nil (Previous year - NIL)

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



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

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

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

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

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

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

29. Pursuant to sections 230 and 232 of the Companies Act, 2013 the Board of Directors of the Company (GJS) has approved the Scheme of Arrangement on 10th February 2017 for (1) demerger of its (GJS) Investment division (Demerged Undertaking) for merger with Asian Hotels (East) Limited (AHEL) – the holding company of GJS and (2) to reorganize the Share Capital and Debentures of Robust Hotels Private Limited (RHPL) – the subsidiary Company of GJS with effect from the Appointed Date, being close of business hours on 31st March, 2016. The said scheme was approved by the Hon'ble National Company Law Tribunal (NCLT) Kolkata & Chennai Benches vide order dated 6th February 2019 and 24th June 2019 respectively and has become effective from 25th July 2019.

As per the Sanction Order of the scheme, all the Preference Shares and Debentures issued by RHPL have been converted into equity shares. Also, consequent to the demerger of the Demerged Undertaking of GJS with AHEL under the Scheme, all shares held by GJS in RHPL stand transferred to AHEL and RHPL has become a direct wholly owned subsidiary of AHEL.

The accounting of this arrangement was done as per the terms of the scheme and the same has been given effect to in the financial statements as under:

a) Consequent to demerger of Demerged Undertaking of GJS into AHEL in terms of the scheme, AHEL became the holder of all the Equity Shares, Preference Shares and Debentures (Securities) of RHPL.

b) All securities herein below held by GJS in RHPL stand transferred to AHEL.

i) Equity Shares valued at cost of Rs. 204,58,48,608/-

ii) Cumulative Redeemable Optional Convertible Preference shares valued at cost of Rs. 192,73,93,920/-

iii) 0.1% Unsecured Redeemable Non-Convertible Debentures (Specified) of Rs. 155,00,00,000/-

c) The difference between the asset and liabilities of the Demerged Undertaking being a sum of Rs. 232,88,33,185/- has been first adjusted against the Securities Premium Account – Rs. 219,98,50,490/- and credit balance in Profit and Loss Account – Rs. 2,16,72,915/- of the Company aggregating to Rs. 222,15,23,405/- and the remaining difference of Rs. 10,73,09,780/- has been adjusted against the Equity Share Capital by cancelling 107,30,978 Equity Shares of Rs. 10 each in the share capital of the Company.

30. Derivative instruments and foreign currency exposures.

a) Foreign currency exposure outstanding as at the balance sheet date is Nil (previous year Nil).

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

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

As per our report of even date attached

For **G. Sanyal & Co.**
Chartered Accountants
Firm Registration. No. 301143E

C. Sanyal

C. Sanyal
Partner
Membership No. : 054022
UDIN

Place: Kolkata
Date: 14.07.2020

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

Umesh Saraf
Director
DIN No. - 00017985

Padam Khaitan
Director
DIN No. - 00019700

Bimal K Jhunjhunwala
Chief Financial Officer

Saumen Chatterjee
Company Secretary

Place: Kolkata
Date: 14.07.2020

