

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GJS HOTELS LIMITED

Report On the Financial Statements

We have audited the accompanying financial statements of GJS HOTELS LIMITED ('the Company') which comprises the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii) In the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of subsection(4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
2. As required by section 227(3) of the Companies Act, 1956, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013,
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **KSMN & Company**
Chartered Accountants
Firm Registration No. 001075N

Rana Sen
Partner
Membership No. :066759

Place : Kolkata
Date : 21st May 2014

ANNEXURE TO THE AUDITORS' REPORT

Referred to in clause 1 of paragraph of Report on other Legal and Regulatory Requirement of our report of even date to the member of GJS Hotels Limited as at and for the year ended March 31, 2014

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the period and as informed, no discrepancies were identified on such verification.
- c) There was no disposal of fixed assets during the period.
- ii) As the Company does not have any inventory, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iii) The Company has not granted or taken any loan, secured or unsecured, to or from companies covered in the register maintained u/s 301 of the Companies Act, 1956. Therefore, the provisions of clauses (iii) (b) to (f) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. There were no transactions of purchase of inventory and for the sale of goods and services during the year. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(v) of the order is not applicable to the company.
- vi) The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under during the period.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- viii) To the best of our knowledge, maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 as prescribed by the Central Government is not applicable to the Company.
- ix) a) According to the records of the Company examined by us, the provisions of Sales-Tax, Provident fund, Employees State Insurance, Service tax, Cess and income tax were not applicable to it. The Company has deposited income tax as applicable to it, in accordance with the provision of Income Tax Act'1961. There are no undisputed dues payable for a period of more than six months from the date they became payable as at 31st March 2014.
- b) In our opinion and according to the information and explanations given to us, there are no dues in respect of Income Tax, Custom Duty, Wealth Tax, Excise Duty, Sales Tax, Service Tax and Cess which have not been deposited on account of any dispute.
- x) The Company has no accumulated losses at the end of the financial period and it has incurred cash losses of Rs.19,64,541 in the current financial period. The cash loss in the previous year was Rs. 890,494.
- xi) As the Company does not have any dues payable to any Financial Institutions, Banks and Debenture Holder, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances against security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a Chit fund/ Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the order are not applicable.
- xiv) In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has maintained proper records of transactions or contracts in report of shares, securities, debenture and other investment and timely entries have been made therein. All share securities debenture and other investment have been held by the Company on its own name.
- xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from bank or financial institutions.
- xvi) There were no term loans raised during the period by the Company for any purpose, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

GJS Hotels Limited

- xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956; the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix) The Company has not issued any debentures during the period; the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) As the Company has not raised any money through public issue during the period, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no instances of fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Kolkata
Date : 21st May 2014

For **KSMN & Company**
Chartered Accountants
Firm Registration No. 001075N

Rana Sen
Partner
Membership No. :066759

BALANCE SHEET as at 31st March 2014

			Amount in ₹
	Note	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Share Capital	3	109,610,000	109,610,000
(b) Reserves and Surplus	4	2,253,325,370	2,255,289,911
		2,362,935,370	2,364,899,911
CURRENT LIABILITIES			
(a) Short Term Borrowings	5	1,437,675,000	991,025,000
(b) Other Current Liabilities	6	39,931	42,044
		1,437,714,931	991,067,044
Total		3,800,650,301	3,355,966,955
ASSETS			
NON-CURRENT ASSETS			
(a) Fixed Assets			
Tangible Assets	7	54,539,349	54,539,349
(b) Non Current Investments	8	3,744,741,413	2,769,142,418
(c) Long Term Loans and Advances	9	2,000	2,000
		3,799,282,762	2,823,683,767
CURRENT ASSETS			
(a) Current Investments	10	—	531,999,870
(b) Cash and Bank Balances	11	367,539	281,165
(c) Short Term Loans and Advances	12	1,000,000	2,153
		1,367,539	532,283,188
Total		3,800,650,301	3,355,966,955

Notes forming part of the Financial Statements

1 to 29

As per our report of even date

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2014

			Amount in ₹
	Note	Year Ended 31st March 2014	Year Ended 31st March 2013
INCOME			
Other Income	13	—	13,593
		—	13,593
EXPENDITURE			
Employee Benefits Expense	14	303,413	239,740
Other Expenses	15	1,451,595	664,347
		1,755,008	904,087
PROFIT/(LOSS) BEFORE TAX		(1,755,008)	(890,494)
TAX EXPENSES			
Current Tax (including earlier years)		209,533	—
Deferred Tax		—	—
PROFIT/(LOSS) AFTER TAX		(1,964,541)	(890,494)
EARNINGS PER EQUITY SHARE	16		
(a) Basic		(0.18)	(0.08)
(b) Diluted		(0.18)	(0.08)
Notes forming part of the Financial Statements	1 to 29		

As per our report of even date

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary

CASH FLOW STATEMENT for the year ended 31st March 2014

	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(1,755,008)	(890,494)
Adjustments for :		
Dividend income	—	—
Operating profit/(loss) before working capital changes	(1,755,008)	(890,494)
Adjustment for :		
Other Current Liabilities	(2,113)	(48,328)
Short term Loans and Advances	(1,000,000)	200,000
Cash generated from operations	(2,757,121)	(738,822)
Direct taxes paid	207,380	—
Net Cash generated from/(used in) Operations (A)	(2,964,501)	(738,822)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment - share application money	(443,599,180)	(321,712,240)
Amount realised on Allotment of Preference Shares	55	—
Amount Realised on Conversion of Preference Shares	—	17
Net Cash flow from/(used in) Investing Activities (B)	(443,599,125)	(321,712,223)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	446,650,000	322,500,000
Repayment of short-term borrowings	—	—
Net cash flow from/(used in) Financing Activities (C)	446,650,000	322,500,000
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	86,374	48,955
Cash and Cash Equivalents at the beginning of the year (Refer Note 11)	281,165	232,210
Cash and Cash Equivalents at the end of the year (Refer Note 11)	367,539	281,165

Notes forming part of the Financial Statements

1 to 29

As per our report of even date

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary

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

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.

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 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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

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

Since there are no assets other than the expenditures related to land as referred above, no depreciation has been provided.

Amortization of leasehold land shall be provided on commencement of commercial operation.

d. 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.

Revenue from Interest is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognized when rights to receive payment is established.

e. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with mandatory Accounting Standard (AS-22).

Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

f. Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Statement of Profit and Loss. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Statement of Profit and Loss. Share Application Money pending allotment of shares is classified as investments.

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

Amount in ₹

g. Impairment

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.

Previously recognized impairment losses are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been (net of depreciation or amortization) had no impairment loss been recognized in prior years.

h. Earning per Share

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

i. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and cash/ cheques in hand and short-term deposits with Banks less short-term advances from Banks.

j. Provision and Contingent Liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

	As at 31st March 2014	As at 31st March 2013
3. Share Capital		
Authorised Shares		
14,000,000 (31st March 2013: 14,000,000) Equity Shares of ₹ 10/- each	140,000,000	140,000,000
Issued, Subscribed and fully Paid-up Shares		
10,961,000 (31st March 2013: 10,961,000) Equity Shares of ₹ 10/- each	109,610,000	109,610,000
	109,610,000	109,610,000

3.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year

	As at 31st March 2014		As at 31st March 2013	
Equity Shares	No. of Share	₹	No. of Share	₹
At the beginning of the year	10,961,000	109,610,000	10,961,000	109,610,000
Issued during the year	—	—	—	—
Buy Back during the year	—	—	—	—
At the end of the year	10,961,000	109,610,000	10,961,000	109,610,000

3.2 Terms/rights attached to Equity Shares

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

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

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

Amount in ₹

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

Asian Hotels (East) Limited, the Holding Company

10,961,000 (31st March 2013: 10,961,000) equity shares of ₹10 each fully paid **109,610,000** 109,610,000

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

Equity Shares	As at 31st March 2014		As at 31st March 2013	
	No. of Share	% of Holding	No. of Share	% of Holding
Asian Hotels (East) Limited, the holding Company (including their nominees)	10,961,000	100	10,961,000	100

3.5 No class of shares have been allotted for consideration other than cash or as bonus shares and no shares have been bought back during the period of five years immediately preceding the balance sheet date including the previous year.

	As at 31st March 2014	As at 31st March 2013
4. Reserves and Surplus		
a. Securities Premium Account		
Opening Balance	2,236,755,000	2,236,755,000
Add: Additions / deductions during the year	—	—
Closing Balance	2,236,755,000	2,236,755,000
b. Surplus/(deficit) in the Statement of Profit and Loss		
Opening Balance	18,534,911	19,425,405
Add: Profit/(Loss) for the year	(1,964,541)	(890,494)
Closing Balance	16,570,370	18,534,911
Total	2,253,325,370	2,255,289,911
5. Short Term Borrowings - Unsecured		
Loan from holding company repayable on demand (refer note 27)	1,437,675,000	991,025,000
Total	1,437,675,000	991,025,000
6. Other Current Liabilities		
Other Payables		
TDS payable	3,933	5,953
Professional Tax payable	130	220
Expense Payable	35,868	35,871
Total	39,931	42,044
7. Fixed Assets - Tangible assets		
Leasehold Land (Gross/Net Carrying Value) (refer note 2.1b & 19)	54,539,349	54,539,349
Total	54,539,349	54,539,349
8. Non Current Investments		
Non-Trade, Unquoted (At Cost, Fully Paid Up) (Refer Note 17)		
Investment in Equity Shares of Subsidiary Company - Robust Hotels Pvt. Ltd.		
63,932,769 (Previous Year 63,932,769) equity shares of ₹10/- each	2,045,848,608	2,045,848,608
Investment in Preference Shares of Subsidiary Company - Robust Hotels Pvt. Ltd.		
7,901,827 (Previous year Nil) 1% Cumulative Redeemable Optional Convertible Preference Shares of ₹10/- each	1,698,892,805	—
Share Application Money - Subsidiary Company - Robust Hotels Pvt. Ltd.	—	723,293,810
Total	3,744,741,413	2,769,142,418
Aggregate value of Unquoted Investment	3,744,741,413	2,769,142,418
Aggregate amount of Provision for diminution in value of investments	—	—

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

	As at 31st March 2014	Amount in ₹ As at 31st March 2013
9. Long Term Loans and Advances		
Security Deposit (Unsecured, considered good)	2,000	2,000
Total	2,000	2,000
10. Current Investments		
Other Investments		
Share Application Money - Subsidiary Company (refer note 17)	—	531,999,870
Total	—	531,999,870
11. Cash & Bank Balances		
Cash & Cash Equivalents		
Balances with Banks:		
Current Accounts	364,478	271,889
Cash on hand	3,061	9,276
Total	367,539	281,165
12. Short Term Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or kind	1,000,000	—
Other loans and advances		
Advance Taxes (net of Provision for Taxes for ₹ Nil (Previous Year ₹ 4,963,908))	—	2,153
Total	1,000,000	2,153
	Year Ended 31st March 2014	Year Ended 31st March 2013
13. Other Incomes		
Excess Provision written back	—	13,593
Total	—	13,593
14. Employee Benefit Expenses		
Salaries and bonus	280,941	221,255
Staff welfare expenses	22,472	18,485
Total	303,413	239,740
15. Other Expenses		
Travelling and conveyance	256,023	306,391
Payment to auditor		
Statutory audit fees	39,326	39,326
Rates & Taxes	517,893	2,500
Interest on Wealth Tax	185,544	-
Printing & Stationery	33,722	29,529
Legal & Professional expenses	284,468	53,760
Site Maintenance Charges	103,000	202,020
Miscellaneous expenses	31,619	30,821
Total	1,451,595	664,347

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

	Year Ended 31st March 2014	Amount in ₹ Year Ended 31st March 2013
16. Earnings per Share (Basic & Diluted)		
(i) Profit available for Equity Shareholders	(1,964,541)	(890,494)
(ii) Weighted average number of Equity Shares @ ₹10 each	10,961,000	10,961,000
(iii) Earnings/(Loss) per share (₹)	(0.18)	(0.08)

- 17.** In accordance with the Accounting Standard on " Related Party Disclosures" (AS-18), 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 :	b) Subsidiary Company
Asian Hotels (East) Limited	Robust Hotels Private Limited
(c) Fellow Subsidiary Company :	
Regency Convention Centre and Hotels Limited	
(d) Entities over which directors or their relatives can exercise significant influence/control	
(i) Nepal Travel Agency Pvt. Ltd., Nepal	(xi) Juniper Investments Limited
(ii) Unison Hotels Private Limited	(xii) Chartered Hotels Pvt. Ltd.
(iii) Vedic Hotels Limited	(xiii) Blue Energy Private Limited
(iv) Unison Power Limited	(xiv) Footsteps of Buddha Hotels Private Limited
(v) Unison Hotels South Private Limited	(xv) Sara International Limited, Hong Kong
(vi) Juniper Hotels Private Limited	(xvi) Samra Importex Private Limited
(vii) Yak & Yeti Hotels Limited, Nepal	(xvii) Forex Finance Private Limited
(viii) Taragaon Regency Hotels Limited, Nepal	(xviii) Saraf Industries Limited, Mauritius
(ix) Saraf Investments Limited, Mauritius	(xix) Saraf Hotels Limited, Mauritius
(x) Sara Hospitality Limited, Hong Kong	(xx) Chartered Hampi Hotels Pvt. Ltd.

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

Transactions	31st March 2014	31st March 2013
Investment made by Holding Company in Share Capital & Securities Premium		
During the year	—	—
Year end balance	2,346,365,000	2,346,365,000
Amount Advanced towards the Share Application Money to Subsidiary Company		
Amount advanced during the year	443,599,125	321,712,223
Allotment made during the year	(1,698,892,805)	—
Year end balance	—	1,255,293,680
Investment in Subsidiary Company		
Allotment made during the year	1,698,892,805	—
Year end balance	3,744,741,413	2,045,848,608
Loans & Advances taken from Holding Company		
Taken during the year	446,650,000	322,500,000
Repaid during the year	—	—
Year end balance	1,437,675,000	991,025,000

- 18.** During the year, Company was allotted 7,901,827 1% Cumulative Redeemable Optional Convertible Preference Shares of face value of ₹ 10 each at a premium of ₹ 205/- each in Robust Hotels Private Limited, (subsidiary company).
- 19.** The Company has filed writ petition in Hon'ble High Court of Odisha, Cuttack on 28th January 2013 against the order dated 1st November 2012 of Government of Odisha determining the lease of the land held by the Company for the construction of Hotel. Hearing of the petition is pending before the Hon'ble High Court. Counter affidavit has been filed by the Government of Odisha against the writ petition of the Company. In August 2013, the Company has furnished undertaking to the Govt. of Odisha that it will take necessary steps for withdrawal of the said writ upon revocation of the said Order dated 1st November 2012 by the Government and will complete the construction of the Hotel within 3 years of obtaining the approval of the building plan by the Bhubaneswar Development Authority. The Company is hopeful of outcome of the positive result after submission of undertaking.

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

20. 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.
21. The Company does not have more than one reportable segment in accordance with the principle outlined in Accounting Standard (AS 17), "Segment Reporting", the disclosure requirements on "Segment Reporting" is not applicable. The Company operates presently only in India. Thus there is no geographical segment apart from India.
22. The Company is not liable for Provident Fund and/or any other retirement benefit for its employees under the relevant applicable Laws, Rules & Regulations.
23. There are no adjustments on account of deferred tax liability or deferred tax asset in respect of current period as well as earlier period since there are no timing difference between the book income and taxable income.
24. The Company has not recognized any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the management there is no reduction in the value of any assets.
25. During the year Company has received the Demand Order of ₹ 700,937/- (₹ 515,393/- towards the Wealth Tax and ₹185,544/- towards the interest on Wealth Tax) under the Wealth Tax Act, 1957 against which the Company has filed the appeal before the Commissioner of Wealth Tax (Appeals) after making payment of said demand under protest.
26. During the year Robust Hotels Private Limited (Subsidiary Company) has incurred loss of ₹ 5088.76 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.
27. Amount of loans and advances in nature of loans outstanding to Holding Company carrying no interest and repayable on demand as at 31st March 2014 :

Holding Company	Outstanding as on		Maximum amount outstanding during the year	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Asian Hotels (East) Limited	1,437,675,000	991,025,000	1,437,675,000	991,025,000

28. There are no other additional material information required to be disclosed pursuant to the provisions of the Companies Act, 1956, Schedule VI to the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006 and other material applicable enactments, circulars, orders, notifications etc.
29. The previous figures have been regrouped/reclassified, wherever necessary to confirm the current presentation.

As per our report of even date

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014.

For and on behalf of the Board of Directors

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of GJS Hotels Limited

We have audited the accompanying consolidated financial statements of GJS Hotels Limited (the 'Company') and its subsidiaries (together referred to as 'Group') which comprise the consolidated Balance Sheet as at 31 March 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India more particularly in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- ii) In the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

We did not audit the financial statements of Subsidiary, whose financial statements reflect the Group's share of total assets (net) of Rs. 72,941.02 lakhs as at 31 March, 2014, total revenues of Rs.8,761.92 lakhs and net cash inflows amounting to Rs. 282.32 Lakhs for the year then ended; as considered in these consolidated financial statements and other related financial information which have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the report of the other auditors, in so far as it relates to the amounts included in respect of the subsidiaries in these consolidated financial statements.

Place : Kolkata
Date : 21st May 2014

For **KSMN & Company**
Chartered Accountants
Firm Registration No. 001075N

Rana Sen
Partner
Membership No. :066759

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET as at 31st March 2014

				Amount in ₹
	Note	As at 31st March 2014	As at 31st March 2013	
I. EQUITY AND LIABILITIES				
1 Shareholders' Funds				
a) Share Capital	4	109,610,000	109,610,000	
b) Reserves and Surplus	5	1,697,537,929	2,045,843,644	2,155,453,644
2 Minority Interest		837,763,767		1,000,298,840
3 Non-Current Liabilities				
a) Long Term Borrowings	6	3,457,573,866	3,343,055,866	
b) Other Long Term Liabilities	7	62,904	296,368	
c) Long Term Provisions	8	10,033,600	8,183,181	3,351,535,415
4 Current Liabilities				
a) Short-term Borrowings	9	1,486,921,984	1,040,226,789	
b) Trade Payables	10	195,286,448	173,072,990	
c) Other Current Liabilities	11	176,536,753	380,841,698	1,594,141,477
TOTAL		7,971,327,251		8,101,429,376
II. ASSETS				
1 Non-Current Assets				
a) Fixed Assets	12			
i) Tangible Assets		6,572,875,111	6,745,797,209	
ii) Intangible Assets		644,960,064	649,881,729	
iii) Capital Work-in-progress		19,591,420	3,589,707	
b) Non Current Investments	13	6,329,000	6,524,000	
c) Long-Term Loans and Advances	14	39,502,598	27,917,068	7,433,709,713
2 Current Assets				
a) Inventories	15	8,289,008	11,188,905	
b) Trade Receivables	16	48,363,524	42,022,732	
c) Cash and Bank Balance	17	55,433,849	27,479,715	
d) Short-Term Loans and Advances	18	549,592,544	550,789,311	
e) Other Current Assets	19	26,390,133	36,239,000	667,719,663
TOTAL		7,971,327,251		8,101,429,376

Notes forming part of the Financial Statements 1 - 46

As per our report of even date

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2014

			Amount in ₹
	Note	Year Ended 31st March 2014	Year Ended 31st March 2013
I INCOME:			
Revenue from Operations	20	869,615,979	608,703,681
Other Income	21	6,576,855	4,164,778
		876,192,834	612,868,459
II EXPENSES:			
Cost of Materials Consumed	22	112,650,603	86,173,791
Employee Benefits Expense	23	183,342,162	133,944,848
Finance Costs	24	488,959,301	305,553,143
Depreciation and Amortization Expense	12	194,733,640	121,416,929
Other Expenses	25	407,138,383	274,368,133
		1,386,824,089	921,456,844
III Loss Before Tax (I-II)		510,631,255	308,588,385
IV Tax Expense:			
Current Tax			
- Provision for Earlier Years		209,533	39,792
V Loss for the Year (before adjustment for Minority Interest) (III-IV)		510,840,788	308,628,177
Less: Share of Loss transferred to Minority Interest		(162,535,073)	(98,291,416)
VI Loss for the Year (after adjustment for Minority Interest)		348,305,715	210,336,761
Earnings per Equity Share	26		
i) Basic		(31.78)	(19.19)
ii) Diluted		(31.78)	(19.19)

Notes forming part of the Financial Statements

1 - 46

As per our report of even date

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2014**

Amount in ₹

	Year Ended 31st March 2014	Year Ended 31st March 2013	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before Tax	(510,631,255)		(308,588,385)
Adjustments for:			
Depreciation and Amortization Expense	194,733,640	121,416,929	
Loss/(Profit) on sale of Fixed Assets	7,913	(661,218)	
Interest Income	(3,646,425)	(1,290,287)	
Liabilities written Back	—	(47,599)	
Preliminary Expenses Written Off	—	17,680	
Provision for Leave Benefits	384,631	2,842,467	
Provision for Gratuity	1,465,788	25,402	
Liabilities provided for statutory authorities	—	(6,281,799)	
Provision for bad & doubtful debts written back	—	(353,448)	
Bad Debts Written Off	—	412,617	
Pre-operative Expenses written off	—	5,048,898	
Interest Expenses(Term Loan & Others Borrowing Cost)	488,959,301	305,553,142	426,682,784
Changes in Working Capital			
(Increase) / Decrease in Inventories	2,899,897	(1,881,854)	
(Increase) / Decrease in Trade Receivables	(6,340,792)	(13,469,764)	
Increase / (Decrease) in Trade Payables	22,213,458	63,034,460	
(Increase) / Decrease in Short-Term Loans & Advances	582,277	(11,333,881)	
(Increase) / Decrease in Long-Term Loans & Advances	(3,801,742)	(10,883,259)	
(Increase) / Decrease in Other Current Assets	10,293,094	(11,779,531)	
Increase / (Decrease) in Advance from Customers	2,724,986	(1,088,632)	
Increase / (Decrease) in Stale cheque	(233,464)	133,515	
Liabilities provided net or written back	—	(9,874)	
Increase / (Decrease) in Other Current liabilities	(60,852,435)	44,042,212	
Net changes in Working Capital	(32,514,721)		56,763,392
Direct Taxes Paid	7,991,167		—
Net Cash Generated from operations	130,767,705		174,857,791
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of Fixed Assets	(16,901,283)	(142,459,206)	
Increase in Capital Work in progress	(16,001,713)	(3,589,707)	
Decrease in Capital Advance	612,337	(1,020,000)	
Proceeds from sale of Fixed Assets	3,493	9,075,431	
Sale / (Purchase) of Shares	195,000	(10,000)	
Interest Received	3,202,198	901,197	
Net Cash Generated from Investing Activities	(28,889,968)		(137,102,285)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest & Finance Charges paid	(520,618,798)	(352,959,378)	
Repayment of Long Term Borrowings	—	(32,142,000)	
Proceeds from Short Term Borrowings	446,695,195	327,680,588	
Net Cash Generated from Financing Activities	(73,923,603)		(57,420,790)
Net Increase / (decrease) in Cash & Cash equivalents	27,954,134		(19,665,284)
Cash & Cash Equivalents at the beginning of the year (Refer Note 17)	27,479,715		46,896,997
Cash & Cash Equivalents at the end of the year (Refer Note 17)	55,433,849		27,479,715
Net Increase / (decrease) as disclosed above	27,954,134		(19,665,284)

Notes forming part of the Financial Statements

1 to 46

As per our report of even date

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014

For and on behalf of the Board of Directors

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

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

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.

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 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

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

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.

Intangible Assets are stated at cost.

Capital Work-in-progress includes cost of acquisition, construction and expenses including cost directly incurred and attributable to the assets in process.

Additions to fixed assets during the year include pre-operative expenses and borrowing costs apportioned proportionately according to cost of assets.

c. Inventories

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

d. Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contribution is charged in the Financial Statements as and when contribution is done. The Company has no obligation, other than the contributions payable to the provident fund.

Gratuity Liability in respect of retirement benefits to the employees has been ascertained and provided for in the Financial Statements as per the Payment of Gratuity Act, 1972.

Liability for leave encashment benefits has been ascertained and provided for in the Financial Statements.

e. Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. 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.

Amortization of leasehold land shall be provided on commencement of commercial operation.

f. 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.

Revenue from Interest is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognized when rights to receive payment is established.

g. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with mandatory Accounting Standard (AS-22).

CONSOLIDATED FINANCIAL STATEMENTS

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

Amount in ₹

Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

h. Borrowing Cost

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

i. Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Statement of Profit and Loss. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Statement of Profit and Loss.

j. Impairment

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.

Previously recognized impairment losses are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been (net of depreciation or amortization) had no impairment loss been recognized in prior years.

k. Earning per Share

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

l. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and cash/ cheques in hand and short-term deposits with Banks less short-term advances from Banks.

m. Provision and Contingent Liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

n. Foreign Currency Transactions

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.

CONSOLIDATED FINANCIAL STATEMENTS

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

Amount in ₹

o. 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 GJS Hotels Limited and the following subsidiary:-

Name of the Company	Country of Incorporation	% of Holding as on 31-March 2013
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 subsidiary company 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 company have been capitalised and shown as part of fixed assets to the extent not impaired in the books of the Company.

4. Share Capital	As at 31st March 2014		As at 31st March 2013	
	No. of Share	₹	No. of Share	₹
a) Authorised Shares				
Equity Shares of ₹10/- each	14,000,000	140,000,000	14,000,000	140,000,000
		140,000,000		140,000,000
b) Issued, Subscribed and fully Paid Up				
Equity Shares of ₹10/- each	10,961,000	109,610,000	10,961,000	109,610,000
		109,610,000		109,610,000
c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year				
Equity Shares				No. of Shares
At the beginning of the year				10,961,000
Add: Allotted/(Buy Back) during the year				—
At the end of the year				10,961,000
d) 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.				
e) Shares held by Holding/ultimate Holding Company and/or their subsidiaries/associates				
		As at 31st March 2014		As at 31st March 2013
Asian Hotels (East) Limited, the Holding Company		10,961,000		10,961,000
10,961,000 (31st March 2013: 10,961,000) equity shares of ₹10 each fully paid				
f) Details of shareholders holding more than 5% of equity shares in the Company				
	As at 31st March 2014		As at 31st March 2013	
Equity Shares	No. of Share	% of Holding	No. of Share	% of Holding
Asian Hotels (East) Limited – Holding Company (including their nominees)	10,961,000	100	10,961,000	100
g) No class of shares have been allotted for consideration other than cash or as bonus shares and no shares have been bought back during the period of five years immediately preceding the balance sheet date including the previous year.				

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

Amount in ₹

	As at 31st March 2014		As at 31st March 2013	
5. Reserves & Surplus				
a) Securities Premium Reserve				
Opening Balance	2,236,755,000		2,236,755,000	
Add: Created / (Utilised) during the year	—	2,236,755,000	—	2,236,755,000
b) Surplus / (deficit) from Statement of Profit and Loss				
Opening Balance	(190,911,356)		19,425,405	
Add: Profit / (Loss) during the year	(348,305,715)	(539,217,071)	(210,336,761)	(190,911,356)
		1,697,537,929		2,045,843,644
6. Long Term Borrowings				
a) Secured - Term Loans				
From IDBI Bank - Loan I (Refer Note 'b' & 'c' below)				
Gross Amount	1,729,123,866		1,729,123,866	
Less: Repayable within one year	10,700,000	1,718,423,866	128,568,000	1,600,555,866
From IDBI Bank - Loan II (Refer Note 'b' & 'c' below)				
Gross Amount	250,000,000		250,000,000	
Less: Repayable within one year	1,550,000	248,450,000	7,500,000	242,500,000
From HDFC Limited (Refer Note 'b' & 'c' below)				
Gross Amount	1,500,000,000		1,500,000,000	
Less: Repayable within one year	9,300,000	1,490,700,000	—	1,500,000,000
		3,457,573,866		3,343,055,866
b) Security Clause	The above term loans are secured by pari passu charge by way of hypothecation of entire movable properties both present and future and equitable mortgage by way of deposit of title deeds of immovable properties together with buildings & structures, plant & machineries, 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 loans are also secured by second charge on all book debts, operating cash flows, revenues, commission and receivables of Robust Hotels Private Limited both present and future, ranking pari passu with each other. The Term Loan I and Term Loan II and Bank Guarantee of ₹ 15 Crore from IDBI Bank Ltd is further secured by corporate guarantee of Asian Hotels (East) Limited. The term loan from HDFC Limited is further secured by corporate guarantee of Forex Finance Private Limited.			
c) Terms of Repayment and Rate of Interest				
i) IDBI Bank -Loan-I @ 13.70% p.a.:	As per revised repayment schedule dated June 6, 2013, the loan is repayable in 32 Quarterly Installments being: 2 quarterly installments of ₹1,07,00,000/- each commencing from January 1, 2015 and ending on April 1,2015,4 quarterly installments of ₹ 1,09,00,000/- each commencing from July 1, 2015 and ending on April 01, 2016,4 quarterly installments of ₹ 2,16,00,000/- each commencing from July 1, 2016 and ending on April 1, 2017 ,3 quarterly installments of ₹3,89,00,000/- each commencing from July 1, 2017 and ending on January 1,2018 and 3 quarterly installments of ₹ 4,75,00,000/- each commencing from April 1, 2018 and ending on October 1,2018 , 6 quarterly installments of ₹6,13,00,000/- each commencing from January 1,2019 and ending on April 1,2020 , 4 quarterly installments of ₹ 6,92,00,000/- each commencing from July 1,2020 and ending on April 1,2021,4 quarterly installments of ₹ 10,32,00,000/- each commencing from July 1,2021 and ending on April 1,2022 , 1 quarterly installment of ₹ 13,05,00,000/- on July 1,2022 and last installment of ₹ 13,06,23,866/- on October 1,2022. (Earlier repayable in 24 Quarterly Installments being: 6 quarterly installments of ₹ 3,21,42,000/- each commencing from April 1, 2013 and ending on July 1, 2014,6 quarterly installments of ₹ 6,42,86,000/- each commencing from October 1, 2014 and ending on January 1, 2016,11 quarterly installments of ₹ 9,64,29,000/- each commencing from April 1, 2016 and ending on October 1, 2018 and balance in last installment of ₹ 8,98,36,866/- on January 1, 2019)			
ii) IDBI Bank -Loan-II @ 12.50% p.a.:	As per revised repayment schedule dated June 6, 2013, the loan is repayable in 32 Quarterly Installments being: 2 quarterly installments of ₹ 15,50,000/- each commencing from January 1, 2015 and ending on April 1,2015,4 quarterly installments of ₹ 15,75,000/- each commencing from July 1, 2015 and ending on April 1, 2016,4 quarterly installments of ₹ 31,25,000/- each commencing from July 1, 2016 and ending on April 1, 2017 ,3 quarterly installments of ₹ 56,25,000/- each commencing from July 1, 2017 and ending on January 1,2018 and 3 quarterly installments of ₹ 68,75,000/- each commencing from April 1, 2018 and ending on October 1, 2018 , 6 quarterly installments of Rs.88,50,000/- each commencing from January 1,2019 and ending on April 1,2020 , 4 quarterly installments of ₹ 1,00,00,000/- each commencing from July 1,2020 and ending on April 1,2021,4 quarterly installments of ₹ 1,50,00,000/- each commencing from July 1,2021 and ending on April 1,2022 , 2 quarterly installments of ₹ 1,87,50,000/- commencing from July 1,2022 and ending on October 1,2022. (Earlier repayable in 32 Quarterly installments being: 20 quarterly installments of ₹ 37,50,000/- each commencing from October 1, 2013 and ending on July 1, 2018, 6 quarterly installments of ₹ 83,33,000/- each commencing from October 1, 2018 and ending on January 1, 2020,5 quarterly installments of ₹ 2,08,33,000/- each commencing from April 1, 2020 and ending on July 1, 2021 and balance in last installment of ₹ 2,08,37,000/- on October 1, 2021)			

CONSOLIDATED FINANCIAL STATEMENTS

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

- iii) **HDFC Limited @ 14.19% p.a.:** The loan is repayable in 42 Quarterly Installments being:
 2 Quarterly installments of ₹ 93,00,000 each commencing from March 31, 2015 and ending on June 30, 2015, 4 Quarterly installments of ₹ 94,50,000 each commencing from September 30, 2015 and ending on June 30, 2016, 4 Quarterly installments of ₹ 1,50,00,000 each commencing from September 30, 2016 and ending on June 30, 2017, 4 Quarterly installments of ₹ 1,95,00,000 each commencing from September 30, 2017 and ending on June 30, 2018, 4 Quarterly installments of ₹ 2,53,50,000 each commencing from September 30, 2018 and ending on June 30, 2019, 4 Quarterly installments of ₹ 3,09,00,000 each commencing from September 30, 2019 and ending on June 30, 2020, 4 Quarterly installments of ₹ 3,75,00,000 each commencing from September 30, 2020 and ending on June 30, 2021, 4 Quarterly installments of ₹ 4,50,00,000 each commencing from September 30, 2021 and ending on June 30, 2022 and 12 Quarterly installments of ₹ 6,25,50,000 each commencing from September 30, 2022 and ending on June 30, 2025 as per revised Repayments Schedule letter dated August 16, 2012.

Amount in ₹

	As at 31st March 2014	As at 31st March 2013
7. Other Long Term Liabilities		
Stale Cheque Liabilities	62,904	296,368
	62,904	296,368
8. Long Term Provisions		
Provision for Leave Benefits	8,530,456	8,145,825
Provision for Gratuity	1,503,144	37,356
	10,033,600	8,183,181
9. Short Term Borrowings		
Unsecured		
– From Holding Company repayable on demand (refer note 38)	1,437,675,000	991,025,000
Secured		
Cash Credit		
– From IDBI Bank Limited (Interest Rate :12.75% p.a.){Refer Note below}	49,246,984	49,201,789
	1,486,921,984	1,040,226,789
Secured by first charge by way of hypothecation of entire stocks of raw materials, semi finished and finished goods, consumables stores and spare parts including book debts, bills whether documentary or clean, outstanding monies receivable, both present and future and second charge by way of hypothecation of entire movable properties including movable machineries, tools & accessories present and future and further secured by second charge by way of Equitable Mortgage on Immovable property situated at 365, Anna Salai, Chennai - 600018 and by Corporate Guarantee of Asian Hotels (East) Limited.		
10. Trade Payables		
Other Payables	195,286,448	173,072,990
	195,286,448	173,072,990
11. Other Current Liabilities		
Current Maturities of Long Term Debt		
– From IDBI Bank -Loan I (Refer Note No. 6 'b')	10,700,000	128,568,000
– From IDBI Bank -Loan II (Refer Note No. 6 'b')	1,550,000	
– From HDFC Bank (Refer Note No. 6 'b')	9,300,000	21,550,000
Book Overdraft with a Bank	—	7,500,000
Interest accrued but not due	21,266,227	136,068,000
Interest accrued and due *	42,342,408	364,709
Advance from Customers	10,752,350	21,353,967
Other Liabilities		73,914,165
– Others	66,219,996	8,027,364
– Payable to Statutory Authorities	14,405,772	124,768,666
	80,625,768	16,344,827
	176,536,753	141,113,493
		380,841,698

* Includes disputed liability of ₹ Nil (Previous Year ₹ 1,28,43,650/-) payable on Term Loan

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

Amount in ₹

12. Fixed Assets

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	Balance as at 1st April 2013	Additions	Deduction during the year	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation for the period	Deduction during the year	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
i. Tangible Assets										
Freehold Land	1,541,566,797	—	—	1,541,566,797	—	—	—	—	1,541,566,797	1,541,566,797
Leasehold Land	54,539,349	—	—	54,539,349	—	—	—	—	54,539,349	54,539,349
Buildings	3,080,643,892	3,596,100	—	3,084,239,992	43,642,118	47,759,456	—	91,401,574	2,992,838,418	3,037,001,774
Plant & Equipments	1,648,302,577	7,054,285	14,688	1,655,342,174	80,537,584	86,452,301	3,282	166,986,603	1,488,355,571	1,567,764,993
Furniture & Fixture	580,233,826	2,847,931	—	583,081,757	48,909,857	52,883,597	—	101,793,454	481,288,303	531,323,969
Vehicles	3,693,148	—	—	3,693,148	3,508,491	—	—	3,508,491	184,657	184,657
Office Equipments	15,152,100	1,405,194	—	16,557,294	1,736,430	718,848	—	2,455,278	14,102,016	13,415,670
Total	6,924,131,689	14,903,510	14,688	6,939,020,511	178,334,480	187,814,202	3,282	366,145,400	6,572,875,111	6,745,797,209
ii. Intangible Assets										
Softwares	34,599,339	1,997,773	—	36,597,112	6,033,556	6,919,438	—	12,952,994	23,644,118	28,565,783
Goodwill on Consolidation	621,315,946	—	—	621,315,946	—	—	—	—	621,315,946	621,315,946
Total	655,915,285	1,997,773	—	657,913,058	6,033,556	6,919,438	—	12,952,994	644,960,064	649,881,729
Grand Total	7,580,046,974	16,901,283	14,688	7,596,933,569	184,368,036	194,733,640	3,282	379,098,394	7,217,835,175	7,395,678,938
iii. Capital Work-in-Progress										
	3,589,707	27,729,149	11,727,436	19,591,420	—	—	—	—	19,591,420	3,589,707

* Goodwill represents the difference between the net assets of Robust Hotels Private Limited as at the date of its becoming subsidiary of the Company and Company's investment as at that date.

Amount in ₹

	As at 31st March 2014	As at 31st March 2013
13. Non- Current Investments		
Unquoted, At cost-other than trade		
6,30,000 (Previous Year 6,50,000) Equity Shares of Maple Renewable Power Private Limited of ₹ 10/- each	6,300,000	6,500,000
In Government Securities		
- National Savings Certificate	29,000	24,000
	6,329,000	6,524,000
Aggregate amount of unquoted investments	6,329,000	6,524,000.00
Aggregate amount of provision for diminution in the value of investments	—	—
14. Long Term Loans and Advances		
(Unsecured, considered good by the management)		
Security Deposit	22,715,880	18,914,138
Advance Income Tax (Net of Provision for Taxation of ₹ 5,24,048/- (Previous Year ₹ 5,24,048/-))	16,786,718	9,002,930
	39,502,598	27,917,068
15. Inventories		
(As taken valued and certified by the management)		
(Valued at Cost or Net Realisable Value, whichever is lower)		
Food	1,164,661	1,379,269
Beverages	7,039,246	9,747,074
Tobacco	85,101	62,562
	8,289,008	11,188,905
	8,289,008	11,188,905

CONSOLIDATED FINANCIAL STATEMENTS

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

	As at 31st March 2014	As at 31st March 2013
Amount in ₹		
16. Trade Receivables		
(Unsecured, considered good)		
Debt outstanding for a period exceeding 6 months	9,980,425	—
Others receivables (outstanding for a period less than 6 months)	38,383,099	42,022,732
	48,363,524	42,022,732
17. Cash and Bank Balance		
Cash and Cash Equivalents		
Balance with Banks		
– In Current Accounts	11,232,983	4,556,549
– Cheques in Hand	—	2,536,487
Cash in hand (as certified by the management)	1,380,553	785,897
Other Bank Balances		
– Margin Money Deposit (having maturity more than 12 months)	14,850,344	14,379,334
– Fixed Deposit* (DSRA)(having maturity more than 12 months)	5,632,495	5,221,448
Fixed Deposit	22,337,474	
	55,433,849	27,479,715
* under lien with Bank		
18. Short Term Loans And Advances		
(Unsecured, considered good by the management)		
Capital Advance	407,663	1,020,000
Advance to Related Parties		
Forex Finance Private Limited	532,000,000	532,000,000
Other Advances		
To Employees	5,100	29,535
To Suppliers	16,179,781	1,243,782
Advance Tax {net of provision for taxation Nil (31-03-2013: ₹ 4,963,908/-)}	—	2,153
Others	1,000,000	16,493,841
	17,184,881	17,769,311
	549,592,544	550,789,311

CONSOLIDATED FINANCIAL STATEMENTS

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

Amount in ₹

	As at 31st March 2014		As at 31st March 2013		
19) OTHER CURRENT ASSETS					
PREOPERATIVE EXPENDITURE (Pending Allocation)					
Consumption of Beverages, Smokes & Others					
Food, Provisions, Other Beverages & Smokes	—		78,308,594		
Cost of Telephone	—	—	1,732,371	80,040,965	
Employee Benefit Expenses					
Salary & Wages	—		393,844,348		
Contribution to Provident & Other Funds	—		6,488,629		
Staff Welfare	—		31,974,599		
Recruitment & Training	—	—	2,754,385	435,061,961	
Contract Labour & Service	—	—		26,431,783	
Linen, Room, Catering & Other Supplies	—	—		11,245,755	
Operating Equipment Consumption	—	—		6,122,757	
Watch & Ward Expenses	—	—		15,345,154	
Fuel, Power & Light	—	—		151,519,764	
Rent	—	—		17,270,727	
Rates & Taxes	—	—		37,489,034	
Business Promotion & Advertisement	—	—		26,333,690	
Postage, Telegram & Telephone	—	—		4,983,515	
Printing & Stationery	—	—		6,855,015	
Insurance Expenses	—	—		10,411,023	
Motor Car Expenses	—	—		3,687,307	
Advertisement	—	—		153,721	
Repairs & Maintenance					
Building	—		14,922,746		
Plant & Equipment	—		14,080,029		
Others	—	—	11,454,186	40,456,961	
Brokerage & Commission	—	—		27,361,829	
Travelling & Conveyance	—	—		33,957,860	
Freight Charges	—	—		8,893,402	
Filing Fees	—	—		4,660,544	
Legal & Professional Fees	—	—		45,424,321	
Consultancy Fees for Technical Services	—	—		182,487,815	
Loss on Sale of Assets	—	—		16,534	
Miscellaneous Expenses	—	—		37,087,668	
Audit Fees	—	—		460,900	
Provision for Doubtful Debts	—	—		519,777	
Depreciation	—	—		7,095,596	1,221,375,378
Finance Cost					
Interest Charges					
Debenture Interest	—		758,207,392		
Interest on Rupee Term Loan	—		894,553,873		
Interest on Cash Credit Facility	—		541,281		
Interest-Others	—	—	51,955,329	1,705,257,875	
Other Borrowing Cost	—	—	—	2,229,117	1,707,486,992
					2,928,862,370
Less : Pre-Operative Income					
Sale of Products					
Foods, Smokes and Other Beverages	—		254,495,924		
Wines & Liquor	—		4,955,829		
	—		259,451,753		
Less: Excise Duty	—	—	239,719	259,212,034	
Sale of Services					
Room Revenue	—		158,826,450		
Banquets & Others	—		27,812,828		
Communication	—		4,567,738		
On others	—	—	14,066,046	205,273,062	
Interest (Gross)	—				
On Term Deposit from Bank	—		4,587,971.00		
On Income Tax Refund	—		130.00		
From Others	—	—	52,400.00	4,640,501	
Income from sale of tender forms	—	—		203,000	
Foreign Exchange Fluctuation Gain	—	—		347,813	
Profit on sale of Investments	—	—		2,489	
Profit on sale of Assets	—	—		190,624	
Dividend on Long Term Investments	—	—		11,669,558	
Sale of Scraps	—	—		220,000	
Miscellaneous	—	—		964,000	482,723,081
					2,446,139,289
Add:					
Provision for Income Tax	—				1,198,908
Provision for Fringe Benefit Tax	—				398,613
					2,447,736,810
Less: Capitalised/Written off/Adjusted					2,447,736,810
Prepaid Expenses		10,385,891			14,423,652
Other Receivables:					
Interest accrued on Term Deposit	153,158			153,158	
Interest accrued on Others	1,060,109			615,882	
Service Tax	14,790,975			17,679,868	
Vat Receivable	—			389,563	
Others	—	16,004,242		2,976,877	21,815,348
		26,390,133			36,239,000

CONSOLIDATED FINANCIAL STATEMENTS

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

	Year ended 31st March 2014		Year ended 31st March 2013	
Amount in ₹				
20. REVENUE FROM OPERATIONS				
Sale of Products				
a) Food & Smokes	300,274,803		216,973,766	
b) Beverages, Wines and Liquor	69,928,976	370,203,779	49,224,786	266,198,552
Sale of Services				
a) Rooms & Banquets	478,596,069		323,426,807	
b) Communications	4,461,612		5,365,571	
c) Others	16,354,519	499,412,200	13,712,751	342,505,129
		869,615,979		608,703,681
21. OTHER INCOME				
a) Interest Income On				
- Term Deposits	2,331,781		766,788	
- Others	1,314,644	3,646,425	523,499	1,290,287
b) Miscellaneous Income		2,910,166		1,798,633
c) Provision for doubtful debts written back		20,264		353,448
d) Liabilities written back		—		61,192
		6,576,855		4,164,778
22. COST OF MATERIALS CONSUMED				
a) Beverages, Wines & Liquor				
Opening Stock	9,747,074		6,278,514	
Add: Purchases	16,943,236		23,221,961	
	26,690,310		24,277,708	
Less: Closing Stock	7,039,246	19,651,064	9,747,074	14,857,808
b) Food, Smokes & Others				
Opening Stock	1,441,831		2,142,958	
Add: Purchases	87,289,830		62,248,518	
	88,731,661		69,614,242	
Less: Closing Stock	1,249,762	87,481,899	1,441,831	67,845,238
c) Cost of Communication				
Cost of Calls	3,132,901		2,009,849	
Lease Line Rentals	2,384,739	5,517,640	1,460,896	3,470,745
		112,650,603		86,173,791
23. EMPLOYEE BENEFITS EXPENSE				
a) Salaries, Wages and Bonus		149,878,723		103,694,969
b) Contribution to Gratuity, Provident and Other Funds		9,075,290		6,787,080
c) Recruitment and Training		2,221,553		1,969,468
d) Staff Welfare Expenses		22,166,596		21,493,331
		183,342,162		133,944,848
24. FINANCE COST				
a) Interest				
- on Term Loans	478,031,635		299,754,694	
- on Cash Credit	6,249,986		4,143,459	
- to Others	27,987	484,309,608	240,801	304,138,954
b) Other Borrowing Cost		4,649,693		1,414,189
		488,959,301		305,553,143

CONSOLIDATED FINANCIAL STATEMENTS

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

	Amount in ₹	
	Year ended 31st March 2014	Year ended 31st March 2013
25. OTHER EXPENSES		
Contract Labour and Service	55,953,555	37,112,648
Linen, Room, Catering and Other Supplies	25,451,958	20,553,995
Operating Equipment Consumption	14,114,526	3,659,031
Fuel, Power and Light	119,892,180	82,342,399
Repairs & Maintenance		
- On Building	5,037,286	4,788,588
- On Plant & Equipment	18,880,373	12,995,192
- On Others	3,521,046	2,797,893
Site Maintenance Charges	103,000	202,020
Rent	3,597,066	2,433,508
Rates and Taxes	29,797,423	19,834,378
Business Promotion & Advertisement	19,191,811	11,318,095
Insurance	3,811,507	1,637,501
Net Gain / (Loss) on Foreign Currency Translation	10,299,343	—
Motor Car Expenses	404,714	397,231
Printing and Stationery	3,578,801	2,211,756
Travelling and Conveyance	9,515,886	6,090,816
Professional and Consultancy Fees	4,854,483	3,299,543
Freight Charges	38,238	45,518
Filing Fees	10,000	2,119,810
Technical Services	8,563,252	4,827,929
Brokerage & Commission	66,454,980	46,179,384
Telephone Charges	81,617	51,588
Interest on Wealth Tax	185,544	-
Audit Fees		
- As Auditor	239,326	175,326
- For Taxation Matters	50,000	40,800
- For Other Services	69,670	47,261
- For Reimbursement of Expenses	21,174	4,046
Loss on Sale of Assets (Net)	7,913	-
Miscellaneous Expenditure	3,411,711	3,722,682
Preliminary Expenses written off	—	17,680
Bad Debts written off	—	412,617
Pre Operative Expenses written off	—	5,048,898
	407,138,383	274,368,133

26. Earnings per Share (Basic and Diluted)	31st March 2014	31st March 2013
(i) Profit / (Loss) available for Equity Shareholders	(348,305,715)	(210,336,761)
(ii) Weighted average number of Equity Shares @ ₹ 10 each	10,961,000	10,961,000
(iii) Profit / (Loss) per Share	(31.78)	(19.19)

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

Amount in ₹

- 27.** During the year, GJS Hotels Limited (Holding Company) was allotted 7,901,827 1% Cumulative Redeemable Optional Convertible Preference Shares of face value of ₹10 each at a premium of ₹205/- each in Robust Hotels Private Limited, (subsidiary company).
- 28.** The Company has filed writ petition in Hon'ble High Court of Odisha, Cuttack on 28th January 2013 against the order dated 1st November 2012 of Government of Odisha determining the lease of the land held by the Company for the construction of Hotel. Hearing of the petition is pending before the Hon'ble High Court. Counter affidavit has been filed by the Government of Odisha against the writ petition of the Company. In August 2013, the Company has furnished undertaking to the Govt. of Odisha that it will take necessary steps for withdrawal of the said writ upon revocation of the said Order dated 1st November 2012 by the Government and will complete the construction of the Hotel within 3 years of obtaining the approval of the building plan by the Bhubaneswar Development Authority. The Company is hopeful of outcome of the positive result after submission of undertaking.
- 29.** 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.
- 30.** In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), 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) Fellow Subsidiary Company :

Regency Convention Centre and Hotels Limited

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

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

(d) Key Management Personnel

- | | |
|-------------------------|--|
| i) Mr. Arun Kumar Saraf | iv) Mr. Varun Saraf |
| ii) Mr. Umesh Saraf | v) Mr. Amit Saraf (resigned w.e.f. 24-08-13) |
| iii) Mr. A Srinivasan | |

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

Amount in ₹

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

Transactions during the period	Holding Company		Key Management Personnel		Entities Controlled by Directors or their Relatives	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sale of Service and Scrap Sales						
Asian Hotels (East) Limited	11,545					
Chartered Hotels Private Limited	—	—	—	—	12,366	121,165
Expenses Incurred including reimbursement of expenses						
Asian Hotels (East) Limited	358,430	546,363	—	—	—	—
Chartered Hotels Private Limited	—	—	—	—	149,036	1,346,667
Unison Hotels Private Limited	—	—	—	—	275,189	146,333
Juniper Hotels Private Limited	—	—	—	—	317,791	—
Chartered Hampi Hotels Private Limited	—	—	—	—	79,073	—
Loans & Advance taken from						
Asian Hotels (East) Limited	446,650,000	322,500,000	—	—	—	—
Juniper Hotels Private Limited	—	—	—	—	—	1,500,000
Managerial Remuneration						
Mr. A. Srinivasan	—	—	4,970,087	4,361,004	—	—

Closing Balance as on 31st March, 2013	Holding Company		Key Management Personnel		Entities Controlled by Directors or their Relatives	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Investment made by Holding Company						
Asian Hotels (East) Limited	2,346,365,000	2,346,365,000	—	—	—	—
Loans & Advances taken from						
Asian Hotels (East) Limited	1,437,675,000	991,025,000	—	—	—	—
Loans & Advances given to						
Forex Finance Private Limited	—	—	—	—	532,000,000	532,000,000
Corporate Gurantee given by in favour of Robust Hotels Pvt. Ltd.						
Forex Finance Private Limited	—	—	—	—	1,500,000,000	3,450,000,000
Asian Hotels (East) Limited	2,400,000,000	2,400,000,000	—	—	—	—
Trade Payables						
Chartered Hampi Hotels Private Limited	—	—	—	—	9,529	—
Other Payables						
Chartered Hotels Private Limited	—	—	—	—	270,386	784,752

31. The Company does not have more than one reportable segment in accordance with the principle outlined in Accounting Standard (AS 17), "Segment Reporting", the disclosure requirements on "Segment Reporting" is not applicable. The Company operates presently only in India. Thus there is no geographical segment apart from India.

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

33. There are no adjustments on account of deferred tax liability or deferred tax asset in respect of current period as well as earlier period since there are no timing difference between the book income and taxable income.

34. The Company has not recognized any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the management there is no reduction in the value of any assets.

CONSOLIDATED FINANCIAL STATEMENTS

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

Amount in ₹

35. During the year Company has received the Demand Order of ₹ 700,937/- (₹ 515,393/- towards the Wealth Tax and ₹185,544/- towards the interest on Wealth Tax) under the Wealth Tax Act, 1957 against which the Company has filed the appeal before the Commissioner of Wealth Tax (Appeals) after making payment of said demand under protest.
36. In the opinion of the Management, the value of realization of Long Term Loans and Advances and Current Assets in the ordinary course of business could not be less than the amount at which they are stated in the Balance Sheet.
37. Salary includes Remuneration paid to a Whole Time Director ₹ 49,70,087/- (2012-13: ₹ 43,61,004/-).
38. Amount of loans and advances in nature of loans outstanding to Holding Company carrying no interest and repayable on demand as at 31st March 2014 :

Holding Company	Outstanding as on		Maximum amount outstanding during the year	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Asian Hotels (East) Limited	1,437,675,000	991,025,000	1,437,675,000	991,025,000

39. Contingent Liabilities and Commitments not provided for

	31st March 2014	31st March 2013
i) Contingent Liabilities		
Bank Guarantee	126,593,275	126,593,275
ii) Commitments		
Estimated amount of Capital Contracts pending to be executed [net of advances of ₹ 4,07,663/- (previous year ₹ 10,10,250/-)]	407,663	1,010,250
iii) Export Obligation in Respect of EPCG licenses	1,012,746,200	1,012,746,200

40. The subsidiary company has not provided liability on account of dividend payable on Cumulative Preference Shares as detailed below:

Class of Preference Share	Number of Share	Date of Allotment	Dividend Payable as on 31/03/2014
12% Cumulative Redeemable Preference Shares of ₹100 each	43,00,000	04.09.08	287,546,301
41. Expenditure in Foreign Currency:-		31st March 2014	31st March 2013
Fees for Technical Services		7,654,993	2,236,844
Professional & Consultancy		999,763	—
Travelling Expenses		—	5,530,726
Commission		46,975,757	40,228,130
Recruitment & Training		403,984	9,437,128
Contract Labour & Service		—	289,486
Cost of Supplies		173,000	—
Business Promotion & Advertisement		2,733,895	18,758,025
Repair & Maintenance		5,191,218	1,413,199
Staff Welfare		328,630	3,594,184
Others		1,419,010	1,154,878

42. During the year Robust Hotels Private Limited (Subsidiary Company) has incurred loss of ₹ 5088.76 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. C. I. F. Value of Capital Goods imported : ₹ 4,21,520/- (2012-13: ₹ 45,11,250/-).
44. Earnings in Foreign Currency - on receipt basis : ₹ 42,20,85,172/- (2012-13 : ₹ 41,55,22,772/-)
45. There are no other additional material information required to be disclosed pursuant to the provisions of the Companies Act, 1956, Schedule VI to the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006 and other material applicable enactments, circulars, orders, notifications etc.
46. The previous figures have been regrouped/reclassified, wherever necessary to confirm the current presentation.

As per our report of even date

For and on behalf of the Board of Directors

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Rana Sen
Partner
Membership No. 066759
Place : Kolkata
Date : 21st May 2014

Umesh Saraf
Director

Padam Kr. Khaitan
Director

Pratima Yadav
Company Secretary