



*Asian Hotels (North) Limited*



38th

Annual Report 2018-19

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shiv Kumar Jatia  
*Chairman and Managing Director*  
Lalit Bhasin  
Dinesh Chandra Kothari  
Pinaki Misra  
Ranjan Kishore Bhattacharya  
Dipendra Bharat Goenka  
Amritesh Jatia  
Anita Thapar  
*Executive Director - Administration & Corporate Co-ordination*

## GROUP CORPORATE FINANCE HEAD

Deepak Gupta  
*General Manager - Finance*

## CHIEF FINANCIAL OFFICER

Prakash Chandra Sharma  
*Vice President - Corporate Finance*

## COMPLIANCE OFFICER

Dinesh Kumar Jain  
*Vice President (Corporate Affairs) & Company Secretary*

## AUDITORS

Dhirubhai Shah & Co LLP  
Chartered Accountants  
4<sup>th</sup> Floor, Aditya Building  
Near Sardar Patel Seva Samaj  
Mithakali Six Roads, Ellisbridge  
Ahmedabad - 380 006

## BANKERS

Axis Bank Limited  
Bank of Maharashtra  
DBS Bank Limited  
IndusInd Bank  
Punjab National Bank  
Yes Bank Limited

## REGISTRAR & TRANSFER AGENTS

Karvy Fintech Pvt. Ltd.  
Karvy Selenium – Tower B  
Plot No. 31 & 32, Financial District  
Nanakramguda  
Serilingampally Mandal  
Hyderabad - 500 032  
Tel: 91 40 67162222  
Fax: 91 40 23001153  
Website: [www.karvyfintech.com](http://www.karvyfintech.com)  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

## REGISTERED OFFICE & INVESTOR RELATIONS DEPARTMENT

Bhikaiji Cama Place, M. G. Marg, New Delhi - 110 066  
Tel: 91 11 66771225-26, Fax: 91 11 26791033

Website: [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com) E-mail: [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com)

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# ASIAN HOTELS (NORTH) LIMITED

CIN: L55101DL1980PLC011037

Registered Office: Bhikaiji Cama Place, M. G. Marg,  
New Delhi – 110066

Phone: 011 66771225/26; Fax: 011 26791033

Website: www.asianhotelnorth.com

E-mail: investorrelations@ahlnorth.com

## NOTICE

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of ASIAN HOTELS (NORTH) LIMITED will be held on Tuesday, the 27<sup>th</sup> August, 2019, at 10.30 a.m. at the Regency Ball Room, Hyatt Regency Delhi\*, Bhikaiji Cama Place, M. G. Marg, New Delhi-110066 to transact the following business:

### ORDINARY BUSINESS

1. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

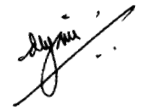
**“RESOLVED THAT** the audited Stand-alone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, including the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit & Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended as on that date, and the accompanying Notes thereto along with the Auditors’ Report and Directors’ Report thereon, be and are hereby received, approved and adopted.

**RESOLVED FURTHER THAT** the audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, including the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, and the Consolidated Statement of Profit & Loss, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended as on that date, and the accompanying Notes thereto, along with the Auditors’ Report thereon, be and are hereby received, approved and adopted.”

2. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mr. Amrutesh Jatia (DIN: 02781300), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013.”

By order of the Board  
for **ASIAN HOTELS (NORTH) LIMITED**



Dinesh Kumar Jain  
Vice-President (Corporate Affairs) &  
Company Secretary  
Membership No.: FCS 6224

Place: New Delhi  
Date: 23<sup>rd</sup> July, 2019

### NOTES:

- 1) Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standard on General Meetings (SS-2) in respect of the Director seeking re-appointment at the ensuing annual general meeting, viz. brief resume detailing age, qualifications, nature of expertise in specific functional areas, directorships and membership of committees held in other companies, shareholding interest in the Company and inter-se relationship amongst directors/key managerial personnel is appended (please refer page no. 6) and should be construed as a part of this Notice.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
**The Admission Slip cum E-voting Advice is appended to the Annual Report 2018-19. The Proxy Form is also annexed towards the end of the Annual Report.**
- 3) **Pursuant to Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.**

\*It is located near Engineers India Building on Mahatma Gandhi Marg (Ring Road) New Delhi, on the stretch between Dhaula Kuan and All India Institute of Medical Sciences. Hotel Hyatt Regency Delhi is itself a prominent land mark building. Route map is printed on page no. 147

# ASIAN HOTELS (NORTH) LIMITED

- 4) **The instrument of Proxy, in order to be effective, should reach the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions or authorizations, as applicable.**
- 5) Corporate Members intending to send their authorized representatives under Section 113 of the Act, are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting, together with duly certified signatures of such representatives.
- 6) The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts and Arrangements in which Directors are interested and documents referred to in the accompanying Notice are open for inspection in physical form by the Members at the Registered Office of the Company during business hours between 10.00 a.m. and 5.00 p.m. on all working days till the date of the ensuing annual general meeting, and also during the said meeting.
- 7) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 21<sup>st</sup> August, 2019 to Tuesday the 27<sup>th</sup> August, 2019, inclusive of both days.
- 8) The Company keeps uploading regularly, on its website as also on the website of the Ministry of Corporate Affairs, Government of India (MCA), complete details of unpaid/unclaimed dividends from time to time. Further, in an endeavor to serve its shareholders, the Company has been notifying the shareholders about the dividends which remain unpaid/unclaimed, by sending them individual reminders from time to time.

Any amount described under Section 125(2) of the Act, including dividend, which remains unpaid/unclaimed for a period of seven years is required to be transferred by the Company in accordance with the provisions of Section 124(5) of the Act, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, during the year under review, the unpaid/unclaimed dividend for the financial year 2010-11 was transferred to the IEPF.

Further, Section 124(6) of the Act requires that all shares in respect of which dividend has been unpaid/unclaimed for a period of seven consecutive years shall also be transferred to IEPF. Accordingly, 38605 equity shares, held by 302 beneficial owners/shareholders of the Company, in respect of which dividend for all the relevant financial period/years ended 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014 remained unpaid/unclaimed consecutively for a period of seven years up-to 22<sup>nd</sup> October, 2018, were transferred to IEPF in accordance with Section 124(6) of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended or re-stated from time to time (the IEPF Rules).

**Attention of the members is therefore drawn to the fact that unpaid/unclaimed dividend pertaining to the financial year ended 31<sup>st</sup> March, 2012 is due for transfer to the IEPF, and therefore, any claim in respect thereof should be lodged as advised below:**

Unpaid/Unclaimed Amount	Due date for transfer to IEPF	Date by which claim should be lodged
Dividend for the financial year ended 31 <sup>st</sup> March, 2012	25.10.2019	14.10.2019

Shareholders are advised to write to the Company or to the Registrar & Transfer Agent requesting for fresh warrants by providing details of their Folio No./Client ID, No. of shares held by them etc. enclosing a signed cancelled cheque, self attested copy of PAN and proof of address.

**Further, the members' attention is also drawn that shares in respect of which dividend remains unpaid/unclaimed for all the respective financial years ended 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014 consecutively up to 25<sup>th</sup> October, 2019, shall also be liable for transfer to IEPF, in accordance with the aforesaid provisions.**

- 9) **Members may be aware that effective 1<sup>st</sup> April, 2019, transfer of shares shall not be processed unless the shares are held in the dematerialized form with a Depository. Accordingly, members holding shares in physical form should dematerialize their holding to maintain easy liquidity.**
- 10) a) Members are requested to notify change, if any, in their e-mail ID and/or mailing address including pin code, quoting their folio number to the Registrar & Transfer Agent or the Company.  
b) Members holding shares in electronic form should notify any change in their e-mail ID, mailing address including pin code, bank details etc. directly to their respective Depository Participants.
- 11) Non-Resident Indian shareholders are requested to inform changes, if any, in their residential status and/or particulars of NRE Bank Account maintained in India, along with name and complete address of the Bank to the Registrar & Transfer Agent or the Company.
- 12) The Securities and Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever requisite bank details are available. **Members holding shares in physical form are also requested to register their mandate for transfer of future dividends as well as unclaimed/unpaid dividends through NECS so that the same may be deposited directly to the members' respective bank accounts. The proforma for registration/up-dation of NECS mandate is annexed towards the end of the Annual Report.** Further, members holding shares in electronic form should notify change in their bank account details, if any, directly to their respective depository participants. In the absence of NECS facilities, the Company prints the bank account details, if available, on the dividend warrant to avoid any fraudulent encashment of warrants.

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- 13) Electronic copy of Annual Report 2018-19 including the Notice of the 38<sup>th</sup> Annual General Meeting of the Company detailing inter-alia the process and the manner of e-voting, is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participants unless any member has specifically requested for a physical copy.

Despite having registered their e-mail IDs for receiving communications in electronic form, the Company shall be pleased to provide physical copies, if so requested. The members may register their request for physical copies or any other communication or grievance on the Company's e-mail ID [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com)

Members, who have not registered their e-mail IDs, shall be served with a physical copy of the said Annual Report through a permitted mode.

- 14) Annual Report 2018-19 including the Notice of the 38<sup>th</sup> Annual General Meeting is being mailed to all the members, whose names appear in the Register of Members/list of beneficial owners as furnished by the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of Friday, the 26<sup>th</sup> July, 2019.
- 15) Annual Report 2018-19 including the Notice of the 38<sup>th</sup> Annual General Meeting of the Company detailing inter-alia the process and the manner of e-voting, is also available on the Company's website [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com) and may be accessed or downloaded there-from. The said Notice is also uploaded on the website of Karvy, the agency providing the e-voting platform and can be accessed or downloaded from the URL:<https://evoting.karvy.com>
- 16) **Members who have not registered their e-mail IDs are requested to register/update the same with their Depository Participants or the Registrar & Transfer Agent, as the case may be, to promote the green initiative and thus, help preserve the environment.**

**In continued compliance of Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide yet another opportunity to the members to register/update their e-mail IDs by providing the requisite details in the proforma annexed towards the end of the Annual Report.**

- 17) a) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of the Listing Regulations, the Company is pleased to provide to the members the facility to exercise their right to vote by electronic means in respect of the business placed at the 38<sup>th</sup> Annual General Meeting through remote e-voting platform provided by Karvy.
- b) The members attending the annual general meeting who have not cast their vote through remote e-voting shall also be provided the opportunity to vote electronically at the venue.
- c) The members who have cast their vote prior to the annual general meeting through remote e-voting may also attend the said meeting. However, such members shall not be entitled to cast their votes again. In case the members cast their votes through remote e-voting as well as at the annual general meeting, votes cast through remote e-voting shall only be considered valid.

## 18) Instructions for and other information relating to remote e-voting:

18.1 Members whose e-mail IDs are registered with the Company/Depository Participants, on receiving an e-mail from Karvy should:

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com> in the address bar and click on "Enter", where-upon the home screen will be displayed and then, click on 'Shareholders' icon.
- ii) Enter the Log-in Credentials i.e., **User ID and initial password** as detailed in the e-mail forwarding this Annual Report. Your Folio No./DPID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to compulsorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$ etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
- v) You need to log-in again with the new credentials.
- vi) On successful log-in, the system will prompt you to select the "EVENT" i.e. Asian Hotels (North) Limited.
- vii) On the voting page, enter the number of shares as on the cut-off date (which represents the number of votes) in respect of each of the resolutions and cast your vote by selecting "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total votes. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head, i.e. "FOR" or "AGAINST".
- viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

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- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi) A confirmation box will then be displayed. Click “OK” to confirm, else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can log-in any number of times till they have voted on the resolutions.
- xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution, Authority Letter etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID [sankara@cacsindia.com](mailto:sankara@cacsindia.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com) The scanned image of the above mentioned documents should be in the naming format “Asian Hotels (North) Limited EVENT NO. \_\_\_\_\_”
- 18.2 Members who receive physical copy of the Notice for this annual general meeting and the financial statements (particularly the members whose e-mail IDs are not registered with the Company/Depository Participants), should follow all steps mentioned at (i) to (xii) of Note No. 18.1 above using the **User ID and initial password** as mentioned on the Admission Slip cum E-voting Advice appended thereto.
- 18.3 Members of the Company holding shares in physical form or in dematerialized form, as at the close of business hours on the cut-off date, being **Tuesday, the 20<sup>th</sup> August, 2019**, shall only be entitled to vote on the proposed resolutions; and their shareholding on such date shall only be reckoned for the purposes of arriving at the results of the remote e-voting and electronic voting at the annual general meeting.
- The remote e-voting period commences on **Saturday, the 24<sup>th</sup> August, 2019, at 9.00 a.m. and ends on Monday, the 26<sup>th</sup> August, 2019, at 5.00 p.m.** Thereafter, the remote e-voting module shall be disabled for voting. E-vote once cast, cannot be altered subsequently.
- Members, who could not cast their vote through remote e-voting, shall be provided the opportunity to vote electronically at the venue, should they attend the annual general meeting.
- The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the Company as at the close of business hours on the cut-off date, i.e. 20<sup>th</sup> August, 2019.
- Members who may cast their vote through remote e-voting are also entitled to attend the annual general meeting but shall not be entitled to vote at the meeting. In case the members cast their votes through remote e-voting as well as electronically at the annual general meeting, votes cast through remote e-voting shall only be considered valid.
- 18.4 In case of any query pertaining to remote e-voting, please visit Help & FAQs section of Karvy’s website i.e. <https://evoting.karvy.com> or contact Karvy at Telephone No.: 1800 345 4001 (toll-free). The members may also contact the following designated officer at Karvy’s office:
- Mr. Ramesh Desai, Manager-Corporate Registry  
Karvy Fintech Pvt. Ltd.  
Karvy Selenium – Tower B  
Plot No. 31-32, Financial District, Nanakramguda  
Serilingampally Mandal  
Hyderabad -500 032  
Phone: +91 40 67161516; e-mail: [ramesh.desai@karvy.com](mailto:ramesh.desai@karvy.com)
- 18.5 The Board of Directors of the Company, at its meeting held on 23<sup>rd</sup> July, 2019, has appointed Dr. S. Chandrasekaran/Mr. Shashikant Tiwari, Partners, M/s. Chandrasekaran Associates, Company Secretaries, as the Scrutinizer for conducting the remote e-voting process as well as the electronic voting at the annual general meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first unblock and determine the votes cast at the meeting, and there-after unblock the votes cast through remote e-voting, on both occasions in the presence of at least two (2) witnesses not being in the employment of the Company, and prepare not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, and submit the same to the Chairman of the Company or in his absence to Dr. Lalit Bhasin, Independent Non-Executive Director and Chairman, Audit Committee and Nomination and Remuneration Committee, as authorized by the Board, whereupon the Chairman/Dr. Bhasin shall declare the result forthwith. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the annual general meeting. Once declared, the result shall be notified to the Stock Exchanges and uploaded on the website of the Company & Karvy.
- 18.6 Persons who may become members of the Company from 27<sup>th</sup> July, 2019 to 20<sup>th</sup> August, 2019, may obtain the User ID and initial password by following the instructions given below:
- a) If the mobile number of the member is registered against Folio No./DPID-Client ID, the member may send SMS:  
**MYEPWD<space>E-Voting Event Number + Folio No. or DPID-Client ID to +91-9212993399**

# ASIAN HOTELS (NORTH) LIMITED

Example for Physical: MYEPWD<SPACE>EVENT NUMBER+XXX12345678

Example for NSDL: MYEPWD<SPACE>IN12345612345678

Example for CDSL: MYEPWD<SPACE>1402345612345678

- b) If e-mail address or mobile number of the member is registered against Folio No./DPID-Client ID, then on the home page of <https://evoting.karvy.com> the member may click "Forgot Password" and enter Folio No./DPID-Client ID, to generate a password.
- c) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com) or call Karvy's Toll free number 1800 345 4001.

**Detailed Profile of Director seeking re-appointment in the ensuing Annual General Meeting, forming part of the Notice convening the said meeting, and further in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) which may also be read as part of the Corporate Governance Report**

Name of Director & DIN	Expertise in Specific Functional Area and other details	Other Companies in which Directorships Held
<p>Mr. Amritesh Jatia DIN: 02781300 (refer Item No. 2 of the accompanying Notice)</p>	<p>Mr. Amritesh Jatia, aged 33, graduated in Business Management from Babson College, U.S.A., and worked as an Analyst with Ernst &amp; Young LLP, New York. Since returning to India, he has been monitoring execution and progress of various projects initiated by the Jatia Group. Mr. Jatia has about twelve years' experience. In view of his educational background and experience in the industry, he holds good command over financial and operational functions. He was first appointed to the Board on 11<sup>th</sup> November, 2010, and held the office of director as a non-executive director under promoter's category until he vacated office on 2<sup>nd</sup> November, 2016, in terms of Section 167(1)(b) of the Act. Thereafter he was again appointed as an additional director under the promoters category in the Board meeting held on 5<sup>th</sup> December, 2016, and as director of the Company, liable to retire by rotation, in the 36<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August, 2017.</p> <p>Mr. Amritesh Jatia is liable to retire by rotation at the ensuing annual general meeting and being eligible has consented to be re-appointed. Accordingly, an appropriate resolution is proposed at Item no. 2 of the Notice convening the 38<sup>th</sup> Annual General Meeting.</p> <p>As a non-executive director, Mr. Amritesh Jatia is entitled to sitting fee for attending the meetings of the Board or Committees thereof, and commission, subject to a maximum of Rs. 7,50,000/- during any financial year, on the net profit of the Company for the relevant year in terms of Sections 197, 198 and other applicable provisions of the Act. No stock option is offered to any director or executive of the Company.</p> <p>Mr. Amritesh Jatia does not hold any shares in the Company in his individual capacity, but being one of the directors and controlling shareholder of Finline Holdings Limited and Yans Enterprises (H.K.) Limited, and the son of Mr. Shiv Kumar Jatia, Chairman &amp; Managing Director, he may be considered to have indirect interest in the entire promoters' shareholding of 14100716 equity shares (72.49% of the total equity) in the Company.</p> <p>Mr. Amritesh Jatia attended two Board meetings during the financial year 2018-19.</p>	<p>Leading Hotels Limited Energy Infrastructure (India) Limited Pergo India Private Limited</p> <p>In addition to the above, he holds directorships in many overseas companies.</p> <p>He is a member of the Stakeholders' Relationship Committee of the Company and the chairman of the Nomination and Remuneration Committee of Leading Hotels Limited, a subsidiary of the Company.</p> <p>Mr. Amritesh Jatia does not hold directorship in any other listed company.</p>

By order of the Board  
for **ASIAN HOTELS (NORTH) LIMITED**



Dinesh Kumar Jain  
Vice-President (Corporate Affairs) &  
Company Secretary  
Membership No.: FCS 6224

Place: New Delhi  
Date: 23<sup>rd</sup> July, 2019



# ASIAN HOTELS (NORTH) LIMITED

## DIRECTORS' REPORT

### To the Members,

Your Directors are pleased to submit their 38<sup>th</sup> Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS & THE STATE OF COMPANY'S AFFAIRS

(on stand-alone basis)

(Rupees in Crore)

Particulars	FY 2018-19	FY 2017-18
Revenue from Operations (Net)	273.52	274.44
Other Income	8.16	31.11
Total Income	281.68	305.55
Profit/(Loss) before exceptional items and tax	(42.08)	(2.75)
Exceptional Items	0	0
Profit/(Loss) before Tax	(42.08)	(2.75)
Provision for Tax (net of write backs) including Deferred Tax Assets (Net)	9.30	0.33
Net Profit/(Loss)	(32.78)	(2.42)
Earning per share - Basic & Diluted (Rs.)	(16.85)	(1.24)

Total revenue from operations for the financial year 2018-19 was almost static at Rs. 273.52 crore as compared to Rs. 274.44 crore in the prior year, showing a marginal decrease of 0.34% over the prior year.

Combined revenue from Food & Beverage including Wines & Liquor has registered a marginal increase of 0.6% during the year under review, as compared to the prior year.

Room revenue declined by 3.07% primarily due to lower average room rate, though the occupancy levels were slightly better as compared to the previous year.

We are pleased to inform that over the last two years, Hotel Hyatt Regency Delhi has launched the following premium products:

- 'The Council', an exclusive members-only club for the captains of the industry to provide them a stimulating environment to conduct their business productively. It offers state of the art facilities for business meetings and exclusive club benefits to its members,
- 'The Mansion', a premium banquet facility and a much sought after event venue in the National Capital Region, and
- 'House A', an elite social destination offering membership by invitation only.

We are further pleased to inform that Hotel Hyatt Regency Delhi has achieved the following in the previous two years:

- Awarded the Platinum rating for sustainability of old construction by the Leeds' Certification, and
- Awarded ISO 22000:2005 Certification for 'Receiving, Storage, Preparation, Processing, Cooking and Serving of Hot Processed Food, Cold Processed Food and Normal Ambient Processed Food and Beverages' until June 2020.

### Transfer to Reserves/Dividend

In view of the loss suffered by the Company, your Directors are constrained not to recommend any dividend for the year under review.

Further, no amount was transferred to the General Reserve for the year under review.

### Material changes and commitments affecting the financial position of the Company

Your Directors would like to inform that no material changes and commitments have occurred between the end of the financial year under review and the date of this report that may adversely affect the financial position of the Company.

### Significant and Material Orders passed by the Regulators or Courts or Tribunals

During the year under review or between the end of that financial year and the date of this report, no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and future operations of the Company.

### Consolidated Financial Statements

In accordance with the provisions of Section 129 of the Companies Act, 2013 (the Act), your directors have presented the stand-alone financial statements of the Company and consolidated financial statements, comprising financials of the Company and its subsidiaries, as part of this Annual Report.

In accordance with the provisions of Section 136 of the Act, individual balance sheet, statement of profit & loss, report of Board of Directors and report of Auditors of each of the subsidiaries are open for inspection by the shareholders at the registered office of the Company, copies of which may be furnished, if desired by any shareholder.

The Statutory Auditors, M/s. Dhirubhai Shah & Co LLP in their report dated 28<sup>th</sup> May, 2019, on the Consolidated Financial Statements had

# ASIAN HOTELS (NORTH) LIMITED

expressed modified opinion on the said financial statements that a subsidiary namely Leading Hotels Limited has not provided interest liability amounting to Rs. 7,50,13,349/- relating to Inter Corporate Deposits and other financial commitments, and that the non-provisioning of interest has resulted in under-statement of capital work-in-progress to the extent of Rs. 7,50,13,349/-.

In response to the above qualification, the management has clarified that in view of the current financial crunch being faced by the said subsidiary, provisions for interest liability for the said amount was not made by it and that the said non-provisioning has had no impact on the current profit/(loss) of the said subsidiary as well as on consolidated financial statements of the Company, since this would have otherwise formed part of the Capital work-in-progress in respective financial statements.

## Foreign Exchange Receipts

The Company's earnings in foreign exchange for the year under review amounted to Rs. 131.45 crore as compared to Rs. 132.47 crore during the prior year.

## CAPITAL STRUCTURE

There is no change in the Company's capital structure since the last report.

During the year under review, the Company has neither issued equity shares with differential rights as to dividend, voting or otherwise, nor has it issued shares to its employees under any scheme (including sweat equity shares). The Company does not have any outstanding warrants/depository receipts/other convertible securities as on 31<sup>st</sup> March, 2019 or the date of this report.

## Un-claimed Shares

In terms of Para F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the details of Un-claimed Shares are as under:

Particulars	No. of folios whose shares are marked as un-claimed	No. of shares marked as un-claimed
A. Status of un-claimed shares at the beginning of the year i.e. 1 <sup>st</sup> April, 2018	131	26133
B. Less: No. of claims received and settled up-to 22.10.2018, the date when un-claimed shares were identified for transfer to IEPF	3	390
C. Balance un-claimed shares as at 22.10.2018	128	25743
D. Less: transferred to IEPF pursuant to Section 124(6) of the Companies Act, 2013 on 13.11.2018	127	24343
<b>Balance un-claimed shares as at 31.03.2019</b>	<b>1</b>	<b>1400</b>

The aforesaid un-claimed shares are held in a separate demat account entitled "Asian Hotels (North) Limited – Un-claimed Suspense Account" maintained with Karvy Stock Broking Limited. The voting rights on these shares shall remain frozen till the shares are claimed by and released to the rightful owner(s).

An aggregate of 38605 equity shares, held by 302 beneficial owners/shareholders of the Company, in respect of which dividend for all the relevant financial years ended 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014 remained unpaid/unclaimed consecutively for a period of seven years up-to 22<sup>nd</sup> October, 2018, were transferred to Investor Education and Protection Fund in accordance with Section 124(6) of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended or re-stated from time to time.

## PROMOTERS

The Company is controlled by the Jatia Group, comprising inter-alia, Mr. Shiv Kumar Jatia, Mr. Amrutesh Jatia and in turn the companies controlled by them namely Finline Holdings Ltd., Mauritius, Yans Enterprises (H.K.) Ltd., Mauritius and Asian Holdings Pvt. Ltd. Such persons directly or indirectly own and control various operating companies of the Jatia Group viz. Asian Hotels (North) Limited and Leading Hotels Limited. All the said constituents singularly and collectively, including the operating companies comprise the Jatia Group. Some of the said constituents exercise control over the Company as directors and/or shareholders.

## SUBSIDIARIES

Your Company holds 100% equity as well as preference capital in Finline Hospitality and Consultancy Pte. Ltd., Mauritius (FHCPL). FHCPL holds 80% equity stake in Lexon Hotel Ventures Ltd., Mauritius (Lexon), and Lexon in turn holds 99.76% equity stake in Leading Hotels Limited (Leading), an Indian subsidiary.

Thus, FHCPL has 79.81% economic interest in Leading.

Based on the financial statements for the year ended 31<sup>st</sup> March, 2019, of the above named subsidiaries and the consolidated financial statements of the Company for the year ended as on that date, each one of FHCPL, Lexon and Leading are material subsidiaries of the Company.

Leading is developing an all villa hotel complex and a PGA standard 18 hole, 72 par championship golf course in Goa for which it has

# ASIAN HOTELS (NORTH) LIMITED

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acquired substantial parcels of land. The said project will be under the management of Four Seasons, a world famed hotel chain and Hospitality Management Company.

Leading has already obtained permissions/approvals from various government authorities.

Petitions filed before the National Green Tribunal against grant of Coastal Regulation Zone and Private Forest by the competent authorities to the aforesaid project at Goa are being contested by Leading. Based on legal advice received and outcome of similar cases in the past, your directors are hopeful of a favorable outcome and do not foresee these petitions having any material impact on the progress of the project.

Petition filed before the National Green Tribunal against Environmental Clearance issued by the Ministry of Environment, Forest and Climate Change has not been admitted so far. Based on legal advice received, your directors are hopeful of a favorable outcome and do not foresee this petition having any material impact on the progress of the project.

In a Petition filed before the High Court of Bombay at Goa, the Order passed by the Deputy Collector declaring the disputed land free from tenancy was challenged. The Hon'ble Court has restrained the parties concerned not to act any further on the impugned order until further orders of the Hon'ble Court. The Company is taking appropriate legal recourse, and is confident of its positive outcome.

During the year under review, no company became a subsidiary or joint venture or associate of the Company. Similarly, no company ceased to be a subsidiary or joint venture or associate during the year under review.

## **Performance and financial position of the subsidiaries**

For performance and financial position of individual subsidiaries, the members may refer to the Statement containing salient features of the financial statements of Company's subsidiaries in Form AOC-1 pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2015, annexed to the financial statements.

## **STATUTORY AUDITORS & THEIR REPORT ON STAND-ALONE FINANCIAL STATEMENTS**

M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad (Firm Registration No.- 102511W), were appointed as the statutory auditors of the Company in the 34<sup>th</sup> Annual General Meeting to hold office from the conclusion of that meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company. However, their firm's name changed to 'M/s. Dhirubhai Shah & Co' with effect from 5<sup>th</sup> March, 2018, and subsequently to 'M/s. Dhirubhai Shah & Co LLP' effective 25<sup>th</sup> July, 2018, with Firm Registration No. 102511W/W100298.

M/s. Dhirubhai Shah & Co LLP, Chartered Accountants, have conveyed eligibility for their continued appointment to act as Statutory Auditors of the Company for the financial year 2019-20.

Statutory Auditors' Report on the Stand-alone Financial Statements for the year under review are with un-modified opinion.

No frauds have been reported under Section 143(12) of the Act by the Auditors of the Company.

## **Internal Financial Controls over Financial Reporting**

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<sup>st</sup> March, 2019 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.

In the opinion of the Statutory Auditors of the Company, as expressed by them in their report, the Company has adequate internal control systems over financial reporting as at 31<sup>st</sup> March, 2019.

## **INTERNAL AUDITORS**

During the year under review, M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi, the internal auditors of the Company conducted periodic audits of the Company. The Audit Committee reviews the detailed Internal Audit reports submitted by the Internal Auditors and takes stock of the actions taken on the observations of and recommendations made by them.

Your Directors are confident that there are adequate internal control systems and procedures which are being followed and complied with.

## **SECRETARIAL AUDITORS & THEIR REPORT**

M/s. Chandrasekaran Associates, Company Secretaries, the Secretarial Auditors of the Company, have submitted their report for the financial year ended 31<sup>st</sup> March, 2019 which is annexed as **Annexure 'A'** and forms part of this Report.

In compliance with Section 204 of the Act, the Company has re-appointed M/s. Chandrasekaran Associates, Company Secretaries, as Secretarial Auditors for the financial year 2019-20.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Amrithesh Jatia retires by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment. Accordingly, an appropriate resolution is proposed at Item No. 2 of the Notice convening the ensuing annual general meeting.

The above proposal has been duly approved and consented to by the Nomination and Remuneration Committee and the Board of Directors of the Company.

Earlier, at the 37<sup>th</sup> Annual General Meeting held during the year under review, Mr. Dipendra Bharat Goenka, who retired by rotation, was re-

# ASIAN HOTELS (NORTH) LIMITED

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appointed as a director liable to retire by rotation. Further, at the said meeting, Mr. Shiv Kumar Jatia was re-appointed as Managing Director of the Company for a further term of three years beginning 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022, not liable to retire by rotation.

In the intervening period, Mr. Dipendra Bharat Goenka vacated the office of Director on 6<sup>th</sup> November, 2018, in terms of Section 167(1)(b) of the Act. Later he was appointed as an Additional Director by the Board in its meeting held on 12<sup>th</sup> February, 2019.

During the year under review, the following resolutions relating to appointment/continuation of directors were also approved and adopted through a postal ballot process, initiated vide notice dated 12<sup>th</sup> February, 2019, which concluded on 26<sup>th</sup> March, 2019:

- Enabling continuation of Dr. Lalit Bhasin as Independent Non-executive Director pursuant to Regulation 17(1A) of the Listing Regulations (up-to completion of current term at the ensuing annual general meeting);
- Re-appointing Dr. Lalit Bhasin for second term of five consecutive years as an Independent Non-executive Director;
- Re-appointing Mr. Dinesh Chandra Kothari for second term of five consecutive years as an Independent Non-executive Director, which takes effect on conclusion of his existing term at the forthcoming AGM; and
- Appointing Mr. Dipendra Bharat Goenka as Director liable to retire by rotation.

Barring a short duration when Mr. Goenka vacated the office of director, there has been no other change in the composition of the Board of Directors during the year under review. Notwithstanding the vacation of office by Mr. Goenka, the Board's constitution was in compliance with the provisions of the Act and the Listing Regulations through-out the year under review.

Neither the Managing Director nor the whole-time director of the Company receives any remuneration or commission from any of the Company's subsidiaries, except sitting fee to the whole-time director.

## **DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(5) OF THE COMPANIES ACT, 2013**

Pursuant to Section 134(5) of the Act, your Directors confirm as under:

- that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the loss of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis;
- that the Directors have laid down internal financial controls that are being followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Significant accounting policies followed by the Company, and the required disclosures are detailed in the Notes to the Financial Statements. Further, applicable Ind AS and related presentation and disclosure norms have been complied with.

## **INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The information required in terms of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo, to the extent possible in the opinion of your Directors, and forming part of this Report, is given in **Annexure 'B'**.

## **PARTICULARS OF EMPLOYEES & DISCLOSURES UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The information pursuant to Section 197(12) of the Act, read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of directors, key managerial personnel and employees of the Company is given in **Annexure 'C'** and **Annexure 'D'** respectively, and forms part of this Report.

## **CORPORATE GOVERNANCE**

Pursuant to the provisions of the Listing Regulations, the Corporate Governance Report, together with the Auditors' Certificate thereon, is annexed hereto as **Annexure 'E'** and **Annexure 'F'** respectively.

## **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors, which presently comprises of four members viz. Mr. Shiv Kumar Jatia, Managing Director who chairs the Committee meetings, and Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Pinaki Misra, Independent Non-Executive Directors.

# ASIAN HOTELS (NORTH) LIMITED

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In compliance with the provisions of Section 135 of the Act read with the Rules framed there-under and Schedule VII thereto, as amended or re-stated from time to time, the Board in its meeting held on 12<sup>th</sup> February, 2019, has amended the existing CSR Policy of the Company effective 1<sup>st</sup> April, 2019. The said policy has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/CorporateSocialResponsibilityPolicyeffective01042019.pdf>

Salient features of the said policy are as under:

- Defines roles and responsibilities of the CSR Committee;
- All permitted activities under Schedule VII to the Act, as updated till 12<sup>th</sup> February, 2019, are designated CSR activities under the policy; and
- The policy lays down a detailed execution, monitoring and reporting mechanism.

Further, the Annual Report on CSR activities in pursuance of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, describing inter-alia the initiatives taken by the Company in implementation of its CSR Policy is enclosed as **Annexure 'G'**, and forms part of this Report.

## RISK MANAGEMENT

The Company's Board is conscious of the need to periodically undertake the risk assessment, and minimization procedures there-for. During the year under review, the Board in its meeting held on 28<sup>th</sup> May, 2018, had approved and adopted a 'Risk Analysis Report as of 31<sup>st</sup> March, 2018' delineating the mitigating factors in respect of various risk factors identified therein, and had noted that the Company has adequate 'Risk Assessment and Minimization Procedures' in place, and that these are working effectively.

Subsequent to the year under review, the Board in its meeting held on 28<sup>th</sup> May, 2019, had also approved and adopted a 'Risk Analysis Report as of 31<sup>st</sup> March, 2019' delineating the mitigating factors in respect of various risk factors identified therein and further noted that the Company has adequate 'Risk Assessment and Minimization Procedures' in place, and that these are working effectively.

## MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, four Board meetings were held, details of which are given in the Corporate Governance Report annexed to this Report as **Annexure 'E'**.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Board of Directors of the Company had approved and adopted 'Whistle Blower Policy'. To align the said policy with the extant statutory and regulatory framework, the Board in its meeting held on 12<sup>th</sup> February, 2019, amended the same and adopted it effective 1<sup>st</sup> April, 2019. The amended Whistle Blower Policy has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/WhistleBlowerPolicyeffective01042019.pdf>

The 'Whistle Blower Policy', as originally adopted, as well as the amended one, provide that all employees and directors of the Company are eligible to make protected disclosures to the competent authority i.e. the Chairman of the Audit Committee with respect to any improper activity concerning the Company. The policy provides for direct access to the Chairman, Audit Committee. During the year under review, neither any case was reported under the Whistle Blower Policy nor was anyone denied access to the said competent authority or the Audit Committee.

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in the prescribed Form MGT-9 is annexed to this Report as **Annexure 'H'**.

## BOARD EVALUATION

The Board of Directors of the Company has in place an evaluation criteria for assessment of its own performance, that of the committees of the Board and the individual directors. The Board in its meeting held on 28<sup>th</sup> May, 2019 has discussed its overall performance on the parameters as laid down in the Nomination, Remuneration and Evaluation Policy, as amended and adopted by the Board in its meeting held on 12<sup>th</sup> February, 2019, and concluded that the Board and its Committees have been performing efficiently. Further, based on the aforesaid policy, and the feedback received from fellow directors, the Board also evaluated the performance of the individual directors and found it satisfactory.

There was no action required to be taken during the year under review based on the previous year's observations on the Board Evaluation. Further, no action is proposed to be taken based on the observations on the Board Evaluation for the year under review.

The details of the evaluation criteria are enumerated in the Nomination, Remuneration and Evaluation Policy which can be accessed at <http://www.asianhotelsnorth.com/pdf/NominationRemunerationandEvaluationPolicyeffective01042019.pdf>

## DECLARATION BY INDEPENDENT DIRECTORS

The independent non-executive directors of the Company, namely Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari, Mr. Pinaki Misra and Mr. Ranjan Kishore Bhattacharya have given declaration describing that they continue to conform to the criteria set out for an independent director under Section 149(6) and other applicable provisions of the Act read with relevant regulations of the Listing Regulations, as amended. Further, in terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. These declarations were taken on record by the Board on 28<sup>th</sup> May, 2019, being its first meeting during the financial year 2019-20.

# ASIAN HOTELS (NORTH) LIMITED

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In the opinion of the Board, the independent non-executive directors fulfill the conditions specified under Section 149 of the Act and the Listing Regulations, as amended, and that they are independent of the management.

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

All contracts, arrangements or transactions entered in to by the Company during the financial year 2018-19, were in the ordinary course of business and were at an arm's length basis. During the year under review, the Company had not entered into any contract, arrangement or transaction with related parties which could be considered material in accordance with the Company's policy on materiality of related party transactions read with the provisions of the Listing Regulations. Accordingly, there are no transactions which are required to be reported in Form AOC-2 in pursuance of Section 188(1) of the Act.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, as applicable, are provided in the Note nos. 5 and 18 to the stand-alone financial statements.

## **NOMINATION, REMUNERATION AND EVALUATION POLICY**

The Board of Directors has amended the existing Nomination, Remuneration and Evaluation Policy of the Company effective 1<sup>st</sup> April, 2019, to incorporate the extant provisions of Section 178 of the Act and Rules made there-under, and Regulation 19 of the Listing Regulations and relevant Schedule thereto. The said policy enumerates the criteria laid down for nomination/selection, appointment, evaluation and remuneration of the directors and key managerial personnel; and determines qualifications, positive attributes and independence of directors and/or key managerial personnel, and is uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/NominationRemunerationandEvaluationPolicyeffective01042019.pdf>

The salient features of the said policy are as under:

- a) Role of the Nomination and Remuneration Committee
  - Ensure diversity of Board;
  - Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board their appointment;
  - Identify persons who are qualified to become directors and/or senior management personnel and recommend to the Board their appointment;
  - Recommend to the Board a remuneration policy for the directors, key managerial/senior management personnel; and
  - Specify the manner for effective evaluation of performance of the Board, its committees and each category of directors
- b) Appointment of directors/KMPs/SMPs as per criteria set-out in the Nomination, Remuneration and Evaluation Policy
- c) Guiding principles for quantum and composition of remuneration, remuneration structure for whole-time directors and non-executive directors
- d) Criteria for evaluation of performance of whole-time directors, non-executive directors and independent non-executive directors

## **AUDIT COMMITTEE**

During the year under review, the Committee comprised of four members namely Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Ranjan Kishore Bhattacharya, Independent Non-executive Directors, and Mr. Shiv Kumar Jatia, Managing Director.

The terms of reference of the Audit Committee and information on the Committee meetings held during the year under review, are detailed in the Corporate Governance Report annexed as **Annexure 'E'** and forms part of this Report.

Further, your Directors would like to inform that all the recommendations made by the Audit Committee during the year under review were duly accepted by the Board.

## **CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of the Company.

## **DEPOSITS**

During the year under review, the Company has not accepted deposits covered under Chapter V of the Act.

## **LISTING ON STOCK EXCHANGES**

The equity shares of the Company are listed on The National Stock Exchange of India Limited and BSE Limited. Further, your Directors would like to inform that the Company has paid up to date Annual Listing Fees to the respective Stock Exchanges.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Para B of Schedule V to the Listing Regulations, the Management Discussion and Analysis Report is given below:

# ASIAN HOTELS (NORTH) LIMITED

## Industry Structure & Developments and Opportunities & Outlook

The Indian economy is expected to grow at sub 7% during the year 2019 which could increase further to 7.1% in the year 2020, according to a report by the International Monetary Fund.

The Indian hospitality sector is expected to witness high growth over the long term. Domestic travel, high disposable income and the advent of better locations are expected to drive this growth. India is expected to have 1,00,000 start-ups by the year 2025 which will not only create employment for millions of people, but also provide an impetus to business travel and related events.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Another factor is India's emergence as a destination to avail world class medical facilities at competitive cost.

Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

The deepening penetration of internet usage and smart phones in India has led to increased booking of hotels through online portals and applications in recent times. This is also expected to significantly enlarge the size of the Indian online hotel industry in the coming years.

The hotel industry in India is significantly under-served. The entire country has just only 1,00,000 hotel rooms, which needs to be doubled if India were to meet the demand of new tourists in the coming years. And this is where the Central and the State Governments should be contributing with their policy reforms pro-actively.

## Threats, Risks and Concerns

Development of new regions like Aerocity pose threat to hotels in Delhi NCR. Aerocity has managed to eat into the market share thus impacting the occupancy levels and room rates of hotels in Delhi NCR. However, no further addition in the supply of rooms in five-star segment is expected in the short term.

Another challenge to the organized hotel industry is alternatives such as 'time-sharing' as a form of vacation ownership of the property, wherein units may be on a partial ownership, lease or a 'right to use' basis. Another option is the serviced apartments available for short-term or long-term stay, providing larger rooms and more space with all the luxuries of a premium hotel at a far more competitive rate.

Further, it is expected that threats from substitutes like Airbnb, which has been successful in Europe and North America, will pose new challenges to the organized hotel industry.

The cost of travel and accommodation in India is often higher than the neighboring countries. Further, limited supply of hotels clubbed with higher cost of travel and accommodation in India means that an increasing number of Indians prefer to go abroad for their holidays.

Talent management is a major challenge for the hospitality sector. Inadequate supply of quality talent and increased competition for talent within the sector and from competing service sectors has made attrition a significant issue to be dealt with.

## Company's strategy for sustained growth in medium to long term

For the sustained growth of an organization, it is imperative that it keeps exploring newer opportunities of growth either through expansion or venturing in to new projects. In its endeavor for sustained growth, the Board of Directors of the Company is contemplating how to best utilize the additional FAR (Floor Area Ratio) of approx. 30,000 sq. meters which is available to the Company in respect of land where hotel Hyatt Regency Delhi is situated, subject to payment of requisite charges to the authorities concerned.

## Review of Operational and Financial performance

The Company achieved aggregate revenue of Rs. 273.52 crore from operations for the year ended 31<sup>st</sup> March, 2019. The said revenue in the prior year was Rs. 274.44 crore. Detailed discussions are given under 'Financial Results & the State of Company's Affairs' herein-above.

## Significant Changes in Key Financial Ratios

Key financial ratios for the year under review vis-à-vis prior year are as under:

S. No.	Key Financial Ratio	FY 2018-19	FY 2017-18
i	Operating Profit Margin (%)	30.04	30.76
ii	Net Profit Margin (%)*	(11.64)	(0.79)
iii	Debtors Turnover#	16.42	22.86
iv	Inventory Turnover	24.27	23.63
v	Current Ratio	0.28	0.29
vi	Debt Equity Ratio	1.58	1.45
vii	Interest Coverage Ratio*	0.69	0.97
viii	Return on Net Worth (%)	(4.64)	(0.33)

\*In the year under review, miscellaneous income arising from sale of apartments was low as compared to prior year. Further, interest cost in the year under review was higher as compared to prior year, leading to the variance.

# ASIAN HOTELS (NORTH) LIMITED

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#Due to credit extended to group bookings in the last quarter of the year, debtors at the year end were higher as compared to prior year. These have been realized in the subsequent period.

## **Segment wise performance**

During the year under review, your Company operated an integrated hotel business at only one location i.e. New Delhi. Power generation, the other business segment being pursued by the Company is governed by a different set of risks and returns. Your Company has two Wind Turbine Generators operating in Maharashtra, but the quantum of assets as well as revenue generated was not significant enough for reporting in terms of the applicable Accounting Standard.

## **Internal Control Systems including Financial Controls and their adequacy**

The Company has standard operating procedures for each operational area. It has in place adequate reporting systems in respect of financial performance, operational efficiencies and reporting with respect to compliance of various statutory and regulatory matters. As detailed above, the Internal Auditors have regularly conducted exhaustive audits pertaining to different operational areas and their reports detailing their findings and observations were periodically placed before the Audit Committee. The Audit Committee also takes stock of the actions taken on the observations of and recommendations made by the Internal Auditors.

The Company has in place adequate internal controls and systems including internal financial control over financial reporting.

## **Human Resources and Industrial Relations**

An organization's success depends largely on its human resources, its management and good industrial relations. Your Company has always viewed human resource development as a critical activity for achieving its business goals.

The Company has in place a Policy against Sexual Harassment and has also formed an Internal Complaints Committee as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint was received in pursuance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company enjoys harmonious relationship with its employees. The Company had 738 (previous year end 743) employees on its rolls as on 31<sup>st</sup> March, 2019.

## **ACKNOWLEDGEMENT**

Your Directors place on record their sincere appreciation and gratitude to the Company's valued customers, the Government of India, State Government of Delhi, and the Financial Institutions and Banks for their continued support and confidence in the Company.

Your Directors also place on record their sincere gratitude to Hyatt International for their co-operation and guidance.

Your Directors also commend the sincere efforts put in by the employees at all levels for the growth of the Company.

Place: New Delhi  
Dated: 23<sup>rd</sup> July, 2019

**For and on behalf of the Board**  
**Shiv Kumar Jatia**  
Chairman & Managing Director  
DIN: 00006187



# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE 'A' FORMING PART OF THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

The Members,  
**Asian Hotels (North) Limited**  
Bhikaiji Cama Place,  
M. G. Marg, New Delhi-110066

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asian Hotels (North) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
  1. Delhi Eating House Registration Regulation, 1980;
  2. Food Safety & Standard Act, 2006;
  3. The Food Safety and Standard Rules, 2011;and
  4. Delhi Entertainment & Betting Tax Act, 1996.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, if any in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

# ASIAN HOTELS (NORTH) LIMITED

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Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and at a Shorter Notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the Company had no specific events/actions that had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. 16302  
Certificate of Practice No. 5673

Date: 13.07.2019  
Place: Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A to this report and form an integral part of this report.

## Annexure-A to the Report

The Members,  
**Asian Hotels (North) Limited**  
Bhikaiji Cama Place,  
M. G. Marg, New Delhi-110066

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. 16302  
Certificate of Practice No. 5673

Date: 13.07.2019  
Place: Delhi

# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE 'B' FORMING PART OF THE DIRECTORS' REPORT

### PARTICULARS AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

#### A. CONSERVATION OF ENERGY

Energy Conservation measures taken/capital investment made during the financial year 2018 – 19	Impact (Estimated savings per annum)
Advanced industrial boiler, installed towards the end of prior financial year, became fully operational from 01.04.2018	Rs. 100 Lacs

Steps taken by the Company for utilizing alternate sources of energy during the financial year 2018 – 19	Status
The Company has acquired an equity stake in a Hydel Power project thus qualifying as 'Captive User' in terms of the Electricity Rules, 2003. This investment enables the Company to purchase power directly from the above hydro power generator company at a competitive price.	The Company started receiving the power effective 20 <sup>th</sup> April, 2018. Resultant savings during the financial year are Rs. 350 lacs.

Additional investment made/proposed during the financial year 2019-20 for 'Sustainability Efforts'	Impact (Estimated savings per annum)
The Company is committed to sustainability efforts. Way forward to reduce the use of plastic bottles in the hotel operations, the Company is in the process of installing a fully automated glass water bottling plant for its in-house consumption. Thus eliminating the major use of plastic water bottles. A step towards sustainable future. Estimated cost of the plant with consumables is Rs. 30 lacs.	Projected savings are Rs. 36 lacs per annum.

There is no further proposal for additional investments during the financial year 2019-20.

#### B. TECHNOLOGY ABSORPTION

In the opinion of the Board, the required particulars, pertaining to technology absorption in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable as hotels form part of the service industry and the Company does not have any significant manufacturing operations.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) The Company has a strong commitment to international business, and is continuously exploring avenues to increase its foreign exchange earnings.
- ii) During the year under review, foreign exchange earnings amounted to Rs. 131.45 crore (Rs. 132.47 crore in the prior year) against which the outgo in foreign exchange was equivalent to Rs. 30.94 crore (Rs. 41.31 crore in the prior year).
- iii) Details of foreign exchange earnings and outgo are given at Note 38 to the Stand-alone Financial Statements.

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'C' FORMING PART OF THE DIRECTORS' REPORT

Disclosure under Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31<sup>st</sup> March, 2019:**

Name of the Director	Nature of Directorship	Ratio
Mr. Shiv Kumar Jatia	Chairman & Managing Director	65.52:1
Ms. Anita Thapar	Executive Director-Administration & Corporate Co-ordination	8.19:1

As the Company suffered loss, no commission is payable to the Non-executive Directors for the year under review. Non-executive directors were paid only the sitting fee for attending the meetings of the Board or Committees thereof. Accordingly, the calculation of required ratio, only on the basis of sitting fee paid would not be appropriate.

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name of the Director/KMP	Office held	Increase/ (Decrease) (%)
Mr. Shiv Kumar Jatia	Chairman & Managing Director	6.20
Ms. Anita Thapar	Executive Director-Administration & Corporate Co-ordination	10.75
Mr. Prakash Chandra Sharma	Chief Financial Officer	(6.09)
Mr. Dinesh Kumar Jain	Company Secretary	(4.56)*

\*Excluding the impact of gratuity and leave encashment paid on superannuation in the previous year

Non-executive directors are paid commission on profit as remuneration. Further, they are paid sitting fees for attending the meetings of the Board or Committees thereof. As mentioned above, due to the loss suffered by the Company, no commission is payable to any director in respect of the year under review. Hence, there is no case for increase in remuneration of any non-executive directors.

3. **The percentage increase/(decrease) in the median remuneration of employees in the financial year under review:** 0.18%
4. **The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019:** 738
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase in salary of all employees (other than the Managing Director and Executive Director) during the year under review is 7.8%

There was an increase in the remuneration paid to Mr. Shiv Kumar Jatia, Managing Director, and Ms. Anita Thapar, Executive Director – Administration & Corporate Co-ordination, by 6.20% and 10.75% respectively. They were paid the remuneration in accordance with the approvals obtained from the Central Government and/or within the limits prescribed under Schedule V to the Act, as applicable. Any component paid in excess is recovered from the concerned person.

6. **Affirmation that the remuneration is as per the remuneration policy of the company:**

The remuneration paid is as per the Nomination, Remuneration and Evaluation Policy of the Company.

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'D' FORMING PART OF THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. NO.	NAME	AGE (YRS.)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION (RS.)	QUALIFICATION	EXPERIENCE (YRS.)	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD/ DESIGNATION/ PERIOD
<b>TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN</b>								
1	Aseem Kapoor	51	General Manager – Hyatt Regency Delhi	2,13,56,416	Hotel Management Graduate	29	27.05.2013	General Manager, Hyatt Regency Mumbai (5 Yrs.)
2	Shiv Kumar Jatia	66	Chairman and Managing Director	2,12,01,364	B.Com	46	10.04.1981	Industrialist
3	Ivan Gabriele	47	Executive Chef	1,01,44,951	Master in Hotel Management	19	10.02.2016	New World Manila Bay Hotel, Philippines, Executive Chef (1 Yr.)
4	Alessandro Sandrolini	49	Executive Sous Chef	1,00,56,983	Trade School Graduate	31	15.01.2016	Park Hyatt Jeddah, Executive Sous Chef (2 ½ Yrs.)
5	Deepak Gupta	42	Group Corporate Finance Head & General Manager - Finance	90,76,373	B.Com (H), A.C.A.	20	01.08.2007	Wel Intertrade Private Limited, Financial Controller (7 Yrs. 8 months)
6	Zhang Hongsheng	40	Chef De Cuisine	58,86,074	Diploma in Culinary	22	02.06.2017	Grand Hyatt Beijing, Chef De Partie (4 ½ Yrs.)
7	Vipin Vasudeva	56	Vice President - Projects	49,87,372	B.E. (Civil)	33	15.01.2010	Magus Estates and Hotels Limited, Vice President - Projects (5 Yrs.)
8	Dinesh Kumar Jain	59	Vice President (Corporate Affairs) & Company Secretary	49,46,479	B.Com (H), F.C.S.	40	27.06.2006/ 01.10.2017	RayBan Sun Optics India Limited, Company Secretary & Legal Manager (6 Yrs.)
9	Prakash Chandra Sharma	56	Vice President- Corporate Finance & Chief Financial Officer	46,67,198	B. Com, F.C.A.	33	17.08.2015	Umang Realtech Pvt. Ltd., Vice President – Finance & Accounts (4 Yrs.)
10	Anil Virmani	59	Director of Finance	41,77,000	MBA Finance	34	17.06.2016	Hyatt Hotels Baku, Director – Finance (2 Yrs.)
<b>EMPLOYED THROUGHOUT THE YEAR* AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 102 LAC</b>								
1	Aseem Kapoor	51	General Manager – Hyatt Regency Delhi	2,13,56,416	Hotel Management Graduate	29	27.05.2013	General Manager, Hyatt Regency Mumbai (5 Yrs.)
2	Shiv Kumar Jatia	66	Chairman and Managing Director	2,12,01,364	B.Com	46	10.04.1981	Industrialist

\* There was no one employed for a part of the year and in receipt of remuneration not less than Rs. 8.50 lac per month

### Notes:

- Total remuneration comprises Basic Salary, HRA, Special Allowance, Company's contribution to Provident Fund, LTA, Personal pay, Performance incentive, Ex-gratia payment and monetary value of other perquisites, if any, on the basis of Income Tax rules. No commission is payable for the year under review to the Managing Director due to the loss incurred.
- Appointment of Mr. Shiv Kumar Jatia, Mr. Aseem Kapoor, Mr. Dinesh Kumar Jain, Mr. Alessandro Sandrolini, Mr. Ivan Gabriele and Mr. Zhang Hongsheng are on contractual basis.
- None of the above-named employee is a relative of any Director of the Company except Mr. Shiv Kumar Jatia who is the father of Mr. Amrutesh Jatia.
- During the year under review, Mr. Aseem Kapoor, General Manager-Hyatt Regency Delhi was paid remuneration which was in excess of the remuneration paid to the Managing Director. Mr. Kapoor, his spouse and/or dependent children do not hold any shares of the Company.

# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE 'E' FORMING PART OF THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. It implies application of those values and ethics to manage day to day affairs and dealings with all the stakeholders. It is about how an organization is managed. Further, dissemination of timely and accurate information regarding financial position and general state of affairs of the entity is an important part of corporate governance.

The Company is committed to good governance practices while conducting its business and endeavors to uphold the core concept of Corporate Governance. The four pillars, on which the corporate governance rests, are transparency, integrity, accountability and compliance of laws, and Asian Hotels (North) Limited, as a Company, has imbibed these principles and endeavors to follow these diligently.

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Company's 'Corporate Governance Report' is given below:

#### BOARD OF DIRECTORS

In consonance with the requirements of Regulation 17 of the Listing Regulations, the Board of Directors of the Company is constituted of an appropriate mix of executive and non-executive directors on one hand, and an adequate number of independent directors from amongst the non-executive directors, on the other hand, to maintain the Board's independence, and to ensure exercising effective governance and control over its executive functioning. At the beginning of the year under review, the Board had eight directors comprising four independent non-executive directors, two non-executive promoter directors, and two executive directors – one being the Chairman & Managing Director and the other a whole-time director designated as Executive Director - Administration & Corporate Co-ordination.

Ms. Anita Thapar's re-appointment as a whole-time director, liable to retire by rotation, designated as Executive Director – Administration & Corporate Co-ordination became effective from 28<sup>th</sup> May, 2018.

Further, at the 37<sup>th</sup> Annual General Meeting held during the year under review, the following resolutions were approved and adopted relating to directorships:

- Mr. Dipendra Bharat Goenka, who retired by rotation, was re-appointed as a director liable to retire by rotation; and
- Mr. Shiv Kumar Jatia was re-appointed as Managing Director of the Company for a further term of three years beginning 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022, not liable to retire by rotation.

Further, Mr. Dipendra Bharat Goenka, who vacated the office of Director on 6<sup>th</sup> November, 2018, in terms of Section 167(1)(b) of the Companies Act, 2013 (the Act), was appointed as an Additional Director (Non-promoter Non-executive Director) by the Board in its meeting held on 12<sup>th</sup> February, 2019.

During the year under review, the following resolutions were also approved and adopted relating to directorships through postal ballot process, initiated vide notice dated 12<sup>th</sup> February, 2019, which concluded on 26<sup>th</sup> March, 2019:

- Continuation of Dr. Lalit Bhasin as Independent Non-executive Director pursuant to Regulation 17(1A) of the Listing Regulations;
- Re-appointment of Dr. Lalit Bhasin for second term of five consecutive years as an Independent Non-executive Director, which takes effect on conclusion of his existing term at the forthcoming AGM;
- Re-appointment of Mr. Dinesh Chandra Kothari for second term of five consecutive years as an Independent Non-executive Director, which takes effect on conclusion of his existing term at the forthcoming AGM; and
- Appointment of Mr. Dipendra Bharat Goenka as Director liable to retire by rotation.

Barring a short duration when Mr. Goenka vacated the office of director, there has been no other change in the composition of the Board of Directors during the year under review. Notwithstanding the vacation of office by Mr. Goenka, the Board's constitution was in compliance with the provisions of the Act and the Listing Regulations through-out the year under review.

The Company follows the prescribed Board procedures and furnishes detailed notes in advance on the businesses to be dealt with at the Board Meetings in terms of Regulation 17 of the Listing Regulations. The Board has been meeting regularly ensuring that the gap between two consecutive meetings does not exceed one hundred and twenty days. The Company was generally in compliance with the requirements of Regulation 17 of the Listing Regulations, as applicable at the relevant time.

During the year under review, four Board meetings were held respectively on 28<sup>th</sup> May, 2018, 31<sup>st</sup> July, 2018, 23<sup>rd</sup> October, 2018 and 12<sup>th</sup> February, 2019.

Pursuant to the provisions of Para C of Schedule V to the Listing Regulations, the relevant information including the composition of the Board, details of directorships held, committee memberships/chairmanships held, and the attendance of the directors at the Board meetings and the previous Annual General Meeting (AGM) held during the year under review are given below:

# ASIAN HOTELS (NORTH) LIMITED

S. No.	Name of the Director@	Category	Board meetings attended vis-à-vis meetings held during their respective tenure including the meeting in which appointed	Last AGM attended: 31 <sup>st</sup> July, 2018	No. of Directorships held in private companies ^	No. of Directorships held in public companies^A	No. of Committee memberships in public companies ^ #	No. of Chairmanship in such Committees ^ #
1.	Mr. Shiv Kumar Jatia	Executive [Chairman & Managing Director] & Promoter Director	4 of 4	YES	13	3	4	1
2.	Dr. Lalit Bhasin	Independent Non-Executive Director	4 of 4	YES	0	10	7	5
3.	Mr. Dinesh Chandra Kothari	Independent Non-Executive Director	4 of 4	YES	4	4	5	1
4.	Mr. Pinaki Misra	Independent Non – Executive Director	4 of 4	NO	5	3	3	0
5.	Mr. Ranjan Kishore Bhattacharya	Independent Non – Executive Director	3 of 4	NO	7	1	1	0
6.	Mr. Dipendra Bharat Goenka	Non – Executive Director	0 of 3~	NO	0	1	0	0
7.	Mr. Amrutesh Jatia	Non – Executive & Promoter Director	2 of 4	YES	1	3	1	0
8.	Ms. Anita Thapar	Executive Director – Administration & Corporate Co-ordination	4 of 4	YES	3	5	1	0

@ Inter-se relationship of directors: Mr. Amrutesh Jatia is son of Mr. Shiv Kumar Jatia.

^ Reflects status as per the latest declarations received from the directors for the FY 2019-20. Includes directorship/membership/chairmanship of the Board/Committees of Asian Hotels (North) Limited, and excludes foreign bodies corporate. Further, directorships include Section 8 companies and companies limited by guarantee.

#Only membership and/or chairmanship of Audit Committee and Stakeholders' Relationship Committee in public limited companies have been taken for this purpose. Wherever the director is a chairman of a Committee, it is also reflected in the count for membership of Committees.

~ Mr. Dipendra Bharat Goenka vacated the office of Director on 6<sup>th</sup> November, 2018, in terms of Section 167(1)(b) of the Act.

None of the independent non-executive directors is serving as an independent director in more than seven listed companies. Further, none of the directors of the Company holding the position of a whole-time director in any listed company is serving as an independent director in more than three listed companies.

Except Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Pinaki Misra none of the other Director holds directorship in any other listed company. The detail of directorships held by the aforesaid Directors in other listed companies is given below:

S. No.	Name of Director and Category	Name of the Listed Company	Category of Directorship
1	Dr. Lalit Bhasin, Independent Non- Executive Director	1. Godfrey Phillips India Limited	Independent Non- Executive Director
		2. Ansal Properties and Infrastructure Limited	Independent Non- Executive Director
		3. Asian Hotels (West) Limited	Independent Non- Executive Director
2	Mr. Dinesh Chandra Kothari, Independent Non- Executive Director	1. Ester Industries Limited	Independent Non- Executive Director
		2. Aro Granite Industries Limited	Independent Non- Executive Director
3	Mr. Pinaki Misra, Independent Non- Executive Director	W H Brady and Company Limited	Independent Non- Executive Director

The Board of Directors have identified the following core skills/expertise/competencies as required in the context of its business for it to function effectively and those actually available with the Board:

- Understanding the business dynamics and global trends;
- Strategic planning for sustainable growth of the Company; and
- Governance practices for serving the best interest of all stakeholders.

# ASIAN HOTELS (NORTH) LIMITED

## COMMITTEES OF DIRECTORS

Apart from committees for different operational purposes, the Company's Board has the following Committees constituted in pursuance of various provisions of the Act and the Listing Regulations.

### a) Audit Committee:

At the commencement of the year under review, the Committee comprised of four members namely Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Ranjan Kishore Bhattacharya, Independent Non-executive Directors, and Mr. Shiv Kumar Jatia, Managing Director. During the year under review, there has been no change in the composition of the Audit Committee.

The Chief Financial Officer of the Company and the Audit Partner/representative(s) of the Statutory Auditors are the permanent special invitees to the committee meetings unless otherwise decided by the Committee.

The terms of reference of the Committee, its role, responsibilities, powers, and terms of reference have been in consonance with the provisions of Section 177 and other applicable provisions of the Act read with Regulation 18 and other applicable provisions of the Listing Regulations, as amended or re-stated from time to time. Further, the Board in its meeting held on 12<sup>th</sup> February, 2019 has re-defined the powers, roles and responsibilities and terms of reference of the Committee, effective 1<sup>st</sup> April, 2019, which inter-alia includes such powers, roles and responsibilities as are defined in Section 177 of the Act and Rules made there-under, Regulation 18 of the Listing Regulations and other relevant Schedule thereto, and relevant provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Major terms of reference of the Audit Committee are extracted below:

- Oversight of financial reporting process;
- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Evaluation of internal financial controls;
- Reviewing financial statements of unlisted subsidiaries;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; and
- Reviewing implementation/compliance of the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (the Insider Trading Code).

The Audit Committee's business and meetings are conducted in terms of the above-referred provisions. The quorum requires presence of at least two members who are independent non-executive directors.

Dr. Bhasin, an eminent lawyer, is the Chairman of the Audit Committee. He is chairman/member of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee of several listed and un-listed companies. Mr. Kothari is a Chartered Accountant and has rich experience in financial restructuring. Mr. Kothari is member of Audit Committee of some prominent listed companies. Mr. Ranjan Kishore Bhattacharya is a graduate in economics and holds a post graduate diploma in Hotel Management. Mr. Bhattacharya has vast experience in the hospitality industry. Mr. Shiv Kumar Jatia, Chairman & Managing Director of the Company is an industrialist of high repute and has rich business experience in managing many private as well as listed companies.

The Company Secretary continues to act as secretary to the Committee.

During the year under review, four meetings of the Committee were held respectively on 28<sup>th</sup> May, 2018, 31<sup>st</sup> July, 2018, 23<sup>rd</sup> October, 2018 and 12<sup>th</sup> February, 2019. The attendance of the member directors at the Audit Committee meetings is as under:

Name of the Director	Category	No. of Meetings Attended
Dr. Lalit Bhasin	Independent Non-Executive	4 of 4
Mr. Dinesh Chandra Kothari	Independent Non-Executive	4 of 4
Mr. Ranjan Kishore Bhattacharya	Independent Non-Executive	3 of 4
Mr. Shiv Kumar Jatia	Executive & Promoter Director	4 of 4

### b) Stakeholders' Relationship Committee:

The role, responsibilities, powers and terms of reference of the Stakeholders' Relationship Committee have been as defined in, and in conformity with the provisions of Section 178 and other applicable provisions of the Act read with Regulation 20 and other applicable provisions of the Listing Regulations, as amended or re-stated from time to time.

Further, the Board in its meeting held on 12<sup>th</sup> February, 2019 has re-defined the powers, roles and responsibilities and terms of reference of the Committee, effective 1<sup>st</sup> April, 2019, which inter-alia includes such powers, roles and responsibilities as are defined in various statutory provisions and others, which are defined by the Board of Directors of the Company.



# ASIAN HOTELS (NORTH) LIMITED

Major terms of reference of the Stakeholders' Relationship Committee are extracted below:

- Look into various aspects of shareholders' interests;
- Redressal of investors' grievances;
- Ensuring effective measures and initiatives for reducing quantum of unclaimed dividend; and
- Consider and approve issuance of share certificates and transmission etc of shares.

At the commencement of the year under review, the Committee comprised of five members namely Mr. Dinesh Chandra Kothari, Mr. Pinaki Misra, Mr. Shiv Kumar Jatia, Mr. Amrutesh Jatia and Ms. Anita Thapar. Mr. Dinesh Chandra Kothari continues to act as the chairman of the Committee. The Committee meets once every quarter and the quorum requires presence of at least two members, including an independent non-executive director. During the year under review, there has been no change in the composition of the Committee.

The Committee's primary responsibility is to supervise redressal of shareholders' grievances. It acts as a catalyst for matters concerning shareholders and is quite proactive in its approach. The Company received 34 complaints during the year, out of which 32 were appropriately resolved and/or replied to and 2 complaints which were lying unresolved or unattended at the year end, were appropriately attended and/or resolved subsequently.

Mr. Dinesh Kumar Jain, Vice President (Corporate Affairs) & Company Secretary is the Compliance Officer of the Company and acts as secretary to the Committee.

During the year under review, four meetings of the Committee were held respectively on 28<sup>th</sup> May, 2018, 31<sup>st</sup> July, 2018, 23<sup>rd</sup> October, 2018 and 12<sup>th</sup> February, 2019.

The attendance of the member directors at the Stakeholders' Relationship Committee meetings is as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Dinesh Chandra Kothari	Independent Non-Executive	4 of 4
Mr. Pinaki Misra	Independent Non-Executive	4 of 4
Mr. Shiv Kumar Jatia	Executive & Promoter Director	4 of 4
Mr. Amrutesh Jatia	Non-executive & Promoter Director	2 of 4
Ms. Anita Thapar	Executive Director	4 of 4

## c) Nomination and Remuneration Committee:

The role, responsibilities, powers and terms of reference of the Nomination and Remuneration Committee have been in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. Further, the Board in its meeting held on 12<sup>th</sup> February, 2019 has re-defined the powers, roles and responsibilities and terms of reference of the Committee, effective 1<sup>st</sup> April, 2019, which inter-alia includes such powers, roles and responsibilities as are defined in Section 178 of the Act and Rules made there-under, and Regulation 19 of the Listing Regulations and relevant Schedule thereto, as amended or re-stated. Moreover, in compliance with the aforesaid provisions, the Board of Directors has amended the existing Nomination, Remuneration and Evaluation Policy of the Company effective 1<sup>st</sup> April, 2019, which inter-alia details the criteria for performance evaluation of the independent directors. Leadership abilities, understanding the business dynamics, strategic planning for sustainable growth and protection of minority shareholders' interest, are the essential criteria of the performance evaluation of the directors. The said policy has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/NominationRemunerationandEvaluationPolicyeffective01042019.pdf>

The salient features of the said policy including the role and responsibility of the Nomination and Remuneration Committee are as under:

- a) Role of the Nomination and Remuneration Committee
  - Ensure diversity of Board;
  - Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board their appointment;
  - Identify persons who are qualified to become directors and/or senior management personnel and recommend to the Board their appointment;
  - Recommend to the Board a remuneration policy for the directors, key managerial/senior management personnel; and
  - Specify the manner for effective evaluation of performance of the Board, its committees and each category of directors
- b) Appointment of directors/KMPs/SMPs as per criteria set-out in the Nomination, Remuneration and Evaluation Policy
- c) Guiding principles for quantum and composition of remuneration, remuneration structure for whole-time directors and non-executive directors

# ASIAN HOTELS (NORTH) LIMITED

- d) Criteria for evaluation of performance of whole-time directors, non-executive directors and independent non-executive directors

At the commencement of the year under review, the Committee comprised of three independent non-executive directors, viz. Dr. Lalit Bhasin, as chairman of the Committee, and Mr. Dinesh Chandra Kothari and Mr. Ranjan Kishore Bhattacharya as its members. Any two members form the quorum. The Company Secretary acts as the secretary to the Committee. During the year under review, there has been no change in the composition of the Committee.

During the year under review, two meetings of the Committee were held respectively on 28<sup>th</sup> May, 2018 and 12<sup>th</sup> February, 2019. The attendance of the member directors at the Nomination and Remuneration Committee meetings is as under:

Name of the Director	Category	No. of Meetings Attended
Dr. Lalit Bhasin	Independent Non-Executive	2 of 2
Mr. Dinesh Chandra Kothari	Independent Non-Executive	2 of 2
Mr. Ranjan Kishore Bhattacharya	Independent Non-Executive	2 of 2

**d) Corporate Social Responsibility (CSR) Committee:**

At the commencement of the year under review, the CSR Committee, constituted under Section 135 of the Act, comprised Mr. Shiv Kumar Jatia, Managing Director, who chairs the Committee meetings, and Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari and Mr. Pinaki Misra, Independent Non-executive Directors. The role, responsibilities, powers and terms of reference of the Committee are in consonance with Section 135 of the Act and the rules made there-under. Quorum for the Committee meetings is two members.

The Company's CSR Policy covers all permitted activities under Schedule VII to the Act, as updated till 12<sup>th</sup> February, 2019. The Committee is entrusted with the task of ascertaining the amount which the Company is supposed to spend on CSR activities during a particular year in pursuance of Section 135(5) of the Act and recommend how and through which institutions, the permitted activities should be undertaken, and to allocate the amount of expenditure to be incurred on each of such activities. Further, the Committee monitors the progress of the designated projects and ensures that the funds allocated are appropriately utilized for the designated projects/activities.

In compliance with the provisions of Section 135 of the Act read with the Rules framed there-under and Schedule VII thereto, as amended or re-stated from time to time, the Board in its meeting held on 12<sup>th</sup> February, 2019, has amended the existing CSR Policy of the Company effective 1<sup>st</sup> April, 2019. The said policy has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/CorporateSocialResponsibilityPolicyeffective01042019.pdf>

Salient features of the said policy are as under:

- Defines roles and responsibilities of the CSR Committee;
- All permitted activities under Schedule VII to the Act, as updated till 12<sup>th</sup> February, 2019, are designated CSR activities under the policy; and
- The policy lays down a detailed execution, monitoring and reporting mechanism.

During the year under review, only one meeting of the Committee was held on 28<sup>th</sup> May, 2018, which was attended by all the members.

## DIRECTORS' REMUNERATION

The remuneration package of the whole-time directors comprises a fixed component in the form of salary, perquisites and allowances, and in case of adequacy of profit, may include on case to case basis, a variable component of commission on profit.

Non-executive directors, i.e. directors other than the managing director/whole-time director are entitled to remuneration by way of commission on profit for a period of five years with effect from 1<sup>st</sup> April, 2014, in such a manner that the aggregate of commission payable to all such non-executive directors does not exceed 1% of the net profit of the Company computed in terms of Section 198 of the Act, with the liberty to the Board to vary the amount or proportion payable to each one of the non-executive directors every year provided that individually none of such directors receives a sum exceeding Rs. 5,00,000/- in respect of any financial year. In addition to the above, non-executive directors are entitled to sitting fees for the meetings of the Board and the Committees thereof attended by them. However, in view of the loss suffered by the Company in respect of the year under review, no commission could be provided/paid to the non-executive directors.

However, with effect from 1<sup>st</sup> April, 2019, the non-executive directors are entitled to remuneration by way of commission on profit for a period of five years in such a manner that the aggregate of commission payable to all such non-executive directors does not exceed 1% of the net profit of the Company computed in terms of Section 198 of the Act, with the liberty to the Board to vary the amount or proportion payable to each one of the non-executive directors every year provided that individually none of such directors receives a sum exceeding Rs. 7,50,000/- in respect of any financial year.

No stock option was offered to the directors or employees of the Company. In fact, the remuneration structure of executive as well as non-executive directors, as detailed above, does not provide for stock options. The notice period and severance fee are governed by the terms and conditions described in the respective resolutions and the Company policy in respect thereof.

Details of remuneration and sitting fees paid/payable to the directors for the year under review are given below:

# ASIAN HOTELS (NORTH) LIMITED

REMUNERATION & SITTING FEES (In Rs.)				
Name of Director	Salary & Perks	Commission	Sitting Fees <sup>^</sup>	Total
Mr. Shiv Kumar Jatia*	2,12,01,364	0	0	2,12,01,364
Dr. Lalit Bhasin	0	0	6,20,000	6,20,000
Mr. Dinesh Chandra Kothari	0	0	7,10,000	7,10,000
Mr. Pinaki Misra	0	0	4,30,000	4,30,000
Mr. Ranjan Kishore Bhattacharya	0	0	4,20,000	4,20,000
Mr. Amritesh Jatia	0	0	0	0
Mr. Dipendra Bharat Goenka	0	0	0	0
Ms. Anita Thapar#	26,51,055	0	0	26,51,055
<b>Grand Total</b>	<b>2,38,52,419</b>	<b>0</b>	<b>21,80,000</b>	<b>2,60,32,419</b>

\*Tenure was from 10<sup>th</sup> April, 2016 to 31<sup>st</sup> March, 2019; Re-appointed for another term of three years from 1<sup>st</sup> April, 2019 in the previous annual general meeting

# Current tenure is from 28<sup>th</sup> May, 2018 to 31<sup>st</sup> March, 2021

<sup>^</sup>Excluding Service Tax/GST, as applicable

## OTHER BOARD RELATED DISCLOSURES

### Exclusive Meeting of the Independent Directors of the Company

During the year under review, an exclusive meeting of the independent directors was held on 28<sup>th</sup> May, 2018, inter-alia to review the performance of directors other than independent directors, and the Board as a whole; to review the performance of the chairperson of the Company; and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board. Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari, Mr. Pinaki Misra and Mr. Ranjan Kishore Bhattacharya attended the said meeting.

### Familiarization Programme for Independent Directors

The Company, in pursuance of Regulation 25(7) of the Listing Regulations, has in place a Familiarization Programme for its independent directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Such Policy on Familiarization Programme has been uploaded on the website of the Company and can be accessed at

<http://www.asianhotelsnorth.com/pdf/PolicyonFamiliarisationProgrammeForIndependentDirectors.pdf>

During the year under review, a Familiarization Programme was conducted for the benefit of the independent directors on 28<sup>th</sup> May, 2018. The said Programme was attended by Dr. Lalit Bhasin, Mr. Dinesh Chandra Kothari, Mr. Pinaki Misra and Mr. Ranjan Kishore Bhattacharya. The details of such Familiarization Programmes have been uploaded on the website of the Company and can be accessed at

<http://www.asianhotelsnorth.com/pdf/DetailsofFamiliarizationProgrammeForIDs28052018.pdf>

As mandated, the Company has issued formal letters of appointment to its independent directors. General terms and conditions of appointment of independent directors are available on the website of the Company and can be accessed at

<http://www.asianhotelsnorth.com/pdf/TermsConditionsofAppointmentofIndependentDirectors.pdf>

### Shareholding of Non-Executive Directors

As on 31<sup>st</sup> March, 2019, none of the non-executive directors held any equity share in the Company.

## GENERAL BODY MEETINGS

Financial Year	Nature of Meeting	Venue	Date	Time
2015-16	AGM#	Hotel Hyatt Regency Delhi, Bhikaji Cama Place, M.G. Marg, New Delhi- 110066	29.09.2016	11.30 a.m.
2016-17	AGM <sup>^</sup>	-do-	10.08.2017	11.30 a.m.
2017-18	AGM*	-do-	31.07.2018	11.30 a.m.

# A special resolution was placed before, and was approved by the shareholders, to adopt the re-stated Articles of Association in substitution of the existing Articles of Association of the Company. This resolution was not required to be put through a postal ballot.

<sup>^</sup> A special resolution in pursuance of Section 186 of the Companies Act, 2013 was placed before, and was approved by the shareholders authorizing further investments by acquiring securities by way of subscription, purchase or otherwise, as and when required, up to a sum not exceeding Rs. 250 crore over and above the existing investments of the Company. This resolution was not required to be put through a postal ballot.

\* Following three businesses were placed before, and were approved by the shareholders as special resolutions:

# ASIAN HOTELS (NORTH) LIMITED

1. Re-appointment of Mr. Shiv Kumar Jatia (DIN: 00006187) as Managing Director of the Company from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022 and payment of remuneration;
2. Payment of remuneration to non-executive directors by way of commission on profit not exceeding 1% of the net profit of the Company for the relevant year, such authorisation being for a period of five years effective 1<sup>st</sup> April, 2019; and
3. Authorisation to give loan; give guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase, or otherwise, the securities of any other body corporate in pursuance of Section 186 of the Companies Act, 2013, not exceeding Rs. 1500 crore.

The business proposed at Item No. 3 above was required to be dealt with through a postal ballot process but it was transacted at the previous annual general meeting held on 31<sup>st</sup> July, 2018, as the Company had provided the facility of voting by electronic means including remote e-voting as well as instant electronic voting at that meeting in compliance of proviso to sub-section (1) of Section 110 of the Act. None of the other resolutions were required to be put through postal ballot.

During the year under review, the Company conducted a postal ballot process as initiated by the Board in its meeting held on 12<sup>th</sup> February, 2019, inter- alia to secure shareholders' approval for the following businesses by means of separate special resolutions:

1. Continuation of Dr. Lalit Bhasin (DIN: 00001607) as Independent Non-executive Director pursuant to Regulation 17(1A) of the Listing Regulations;
2. Re-appointment of Dr. Lalit Bhasin\* (DIN: 00001607) for second term of five consecutive years as an Independent Non-executive Director; and
3. Re-appointment of Mr. Dinesh Chandra Kothari\* (DIN: 00195609) for second term of five consecutive years as an Independent Non-executive Director.

\*Completes their initial term on the conclusion of the ensuing annual general meeting.

The Company, following the due procedure described under the extant rules applicable for postal ballot under the Act, had provided the facility of e-voting to the shareholders through Karvy Fintech Pvt. Ltd. (Karvy) in addition to physical voting through postal ballot. The Notice of Postal Ballot dated 12<sup>th</sup> February, 2019, was sent to the shareholders, whose names appeared in the Register of Members/List of Beneficial Owners as at the close of business hours on Friday, the 15<sup>th</sup> February, 2019, and accordingly, the voting rights were reckoned on the paid up value of shares registered in the name of the shareholders/beneficial owners as on the said date. Last date of receipt of the Postal Ballot Forms was Tuesday, the 26<sup>th</sup> March, 2019. Dr. S. Chandrasekaran (FCS 1644, CP No. 715), Senior Partner, and in his absence Mr. Shashikant Tiwari (FCS 28994, CP No. 13050), Partner, M/s Chandrasekaran Associates, Company Secretaries were appointed as the Scrutinizer to conduct the postal ballot process in fair and transparent manner. The Scrutinizers submitted their report on Thursday, the 28<sup>th</sup> March, 2019.

Ms. Anita Thapar, Executive Director-Administration & Corporate Co-ordination, received the Scrutinizer's Report, as authorized by the Board of Directors, and based upon the said report, announced the results of the postal ballot at the Registered Office of the Company on Thursday, the 28<sup>th</sup> March, 2019 at 4.00 p.m.

The voting pattern for the said postal ballot was as under:

Particulars	Resolution No. 1		Resolution No. 2		Resolution No. 3	
	No. of members voted	Votes held by them	No. of members voted	Votes held by them	No. of members voted	Votes held by them
Total No. of Members who voted, and shares held by them	201	1,41,08,654	201	1,41,08,654	201	1,41,08,654
Less: No. of Members, and their Invalid/Rejected Votes	7	526	7	526	7	526
Less: No. of Members, and votes not exercised or partially exercised by them	8*	533	8*	533	6#	479
Total No. of Valid Votes Cast	187*	1,41,07,595	187*	1,41,07,595	189#	1,41,07,649
Valid Votes Cast in favour of the resolution	164	1,41,06,858	164	1,41,06,858	168	1,41,07,439
Valid Votes Cast against the resolution	23	737	23	737	21	210

\*One Member who holds 10 shares partially exercised his voting right for 2 shares only and not exercised his voting right for 8 shares.

#One Member who holds 10 shares partially exercised his voting right for 3 shares only and not exercised his voting right for 7 shares.

The result of the said postal ballot was communicated to BSE Limited and The National Stock Exchange of India Limited, where the equity shares of the Company are listed. The said results were displayed on the website of the Company ([www.asianhotelsnorth.com](http://www.asianhotelsnorth.com)) and on the website of Karvy ([www.evoting@karvy.com](mailto:evoting@karvy.com)).

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

# ASIAN HOTELS (NORTH) LIMITED

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## SUBSIDIARY COMPANIES

The Company holds 100% equity as well as preference capital in Fineline Hospitality & Consultancy Pte. Ltd., Mauritius (FHCPL). FHCPL holds 80% equity stake in Lexon Hotel Ventures Ltd., Mauritius (Lexon), and Lexon in turn holds 99.76% equity stake in Leading Hotels Limited (Leading), an Indian subsidiary. Thus FHCPL has 79.81% economic interest in Leading.

The Audit Committee of the Company reviews financials of its subsidiaries, especially the significant transactions and arrangements including investments made by the subsidiaries, while considering the consolidated accounts. Minutes of the Board meetings of the subsidiaries are placed and taken note of by the Board of the Company.

Based on the financial statements for the year ended 31<sup>st</sup> March, 2019, of the above named subsidiaries and the consolidated financial statements of the Company for the year ended as on that date, FHCPL, Lexon and Leading are material subsidiaries of the Company.

## MATERIAL DISCLOSURES

### Code of Conduct

The Board of Directors of the Company had approved and adopted a Code of Conduct, namely 'AHNL Code of Conduct', applicable to all the Board Members and Senior Management Personnel. To align its Code of Conduct with the extant statutory and regulatory framework, the Board in its meeting held on 12<sup>th</sup> February, 2019, amended the same and adopted it effective 1<sup>st</sup> April, 2019. The amended AHNL Code of Conduct has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/CodeofConducteffective01042019.pdf>

All concerned have affirmed their compliance with the said Code during the year under review. As required, a declaration to this effect by the Chairman & Managing Director of the Company is annexed to this report as Annexure I.

### Conflict of Interest

Based on the disclosures received by the Board from the Company's Senior Management Personnel, none of the Senior Management Personnel had any material financial or commercial transactions wherein they had personal interest that could have a potential conflict with the interest of the Company at large.

### Independence of Directors

During the year under review, all independent non-executive directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 and other applicable provisions of the Act read with relevant regulations of the Listing Regulations. Independent non-executive directors have also submitted declarations for the financial year 2019-20 confirming that they continue to meet the criteria of independence as laid down under Section 149 and other applicable provisions of the Act read with relevant regulations of the Listing Regulations, as amended. Further, in terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Reliance was placed on these confirmations/declarations while ascertaining the adequacy of number of independent directors for the purposes of compliance with Regulation 17 and other applicable regulations of the Listing Regulations.

In the opinion of the Board, the independent non-executive directors fulfill the conditions specified under Section 149 of the Act and the Listing Regulations, as amended, and that they are independent of the management.

### Related Party Transactions

The Board of Directors of the Company had approved and adopted 'Policy for Related Party Transactions'. To align the said policy with the extant statutory and regulatory framework, the Board in its meeting held on 12<sup>th</sup> February, 2019, amended the same and adopted it effective 1<sup>st</sup> April, 2019. The amended Policy for Related Party Transactions has been uploaded on the website of the Company and can be accessed at [http://www.asianhotelsnorth.com/pdf/Policy\\_for\\_Related\\_Party\\_Transactions\\_effective%2001042019.pdf](http://www.asianhotelsnorth.com/pdf/Policy_for_Related_Party_Transactions_effective%2001042019.pdf)

There were no materially significant related party transactions that may have had potential conflict with the interest of the Company at large. Details of related party transactions i.e. transactions of the Company with its promoters, directors, key managerial personnel or their relatives and subsidiaries of the Company are detailed under Note 40 to the Stand-alone Financial Statements. The Board certifies that these transactions are in the ordinary course of business, and are on an arm's length basis. These transactions have been approved by the Audit Committee and the Board of Directors from time to time.

### Policy for Determining Material Subsidiaries

The Board of Directors of the Company had approved and adopted 'Policy for Determining Material Subsidiaries'. To align the said policy with the extant statutory and regulatory framework, the Board in its meeting held on 12<sup>th</sup> February, 2019, amended the same and adopted it effective 1<sup>st</sup> April, 2019. The amended Policy for Determining Material Subsidiaries has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/PolicyforDeterminingMaterialSubsidiarieseffective01042019.pdf>

## Legal Compliances

Timely compliance of multifarious and complex regulatory framework is always a challenge. Compliance status of all applicable laws is reviewed by the Board on quarterly basis. In the opinion of your Directors, there has been no significant non-compliance by the Company during the last three years in general, more-so in terms of Para C(10)(b) of Schedule V to the Listing Regulations. Further, the Company has generally been in compliance with corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## Risk Assessment and Minimization Procedures

The Company's Board is conscious of the need to periodically undertake the risk assessment, and minimization procedures there-for. During the year under review, the Board in its meeting held on 28<sup>th</sup> May, 2018, had approved and adopted a 'Risk Analysis Report as of 31<sup>st</sup> March, 2018' delineating the mitigating factors in respect of various risk factors identified therein and further noted that the Company has adequate 'Risk Assessment and Minimization Procedures' in place, and that these are working effectively.

Subsequent to the year under review, the Board in its meeting held on 28<sup>th</sup> May, 2019, had approved and adopted a 'Risk Analysis Report as of 31<sup>st</sup> March, 2019' as well. The said report outlined the mitigating factors in respect of various risk factors identified therein. This enabled the Board to assess that the Company has adequate 'Risk Assessment and Minimization Procedures' in place, and that these are working effectively.

However, the provisions relating to the formation of a Risk Management Committee are not applicable to the Company.

## Whistle Blower Policy/Vigil Mechanism

The Board of Directors of the Company had approved and adopted 'Whistle Blower Policy'. To align the said policy with the extant statutory and regulatory framework, the Board in its meeting held on 12<sup>th</sup> February, 2019, amended the same and adopted it effective 1<sup>st</sup> April, 2019. The amended Whistle Blower Policy has been uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/WhistleBlowerPolicyeffective01042019.pdf>

The 'Whistle Blower Policy', as originally adopted, as well as the amended one, provide that all employees and directors of the Company are eligible to make protected disclosures to the competent authority i.e. the Chairman of the Audit Committee with respect to any improper activity concerning the Company. The policy provides for direct access to the Chairman, Audit Committee. During the year under review, neither any case was reported under the Whistle Blower Policy nor was anyone denied access to the said competent authority or the Audit Committee.

The details of establishment of the above vigil mechanism forms part of the Directors' Report.

## Code on Insider Trading/Fair Disclosures

The Board of Directors of the Company had approved and adopted code of conduct for prohibition of insider trading, namely 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders'. To align the said Code with the extant statutory and regulatory framework, the Board in its meeting held on 12<sup>th</sup> February, 2019, amended the same and adopted it effective 1<sup>st</sup> April, 2019.

'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders', inter-alia prohibits dealing in securities of the Company by designated persons who are in possession of unpublished price sensitive information in relation to the Company. The said Code lays down the procedures to be followed, and disclosures to be made while dealing in the securities of the Company. Further, in pursuance of Regulation 9A(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Insider Trading Regulations), the Board has also approved and adopted 'The Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information' which forms part of the said Code. The Company Secretary monitors the implementation and compliance of the same.

'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information', as amended, and 'Policy for Determination of Legitimate Purposes', which forms part of the aforesaid Code, is uploaded on the website of the Company and can be accessed at <http://www.asianhotelsnorth.com/pdf/CodeofFairDisclosureeffective01042019.pdf>

## Disclosure on Accounting Treatment/Accounting Policies

There has been no change in the accounting policies and practices save as detailed in Notes to the Financial Statements. Further, there is no accounting matter/transaction wherein a treatment different from that prescribed in the extant Accounting Standards has been followed while preparing the financial statements for the year under review.

## Disclosure on Foreign Exchange Risk/Hedging Activities

The Company has not entered into any derivate contract during the year under review.

Details of un-hedged foreign currency exposure of the Company are given in Note 39 to the Stand-alone Financial Statements.

# ASIAN HOTELS (NORTH) LIMITED

## CEO/CFO Certification

A certificate, in accordance with the requirements of Regulation 17(8) read with Part B of Schedule II to the Listing Regulations, duly signed by the Chairman & Managing Director and Vice President – Corporate Finance (being the Chief Financial Officer), in respect of the financial statements for the year under review was placed before the Board and was taken on record.

## Total fees paid to the Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

Particulars	Amount (Rupees in Lacs)
Audit Fees paid/payable by the Company towards statutory audit fee, tax audit fee, limited review fee, fee for certification work and out of pocket expenses for the financial year 2018-19	38.97
Audit Fees paid/payable by Leading Hotels Limited towards statutory audit fee for the financial year 2018-19	2.00
<b>Total</b>	<b>40.97</b>

## Complaints pertaining to sexual harassment

During the year under review, no complaint was received in pursuance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Credit Ratings

The details of credit ratings obtained by the Company during the year under review are given below:

- Brickwork Ratings India Private Limited vide letter dated 20<sup>th</sup> June, 2018, accorded rating of 'BWR BBB' (Outlook Stable) Assign/ Reaffirmed for bank loan facilities aggregating Rs. 439.45 crore;
- CRISIL Limited vide letter dated 18<sup>th</sup> July, 2018, accorded rating of 'CRISIL BBB-/Stable (Reaffirmed)' for bank loan facilities amounting to Rs. 410 crore; and
- In pursuance of no objection letter received from Bank of Maharashtra, CARE Ratings Limited vide letter dated 22<sup>nd</sup> October, 2018, had withdrawn the outstanding rating of 'CARE BBB-; Stable' for long term bank loan facilities amounting to Rs. 255 crore.

## Certificate from a Company Secretary in Practice

M/s. Chandrasekaran Associates, practicing company secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The aforesaid certificate is enclosed as Annexure II to this report.

## SHAREHOLDERS' INFORMATION

### Profile of Directors seeking appointment/re-appointment

Detailed profile of Mr. Amrutesh Jatia, who retires by rotation at the ensuing annual general meeting and being eligible, is proposed to be re-appointed, is given on page no. 6, as part of Notice convening the forthcoming annual general meeting in compliance with Regulation 36(3) of the Listing Regulations.

### Means of Communication

Presently, the quarterly financial results are published in the Business Standard (English and Hindi). All official declarations, notices or news releases are first forwarded to the Stock Exchanges and, if considered necessary, subsequently released to the media. Further, all periodic statutory reports including the quarterly financial results and other official news releases are uploaded on the Company's official website [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com)

### Annual General Meeting

Day, Date & Time: Tuesday, the 27<sup>th</sup> August, 2019 at 10:30 a.m.

Venue: Regency Ball Room  
Hyatt Regency Delhi  
Bhikaiji Cama Place, M.G. Marg  
New Delhi – 110 066

### Financial Year/Calendar

The Company follows 1<sup>st</sup> April to 31<sup>st</sup> March as its financial year.

# ASIAN HOTELS (NORTH) LIMITED

The calendar for the current financial year 2019-20 is proposed as under:

Financial Reporting for the quarter ending 30 <sup>th</sup> June, 2019	On 23 <sup>rd</sup> July, 2019
Financial Reporting for the half year ending 30 <sup>th</sup> September, 2019	On or before 14 <sup>th</sup> November, 2019
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2019	On or before 14 <sup>th</sup> February, 2020
Financial Reporting for the year ending 31 <sup>st</sup> March, 2020	On or before 30 <sup>th</sup> May, 2020

<b>Book Closure</b>	<b>From Wednesday, the 21<sup>st</sup> August, 2019 to Tuesday, the 27<sup>th</sup> August, 2019 (inclusive of both days)</b>
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**Dividend Payment Date** No dividend is proposed for the year under review.

**Listing on Stock Exchanges**

**BSE Limited**

Phiroz Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001; and

**The National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai – 400 051

The Company has paid up to date Annual Listing Fees to the respective Stock Exchanges.

During the year under review, there was no instance of suspension of trading in the Company's shares by the stock exchanges.

**Scrip Code/Scrip ID**

BSE - 500023/ASIANHOTNR

NSE - 233/ASIANHOTNR

**International Securities Identification Number**

**(ISIN) for Equity shares**

INE 363A01022

**Stock Market Data**

The monthly high and low quotations as well as the volume of shares traded at BSE Limited and The National Stock Exchange of India Limited are as follows:

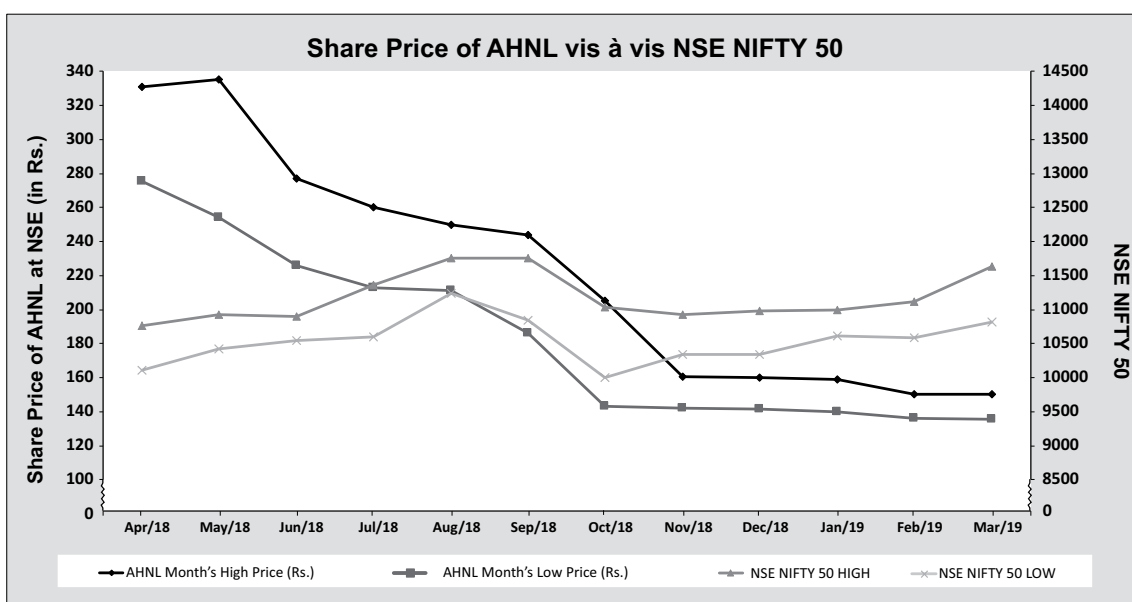
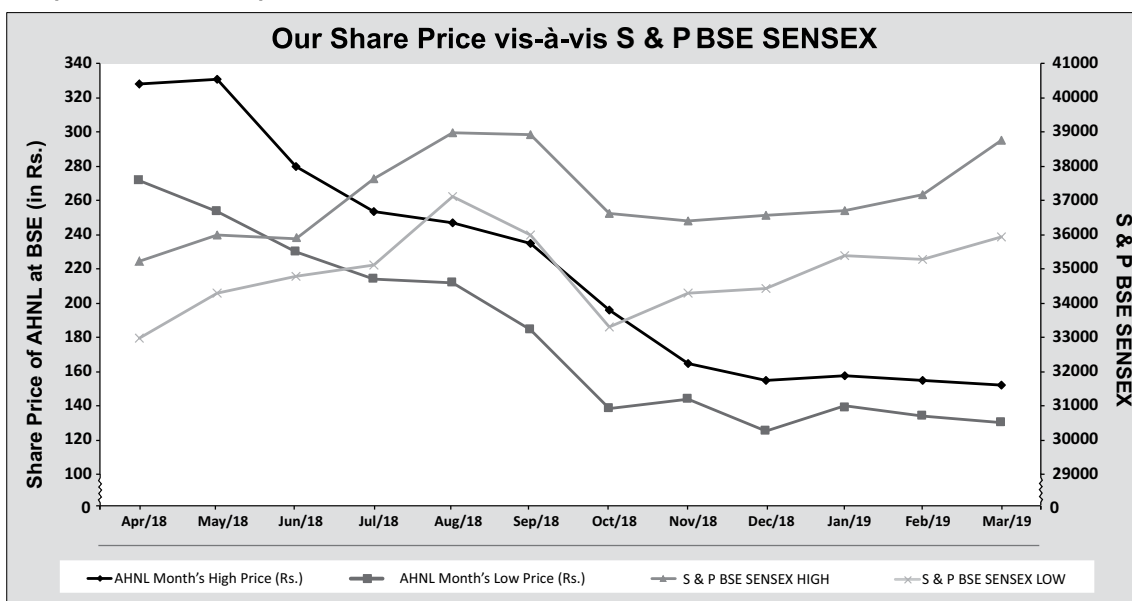
Month	BSE Limited			The National Stock Exchange of India Limited		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)
Apr 2018	327.95	271.50	15753	331.00	275.50	48299
May 2018	331.00	253.65	15152	335.25	254.15	68930
Jun 2018	280.00	230.00	8132	277.20	225.75	24078
Jul 2018	253.40	214.00	9807	260.00	213.05	27637
Aug 2018	246.80	212.00	26051	250.00	211.10	63730
Sep 2018	235.00	184.40	38644	243.90	186.15	25920
Oct 2018	196.00	138.25	67570	205.00	143.05	64986
Nov 2018	164.90	144.05	67223	160.50	142.10	25588
Dec 2018	154.90	125.00	1646	160.00	141.40	30115
Jan 2019	157.85	140.10	4201	158.70	140.10	37293
Feb 2019	154.90	134.00	8929	150.00	136.05	25088
Mar 2019	152.00	130.10	21962	150.00	135.50	36876

Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)



# ASIAN HOTELS (NORTH) LIMITED

Share Price performance in comparison to S & P BSE SENSEX & NSE NIFTY 50



## Distribution of shareholders

Number of equity shares held	As on 31 <sup>st</sup> March, 2019				As on 31 <sup>st</sup> March, 2018			
	No. of Shareholders	% of Total Shareholders	Number of shares held	% Share holding	No. of Shareholders	% of Total Shareholders	No. of shares held	% Share holding
Up-to 500	11579	96.39	651161	3.35	12301	96.24	693073	3.56
501 – 1000	222	1.85	160829	0.83	245	1.92	177624	0.91
1001 – 2000	95	0.79	134168	0.69	97	0.76	137562	0.71
2001 – 3000	32	0.27	79219	0.41	38	0.30	96714	0.50
3001 – 4000	15	0.12	53084	0.27	19	0.15	66018	0.34
4001 – 5000	5	0.04	23309	0.12	6	0.04	27709	0.14
5001 – 10000	17	0.14	136435	0.70	26	0.20	206971	1.06
10001 – above	48	0.40	18215024	93.63	50	0.39	18047558	92.78
<b>TOTAL</b>	<b>12013</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>	<b>12782</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>

# ASIAN HOTELS (NORTH) LIMITED

## Category wise shareholding

CATEGORY	As on 31 <sup>st</sup> March, 2019		As on 31 <sup>st</sup> March, 2018	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
<b>A. Promoters Shareholding</b>				
- Indian	4270691	21.95	4270691	21.95
- Foreign	9830025	50.53	9830025	50.53
<b>Total Promoters shareholding</b>	<b>14100716</b>	<b>72.49</b>	<b>14100716</b>	<b>72.49</b>
<b>B. Public Shareholding</b>				
- Mutual Funds/Financial Institutions/Banks and Insurance Companies	25997	0.13	40287	0.21
- FIIs	2714	0.01	9469	0.05
- NRIs -repatriable basis	1072521	5.51	1080339	5.55
- non-repatriable basis	14789	0.08	26135	0.14
- Bodies Corporate (Domestic)	734470	3.78	666108	3.42
- Bodies Corporate (Foreign)	690802	3.55	690802	3.55
- Individuals (Indian Public)	2692968	13.84	2732482	14.05
- Clearing Members	336	0.00	2847	0.01
Investor Education and Protection Fund	116516	0.60	77911	0.40
Shares in Unclaimed Suspense A/c #	1400	0.01	26133	0.13
<b>Total Public shareholding</b>	<b>5352513</b>	<b>27.51</b>	<b>5352513</b>	<b>27.51</b>
<b>GRAND TOTAL*</b>	<b>19453229</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>

#In terms of Clause 5A of the erstwhile Listing Agreement.

\*There are no outstanding warrants/depository receipts/convertible instruments which may have impact on the equity.

## Share Transfer System

To expedite the transfer of shares in physical form, authority has been delegated at two levels:

- i) Stakeholders' Relationship Committee comprising of Directors; and
- ii) Executive Share Transfer Committee comprising of executives of the Company.

During the year under review, the transfer of shares received in physical form was given effect to on a weekly basis to ensure compliance with the Listing Regulations.

However, effective 1<sup>st</sup> April, 2019, transfer of shares shall not be processed unless the shares are held in the dematerialized form with a Depository. Accordingly, members holding shares in physical form should dematerialize their holding to maintain easy liquidity.

## Share Transfer Agent

Karvy Fintech Pvt. Ltd.

Karvy Selenium Tower B

Plot Number 31 & 32

Financial District, Nanakramguda

Serilingampally Mandal

Hyderabad – 500 032

Tel: 91 40 67162222; Fax: 91 40 23001153

[www.karvyfintech.com](http://www.karvyfintech.com)

e-mail : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

## Dematerialization of Shares/liquidity

19254885 shares (equivalent to 98.98%) of the total outstanding shares of the Company are held in dematerialized form as on 31<sup>st</sup> March, 2019. During the year under review, the Company's shares were not frequently traded in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

## Dividend Information

The Company keeps uploading regularly, on its website as also on the website of the Ministry of Corporate Affairs, Government of India (MCA), complete details of unpaid/unclaimed dividends from time to time. Further, in an endeavor to serve its shareholders, the Company

# ASIAN HOTELS (NORTH) LIMITED

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has been notifying the shareholders about the dividends which remain unpaid/unclaimed, by sending them individual reminders from time to time.

Any amount described under Section 125(2) of the Act, including dividend, which remains unpaid/unclaimed for a period of seven years is required to be transferred by the Company in accordance with the provisions of Section 124(5) of the Act, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, during the year under review, the unpaid/unclaimed dividend for the financial year 2010-11 was transferred to the IEPF.

Further, Section 124(6) of the Act requires that all shares in respect of which dividend has been unpaid/unclaimed for a period of seven consecutive years shall also be transferred to IEPF. Accordingly, 38605 equity shares held by 302 beneficial owners/shareholders of the Company in respect of which dividend for all the relevant financial period/years ended 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014 remained unpaid/unclaimed consecutively for a period of seven years up-to 22<sup>nd</sup> October, 2018, were transferred to IEPF in accordance with Section 124(6) of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended or re-stated from time to time (the IEPF Rules).

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed, to the Company along with requisite documents enumerated in the Form No. IEPF-5.

**Attention of the members is therefore drawn to the fact that unpaid/unclaimed dividend pertaining to the financial year ended 31<sup>st</sup> March, 2012 is due for transfer to the IEPF, and therefore, any claim in respect thereof should be lodged as advised below:**

Unpaid/Unclaimed Amount	Due date for transfer to IEPF	Date by which claim should be lodged
Dividend for the financial year ended 31 <sup>st</sup> March, 2012	25.10.2019	14.10.2019

Shareholders are advised to write to the Company or to the Registrar & Transfer Agent requesting for fresh warrants by providing details of their Folio No./Client ID, No. of shares held by them etc. enclosing a signed cancelled cheque, self attested copy of PAN and proof of address.

**Further, the members' attention is also drawn that shares in respect of which dividend remains unpaid/unclaimed for all the respective financial years ended 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014 consecutively up to 25<sup>th</sup> October, 2019, shall also be liable for transfer to IEPF, in accordance with the aforesaid provisions.**

## Plant Location

The Company primarily operates in one business segment i.e. Hospitality/Hotel Operations, and presently owns only one five-star deluxe hotel, namely

### HOTEL HYATT REGENCY DELHI

Bhikaiji Cama Place,  
M. G. Marg, New Delhi -110 066

## Address for Correspondence

The investors may forward their queries to the Company at its registered office address given below. However, queries pertaining to shareholding, transfer, transmission, dividend etc., may be addressed directly to the Registrar & Transfer Agent.

## Registered Office

### ASIAN HOTELS (NORTH) LIMITED

Bhikaiji Cama Place,  
M. G. Marg,  
New Delhi – 110 066  
Telephone No.: 91 11 66771225-1226  
Fax No.: 91 11 26791033  
Email Id.: [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com)

<b>Adoption of Non-Mandatory Requirements as specified in sub-regulation 1 of Regulation 27 read with Part E of Schedule II to the Listing Regulations</b>	The Company has so far not implemented any non-mandatory requirement as specified in sub regulation 1 of Regulation 27 read with Part E of Schedule II to the Listing Regulations.
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# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE I TO THE CORPORATE GOVERNANCE REPORT

Date: 23<sup>rd</sup> July, 2019

The Board of Directors  
Asian Hotels (North) Limited  
Bhikaiji Cama Place  
M.G. Marg  
New Delhi – 110 066

**Subject: Code of Conduct – Declaration under Para D of Schedule V and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations)**

Dear Sirs/Madam,

This is to certify that pursuant to Para D of Schedule V and other applicable regulations of the Listing Regulations, the Board of Directors has adopted a Code of Conduct for its members and senior management personnel and that all concerned have affirmed having complied with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2019.

**SHIV KUMAR JATIA**  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00006187

## ANNEXURE II TO THE CORPORATE GOVERNANCE REPORT

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,  
**Asian Hotels (North) Limited**  
Bhikaiji Cama Place, M. G. Marg  
New Delhi - 110066

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Asian Hotels (North) Limited and having CIN L55101DL1980PLC011037 and having registered office at Bhikaiji Cama Place, M. G. Marg, New Delhi - 110066 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of director	DIN	Date of appointment in Company
1	Lalit Bhasin	00001607	12/02/2010
2	Shiv Kumar Jatia	00006187	06/12/1980
3	Dinesh Chandra Kothari	00195609	12/02/2010
4	Ranjan Kishore Bhattacharya	00331394	05/02/2017
5	Pinaki Misra	00568348	27/05/2016
6	Dipendra Bharat Goenka	01969285	12/02/2019
7	Anita Thapar	02171074	28/05/2015
8	Amritesh Jatia	02781300	05/12/2016

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

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. 16302  
Certificate of Practice No. 5673

Date: 13.07. 2019  
Place: Delhi

# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE 'F' FORMING PART OF THE DIRECTORS' REPORT

### AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

Asian Hotels (North) Limited,

We have examined the compliance of conditions of Corporate Governance by Asian Hotels (North) Limited, for the year ended 31<sup>st</sup> March, 2019 as per the Regulations 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and amendments thereof.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (incl. any amendment thereof) read with Uniform Listing Agreement executed by the Company with the Stock Exchanges.

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

For Dhirubhai Shah & Co LLP  
Chartered Accountants  
Firm Registration Number 102511W/W100298

Harish B. Patel  
Partner

Membership Number 014427  
UDIN : 19014427AAA AVR2454

Place: Ahmedabad  
Date: 23.07.2019

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'G' FORMING PART OF THE DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

**The brief outline of the Company's CSR Policy forms part of the Directors' Report and the Company's CSR Policy is uploaded on the website of the Company under the web-link**

<http://www.asianhotelsnorth.com/pdf/CorporateSocialResponsibilityPolicyeffective01042019.pdf>

2. The composition of the CSR Committee:

**Mr. Shiv Kumar Jatia, Chairman & Managing Director (Chairman of the Committee)**

**Dr. Lalit Bhasin, Independent Non-Executive Director**

**Mr. Dinesh Chandra Kothari, Independent Non-Executive Director**

**Mr. Pinaki Misra, Independent Non-Executive Director**

3. Average net profit of the Company for the last three financial years (preceding the financial year under review): **Not Applicable since the average net profit for the last three financial years (preceding the financial year under review) is negative.**

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

5. Details of CSR spent during the financial year 2018-19:

(a) Total amount to be spent for the financial year: **Nil**

(b) Amount unspent, if any, for the financial year: **Not Applicable**

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
1	<b>Project ANANDA launched by Action for Autism, a Non-profit organization</b>	<b>Promoting health care including preventive health care and sanitation</b>	<b>District Gurugram, Haryana</b>	<b>An amount of Rs. 59,45,440/- was committed during FY 2014-15 out of which Rs. 15,00,000/- was spent in that year and rest was provided for. Thereafter, Rs. 16,00,000/, Rs. 5,00,000/- and Rs. 10,00,000/- were spent during FY 2015-16 ,and FY 2016-17 and FY 2017-18 respectively.</b>	<b>During the year under review, the balance committed sum of Rs. 13,45,440/- was spent. The project was completed in February 2019 and inaugurated by the Chairman and Managing Director on 25<sup>th</sup> February, 2019.</b>	<b>Rs. 59,45,440/-</b>	<b>Spent through the implementing agency, Action for Autism</b>

(d) Details of the implementing agency:

**Action for Autism (AFA) is a not-for-profit organization that has pioneered the movement for the rights of children and adults with autism in India and South Asia. Established in 1991, AFA educates through activities that span policy, research, training and arrange of life-span services. The latter includes diagnosis and assessments, counseling, early intervention, education, vocational and work skills training, and independent living, among others. Their contact details are: Action for Autism, Pocket 7 & 8, Jasola Vihar, New Delhi – 110025; Tel: 911140540991; E-mail: [actionforautism@gmail.com](mailto:actionforautism@gmail.com) Website: [www.autism-india.org](http://www.autism-india.org)**

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

**Since the average net profit for the three financial years from 2015-16 to 2017-18 worked out to be negative, the Company was not obliged to make any contribution towards CSR activities for the financial year 2018-19. Hence, no fresh project/activity was undertaken during the year under review.**

**Action for Autism (AFA), a Non-profit organization has been allotted ten acres of land in Gurugram by the State Government of Haryana for a residential project for people with Autism Spectrum Disorder. The Company, as part of its CSR activities for the financial year 2014-15 had decided to support AFA to build the ground floor of one of the cottages to be used as student accommodation at an estimated cost of Rs. 59,45,440/- and had committed to release this amount in four installments. Based on the progress made in the said project, the Company has paid the entire amount with the last tranche of Rs. 3,45,440/- having been paid in February 2019 on completion of the project.**

**There was a balance non-committed un-spent CSR contribution of Rs. 17,42,284/- for which the Company could not decide the project and spend the same due to loss in the subsequent years including the year under review, and because of ongoing liquidity constraints.**

7. Responsibility Statement by the Corporate Social Responsibility Committee:

**The implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.**

**For and on behalf of the Board**

**Shiv Kumar Jatia**

Chairman & Managing Director  
Also as Chairman, CSR Committee  
DIN: 00006187

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'H' FORMING PART OF THE DIRECTORS' REPORT

FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

of

### ASIAN HOTELS (NORTH) LIMITED

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

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L55101DL1980PLC011037
2.	Registration Date	13 <sup>th</sup> November, 1980
3.	Name of the Company	Asian Hotels (North) Limited
4.	Category/Sub-category of the Company	Public company limited by shares
5.	Address of the Registered Office & contact details	Bhikaiji Cama Place, M.G. Marg, New Delhi-110 066 Ph.: 011 66771225/26; Fax: 011 26791033
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent	Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B Plot Number 31 & 32 Financial District, Nanakramguda Serilingampally Mandal Hyderabad – 500 032 Tel: 91 40 67162222; Fax: 91 40 23001153 E-mail Address: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website: <a href="http://www.karvyfintech.com">www.karvyfintech.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	NAME AND DESCRIPTION OF MAIN PRODUCTS/SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Hotel Operations	55101	99.07

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

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Fineline Hospitality & Consultancy Pte. Ltd., Mauritius (FHCPL)	Not applicable	Subsidiary	100% equity held by the Company	2(87)
2	Lexon Hotel Ventures Ltd., Mauritius (Lexon)	Not applicable	Subsidiary	80% of the equity is held by FHCPL	2(87)
3	Leading Hotels Limited, India	U55101DL2005PLC143141	Subsidiary	99.76% equity is held by Lexon	2(87)



# ASIAN HOTELS (NORTH) LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2668027	0	2668027	13.72	2668027	0	2668027	13.72	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	1602664	0	1602664	8.24	1602664	0	1602664	8.24	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1):</b>	<b>4270691</b>	<b>0</b>	<b>4270691</b>	<b>21.95</b>	<b>4270691</b>	<b>0</b>	<b>4270691</b>	<b>21.95</b>	<b>0</b>
<b>(2) Foreign</b>									
a) Individuals (NRIs/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	9830025	0	9830025	50.53	9830025	0	9830025	50.53	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>9830025</b>	<b>0</b>	<b>9830025</b>	<b>50.53</b>	<b>9830025</b>	<b>0</b>	<b>9830025</b>	<b>50.53</b>	<b>0</b>
<b>Total shareholding of promoters (A) = (A)(1) + (A)(2)</b>	<b>14100716</b>	<b>0</b>	<b>14100716</b>	<b>72.49</b>	<b>14100716</b>	<b>0</b>	<b>14100716</b>	<b>72.49</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	195	200	395	0	195	200	395	0	0
b) Banks/FI	8345	137	8482	0.04	80	137	217	0	-0.04
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	25005	240	25245	0.13	25005	240	25245	0.13	0
g) FIs	34	180	214	0	34	180	214	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
UTI	0	6165	6165	0.03	0	140	140	0	-0.03
Foreign Portfolio Investor	9255	0	9255	0.05	2500	0	2500	0.01	-0.04
<b>Sub-total (B)(1):</b>	<b>42834</b>	<b>6922</b>	<b>49756</b>	<b>0.26</b>	<b>27814</b>	<b>897</b>	<b>28711</b>	<b>0.15</b>	<b>-0.11</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	664585	831	665416	3.42	733552	726	734278	3.77	0.35
ii) Overseas	690802	0	690802	3.55	690802	0	690802	3.55	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	996969	171089	1168058	6.00	881593	142957	1024550	5.27	-0.74

# ASIAN HOTELS (NORTH) LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1564319	0	1564319	8.04	1668313	0	1668313	8.58	0.53
c) Others (specify)									
Investor Education & Protection Fund	77911	0	77911	0.40	116516	0	116516	0.60	0.20
Unclaimed Suspense A/c	26133	0	26133	0.13	1400	0	1400	0.01	-0.12
Non Resident Indians	1046733	59741	1106474	5.69	1033616	53694	1087310	5.59	-0.1
Clearing Members	2847	0	2847	0.01	336	0	336	0	-0.01
Trusts	35	70	105	0	35	70	105	0	0
NBFCs	692	0	692	0	192	0	192	0	0
<b>Sub-total (B)(2):</b>	<b>5071026</b>	<b>231731</b>	<b>5302757</b>	<b>27.26</b>	<b>5126355</b>	<b>197447</b>	<b>5323802</b>	<b>27.37</b>	<b>0.11</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5113860</b>	<b>238653</b>	<b>5352513</b>	<b>27.51</b>	<b>5154169</b>	<b>198344</b>	<b>5352513</b>	<b>27.51</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>19214576</b>	<b>238653</b>	<b>19453229</b>	<b>100.00</b>	<b>19254885</b>	<b>198344</b>	<b>19453229</b>	<b>100.00</b>	<b>0</b>

## ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year[As on 01.04.2018]			Shareholding at the end of the year[As on 31.03.2019]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Fineline Holdings Limited, Mauritius	4493145	23.10	100.00	4493145	23.10	100.00	0
2	Yans Enterprises (H.K.) Ltd, Mauritius	5336880	27.43	100.00	5336880	27.43	100.00	0
3	Shiv Kumar Jatia	2668027	13.72	99.02	2668027	13.72	93.81	0
4	Asian Holdings Pvt. Ltd.	1602664	8.24	99.84	1602664	8.24	99.53	0

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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year (as on 01.04.2018)	14100716	72.49	14100716	72.49
	Date wise Increase/Decrease# in Promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil		Nil	
	At the end of the year (as on 31.03.2019)	14100716	72.49	14100716	72.49

# There is no change in the overall Promoters' shareholding between 01.04.2018 and 31.03.2019.

# ASIAN HOTELS (NORTH) LIMITED

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

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018) / end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	<b>Radhe Shyam Saraf</b>	960462	4.94	01.04.2018	0	No change during the year	960462	4.94
	<b>Top 1<sup>st</sup> shareholder as on 31.03.2019</b>	<b>960462</b>	<b>4.94</b>	<b>31.03.2019</b>				
2	<b>GEG Investments Pty Ltd.</b>	690802	3.55	01.04.2018	0	No change during the year	690802	3.55
	<b>Top 2<sup>nd</sup> shareholder as on 31.03.2019</b>	<b>690802</b>	<b>3.55</b>	<b>31.03.2019</b>				
3	<b>Yogesh Rasiklal Doshi</b>	222420	1.14	01.04.2018				
				06.04.2018	289	Acquisition	222709	1.14
				13.04.2018	1788	Acquisition	224497	1.15
				20.04.2018	(10066)	Sale/Transfer	214431	1.10
				27.04.2018	(1302)	Sale/Transfer	213129	1.10
				04.05.2018	(493)	Sale/Transfer	212636	1.09
				11.05.2018	2819	Acquisition	215455	1.11
				18.05.2018	9345	Acquisition	224800	1.16
				25.05.2018	200	Acquisition	225000	1.16
				01.06.2018	746	Acquisition	225746	1.16
				08.06.2018	421	Acquisition	226167	1.16
				29.06.2018	1103	Acquisition	227270	1.17
				13.07.2018	(263)	Sale/Transfer	227007	1.17
				20.07.2018	757	Acquisition	227764	1.17
				27.07.2018	(116)	Sale/Transfer	227648	1.17
				03.08.2018	53	Acquisition	227701	1.17
				10.08.2018	206	Acquisition	227907	1.17
				17.08.2018	91	Acquisition	227998	1.17
				24.08.2018	(7477)	Sale/Transfer	220521	1.13
				31.08.2018	(8185)	Sale/Transfer	212336	1.09
				07.09.2018	(10357)	Sale/Transfer	201979	1.04
				14.09.2018	(1879)	Sale/Transfer	200100	1.03
				21.09.2018	(400)	Sale/Transfer	199700	1.03
			28.09.2018	400	Acquisition	200100	1.03	
			19.10.2018	(3388)	Sale/Transfer	196712	0.99	
			26.10.2018	(5811)	Sale/Transfer	190901	0.98	
			02.11.2018	(12585)	Sale/Transfer	178316	0.92	
			09.11.2018	(2132)	Sale/Transfer	176184	0.91	
			16.11.2018	(7387)	Sale/Transfer	168797	0.87	
			23.11.2018	(1483)	Sale/Transfer	167314	0.86	
			30.11.2018	10	Acquisition	167324	0.86	
			07.12.2018	728	Acquisition	168052	0.86	
			14.12.2018	224	Acquisition	168276	0.87	
			21.12.2018	(983)	Sale/Transfer	167293	0.86	
			28.12.2018	13543	Acquisition	180836	0.93	
			31.12.2018	(208)	Sale/Transfer	180628	0.93	

# ASIAN HOTELS (NORTH) LIMITED

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018) / end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
				04.01.2019	294	Acquisition	180922	0.93
				11.01.2019	7328	Acquisition	188250	0.97
				18.01.2019	1567	Acquisition	189817	0.98
				25.01.2019	5078	Acquisition	194895	1.00
				01.02.2019	3728	Acquisition	198623	1.02
				08.02.2019	(1126)	Sale/Transfer	197497	1.02
				15.02.2019	646	Acquisition	198143	1.02
				22.02.2019	4468	Acquisition	202611	1.04
				01.03.2019	(191)	Sale/Transfer	202420	1.04
				08.03.2019	(3814)	Sale/Transfer	198606	1.02
				15.03.2019	(6474)	Sale/Transfer	192132	0.99
				22.03.2019	(1165)	Sale/Transfer	190967	0.98
				29.03.2019	962	Acquisition	191929	0.99
				30.03.2019	(16)	Sale/Transfer	191913	0.99
	<b>Top 4<sup>th</sup> shareholder as on 31.03.2019</b>	<b>191913</b>	<b>0.99</b>	<b>31.03.2019</b>				
4	<b>Suprapti Finvest Private Limited</b>	200000	1.03	01.04.2018				
				13.04.2018	1000	Acquisition	201000	1.03
				20.04.2018	6409	Acquisition	207409	1.07
				27.04.2018	8094	Acquisition	215503	1.11
				04.05.2018	7135	Acquisition	222638	1.14
				11.05.2018	14453	Acquisition	237091	1.22
				01.06.2018	1230	Acquisition	238321	1.23
				08.06.2018	1725	Acquisition	240046	1.23
				15.06.2018	2184	Acquisition	242230	1.25
				22.06.2018	770	Acquisition	243000	1.25
				29.06.2018	2540	Acquisition	245540	1.26
				06.07.2018	354	Acquisition	245894	1.26
				13.07.2018	626	Acquisition	246520	1.27
				20.07.2018	218	Acquisition	246738	1.27
				27.07.2018	238	Acquisition	246976	1.27
				03.08.2018	686	Acquisition	247662	1.27
				10.08.2018	838	Acquisition	248500	1.28
				17.08.2018	500	Acquisition	249000	1.28
				21.09.2018	1000	Acquisition	250000	0.13
				05.10.2018	1267	Acquisition	251267	1.29
				12.10.2018	1323	Acquisition	252590	1.30
				26.10.2018	2410	Acquisition	255000	1.31
				16.11.2018	4134	Acquisition	259134	1.33
				23.11.2018	1602	Acquisition	260736	1.34
				30.11.2018	55	Acquisition	260791	1.34
				14.12.2018	209	Acquisition	261000	1.34
	<b>Top 3<sup>rd</sup> shareholder as on 31.03.2019</b>	<b>261000</b>	<b>1.34</b>	<b>31.03.2019</b>				

# ASIAN HOTELS (NORTH) LIMITED

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018) / end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
5	Nitesh Arjun Thakkar	177275	0.91	01.04.2018	0	No change during the year	177275	0.91
	<i>Top 5<sup>th</sup> shareholder as on 31.03.2019</i>	177275	0.91	31.03.2019				
6	Dhaval Arjun Thakkar	142500	0.73	01.04.2018	0	No change during the year	142500	0.73
	<i>Top 6<sup>th</sup> shareholder as on 31.03.2019</i>	142500	0.73	31.03.2019				
7	Burmans Finvest Private Limited	109975	0.57	01.04.2018	0	No change during the year	109975	0.57
	<i>Top 7<sup>th</sup> shareholder as on 31.03.2019</i>	109975	0.57	31.03.2019				
8	Surender Kumar Gupta	92000	0.47	01.04.2018				
				04.05.2018	(1000)	Sale/Transfer	91000	0.47
				25.01.2019	(1402)	Sale/Transfer	89598	0.46
				01.02.2019	(30)	Sale/Transfer	89568	0.46
				08.02.2019	(50)	Sale/Transfer	89518	0.46
				15.02.2019	99	Acquisition	89617	0.46
				22.02.2019	(1584)	Sale/Transfer	88033	0.45
				01.03.2019	(4015)	Sale/Transfer	84018	0.43
				08.03.2019	(1600)	Sale/Transfer	82418	0.42
				15.03.2019	500	Acquisition	82918	0.43
				22.03.2019	1900	Acquisition	84818	0.44
				29.03.2019	104	Acquisition	84922	0.44
	<i>Top 10<sup>th</sup> shareholder as on 31.03.2019</i>	84922	0.44	31.03.2019				
9	Fourfold Tie-up Private Limited (Ceased to be amongst Top 10 shareholders effective 30.11.2018)	79185	0.41	01.04.2018	0	No change during the year	79185	0.41
		79185	0.41	31.03.2019				
10	Moonstar Securities Trading and Finance Co. Pvt. Ltd. (Ceased to be amongst Top 10 shareholders effective 07.09.2018)	71817	0.37	01.04.2018	0	No change during the year	71817	0.37
		71817	0.37	31.03.2019				

# ASIAN HOTELS (NORTH) LIMITED

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018) / end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
11	<b>Rajiv Vadilal Shah</b>	68000 (joins Top 10 shareholders as on 07.09.2018)	0.35	31.08.2018				
				07.09.2018	7662	Acquisition	75662	0.39
				14.09.2018	714	Acquisition	76376	0.39
		(Ceased to be amongst Top 10 shareholders effective 21.09.2018)		21.09.2018	1624	Acquisition	78000	0.40
				28.09.2018	897	Acquisition	78897	0.41
		(re-joins Top 10 shareholders as on 30.11.2018)		30.11.2018	30000	Acquisition	108897	0.56
		<b>Top 8<sup>th</sup> shareholder as on 31.03.2019</b>	<b>108897</b>	<b>0.56</b>	<b>31.03.2019</b>			
12	<b>Aakash Sanjeev Shah</b>	73217 (joins Top 10 shareholders as on 21.09.2018)	0.38	14.09.2018				
				21.09.2018	6783	Acquisition	80000	0.41
		(Ceased to be amongst Top 10 shareholders effective 30.11.2018)		28.09.2018	220	Acquisition	80220	0.41
			80220	0.41	31.03.2019			
13	<b>Sanjeev V Shah</b>	77523 (joins Top 10 shareholders as on 30.11.2018)	0.40	23.11.2018				
				30.11.2018	30000	Acquisition	107523	0.55
		<b>Top 9<sup>th</sup> shareholder as on 31.03.2019</b>	<b>107523</b>	<b>0.55</b>	<b>31.03.2019</b>			

Note: 116516 equity shares equivalent to 0.60% of the total capital have been transferred to the Investor Education and Protection Fund Authority (Ministry of Corporate Affairs) in terms of the provisions of the Companies Act, 2013. As on 01.04.2018, the holding in the said Folio was 77911 shares and it qualified it to be amongst 'Top 10 shareholders', later on 16.11.2018 holding in the same Folio increased by 38605 equity shares. However, this folio has been ignored for reporting of 'Top 10 shareholders' as it reflects the consolidated shareholding of all folios whereof shares were unclaimed.

# ASIAN HOTELS (NORTH) LIMITED

## v) Shareholding of Directors and Key Managerial Personnel

Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
	No. of shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
Shiv Kumar Jatia (Managing Director)	2668027	13.72	01.04.2018	0	No change during the year	2668027	13.72
	<b>2668027</b>	<b>13.72</b>	<b>31.03.2019</b>				
Dr. Lalit Bhasin (Independent Non- executive Director)	0	N.A.	N.A.	0	N.A.	0	N.A.
Mr. Dinesh Chandra Kothari (Independent Non-executive Director)	0	N.A.	N.A.	0	N.A.	0	N.A.
Mr. Pinaki Misra (Independent Non- executive Director)	0	N.A.	N.A.	0	N.A.	0	N.A.
Mr. Ranjan Kishore Bhattacharya (Independent Non- executive Director)	0	N.A.	N.A.	0	N.A.	0	N.A.
Mr. Dipendra Bharat Goenka (Non- executive Director)	0	N.A.	N.A.	0	N.A.	0	N.A.
Mr. Amrithesh Jatia (Non-executive Director)	0	N.A.	N.A.	0	N.A.	0	N.A.
Ms. Anita Thapar (Whole-time Director)	10	0	01.04.2018	0	No change during the year	10	0
	<b>10</b>	<b>0</b>	<b>31.03.2019</b>				
Mr. Dinesh Kumar Jain (Company Secretary)	0	N.A.	N.A.	0	N.A.	0	N.A.
Mr. Prakash Chandra Sharma (Chief Financial Officer)	0	N.A.	N.A.	0	N.A.	0	N.A.

## V. INDEBTEDNESS:

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

(Rupees in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (as on 1<sup>st</sup> April, 2018)</b>				
i) Principal Amount	90185.32	1635.00	-	91820.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	878.69	-	-	878.69
<b>Total (i+ii+iii)</b>	<b>91064.01</b>	<b>1635.00</b>	<b>-</b>	<b>92699.01</b>

# ASIAN HOTELS (NORTH) LIMITED

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>				
* Addition	1099.60	442.50	-	1542.10
* Reduction	0	-	-	0
<b>Net Change</b>	<b>1099.60</b>	<b>442.50</b>	<b>-</b>	<b>1542.10</b>
<b>Indebtedness at the end of the financial year (as on 31<sup>st</sup> March, 2019)</b>				
i) Principal Amount	91212.57	2077.50	-	93290.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	951.04	-	-	951.04
<b>Total (i+ii+iii)</b>	<b>92163.61</b>	<b>2077.50</b>	<b>-</b>	<b>94241.11</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No	Particulars of Remuneration	Mr. Shiv Kumar Jatia (Managing Director)	Ms. Anita Thapar (Whole-time Director)
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,37,08,800*	18,65,894^
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	39,600	28,800
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0 0	0 0
5	Others viz. HRA and Group medical insurance premium etc.	74,52,964	7,56,361
	<b>Total (A)</b>	<b>2,12,01,364</b>	<b>26,51,055</b>
	Ceiling as per the Act	#	#

\* Includes Rs. 14,68,800/- as Employer's contribution to Provident Fund, which does not form part of the managerial remuneration under Section IV of Part II of Schedule V to the Act.

^ Includes Rs. 1,46,009/- as Employer's contribution to Provident Fund, which does not form part of the managerial remuneration under Section IV of Part II of Schedule V to the Act.

# The Remuneration paid is in accordance with the approval obtained from the Central Government and/or within the limits prescribed under Schedule V to the Act, as applicable. Any component paid in excess is recovered from the concerned person.

### B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Lalit Bhasin	Mr. Dinesh Chandra Kothari	Mr. Pinaki Misra	Mr. Ranjan Kishore Bhattacharya	
1	Independent Directors					
	Fee for attending board and committee meetings	6,20,000	7,10,000	4,30,000	4,20,000	21,80,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>6,20,000</b>	<b>7,10,000</b>	<b>4,30,000</b>	<b>4,20,000</b>	<b>21,80,000</b>



# ASIAN HOTELS (NORTH) LIMITED

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Dipendra Bharat Goenka	Mr. Amritesh Jatia	
2	<b>Other Non-executive Directors</b>			
	Fee for attending board/ committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	<b>Total Managerial Remuneration (B)=(1+2)</b>			<b>21,80,000</b>
	Overall Ceiling as per the Act@			

@Since the Company incurred loss during the year under review, no remuneration was paid to the non-executive directors, except the fees for attending the meetings of the Board and Committees thereof.

## C. Remuneration to key managerial personnel other than MD/Manager/WTD:

S. No.	Particulars of Remuneration	Company Secretary - Mr. Dinesh Kumar Jain	Chief Financial Officer - Mr. Prakash Chandra Sharma	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	36,64,968	34,56,108	71,21,076
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	39,600	0	39,600
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others (includes H.R.A. and Group Medical Insurance Premium)	12,41,911	12,11,090	24,53,001
	<b>Total</b>	<b>49,46,479</b>	<b>46,67,198</b>	<b>96,13,677</b>

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

There were no penalties/punishment/compounding of offences during the year ended 31<sup>st</sup> March, 2019.

# ASIAN HOTELS (NORTH) LIMITED

## Independent Auditor's Report

### To the Members of Asian Hotels (North) Limited

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Asian Hotels (North) Limited ("the Company"), which comprises of the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), and the Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone financial statements:

Note 33(d) to the standalone financial statements, which describes the uncertainty related to the outcome of the law-suits filed against the Company and also in which the Company is one of the party.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A. Assessment of:</b></p> <p><b>a) Impairment of carrying value of investments in a subsidiary</b></p> <p>Refer note 5 to the financial statements of the Company.</p> <ul style="list-style-type: none"><li>- The Company has investments (net) of Rs. 56,585.12 Lakhs in equity and preference shares of Fineline Hospitality &amp; Consultancy Pte Ltd, Mauritius ("FHCPL"), a subsidiary, ("investments in subsidiary") as at 31<sup>st</sup> March, 2019. FHCPL has a further step-down subsidiary named Lexon Hotel Ventures Limited, Mauritius ("Lexon") wherein FHCPL holds 80% shares. Lexon has named further step down subsidiary Leading Hotels Limited ("LHL"), being ultimate subsidiary of the company wherein the company establishes significant equity control of 79.81%.</li><li>- The total exposure of the Company in respect of above is significant to the standalone financial statements of the Company.</li><li>- Considering the current financial position and status of the project of one of the subsidiaries "LHL", there are indications of potential impairment of the equity investments in subsidiary as set out in above paragraphs.</li></ul>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"><li>• Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over review of impairment assessment of investments in subsidiary;</li><li>• In respect of impairment assessment of investments in subsidiary (LHL):<ul style="list-style-type: none"><li>(i) Testing the mathematical accuracy of the underlying model and checking the impairment assessment prepared by the management;</li><li>(ii) Comparing the business forecasts with the latest approved management approved budgets;</li><li>(iii) Considered the work of external independent valuation expert engaged by the Company;</li><li>(iv) Assessed the independent valuation expert's methods and working;</li><li>(v) Examined and assessed the Land Valuation report obtained from the Registered valuer appointed by the management;</li></ul></li></ul>

# ASIAN HOTELS (NORTH) LIMITED

Key Audit Matter Description	Response to Key Audit Matter
<p>– The Management has assessed the impairment of its investments in its subsidiary using the business forecasts of “LHL” applying the Discounted Cash Flow Method of valuation (the “model”) and noted that at present there is no requirement for making any provision for impairment in respect of these investments.</p> <p>– We considered this as a key audit matter due to significant judgement involved in the reviewing the model prepared by the Independent Valuators to support the carrying value of above investments and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.</p>	<p>(vi) Appointed on our own accord another Independent Valuer (Category -1 ) Merchant Banker for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as Discount rates, terminal growth rate etc.</p> <p>(vii) Compared the reports issued by the Independent Valuer appointed by us and the valuation report obtained by the Company and analysed the difference in the valuation approach and results.</p> <p>Based on the above procedures performed, we noted that the Management’s assessment of impairment of investments based on valuation reports received in subsidiary “FHCPL” is reasonable.</p>

## Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 system in place and the operating effectiveness of such controls.

# ASIAN HOTELS (NORTH) LIMITED

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by 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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the 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 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements;
    - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

Place: New Delhi

Date: 28<sup>th</sup> May 2019

# ASIAN HOTELS (NORTH) LIMITED

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2019, 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 a regular program of physical verification of its fixed assets. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') except certain advance for expenses/trade receivables recoverable in the normal course of business and therefore, the provisions of clauses (iii)(a), (iii)(b) & (iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other statutory dues with the appropriate authorities except an instance of delay in deposition of GST for Mar-19 which has been paid subsequently after the balance sheet date.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and records of the company examined by us, the following dues of income tax and duty of excise as at March 31, 2019 which have not been deposited by the Company on account of any disputes.

Nature of Statute	Year to which it relates	Amount unpaid (excluding interest) (Rs. In Lakhs)	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	2002-2007	254.53 Lakhs (Including penalty of Rs. 250 Lakhs)	Customs, Excise and Service Tax Appellate Tribunal, New Delhi

- (viii) Based on our audit procedures and in our opinion and according to the information and explanations given to us, we are of the opinion that in the following instance, Company has delayed payment of interest to DBS Bank Ltd., Singapore. The company does not have any debenture holders.

Particulars	Amount of delay in payment (INR in Lakhs)	Period of delay in payment	Remarks, if any
Name of the Lenders: <b>DBS Bank Ltd.</b>			
Interest on ECB Loans (Aggregate value)	634.27	Payment not made till the date of signing of this report.	The Company has purportedly adjusted the interest falling due on 15th April, 2019 from amount recoverable from the Bank in terms of a claim made by the Company. Till consent for such adjustment is given by the Bank, it will be treated as a delay on the part of the Company.

- (ix) The Company didn't raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanation given to us, the term loans were applied for the purposes for which loans were raised.

# ASIAN HOTELS (NORTH) LIMITED

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- (x) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the years.
- (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.

**For Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

Place: New Delhi

Date: 28<sup>th</sup> May 2019

# ASIAN HOTELS (NORTH) LIMITED

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## Annexure - B 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 Asian Hotels (North) Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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<sup>st</sup> March 2019, 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 **Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

Place: New Delhi

Date: 28<sup>th</sup> May 2019

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>st</sup> MARCH, 2019

	Note No.	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	112,892.74	114,812.09
(b) Capital Work in Progress	4	94.69	191.02
(c) Financial Assets			
(i) Investments	5	56,727.66	56,306.95
(ii) Loans	6	47.72	26.83
(iii) Others	7	327.10	228.32
(d) Deferred Tax Assets (Net)	8	2,775.37	1,879.71
(e) Other Non-Current Assets	9	1,670.31	1,272.94
		<u>174,535.59</u>	<u>174,717.86</u>
<b>CURRENT ASSETS</b>			
(a) Inventories	10	1,126.80	1,161.29
(b) Financial Assets			
(i) Trade Receivables	11	1,666.23	1,200.56
(ii) Cash and Cash Equivalents	12	506.40	595.57
(iii) Bank Balance other than (ii) above	13	7.28	340.10
(iv) Others	14	3,737.64	2,715.91
(c) Other Current Assets	15	320.63	299.78
		<u>7,364.98</u>	<u>6,313.21</u>
<b>TOTAL ASSETS</b>		<u><u>181,900.57</u></u>	<u><u>181,031.07</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	1,945.32	1,945.32
(b) Other Equity	17	68,668.16	71,928.40
		<u>70,613.48</u>	<u>73,873.72</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	83,141.61	83,096.34
(ii) Other Financial Liabilities	19	1,823.78	1,827.30
(b) Provisions	20	451.80	436.64
		<u>85,417.19</u>	<u>85,360.28</u>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	8,011.50	6,476.10
(ii) Trade Payables	22	6,232.02	4,742.45
(iii) Other Financial Liabilities	23	1,745.10	1,553.71
(b) Other Current Liabilities	24	9,609.10	8,770.23
(c) Provisions	25	272.18	254.58
		<u>25,869.90</u>	<u>21,797.07</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>181,900.57</u></u>	<u><u>181,031.07</u></u>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

The accompanying notes 1 to 43 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

ON BEHALF OF THE BOARD OF DIRECTORS

**Kaushik D Shah**

Partner

Membership Number: 016502

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019



# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

	Note No.	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>INCOME</b>			
Revenue from operations	26	27,352.28	27,443.97
Other income	27	815.98	3,110.96
<b>TOTAL INCOME</b>		<b>28,168.26</b>	<b>30,554.93</b>
<b>EXPENSES</b>			
Consumption of provisions, beverages, smokes and others	28	3,866.81	3,641.74
Employee benefits expense	29	6,523.69	6,392.34
Finance Costs	30	11,312.92	9,832.12
Depreciation and amortization expenses	4	1,926.03	1,996.07
Other expenses	31	8,746.51	8,967.57
<b>TOTAL EXPENSES</b>		<b>32,375.96</b>	<b>30,829.84</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(4,207.70)</b>	<b>(274.91)</b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b>(4,207.70)</b>	<b>(274.91)</b>
Tax items			
Current tax		-	-
Earlier years tax provisions (written back)		34.49	-
Deferred tax asset / (liability)		895.66	32.81
Total tax items		930.15	32.81
<b>Profit/(Loss) for the year</b>		<b>(3,277.55)</b>	<b>(242.10)</b>
<b>Other Comprehensive Income / (Loss)</b>			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		17.31	32.73
Additional depreciation on account of revaluation		-	-
<b>Other Comprehensive Income for the year / (Loss)</b>		<b>17.31</b>	<b>32.73</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>(3,260.24)</b>	<b>(209.37)</b>
<b>Earning Per Equity Share (Basic and Diluted) (In Rs.)</b>	32	<b>(16.85)</b>	<b>(1.24)</b>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

The accompanying notes 1 to 43 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019

ON BEHALF OF THE BOARD OF DIRECTORS

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

	2018-19 Rs. In Lakhs	2017-18 Rs. In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) Before Tax</b>	<b>(4,207.70)</b>	(274.91)
Adjustments for:		
Depreciation and amortization	<b>1,926.03</b>	1,996.07
Interest and finance charges	<b>11,312.92</b>	9,800.22
Interest income	<b>(140.95)</b>	(43.67)
(Gain)/Loss on fixed assets sold/ discarded (net)	<b>(183.45)</b>	(2,328.03)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	<b>864.51</b>	(7.68)
Bad debts / advances written off	-	-
Provision for bad & doubtful debts/advances (written back)	<b>0.07</b>	35.98
Excess Provisions / Liability no longer required written back	<b>(27.19)</b>	(120.50)
Non-operating Income	-	(462.56)
<b>Operating Profit before Working Capital Changes</b>	<b>9,544.24</b>	8,594.92
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	<b>(1,571.56)</b>	(1,723.96)
(Increase)/decrease in inventories	<b>34.55</b>	(212.40)
Increase/(decrease) in trade payables, other liabilities and provisions	<b>2,521.22</b>	3,938.10
<b>Cash Generated from Operations</b>	<b>10,528.45</b>	10,596.66
Income taxes paid	<b>(414.49)</b>	(245.68)
<b>Net Cashflow from Operating Activities</b>	<b>10,113.96</b>	10,350.98
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(325.65)</b>	(369.71)
Additions in capital work in progress	<b>(64.24)</b>	(549.17)
Proceeds from sale of fixed assets	<b>662.85</b>	4,942.47
Investments in bank deposits (with original maturity over 3 months)	-	-
Proceeds from bank deposits (with original maturity over 3 months)	<b>328.00</b>	50.05
Interest received	<b>140.95</b>	50.31
Investment in shares	-	(142.51)
Non-operating Income	-	462.56
<b>Net Cashflow from Investing Activities</b>	<b>741.91</b>	4,444.00

# ASIAN HOTELS (NORTH) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

	2018-19 Rs. In Lakhs	2017-18 Rs. In Lakhs
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		
Receipts	206.92	10,824.00
Payments	(1,241.82)	(15,674.36)
Proceeds from short term borrowings		
Receipts	4,937.82	90.00
Payments	(3,687.50)	(657.49)
Interest and finance charges	(11,160.47)	(9,918.78)
<b>Net Cashflow from Financing Activities</b>	<b>(10,945.05)</b>	<b>(15,336.63)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(89.17)</b>	<b>(541.65)</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>595.57</b>	<b>1,137.22</b>
<b>Cash and bank balances at the end of the year</b>	<b>506.40</b>	<b>595.57</b>

### NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Balances with banks		
In current accounts	490.31	558.93
In deposits with original maturity of less than 3 months	-	-
Cash on hand	16.09	36.64
Cheque on hand	-	-
	<b>506.40</b>	<b>595.57</b>

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### (A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2019

(Rs. In Lakhs)

Balance as at 1st April, 2018	Changes during the year	Balance as at 31st March, 2019
1,945.32	-	1,945.32

For the year ended 31st March, 2018

(Rs. In Lakhs)

Balance as at 1st April, 2017	Changes during the year	Balance as at 31st March, 2018
1,945.32	-	1,945.32

### (B) OTHER EQUITY

For the year ended 31st March, 2019

Particulars	Capital Reserve	General Reserve	Capital Redemption Reserve	Security Premium Account	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2018	1.41	8,863.57	990.00	32,994.83	-	28,544.52	534.07	71,928.40
Profit/(Loss) for the year	-	-	-	-	-	(3,277.55)	-	(3,277.55)
Transfer from / to	-	-	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	17.31	17.31
<b>Balance as at 31st March, 2019</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>25,266.97</b>	<b>551.38</b>	<b>68,668.16</b>

For the year ended 31st March, 2018

Particulars	Capital Reserve	General Reserve	Capital Redemption Reserve	Security Premium Account	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2017	1.41	8,863.57	990.00	32,994.83	19,074.94	9,711.68	501.34	72,137.77
Profit/(Loss) for the year	-	-	-	-	-	(242.10)	-	(242.10)
Transfer from / to	-	-	-	-	(19,074.94)	19,074.94	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	32.73	32.73
<b>Balance as at 31st March, 2018</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>28,544.52</b>	<b>534.07</b>	<b>71,928.40</b>

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019

ON BEHALF OF THE BOARD OF DIRECTORS

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Chairman & Managing Director

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Director & Chairman of

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Vice President-Corporate Affairs &

Company Secretary

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# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 1. CORPORATE INFORMATION

Asian Hotels (North) Limited ("the Company") is a public limited company domiciled in India and is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company is operating a Five Star Deluxe Hotel, namely Hyatt Regency in Delhi since 1982.

### 2. BASIS OF PREPARATION

For the year ended 31st March 2019, the Company has prepared its financial statements in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Ind AS). The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value, defined benefits plans and contingent consideration. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

#### Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2A. USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation – Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies - 3.9
- g) Impairment of financial assets – Refer accounting policies - 3.2 & 3.5

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, plant and equipment:

Property, plant and equipment are stated at original cost (including any revalued amount) net of tax / duty credit availed, less accumulated depreciation and accumulated and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

##### Tangible Fixed Assets:

- (a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.
- (b) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (c) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve and credited to the Other Comprehensive Income based on guidance provided by "Application Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by the Institute of Chartered Accountants of India read with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2016 as amended by the Companies (Indian Accounting standards) (Amendment) Rules, 2016.
- (d) No depreciation is charged on the assets sold/ discarded during the year.
- (e) On transition to Ind AS, the Company had elected to measure its Property, Plant and Equipment at cost as per Ind AS. Further, as per the requirement of paragraph 11 of Ind AS 101, outstanding amount in the revaluation reserve is transferred to retained earning account. This is because after transition, the Company is no longer applying the revaluation model of Ind AS 16, instead it has elected to apply the cost model approach.

##### Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

##### Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

#### 3.2 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flow projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

In respect of the subsidiaries assets at each balance sheet date, the impairment testing is based on the realizable value of underlying assets as tested by the Board of Directors of the subsidiary.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

#### 3.3 Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

##### 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 transaction.

##### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in 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 arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

#### 3.4 Revenue recognition

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

- (i) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer or the agreed milestones are achieved and are net of service tax and Goods and Service Tax (GST), wherever applicable.
- (ii) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], 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 amortized 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.
- (iii) Dividend income from investments is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.
- (iv) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.
- (v) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### 3.5 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.

##### A. Financial Assets

###### a. 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 attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Company settle commits to purchase or sell the asset.

###### b. Subsequent measurement:

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

###### i. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- 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 and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

###### ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

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

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments 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]. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

###### iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

###### iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made 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. There is no recycling of



## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### c. Derecognition:

A financial asset is primarily derecognized when:

- i. 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.
- ii. the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

#### d. 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, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash
- c. Financial assets that are debt instruments and are measured as at FVTOCI
- d. Lease receivables under Ind AS 17
- e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the company to recognize the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. 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 recognizing 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. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### B. Financial liabilities:

##### a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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.

##### b. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

##### i. 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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### ii. Loans and borrowings:

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.

##### iii. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

##### c. Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### C. Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### 3.6 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted [unadjusted] market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### 3.7 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is determined by weighted average method. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

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

#### 3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. There is no obligation other than the contribution payable to the respective fund.
- (ii) The Company also provides for retirement benefits in the form of gratuity and compensated absences/ Leave encashment in pursuance of the Company leave rules. The Company's liability towards such defined benefit plans are determined based on valuations as at the Balance Sheet date made by independent actuaries. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset

#### 3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

#### 3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

#### 3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

#### 3.12 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

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. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### 3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 3.14 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.

- 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.
- Lease other than finance lease are operating lease and these leased assets are not recognized in the company's statement of financial position but are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease unless another systematic basis is more representative of the time pattern of the user's benefit.

#### 3.15 Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 4 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Furniture, Fixtures and Furnishing	Plant and Equipments	Office Equipment	Computers	Vehicles	Total	Capital Work-In progress
	(Rs. In Lakhs)								
<b>Cost:</b>									
As at 31st March, 2017	80,074.28	30,087.67	7,785.93	15,308.39	45.85	444.90	1,086.92	134,833.94	140.22
Additions	-	111.83	42.26	329.38	6.84	6.54	371.23	868.08	549.17
Disposals / transfers	-	2,292.60	32.49	470.16	-	-	106.25	2,901.50	498.37
As at 31st March, 2018	<b>80,074.28</b>	<b>27,906.90</b>	<b>7,795.70</b>	<b>15,167.61</b>	<b>52.69</b>	<b>451.44</b>	<b>1,351.90</b>	<b>132,800.52</b>	<b>191.02</b>
Additions	-	89.34	37.07	286.68	0.95	29.07	43.11	486.22	64.24
Disposals / transfers	-	324.08	47.05	112.20	-	-	236.09	719.42	160.57
As at 31st March, 2019	<b>80,074.28</b>	<b>27,672.15</b>	<b>7,785.73</b>	<b>15,342.09</b>	<b>53.64</b>	<b>480.51</b>	<b>1,158.92</b>	<b>132,567.33</b>	<b>94.69</b>
<b>Accumulated depreciation:</b>									
As at 1st April, 2017	-	3,430.82	5,180.94	6,883.01	29.10	389.12	366.28	16,279.27	-
Depreciation charged during the year	-	461.67	449.41	898.98	6.25	20.33	159.43	1,996.07	-
Disposals / transfers	-	110.72	11.25	103.12	-	-	61.82	286.91	-
As at 31st March, 2018	-	<b>3,781.77</b>	<b>5,619.10</b>	<b>7,678.87</b>	<b>35.35</b>	<b>409.45</b>	<b>463.89</b>	<b>17,988.43</b>	-
Depreciation charged during the year	-	457.23	431.91	863.62	5.60	17.77	149.89	1,926.03	-
Disposals / transfers	-	20.78	21.94	48.48	-	-	148.67	239.87	-
As at 31st March, 2019	-	<b>4,218.22</b>	<b>6,029.07</b>	<b>8,494.02</b>	<b>40.95</b>	<b>427.22</b>	<b>465.11</b>	<b>19,674.59</b>	-
<b>Net book value</b>									
As at 31st March, 2018	80,074.28	24,125.13	2,176.60	7,488.74	17.34	41.99	888.01	114,812.09	191.02
As at 31st March, 2019	<b>80,074.28</b>	<b>23,453.93</b>	<b>1,756.66</b>	<b>6,848.08</b>	<b>12.69</b>	<b>53.29</b>	<b>693.81</b>	<b>112,892.74</b>	<b>94.69</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 4. PROPERTY, PLANT AND EQUIPMENT ...contd.

(a) Vehicles includes those financed:

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Gross value	1,048.26	1,075.23
Net value	670.22	817.97

(b) Land (freehold) and Plant and Equipments includes assets relating to the business of generation of electricity  
(Refer Note 36 on Segment Reporting)

Land (freehold)

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Gross value	34.00	34.00
Net value	34.00	34.00

Plant and Equipments

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Gross value	1,857.02	1,857.02
Net value	901.26	974.75

(c) Capital Work in Progress consists of :

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Balance at the beginning of the year	191.02	140.22
Building under construction	4.13	154.28
Technical and consultancy fees	49.40	77.36
Kitchen Equipments	3.15	41.60
Plumbing and sanitation	4.25	13.68
Air conditioning under installation	0.77	80.42
Elevators under installation and others	-	7.25
Furniture and Fixtures	-	55.45
Fire fighting equipments	-	14.13
Office, Housekeeping and other equipments	-	0.15
Music, TV and Cinematograph	-	18.83
Electrification	-	15.12
Expenditure during construction {Refer Note (d) below}	2.54	70.90
	<u>255.26</u>	<u>689.39</u>
Less: Capitalized during the year	(160.57)	(498.37)
<b>Balance at the end of the year</b>	<u><u>94.69</u></u>	<u><u>191.02</u></u>

(d) All other expenses specifically attributable to construction have been accounted for as expenditure during construction.  
The Company has prepared the following Statement of Expenditure during construction:

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>STATEMENT OF EXPENDITURE DURING CONSTRUCTION</b>		
Employee benefits and miscellaneous expenses	-	30.53
Legal and professional charges (Including loan processing and arranging fees)	1.79	32.20
Travelling expenses	-	0.89
Miscellaneous expenses	0.75	7.28
	<u><u>2.54</u></u>	<u><u>70.90</u></u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

5 NON - CURRENT FINANCIAL ASSETS - INVESTMENTS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unquoted investments:</b>		
<b>a. Investment in equity instruments</b>		
i) Subsidiary companies	54,653.62	54,653.62
Less: provision for impairment on the value of investment	(5,119.60)	(5,119.60)
	49,534.02	49,534.02
ii) Others companies	142.54	142.54
<b>b. Investment in preference shares</b>		
Subsidiary companies	7,051.10	6,630.39
	56,727.66	56,306.95
Aggregate amount of unquoted investments	56,727.66	56,306.95
Aggregate provision for diminution on value of investments	5,119.60	5,119.60

### Details of Investments

	Face value per unit in Rs. unless otherwise specified	No. of shares/ units As at 31-03-2019	Value	
			As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unquoted Investments:</b>				
<b>Investment in equity instruments</b>				
<b>Investment in subsidiary company</b>				
<b>Par value of equity shares</b>				
1. Finline Hospitality & Consultancy Pte Ltd, Mauritius (FHCPL)	No par value	94,295,582	54,653.62	54,653.62
Less: Provision for Impairment on the value of investment			(5,119.60)	(5,119.60)
			49,534.02	49,534.02
<b>Investment in other companies</b>				
2. Sandhya Hydro Power Projects Balagha Pvt. Ltd. *	Rs. 10	1,425,390	142.54	142.54
<b>Investment in preference shares</b>				
<b>Investment in subsidiary company</b>				
<b>Fully paid up 5% Cumulative Redeemable Preference Shares</b>				
Finline Hospitality & Consultancy Pte Ltd, Mauritius (FHCPL) #	USD 1	10,193,679	7,051.10	6,630.39
<b>Total</b>			56,727.66	56,306.95

# The change in value is solely on account of change in exchange rate on the stated foreign currency amount invested.

\* Pursuant to the Power Purchase Agreement (PPA), investment has been made which will entitle the company to consume power, equivalent to a maximum capacity of 1.97 MW

### Notes:

- (a) The Company presently holds 100% interest in Finline Hospitality & Consultancy Pte Ltd. (FHCPL), which in turn holds 80% stake in Lexon Hotels Venture Ltd., Mauritius (Lexon); and Lexon in turn holds 99.76% interest in Leading Hotels Limited (Leading). Leading is developing an all Villa Hotel Complex at Goa and an 18 hole, 72 par Championship Golf Course. The said project will be under the management of Four Seasons, a world famed hotel chain and hospitality management company.
- (b) The Subsidiary company, Leading Hotels Limited, in its financial statements for the year ended 31st March 2019, has indicated about ongoing litigation and resultant slow pace of development of the project which has led to present cash crunch in the subsidiary company. The Company has already made an overall provision for impairment amounting to Rs. 5,119.60 Lakhs against the above investment in the subsidiary company in earlier years.



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

6 NON - CURRENT FINANCIAL ASSETS - LOANS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Others:		
Loans to employees	47.72	26.83
	<u>47.72</u>	<u>26.83</u>

7 NON - CURRENT FINANCIAL ASSETS - OTHERS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Security deposits	327.10	228.32
	<u>327.10</u>	<u>228.32</u>

### 8 TAXATION - DEFERRED TAX

#### I. Income tax related items charged or credited directly to profit or loss during the year

Particulars	2018-19	2017-18
<b>Statement of profit or loss</b>		
Current income tax	-	-
Prior year income tax / (reversal)	-	-
Deferred tax expense / (benefit)	(895.66)	(32.81)
<b>Total</b>	<b>(895.66)</b>	<b>(32.81)</b>

#### II. Income Tax Expense

<b>Reconciliation</b>		
Accounting profit / loss before tax	(4207.70)	(274.91)
Applicable tax rate	31.20%	31.20%
<b>Computed tax expense</b>	<b>(1312.80)</b>	<b>(85.77)</b>
Expense not considered for tax purpose	394.34	221.01
Income not considered for tax purpose	(219.13)	(744.45)
Additional allowance for tax purpose	(11.36)	(16.55)
Other timing difference	0.11	(2.11)

#### III. Deferred Tax relates to the following:

Particulars	Balance Sheet		Recognized in statement of profit or loss [Expense / (Income)]	
	As at 31-03-2019	As at 31-03-2018	2018-19	2017-18
Expense allowable on payment basis	530.82	536.62	5.80	(2.90)
Unused tax losses / depreciation	5,993.39	6,685.06	691.67	(810.56)
Minimum alternate tax (MAT) credit	778.15	778.15	-	-
Depreciation timing difference	(6,124.31)	(6,120.12)	4.19	780.65
Others	1,597.32	-	(1,597.32)	-
<b>Deferred tax asset / (liability)</b>	<b>2,775.37</b>	<b>1,879.71</b>	<b>(895.66)</b>	<b>(32.81)</b>

The Company is having net deferred tax asset (DTA) as on 31st March, 2019 and on the basis of reasonable certainty concept as per Ind-AS provisions, the same has been recognized in the books of account.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

9 NON - CURRENT ASSETS - OTHERS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Capital advances		
Considered good	23.88	41.00
Considered doubtful	-	-
	<b>23.88</b>	41.00
Less: Provision for doubtful advances	-	-
	<b>23.88</b>	41.00
Advance income tax/TDS (net of provision for taxation)	<b>1,646.43</b>	1,231.94
	<b>1,670.31</b>	1,272.94
10 INVENTORIES	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
(valued at lower of cost and net realizable value)		
Wines and liquor	450.11	550.41
Provisions, other beverages and smokes	204.84	189.15
Crockery, cutlery, silverware, linen etc.	396.29	338.14
General stores and spares	75.56	83.59
	<b>1,126.80</b>	1,161.29
- As per inventory taken and valued by the Management		
11 TRADE RECEIVABLES	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unsecured</b>		
Other debts		
Considered good	1,666.23	1,200.56
Considered doubtful	-	21.35
	<b>1,666.23</b>	1,221.91
Less: Provision for doubtful debts	-	(21.35)
	<b>1,666.23</b>	1,200.56
Trade receivables includes:		
Debts related to generation of electricity business (See segment reporting note)	57.59	217.78
12 CASH AND CASH EQUIVALENTS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Balances with banks		
In current accounts	490.31	558.93
Cash in hand	16.09	36.64
	<b>506.40</b>	595.57

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Other balances		
Earmarked balances with banks for:		
Unpaid dividends #	7.28	12.10
Bank deposits *	-	328.00
	7.28	340.10

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019

# includes excess deposit due to rounding-off of dividend payable on fractional shares	0.09	0.09
*includes as margin money deposit against borrowings from banks	-	328.00
*under lien against guarantee given for loan taken by the company	-	-
*against bank guarantee from bank	-	-

14 CURRENT FINANCIAL ASSETS - OTHERS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Interest accrued on fixed deposits	-	-
Advances recoverable in cash or kind	3,590.73	2,569.00
Others *	146.91	146.91
	3,737.64	2,715.91

\* Recoverable from DBS Bank on account of withholding tax deposited on their behalf

15 CURRENT ASSETS - OTHERS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Prepaid expenses	320.63	299.78
	320.63	299.78

16 SHARE CAPITAL	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Authorized:</b>		
40,000,000 Equity Shares of Rs. 10 each (40,000,000 Equity Shares of Rs. 10 each as on 31st March, 2018)	4,000.00	4,000.00
30,000,000 Preference Shares of Rs. 10 each (30,000,000 Preference Shares of Rs. 10 each as on 31st March, 2018)	3,000.00	3,000.00
<b>Issued, Subscribed and paid-up:</b>		
19,453,229 Equity Shares of Rs. 10 each fully paid up (19,453,229 Equity Shares of Rs. 10 each fully paid up as on 31st March, 2018)	1,945.32	1,945.32

### Notes:

#### (a) Reconciliation of the number of shares outstanding at the beginning at the end of the year:

	As at 31-03-2019		As at 31-03-2018	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	40,000,000	4,000.00	40,000,000	4,000.00
Balance at the end of the year	40,000,000	4,000.00	40,000,000	4,000.00

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<b>16 SHARE CAPITAL ...contd.</b>	<b>As at 31-03-2019</b>		<b>As at 31-03-2018</b>	
<b>(2) Preference Shares</b>	<b>No. of shares</b>	<b>(Rs. in Lakhs)</b>	<b>No. of shares</b>	<b>(Rs. in Lakhs)</b>
Balance at the beginning of the year	30,000,000	3,000.00	30,000,000	3,000.00
Balance at the end of the year	30,000,000	3,000.00	30,000,000	3,000.00

<b>Issued, subscribed and paid-up capital</b>	<b>As at 31-03-2019</b>		<b>As at 31-03-2018</b>	
	<b>No. of shares</b>	<b>(Rs. in Lakhs)</b>	<b>No. of Shares</b>	<b>(Rs. in Lakhs)</b>
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	19,453,229	1,945.32	19,453,229	1,945.32
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	<u>19,453,229</u>	<u>1,945.32</u>	<u>19,453,229</u>	<u>1,945.32</u>

**(b) Terms / rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31st March, 2019, the amount of per share dividend proposed as distribution to equity shareholders is Nil (31st March, 2018: Rs. Nil).

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.

**(c) Details of shareholders holding more than 5 % shares in the Company**

	<b>As at 31-03-2019 %</b>	<b>No. of shares</b>	<b>As at 31-03-2018 %</b>	<b>No. of shares</b>
<b>Equity Shares of Rs. 10 each fully paid up</b>				
Fineline Holdings Limited, (an overseas promoter entity)	23.10	4,493,145	23.10	4,493,145
Yans Enterprises (H.K.) Limited, (an overseas promoter entity)	27.43	5,336,880	27.43	5,336,880
Mr. Shiv Kumar Jatia (Chairman & Managing Director & Promoter)	13.72	2,668,027	13.72	2,668,027
Asian Holdings Private Limited (a domestic promoter entity)	8.24	1,602,664	8.24	1,602,664

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

<b>17 OTHER EQUITY</b>	<b>As at</b>		<b>As at</b>	
	<b>31-03-2019</b>		<b>31-03-2018</b>	
	<b>(Rs. In Lakhs)</b>		<b>(Rs. In Lakhs)</b>	
<b>Capital Reserve</b>				
Opening balance		1.41		1.41
Additions during the financial year		-		-
Deductions during the financial year		-		-
Closing balance		<u>1.41</u>		<u>1.41</u>
<b>Capital Redemption Reserve for redeemed NCPS</b>				
Opening balance		990.00		990.00
Additions during the financial year		-		-
Deductions during the financial year		-		-
Closing balance		<u>990.00</u>		<u>990.00</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 17 OTHER EQUITY ...contd.

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Securities Premium</b>		
Opening balance	32,994.83	32,994.83
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<u>32,994.83</u>	<u>32,994.83</u>
<b>General Reserve</b>		
Opening balance	8,863.57	8,863.57
Additions during the financial year	-	-
Adjusted to FVTOCI reserve on transition to Ind AS	-	-
Closing balance	<u>8,863.57</u>	<u>8,863.57</u>
<b>Revaluation Reserve</b>		
Opening balance	-	19,074.94
Additions during the financial year	-	-
Deductions during the financial year	-	-
Transferred to Surplus of Profit and Loss *	-	(19,074.94)
Closing balance	<u>-</u>	<u>-</u>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	28,544.52	9,711.68
Transferred from Revaluation Reserve	-	19,074.94
Profit / (loss) during the year	(3,277.55)	(242.10)
Closing balance	<u>25,266.97</u>	<u>28,544.52</u>
<b>Fair Value through Other Comprehensive Income [FVTOCI] Reserve</b>		
Opening balance	534.07	501.34
Adjusted from surplus in statement of profit and loss		
- Re-measurement gains / (losses) on employee benefits	17.31	32.73
Closing balance	<u>551.38</u>	<u>534.07</u>
<b>Total of other equity - as at 31st March, 2019</b>	<u><b>68,668.16</b></u>	<u><b>71,928.40</b></u>

\* As per Ind AS requirements, the balance lying in revaluation reserve account has been transferred.

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Secured Term Loans</b>		
<b>From Banks</b>		
<i>External commercial borrowings</i>		
DBS Bank Limited	21,236.04	20,151.21
USD 307.01 Lakhs (Previous Year USD 309.80 Lakhs)		
<i>Other Term Loans</i>		
Bank of Maharashtra - Rupee Loan	23,412.31	23,898.14
Yes Bank Limited-Rupee loan	15,456.29	15,624.13
Punjab National Bank	14,485.82	14,619.91
IndusInd Bank	9,906.24	10,000.00
	<u>84,496.70</u>	<u>84,293.39</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Less: Adjustment of transaction costs as per Ind AS 109	<u>(2,128.03)</u>	<u>(2,208.13)</u>
	<b>82,368.67</b>	<b>82,085.26</b>
ICICI Bank Limited- Rupee loan	<b>170.13</b>	141.01
HDFC Bank Limited- Rupee loan	<b>46.96</b>	35.24
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	<b>25.21</b>	63.69
Genesis Finance Company Limited - Rupee loan <i>For business of generation of electricity (Refer Note on Segment Reporting)</i> <i>For acquisition of /secured against vehicles</i>	<b>397.83</b>	447.33
Kotak Mahindra Prime Limited - Rupee loan	<b>111.41</b>	293.29
Toyota Financial Services - Rupee loan	<b>21.40</b>	30.52
	<u><b>83,141.61</b></u>	<u><b>83,096.34</b></u>

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- (a) DBS Bank Limited -External commercial borrowings (carried interest @ 3.25% p.a. plus LIBOR ) are secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. External commercial borrowings are repayable as under: (i) USD 148.97 Lakhs is payable in 18 unequal half yearly installments till March, 2030; (iii) USD 160.83 Lakhs is payable in 11 unequal half yearly installments till March, 2030.
- (b) Yes Bank Limited - Rupee loan of Rs. 4,651.36 Lakhs (carried interest @ 10.50% - 10.55% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 34 unequal quarterly installments till July, 2030.
- (c) Yes Bank Limited - Rupee loan of Rs. 10,972.78 Lakhs (carried interest @ 10.95% - 11.50% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 36 unequal quarterly installments till December, 2030.
- (d) Bank of Maharashtra (Term Loan I) of Rs. 19,775 Lakhs (carried interest @ 10.85% - 10.95% per annum) - is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is payable in 48 unequal quarterly installments commencing October, 2018.
- (e) Bank of Maharashtra (Term Loan II) of Rs. 4,366 Lakhs (carried interest @ 10.85% - 10.95% per annum) - is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is payable in 48 unequal quarterly installments commencing October, 2018.
- (f) Indusind Bank Limited - Rupee loan of Rs. 10,000 Lakhs (carried interest @ 9.50% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 18 unequal half yearly installments till March, 2030.
- (g) Punjab National Bank - Rupee loan of Rs. 14,619.91 Lakhs (carried interest @9.25% per annum) is secured by first pari passu charge of land & pending of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 36 structured quarterly installments till March, 2030 commencing/ Effective from September, 2021.
- (h) Genesis Finance Company Limited - Rupee loan for business of generation of electricity (carried interest @ 12.00% per annum) is secured by first charge on plant & machinery pertaining to the windmill situated at Sinner in Maharashtra and personal guarantee of Chairman & Managing Director. The loan is repayable in 99 unequal monthly installments up to October 2027.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

- (i) ICICI Bank-Rupee loan (carried interest @ 9.84% per annum) is secured against hypothecation of 8 vehicles. Balance repayable in monthly installments up to December, 2020.
- (j) ICICI Bank-Rupee loan (carried interest @ 9.35% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to June, 2021.
- (k) ICICI Bank-Rupee loan (carried interest @ 8.51% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2021.
- (l) ICICI Bank-Rupee loan (carried interest @ 8.02% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.
- (m) ICICI Bank-Rupee loan (carried interest @ 8.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.
- (n) ICICI Bank-Rupee loan (carried interest @ 8.01% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.
- (o) ICICI Bank-Rupee loan (carried interest @ 14.51% per annum) is secured against hypothecation of 8 vehicles. Balance repayable in monthly installments up to June, 2021.

The aggregate values of the vehicle loans from ICICI Bank aggregate to Rs. 292.52 Lakhs.

- (p) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carried interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to December 2018.
- (q) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to May 2020.
- (r) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to February 2021.
- (s) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.48% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to February 2020.
- (t) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to October 2019.
- (u) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 11.89% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to November, 2019.
- (v) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 8.60% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to March 2022.
- (w) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.33% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to May 2022.
- (x) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 7.78% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to November 2022.

The aggregate values of the vehicle loans outstanding from Kotak Mahindra Prime Ltd aggregates to Rs. 251.89 Lakhs

- (y) SREI Equipment Finance Ltd - Rupee Loan of Rs. 96.92 Lakhs for acquisition of equipment (carried interest @ 14.25% per annum) is secured against the power saving equipment acquired from the loan. Balance is payable in equal monthly installments up to October, 2020 starting from December, 2015.
- (z) HDFC Bank Ltd - Rupee loan of Rs. 48.80 Lakhs for acquisition of a vehicle (carried interest @ 11.00% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to May 2021.
- (aa) HDFC Bank Ltd - Rupee loan of Rs.33.39 Lakhs for acquisition of a vehicle (carried interest @ 8.40% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to August, 2023.
- (ab) Toyota Financial Services India Ltd - Rupee loan for acquisition of a vehicle (carried interest @ 9.05% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to June 2021.
- (ac) Toyota Financial Services India Ltd - Rupee loan for acquisition of a vehicle (carried interest @ 7.74% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to October 2022.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

The details of repayment of long term borrowings as at 31st March, 2019 are as follow:

Particulars	Up to 1 year (Rs. In Lakhs)	1 to 5 years (Rs. In Lakhs)	Above 5 years (Rs. In Lakhs)	Total (Rs. In Lakhs)
<b>Secured term loans</b>				
From banks	485.72	31,337.22	53,159.48	84,982.42
From financial institution	-	207.42	190.40	397.83
	<b>485.72</b>	<b>31,544.64</b>	<b>53,349.88</b>	<b>85,380.24</b>

### 19 NON - CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Security Deposits	<b>1,823.78</b>	1,827.30
	<b>1,823.78</b>	<b>1,827.30</b>

The above includes Rs. 180.12 Lakhs (Previous Year Rs. 178.22 Lakhs) received as refundable interest free security deposits against leave and license agreements relating to the shops in Hotel Hyatt Regency and Rs. 1,500 Lakhs (Previous Year Rs. 1,500 Lakhs) received as refundable interest free security deposit for parking space in Serviced Apartment Tower.

### 20 NON - CURRENT PROVISIONS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	<b>344.20</b>	330.82
Leave Encashment	<b>107.59</b>	105.82
	<b>451.80</b>	<b>436.64</b>

### 21 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Secured</b>		
<b>From Banks</b>		
<i>Other Term Loans</i>		
Bank of Maharashtra - Rupee Loan	<b>485.72</b>	242.86
Kotak Mahindra Bank Limited-Rupee loan	-	-
<i>For acquisition of /secured against vehicles</i>		
ICICI Bank Limited- Rupee loan	<b>122.39</b>	55.61
HDFC Bank Limited- Rupee loan	<b>21.67</b>	13.56
<i>Overdraft Facilities</i>		
Yes Bank Limited	<b>3,349.74</b>	2,760.25
DBS Bank Ltd	<b>3.32</b>	-
Axis Bank Limited	<b>1,260.01</b>	1,283.23
IndusInd Bank	<b>503.14</b>	264.91
	<b>5,745.99</b>	<b>4,620.42</b>
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	<b>38.41</b>	33.22
<i>For acquisition of /secured against vehicles</i>		
Kotak Mahindra Prime Limited - Rupee loan	<b>140.48</b>	179.06
Toyota Financial Services - Rupee loan	<b>9.12</b>	8.40
	<b>188.01</b>	<b>220.68</b>



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 21 CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unsecured</b>		
<b>Others</b>		
Intercompany Loans (carry interest @ 10% to 17%)	2,077.50	1,635.00
	<b>2,077.50</b>	<b>1,635.00</b>
	<b>8,011.50</b>	<b>6,476.10</b>

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- (a) Yes Bank Limited -Overdraft facilities (carried interest @ 11.50% - 11.75% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets, personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company.
- (b) Axis Bank Limited - Overdraft facilities (carried interest @ 11.40% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.
- (c) Indusind Bank Limited - Overdraft facilities (carried interest @ 9.50% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.

### 22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Due to micro and small enterprises	158.14	45.84
Due to other than micro and small enterprises	6,073.88	4,696.61
	<b>6,232.02</b>	<b>4,742.45</b>

The disclosure pursuant to the said Act is as under:

#### DISCLOSURE UNDER MSMED ACT, 2006

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
(a) Principal amount due to suppliers under MSMED Act, 2006	158.14	45.84
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 23 CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Security deposits	110.49	63.26
Interest accrued but not due on borrowings	951.04	878.69
Payables for capital goods	162.17	170.88
Employee Dues	416.17	320.83
Other payables	98.04	108.04
Unpaid/unclaimed dividend	7.19	12.01
	<u>1,745.10</u>	<u>1,553.71</u>

### 24 OTHER CURRENT LIABILITIES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Advance from customers *	5,912.70	5,093.47
Statutory liabilities	1,410.24	1,456.56
Other liabilities	2,286.16	2,220.20
	<u>9,609.10</u>	<u>8,770.23</u>

\* Advance from customers include advance received upon execution of agreement to sale related to apartments amounting to Rs.5,036.05 Lakhs (Previous year ended March 31, 2018: Rs. 4,235.78 Lakhs)

### 25 SHORT TERM PROVISIONS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	260.58	243.33
Leave Encashment	11.60	11.25
	<u>272.18</u>	<u>254.58</u>

### 26 REVENUE FROM OPERATIONS

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Room income	9,869.98	10,182.91
Wines and liquor	3,038.95	3,310.13
Food, other beverages, smokes and banquets	10,123.99	9,774.44
Communications	16.27	22.20
Others*	4,303.09	4,154.29
	<u>27,352.28</u>	<u>27,443.97</u>
*Includes related to generation of electricity business	255.62	265.79

### 27 OTHER INCOME

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Interest Received/Receivable		
From banks	6.49	26.06
From others	134.46	17.61
Excess provisions / credit balances no longer required written back	27.19	120.50
Net gain on sale of fixed assets	183.45	2,328.03
Net gain on foreign currency transaction and translation (other than finance cost)	420.81	37.30
Miscellaneous income *	43.58	581.46
	<u>815.98</u>	<u>3,110.96</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<b>28 CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES &amp; OTHERS</b>	<b>2018-19</b>	2017-18
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
<b>WINES AND LIQUOR</b>		
Opening Stock	550.41	526.04
Add : Purchases	1,078.34	1,206.35
	<u>1,628.75</u>	<u>1,732.39</u>
Closing Stock	(442.71)	(550.41)
	<u>1,186.04</u>	<u>1,181.98</u>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	189.15	154.64
Add : Purchases	2,703.86	2,484.70
	<u>2,893.01</u>	<u>2,639.34</u>
Closing Stock	(212.24)	(189.15)
	<u>2,680.77</u>	<u>2,450.19</u>
Excise duty expense	-	9.57
	<u>3,866.81</u>	<u>3,641.74</u>
Percentage of total consumption between:		
Indigenous 69.32% (Previous Year 63.99%)	2,679.34	2,324.37
Imported 30.68% (Previous Year 36.01%)	1,186.06	1,307.80
<b>29 EMPLOYEE BENEFITS EXPENSES</b>	<b>2018-19</b>	2017-18
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Salaries and wages	4,457.11	4,640.33
Contribution to provident and other funds	213.12	224.93
Contract labour and services	1,289.32	1,051.22
Staff welfare expense	544.22	450.59
Recruitment and training	19.92	25.27
	<u>6,523.69</u>	<u>6,392.34</u>
<b>30 FINANCE COSTS</b>	<b>2018-19</b>	2017-18
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Interest expenses	9,180.06	8,732.24
Other borrowing costs (including bank charges)	1,106.49	1,118.24
Applicable net loss / (gain) on foreign currency transactions and translation {Refer Note 3.10 on borrowing costs}	1,026.37	(18.36)
	<u>11,312.92</u>	<u>9,832.12</u>
<b>31 OTHER EXPENSES</b>	<b>2018-19</b>	2017-18
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	1,040.89	1,073.00
Operating equipment and supplies written off	170.13	168.46
Power, fuel and light (net)	1,460.85	1,658.37
Repairs, maintenance and refurbishing *	923.77	914.00
Rent	555.57	472.03
Rates and taxes	443.66	374.48
Insurance	70.70	90.00
Data processing charges	311.99	268.87

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<b>31 OTHER EXPENSES...contd.</b>	<b>2018-19</b>	2017-18
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Legal and professional charges	287.53	481.49
Payment to the auditors**	38.97	38.97
Stationery and printing	98.65	97.09
Travelling and conveyance	394.91	353.77
Guest transportation	182.77	189.75
Communication (including telephones for guests)	89.90	182.85
Technical services	946.53	992.04
Advertisement, publicity and business promotion	451.42	445.48
Commission and brokerage	919.72	960.69
Charity and donation	9.29	5.51
Provision for doubtful debts / advances	0.07	35.98
Exchange Fluctuation loss	165.38	-
Miscellaneous	183.81	164.74
	<b>8,746.51</b>	<b>8,967.57</b>
* includes:		
Repairs to buildings	235.19	218.80
Repairs to machinery	498.87	537.91
**Payments to the auditors for (including taxes)		
- statutory audit	29.50	29.50
- tax audit fee	4.72	4.72
- limited review fees	3.54	3.54
- certification work	0.12	0.12
- out of pocket expenses	1.09	1.09
	<b>38.97</b>	<b>38.97</b>
<b>32 EARNINGS PER EQUITY SHARE</b>	<b>2018-19</b>	2017-18
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Profit/(loss) available for equity shareholders	(3,277.55)	(242.10)
Weighted average numbers of equity shares outstanding	19,453,229	19,453,229
Nominal value per equity share (in Rupees)	10.00	10.00
<b>Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)</b>	<b>(16.85)</b>	<b>(1.24)</b>
<b>33 CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>As at</b>	As at
	<b>31-03-2019</b>	31-03-2018
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
(a) Claims against the Company not acknowledged as debts *	7.00	20.00
* pertains to cases filed by certain employees of the Company		
(b) Service tax demand not provided for *	254.53	254.53
* pertains to a demand raised by Service Tax Authorities amounting to Rs. 401.10 Lakhs which includes penalty demand of Rs. 250.00 Lakhs and excluding interest for earlier years up to 2007, against which the Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi on 11th March 2014. Since the Company had already deposited the service tax payable, as determined by the tax authorities, before issuance of the show cause notice for levy of the penalty, it is contesting before the above appellate authorities that it is not liable to pay any penalty and interest.		

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 33 CONTINGENT LIABILITIES AND COMMITMENTS...contd.

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
--	---------------------------------------	---------------------------------------

- |  |   |   |
|--|---|---|
| (c) Additional bonus liability for the financial year 2014-15 owing to amendment made in "The Payment of Bonus Act, 1965" w.r.e.f. 1st April, 2014, has not been provided for as the matter is subjudice before various High Courts in the country.  | - | - |
| (d) Relating to an accident in the hotel premises, a writ petition has been filed with Delhi High Court by a relative of the injured person, and the Company has been made one of the respondents. The same relative has also filed a consumer complaint/petition, before the National Consumer Dispute Redressal Commission (NCDRC), against the Hyatt Hotels Corporation, Chicago and Hotel Hyatt Regency, Delhi, seeking compensation for the above injured person on various counts. Any consequence on the outcome of the above writ petition and the Consumer complaint before the NCDRC can not be ascertained. |   |   |

#### Notes:

- (a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

#### COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	<b>269.04</b>	277.24
(b) Future commitments in respect of assets acquired under Finance Schemes:		
Minimum installments payable within one year	<b>390.67</b>	363.92
later than one year but not later than five years	<b>410.45</b>	631.00
Present value of minimum payable within one year	<b>332.14</b>	289.85
installments later than one year but not later than five years	<b>375.11</b>	563.75

### 34 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES OPERATING LEASE COMMITMENTS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
--	---------------------------------------	---------------------------------------

(a) Future minimum lease amounts receivable by the Company in respect of non-cancellable operating leases (other than land) for shops and apartments entered into by the Company:		
Not later than one year	<b>62.10</b>	66.12
Later than one year and not later than five years	<b>9.82</b>	134.69
More than five years	-	-
(b) Future minimum lease amounts payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented premises) entered into by the Company :		
Not later than one year	<b>643.20</b>	532.68
Later than one year and not later than five years	<b>3,427.43</b>	2,850.63
More than five years	<b>4,269.62</b>	3,511.86

### 35 SEGMENT REPORTING

The Company operates only in one reportable segment, i.e. Hospitality/Hotel Business at one location, namely New Delhi (India). The other business segment, i.e. power generation, though governed by different sets of risks and returns, however, is not a reportable segment as defined under the Indian Accounting Standard Ind AS - 108 "Operating Segments", and therefore, no separate disclosures have been made. The assets, liabilities and revenues relating to the said power generation business have, however, been disclosed in the accounts separately. The above treatment is in accordance with the guiding principles enunciated in the said Ind AS.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 36 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

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

#### (a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 186.04 Lakhs (Previous Year Rs. 198.63 Lakhs)

#### (b) Defined benefit plans

- Gratuity
- Compensated absences - Earned leave

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

#### Economic Assumptions

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

#### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.71% p.a. (Previous Year 7.50% p.a.) compound has been used.

#### Salary Escalation Rate

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

The assumptions used are summarized in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Discount rate(per annum)	7.66%	7.50%	7.66%	7.50%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	NA	NA	NA	NA
Mortality Rates	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Retirement age	58 Years	58 Years	58 Years	58 Years
Withdrawal rates				
- Up to 30 years	3.00%	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 36 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Change in present value of the defined benefit obligation during the year</b>				
Present value of obligation as at the beginning of the year	577.93	515.15	117.05	98.61
Interest Cost	44.27	41.21	9.03	7.39
Current Service Cost	41.44	39.27	26.93	29.85
Benefits Paid	(37.75)	(69.78)	(29.10)	(42.34)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	1.32	13.24	0.55	(2.38)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(18.63)	38.85	(5.27)	25.92
Present value of obligation as at the end of the year	608.58	577.93	119.19	117.05
<b>Change in fair value of plan assets during the year</b>				
Fair Value of plan assets at the beginning of the year	NA	NA	NA	NA
Interest Income	NA	NA	NA	NA
Contributions by the employer	NA	NA	NA	NA
Benefits paid	NA	NA	NA	NA
Return on plan assets	NA	NA	NA	NA
Fair Value of plan assets at the end of the year	NA	NA	NA	NA
<b>Net Asset/ (Liability) recorded in the Balance Sheet</b>				
Present value of obligation as at the end of the year	(608.58)	(577.93)	(119.19)	(117.05)
Net Asset/ (Liability)-Current	(260.58)	(242.83)	(11.60)	(11.25)
Net Asset/ (Liability)-Non-Current	(344.20)	(335.10)	(107.59)	(105.80)
<b>Expenses recorded in the Statement of Profit &amp; Loss during the year</b>				
Interest Cost	44.27	41.21	9.03	7.39
Current & Past Service Cost	41.44	39.27	26.93	29.85
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-	0.54	(2.38)
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-	(5.27)	25.92
Total expenses included in employee benefit expenses	85.71	80.48	31.23	60.78
<b>Recognized in Other Comprehensive Income during the year</b>				
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	1.32	13.24	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	(18.63)	38.85	-	-
Recognized in Other Comprehensive Income	(17.31)	52.08	-	-
<b>Maturity profile of defined benefit obligation</b>				
Within 12 months of the reporting period	260.58	242.83	11.60	11.25
Between 2 and 5 years	262.62	40.43	8.70	12.24
Between 6 and 10 years	-	294.67	98.90	93.58

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 36 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>				
Increase/ (decrease) on present value of defined benefit obligation at the end of the year				
Half percentage point increase in discount rate	(13.03)	13.43	(5.27)	(4.57)
Half percentage point decrease in discount rate	13.95	14.40	5.74	4.97
Half percentage point increase in salary increase rate	14.25	14.68	5.86	5.07
Half percentage point decrease in salary increase rate	(13.41)	(13.80)	(5.42)	(4.69)
<b>Expected contribution to the defined benefit plan for the next reporting period</b>				
			2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)			175.26	81.77
Expected contribution to the defined benefit plan for the next reporting period (Compensated Absences Earned Leave)			80.31	32.23

### 37 CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits determined under section 198 of the Companies Act 2013 during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the company is not required to spend any amount on CSR activities for Financial Year 2018-19

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)

### 38 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
(a) Value of imports calculated on CIF basis		
Food and beverages	62.37	224.61
Stores and spares	47.87	101.30
Capital goods	146.02	270.95
Beverages - through canalising agencies	1,021.05	1,138.49
(b) Expenditure in foreign currency		-
Technical services (Royalty)	6.69	61.13
Technical services (Professional and consultation fees)	64.38	105.10
Interest	1,208.79	1,318.02
Others		
-Advertisement and publicity	19.67	103.40
-Commission and brokerage	341.31	267.98
-Recruitment and training	-	-
-Miscellaneous	175.91	539.56



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

38 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY...contd.	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
(c) Earning in foreign currency		
Revenue from operations (As reported by the management of the Company and certified by an independent Chartered Accountant)	13,144.55	13,247.27
(d) Details of dividends paid to Non-Resident Shareholders holding shares on repatriation basis:		
Final Dividend - Equity		
(i) Financial Year to which dividend relates	-	-
(ii) Number of non-resident shareholders	-	-
(iii) Number of shares held by them	-	-
(iv) Rupees (in Lakhs) equivalent of amount paid in foreign currency	-	-
(v) Amount in Rupees (in Lakhs) remitted to banks /addresses in India for which the company does not have information as to the extent to which remittance in foreign currencies have been made by or on behalf of the non-resident shareholders	-	-

### 39 - DERIVATIVE INSTRUMENTS

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2019 and 31st March, 2018 are as under:

	As at 31st March, 2019		As at 31st March, 2018	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
<b>Receivables</b>				
Loans and advances given				
(in USD)	81,357	56.28	165,465	107.63
(in GBP)	1,346	1.22	-	-
Investment in CRPS (in USD)	10,193,679	7,051.10	10,193,679	6,630.39
Other Receivable				
(in USD)	4,751	3.29	-	-
<b>Payables</b>				
Trade payables				
(in USD)	4,560,991	3,154.90	3,676,458	2,391.32
Payable for capital goods				
(in USD)	-	-	15,980	10.39
(in SEK)	28,667	2.15	28,667	2.24
External Commercial Borrowings (ECBs)				
(in USD)	30,700,648	21,236.04	30,980,836	20,151.21
Interest on ECBs				
(in USD)	845,926	585.14	769,738	500.67

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 40 RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

#### (a) Related Parties

- Subsidiaries	Fineline Hospitality & Consultancy Pte Limited Lexon Hotel Ventures Limited Leading Hotels Limited	
- Key Management Personnel	Mr. Shiv Kumar Jatia Ms. Anita Thapar Mr. Amritesh Jatia Mr. Dipendra B Goenka Mr. Dinesh Kumar Jain Mr. Lalit Bhasin Mr. Dinesh Chandra Kothari Mr. Pinaki Misra Mr. Ranjan K Bhattacharya Mr. Prakash Chandra Sharma	Chairman & Managing Director Whole Time Director Non-Executive Director Non-Executive Director Company Secretary Independent Director Independent Director Independent Director Independent Director Chief Financial Officer
- Relative of Key Management Personnel	Mr. Amritesh Jatia  Mrs. Archana Jatia Mr. Ramesh Jatia	Director and son of Mr. Shiv Kumar Jatia Wife of Mr. Shiv Kumar Jatia Brother of Mr. Shiv Kumar Jatia
- Entities controlled by Directors or their relatives (with whom transactions entered into during the financial year)	Ascent Hotels Private Limited Bhasin & Co. Binaguri Tea Company Private Limited Energy Infrastructure (I) Limited Experimental Restaurants Private Limited Magus Estates & Hotels Limited Godfrey Philips India Limited	

#### (b) Transactions with related parties:

	Subsidiaries		Key Management Personnel and their relatives		Entities controlled by Directors or their relatives		Total	
	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Room, Food, Beverages and other services	-	7.02	0.32	32.10	32.69	0.17	33.01	39.29
Day to day operations and Technical assistance services	-	-	-	-	25.25	-	25.25	-
Remuneration	-	-	332.62	338.13	-	-	332.62	338.13
Professional Charges	-	-	-	-	8.32	4.38	8.32	4.38
Purchases	-	-	-	-	0.70	-	0.70	-
Director's Sitting fees	-	-	21.80	16.80	-	-	21.80	16.80

#### Balance Outstanding

	Payable		Receivable	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Subsidiaries	-	-	6.89	7.02
Key Management Personnel and their relatives	147.66	147.66	0.23	7.02
Entities controlled by Directors or their relatives	0.83	-	1.48	0.14
<b>Total</b>	<b>148.49</b>	<b>147.66</b>	<b>8.60</b>	<b>14.18</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 40 RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24...contd.

#### Note:

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.
- (ii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

#### (c) Disclosure in respect of related party-wise transactions

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>Room, Food, Beverages and other services</b>		
Leading Hotels Limited	-	7.02
Energy Infrastructure (I) Limited	-	-
Bhasin & Co.	1.07	0.17
Mr. Dinesh Kumar Jain	0.07	0.08
Experimental Restaurants Private Limited	31.62	-
Mr. Ranjan Kishore Bhattacharya	0.25	-
Mr. Pinaki Misra	-	32.02
<b>Day to Day Services</b>		
Experimental Restaurants Private Limited	25.25	-
<b>Remuneration</b>		
Mr. Shiv Kumar Jatia*	210.53	198.14
Ms. Anita Thapar*	25.96	23.39
Mr. Dinesh Kumar Jain	49.46	66.89
Mr. Prakash Chandra Sharma	46.67	49.69
<b>Professional Charges</b>		
Bhasin & Co.	8.32	4.38
<b>Purchases</b>		
Energy Infrastructure (I) Limited	0.70	-
<b>Director's Sitting fees</b>		
Mr. Ranjan Kishore Bhattacharya	4.20	4.80
Mr. Lalit Bhasin	6.20	6.80
Mr. Pinaki Misra	4.30	3.20
Mr. Dinesh Chandra Kothari	7.10	2.00

#### Balance Outstanding

	Payable		Receivable	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Leading Hotels Limited	-	-	6.89	7.02
Energy Infrastructure (I) Limited	0.83	-	-	-
Bhasin & Co.	-	-	1.48	-
Mr. Shiv Kumar Jatia	112.36	112.36	-	-
Mr. Amritesh Jatia	8.13	8.13	-	-
Mr. Ramesh Jatia	1.89	1.89	-	-
Mr. Raj Kumar Jatia	8.61	8.61	-	-
Mr. Dinesh Chandra Kothari	8.13	8.13	-	-
Mr. Dipendra K Goenka	0.05	0.05	-	-
Mr. Pinaki Misra #	-	-	-	7.02
Mr. Lalit Bhasin	8.49	8.49	0.23	-

**Note: The above transactions excludes changes due to exchange rate fluctuation.**

\* These include Provident Fund paid / payable by the employer.

# Amounts have been subsequently paid

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 41 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

#### I. Figures as at March 31, 2019

Financial Instrument	Carrying Amount					Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>									
<b>Financial Assets</b>									
(i) Investments	-	142.54	142.54	56,585.12	56,727.66	-	-	142.54	142.54
(ii) Loans	-	-	-	47.72	47.72	-	-	47.72	47.72
(iii) Others	-	-	-	-	-	-	-	-	-
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,666.23	1,666.23	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	506.40	506.40	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	7.28	7.28	-	-	-	-
(iv) Others	-	-	-	3,737.64	3,737.64	-	-	-	-
	-	<b>142.54</b>	<b>142.54</b>	<b>62,550.39</b>	<b>62,692.93</b>	-	-	<b>190.26</b>	<b>190.26</b>
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	83,141.61	83,141.61	-	-	-	-
(ii) Others	-	-	-	1,823.78	1,823.78	-	-	1,823.78	1,823.78
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	8,011.50	8,011.50	-	-	-	-
(ii) Trade Payables	-	-	-	6,232.02	6,232.02	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	1,745.10	1,745.10	-	-	-	-
	-	-	-	<b>100,954.01</b>	<b>100,954.01</b>	-	-	<b>1,823.78</b>	<b>1,823.78</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 41 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS ...contd.

#### II. Figures as at March 31, 2018

Financial Instrument	Carrying Amount				Fair value				
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>									
<b>Financial Assets</b>									
(i) Investments	-	-	-	114,812.09	114,812.09	-	-	-	-
(ii) Loans	-	-	-	26.83	26.83	-	-	26.83	26.83
(iii) Others	-	-	-	228.32	228.32	-	-	-	-
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,200.56	1,200.56	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	595.57	595.57	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	340.10	340.10	-	-	-	-
(iv) Others	-	-	-	2,715.91	2,715.91	-	-	-	-
	-	-	-	<b>119,919.38</b>	<b>119,919.38</b>	-	-	<b>26.83</b>	<b>26.83</b>
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	83,096.34	83,096.34	-	-	-	-
(ii) Others	-	-	-	1,827.30	1,827.30	-	-	1,827.30	1,827.30
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	6,476.10	6,476.10	-	-	-	-
(ii) Trade Payables	-	-	-	4,742.45	4,742.45	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	1,553.71	1,553.71	-	-	-	-
	-	-	-	<b>97,695.90</b>	<b>97,695.90</b>	-	-	<b>1,827.30</b>	<b>1,827.30</b>

During the reporting period ending March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The company's financial risk management policy is set by the Managing Board.

#### Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

#### Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

The company is not exposed to significant interest rate risk as at the specified reporting date.

Refer Note 19 and Note 22 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

#### Foreign currency risk

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

#### I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2019 and March 31, 2018 respectively.

#### II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(178.65)	(178.65)	(163.16)	163.16
Euro	-	-	-	-
GBP	0.01	(0.01)	-	-
SGD	-	-	-	-
SEK	(0.02)	0.02	(0.02)	0.02
Total	(178.66)	(178.64)	(163.18)	163.18

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the company compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- Significant increase in credit risk on other financial instruments of the same counterparty.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	(Rs. In lakhs)	
	As at 31-03-2019	As at 31-03-2018
<b>Particulars</b>		
Non-current financial assets - Loans	47.72	26.83
Current financial assets - loans	-	-
<b>Total (A)</b>	<b>47.72</b>	<b>26.83</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

#### II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	As at 31-03-2019	As at 31-03-2018
Trade Receivables	1,666.23	1,200.56
<b>Total (B)</b>	<b>1,666.23</b>	<b>1,200.56</b>

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

#### III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	(Rs. In lakhs)	
	As at 31-03-2019	As at 31-03-2018
Up to 3 months	1,078.93	616.82
3 to 6 months	465.29	236.27
More than 6 months	122.01	347.47
<b>Total</b>	<b>1,666.23</b>	<b>1,200.56</b>

#### IV. Provision for expected credit losses again "II" and "III" above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

#### Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2019			As at 31-03-2018		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	83,141.61	83,141.61	-	83,096.34	88,232.67
Non-current financial liabilities - Others	-	1,823.78	1,823.78	-	1,827.30	1,724.98
Current financial liabilities - Borrowings	8,011.50	-	8,011.50	6,476.10	-	6,504.63
Current financial liabilities - Trade Payables	6,232.02	-	6,232.02	4,742.45	-	4,121.43
Current financial liabilities - Others	1,745.10	-	1,745.10	1,553.71	-	1,553.71
<b>Total</b>	<b>15,988.62</b>	<b>84,965.39</b>	<b>100,954.01</b>	<b>12,772.26</b>	<b>84,923.64</b>	<b>102,137.42</b>

#### Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

Particulars	As at	As at
	31-03-2019	31-03-2018
Total Debt	91,153.11	89,572.44
Equity	70,613.48	73,873.72
<b>Capital and net debt</b>	<b>161,766.59</b>	<b>163,446.16</b>
<b>Gearing ratio</b>	<b>56.35%</b>	<b>54.80%</b>

### 43 Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to confirm to Ind AS presentation requirements.

The accompanying notes are integral part of the financial statements

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

**Place: New Delhi**

**Dated: 28<sup>th</sup> May, 2019**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224



# ASIAN HOTELS (NORTH) LIMITED

## FORM AOC-1

{Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014}

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

Name of Subsidiary	Fineline Hospitality & Consultancy Pte Ltd		Lexon Hotel Ventures Limited		Leading Hotels Limited
	18.10.2010		29.01.2013		29.01.2013
Date since acquired	INR in Lakhs	USD in Lakhs	INR in Lakhs	USD in Lakhs	INR in Lakhs
1. Reporting Period	31st March, 2019		31st March, 2019		31st March, 2019
2. Share Capital	72,276.58	1,044.89	1.14	0.02	2,087.69
3. Other Equity	(3,162.59)	(45.72)	13,272.80	191.88	7,680.66
4. Total Assets	69,171.65	1,000.01	14,196.16	205.23	38,775.18
5. Total Liabilities	57.67	0.83	922.21	13.33	29,006.83
6. Investments	69,171.30	1,000.00	14,181.95	205.03	0.00
7. Turnover	0.00	0.00	0.00	0.00	0.00
8. Profit / (Loss) before taxation	(10.26)	(0.15)	(122.34)	(1.75)	(75.99)
9. Provision for taxation	0.00	0.00	0.00	0.00	0.00
10 Profit / (Loss) after taxation	(10.26)	(0.15)	(122.34)	(1.75)	(75.99)
11. Total Comprehensive Income	(10.26)	(0.15)	(122.34)	(1.75)	(75.57)
12. Proposed Dividend	-	-	-	-	-
13. % of shareholdings	100.00		80.00		79.81

#### Notes:

- i) Converted into Indian Rupees at the closing exchange rate USD 1 = INR 69.1713 and average rate USD 1 = INR 69.8853
- ii) These Financial statements of Subsidiaries (other than Leading Hotels Limited) have not been audited by the auditors of the Company, i.e, Dhirubhai Shah & Co. LLP. The same have been audited by other auditors.
- iii) Leading Hotels limited is developing an all villa hotel complex, including an 18 hole golf course at Goa and yet to commence operation.
- iv) The Company has not divested its interest in any subsidiary during the year under review.

#### ON BEHALF OF THE BOARD OF DIRECTORS

**SHIV KUMAR JATIA**  
Chairman & Managing Director  
DIN: 00006187

**DR. LALIT BHASIN**  
Director & Chairman of  
Audit Committee  
DIN: 00001607

**PRAKASH SHARMA**  
Vice President- Finance  
(Chief Financial Officer)

**DINESH KUMAR JAIN**  
Vice President-Corporate Affairs  
& Company Secretary  
Membership Number: FCS 6224

Place: New Delhi  
Dated: 28<sup>th</sup> May, 2019

**Consolidated  
Financial Statements**

# ASIAN HOTELS (NORTH) LIMITED

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## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Asian Hotels (North) Limited

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Asian Hotels (North) Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprises of the consolidated balance sheet as at 31st March 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), and the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and its consolidated loss, total consolidated comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date subject to **Note No. 3 on Financial Statements of subsidiary company, Leading Hotels Limited for non-provision of interest liability amounting to Rs. 7,50,13,349/- by the Company, relating to Inter Corporate Deposits and other financial commitments. The non-provisioning of interest has resulted in understatement of CWIP to the extent of Rs. 7,50,13,349/-.**

#### Basis for Opinion

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

We did not audit the financial statements of 2 subsidiaries located outside India whose financial statements / consolidated financial statements reflect total assets of Rs. 60,894.89 Lakhs as at 31st March, 2019 and total revenue of Rs. 0.14 Lakhs and for the year ended on that date, as considered in the consolidated financial statements. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

#### Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated financial statements:

Refer Note 34(d) & 44 to the consolidated financial statements which, describe the uncertainty related to the outcome of certain disputes and law-suits filed against the companies of the Group and on the subsidiary's desired progress of the project. The impact (if any) of these disputes/law-suits on the consolidated financial statements of the Group could not be ascertained. Further, we believe that these events and conditions indicate material uncertainty that casts doubt with respect to the ability of the Subsidiary Company to timely discharge its financial obligations.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

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

# ASIAN HOTELS (NORTH) LIMITED

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A. Assessment of:</b></p> <p><b>a) Impairment of carrying value of investments in a subsidiary</b></p> <p>Refer note 5 to the financial statements of the Company.</p> <ul style="list-style-type: none"> <li>- The Company has investments (net) of Rs. 56,585.12 Lakhs in equity and preference shares of Fineline Hospitality &amp; Consultancy Pte Ltd, Mauritius (“FHCPL”), a subsidiary, (“investments in subsidiary”) as at 31<sup>st</sup> March, 2019. FHCPL has a further step-down subsidiary named Lexon Hotel Ventures Limited, Mauritius (“Lexon”) wherein FHCPL holds 80% shares. Lexon has named further step down subsidiary Leading Hotels Limited (“LHL”), being ultimate subsidiary of the company wherein the company establishes significant equity control of 79.81%.</li> <li>- The total exposure of the Company in respect of above is significant to the standalone financial statements of the Company.</li> <li>- Considering the current financial position and status of the project of one of the subsidiaries “LHL”, there are indications of potential impairment of the equity investments in subsidiary as set out in above paragraphs.</li> <li>- The Management has assessed the impairment of its investments in its subsidiary using the business forecasts of “LHL” applying the Discounted Cash Flow Method of valuation (the “model”) and noted that at present there is no requirement for making any provision for impairment in respect of these investments.</li> <li>- We considered this as a key audit matter due to significant judgement involved in the reviewing the model prepared by the Independent Valuer’s to support the carrying value of above investments and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.</li> </ul>	<p><b>Principal Audit Procedures</b></p> <p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of the Company’s controls over review of impairment assessment of investments in subsidiary;</li> <li>• In respect of impairment assessment of investments in subsidiary (LHL): <ul style="list-style-type: none"> <li>(i) Testing the mathematical accuracy of the underlying model and checking the impairment assessment prepared by the management;</li> <li>(ii) Comparing the business forecasts with the latest approved management approved budgets;</li> <li>(iii) Considered the work of external independent valuation expert engaged by the Company;</li> <li>(iv) Assessed the independent valuation expert’s methods and working;</li> <li>(v) Examined and assessed the Land Valuation report obtained from the Registered valuer appointed by the management;</li> <li>(vi) Appointed on our own accord another Independent Valuer (Category -1) Merchant Banker for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as Discount rates, terminal growth rate etc.</li> <li>(vii) Compared the reports issued by the Independent Valuer appointed by us and the valuation report obtained by the Company and analysed the difference in the valuation approach and results.</li> </ul> </li> </ul> <p>Based on the above procedures performed, we noted that the Management’s assessment of impairment of investments based on valuation reports received in subsidiary “FHCPL” is reasonable.</p>
<p><b>B. Evaluation of uncertain tax matters</b></p> <p>The Company has a material uncertain income tax outstanding w.r.t AY 2016-17. The matter is presently disputed and is being contested in appeal. As required the Company has deposited part of the tax demand before appeal and the matter is now pending for final order</p>	<p><b>Principal Audit Procedures</b></p> <p>We have performed the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Obtained details of assessment notice / order.</li> <li>2. Obtained necessary details from the tax consultant regarding on going tax litigations</li> <li>3. Verified whether the Company has taken appropriate steps to defend itself before the appellate authorities and has filed necessary appeal as per the prescribed process within the given timelines.</li> </ol>
<p><b>C. Non-Payment/belated payment of Interest to Bankers/ Lenders</b></p> <p>Company has not paid/paid belatedly interest amount to Bankers / Lenders.</p> <p>Payment of interest to Bankers / Lenders in time reflects on the health of the company apart from the need for us to report on such issues to the members.</p> <p>We have, therefore, considered payment of interest to Bankers / Lenders’ dues as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have performed the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Obtained details of interest payments to be made by company on term loan and inter-corporate &amp; other deposits.</li> <li>2. Evaluated the existence of internal controls relating to compliance with interest payments with Bankers / Lenders.</li> <li>3. Verified that whether company has been regular in payment of interest dues.</li> </ol>

## Information other than the Consolidated Financial Statements and Auditor’s Report thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon.

# ASIAN HOTELS (NORTH) LIMITED

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

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

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, respective company's management is responsible for assessing the Group'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 respective company's management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Respective company's Board of Directors are also responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Holding Company 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 Group'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 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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.

# ASIAN HOTELS (NORTH) LIMITED

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, 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 Group so far as it appears from our examination of those books;
  - c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained by the Group;
  - d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of Holding Company and its subsidiary is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34 to the consolidated financial statements;
    - ii. The Group has did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

*For Dhirubhai Shah & Co LLP*

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

Place: New Delhi

Date: 28<sup>th</sup> May 2019

# ASIAN HOTELS (NORTH) LIMITED

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## Annexure – A 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 Asian Hotels (North) Limited ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

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

The respective company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group'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 Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 Group's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

Group'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 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 Holding Company and its subsidiaries 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<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Group 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 Dhirubhai Shah & Co LLP*

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Kaushik D Shah**

*Partner*

Membership number: 016502

Place: New Delhi

Date: 28<sup>th</sup> May 2019

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH, 2019

	Note No.	As at 31-03-2019 Rs. In Lakhs	As at 31-03-2018 Rs. In Lakhs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	125,829.53	127,789.19
(b) Capital Work in Progress	4	25,585.98	22,940.30
(c) Intangible Assets	4	50,094.08	49,524.81
(d) Financial Assets			
(i) Investments	5	142.54	142.54
(ii) Loans	6	47.73	26.83
(iii) Others	7	372.19	272.42
(e) Deferred Tax Assets (Net)	8	2,775.37	1,879.71
(f) Other Non-Current Assets	9	1,720.73	1,278.42
		<u>206,568.15</u>	<u>203,854.23</u>
<b>CURRENT ASSETS</b>			
(a) Inventories	10	1,126.79	1,161.29
(b) Financial Assets			
(i) Trade Receivables	11	1,666.23	1,200.56
(ii) Cash and Cash Equivalents	12	519.86	871.42
(iii) Bank Balance other than (ii) above	13	7.28	340.10
(iv) Others	14	3,756.84	2,730.75
(c) Other Current Assets	15	554.02	607.01
		<u>7,631.02</u>	<u>6,911.13</u>
<b>TOTAL ASSETS</b>		<u><u>214,199.17</u></u>	<u><u>210,765.36</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	1,945.32	1,945.32
(b) Other Equity	17	68,439.75	71,928.40
(c) Non-controlling interests		<u>2,540.39</u>	<u>2,420.02</u>
		<u>72,925.46</u>	<u>76,293.74</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	98,623.01	98,880.44
(ii) Other Financial Liabilities	19	1,823.78	1,827.30
(b) Provisions	20	462.28	444.90
(c) Other Non-Current Liabilities	21	<u>2,126.56</u>	<u>2,126.56</u>
		<u>103,035.63</u>	<u>103,279.20</u>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	19,705.53	15,199.14
(ii) Trade Payables	23	6,336.81	4,854.59
(iii) Other Financial Liabilities	24	2,300.79	1,690.57
(b) Other Current Liabilities	25	9,622.63	9,193.44
(c) Provisions	26	<u>272.32</u>	<u>254.68</u>
		<u>38,238.08</u>	<u>31,192.42</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>214,199.17</u></u>	<u><u>210,765.36</u></u>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

The accompanying notes 1 to 45 are an integral part of the Consolidated Financial Statements

“As per our report of even date attached”

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019

ON BEHALF OF THE BOARD OF DIRECTORS

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224



# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

	Note No.	2018-19 Rs. In Lakhs	2017-18 Rs. In Lakhs
<b>INCOME</b>			
Revenue from operations	27	27,352.28	27,443.97
Other income	28	400.56	3,117.22
<b>TOTAL INCOME</b>		<u>27,752.84</u>	30,561.19
<b>EXPENSES</b>			
Consumption of provisions, beverages, smokes and others	29	3,866.81	3,641.74
Employee benefits expense	30	6,553.57	6,418.98
Finance Costs	31	11,439.79	9,909.92
Depreciation and amortization expenses	4	1,968.42	2,040.02
Less: included as part of capital work-in-progress		(42.40)	(43.95)
Other expenses	32	8,803.65	9,033.89
<b>TOTAL EXPENSES</b>		<u>32,589.83</u>	31,000.60
<b>Profit/(Loss) before exceptional items and tax</b>		<u>(4,836.99)</u>	<u>(439.41)</u>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<u>(4,836.99)</u>	<u>(439.41)</u>
Tax items			
Current tax		-	-
Earlier years tax provisions (written back)		34.49	-
Deferred tax asset / (liability)		895.66	32.81
Total tax items		<u>930.15</u>	32.81
<b>Profit/(Loss) for the year</b>		<u>(3,906.84)</u>	<u>(406.60)</u>
<b>Other Comprehensive Income</b>			
Items that will not be classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		17.73	34.59
Additional depreciation on account of revaluation		-	-
<b>Other Comprehensive Income/ (Loss) for the year</b>		<u>17.73</u>	34.59
<b>Total Comprehensive Income/ (Loss) for the year</b>		<u>(3,889.10)</u>	<u>(372.01)</u>
<b>Net profit / (loss) attributable to:</b>			
Owners		(3,565.73)	(371.10)
Non-controlling interest		(341.10)	(35.50)
<b>Other comprehensive income / (loss) attributable to:</b>			
Owners		16.18	30.75
Non-controlling interest		1.55	3.84
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners		(3,549.55)	(340.37)
Non-controlling interest		(339.56)	(31.64)
<b>Earnings Per Equity Share (Basic and Diluted) (In Rs.)</b>	33	(20.08)	(2.09)

**Corporate Information, Basis of Preparation & Significant Accounting Policies** 1-3

The accompanying notes 1 to 45 are an integral part of the Consolidated Financial Statements

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Kaushik D Shah**

Partner

Membership Number: 016502

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

**Place: New Delhi**

**Dated: 28<sup>th</sup> May, 2019**

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

	2018-19 Rs. In Lakhs	2017-18 Rs. In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) Before Tax</b>	<b>(4,836.99)</b>	(439.41)
Adjustments for:		
Depreciation and amortization	<b>1,968.42</b>	1,996.07
Interest and finance charges	<b>11,439.79</b>	9,872.62
Interest income	<b>(145.95)</b>	(45.65)
(Gain)/Loss on fixed assets sold/ discarded (net)	<b>(183.45)</b>	(2,327.63)
Net unrealized (gain)/loss on foreign currency transaction and translation	<b>1,285.23</b>	13.27
Bad debts / advances written off	-	-
Provision for bad & doubtful debts/advances (written back)	<b>0.07</b>	35.98
Excess Provisions / Liability no longer required written back	<b>(27.39)</b>	(124.78)
Other Non-Operating Income	-	(462.56)
<b>Operating Profit before Working Capital Changes</b>	<b>9,499.72</b>	8,517.92
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	<b>(1,415.46)</b>	(1,098.26)
(Increase)/decrease in inventories	<b>34.50</b>	(212.40)
Increase/(decrease) in trade payables, other liabilities and provisions	<b>2,803.84</b>	3,917.86
<b>Cash Generated from Operations</b>	<b>10,922.59</b>	11,125.13
Income taxes (Net)	<b>(425.96)</b>	(245.88)
<b>Net Cashflow from Operating Activities</b>	<b>10,496.63</b>	10,879.25
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets		
Additions during the year	<b>(896.98)</b>	(373.64)
Capital work in progress	<b>(2,806.29)</b>	(4,458.77)
Proceeds from sale of fixed assets	<b>663.00</b>	4,947.49
Investments in bank deposits (with original maturity over 3 months)	-	-
Proceeds from bank deposits (with original maturity over 3 months)	<b>328.00</b>	50.05
Investments in shares	-	(142.54)
Interest received	<b>142.77</b>	50.51
Non-operating Income	-	462.56
<b>Net Cashflow from Investing Activities</b>	<b>(2,569.50)</b>	535.66

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

	2018-19 Rs. In Lakhs	2017-18 Rs. In Lakhs
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net inflow / (outflow) on account of borrowings	2,966.61	(1,603.02)
Interest and finance charges	(11,245.32)	(10,098.97)
<b>Net Cashflow from Financing Activities</b>	<b>(8,278.71)</b>	<b>(11,701.99)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(351.57)</b>	<b>(287.10)</b>
Cash and Cash Equivalents-Opening	871.42	1,158.52
<b>Cash and Cash Equivalents - Closing</b>	<b>519.86</b>	<b>871.42</b>

### NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

**Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:**

	As at 31-03-2019 (Rs. In lakhs)	As at 31-03-2018 (Rs. In lakhs)
<b>DETAIL OF CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
In current accounts	503.72	834.31
In deposits with original maturity of less than 3 months		
Cash on hand	16.14	37.12
	<b>519.86</b>	<b>871.42</b>

"As per our report of even date attached"

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

**Place: New Delhi**

**Dated: 28<sup>th</sup> May, 2019**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DR. LALIT BHASIN**

Director & Chairman of

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**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

### (A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2019

(Rs. In Lakhs)

Balance as at 1st April, 2018	Changes during the year	Balance as at 31st March, 2019
1,945.32	-	1,945.32

For the year ended 31st March, 2018

(Rs. In Lakhs)

Balance as at 1st April, 2017	Changes during the year	Balance as at 31st March, 2018
1,945.32	-	1,945.32

### (B) OTHER EQUITY

For the year ended 31st March, 2019

Particulars	Capital Reserve	General Reserve	Capital Redemption Reserve	Security Premium Account	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Foreign Exchange Translation Reserve	Total Equity
Balance as at 1st April, 2018	1.41	8,863.57	990.00	32,994.83	-	24,067.34	532.72	4,478.53	71,928.40
Profit/(Loss) for the year	-	-	-	-	-	(3,565.73)	-	-	(3,565.73)
Transfer from / to	-	-	-	-	-	-	-	60.91	60.91
Other Comprehensive income/(loss) for the year									
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	16.18	-	16.18
<b>For the year ended 31st March, 2019</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>20,501.60</b>	<b>548.90</b>	<b>4,539.44</b>	<b>68,439.75</b>

For the year ended 31st March, 2018

Particulars	Capital Reserve	General Reserve	Capital redemption reserve	Security premium account	Revaluation Reserve	Retained Earnings	FVOCI Reserve	Foreign Exchange Translation Reserve	Total Equity
Balance as at 1st April, 2017	1.41	8,863.57	990.00	32,994.83	19,074.94	5,363.50	501.98	4,278.67	72,068.90
Profit/(Loss) for the year	-	-	-	-	(19,074.94)	(371.10)	-	-	(19,446.04)
Foreign translation gain	-	-	-	-	-	19,074.94	-	199.86	19,274.80
Transfer from / to	-	-	-	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year									
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	30.74	-	30.74
<b>Balance as at 31st March, 2018</b>	<b>1.41</b>	<b>8,863.57</b>	<b>990.00</b>	<b>32,994.83</b>	<b>-</b>	<b>24,067.34</b>	<b>532.72</b>	<b>4,478.53</b>	<b>71,928.40</b>

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019

ON BEHALF OF THE BOARD OF DIRECTORS

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**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 1. GROUP INFORMATION

Asian Hotels (North) Limited (the Holding Company) is a public limited company domiciled in India, incorporated under the provisions of the Companies Act, 1956 and listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Holding Company is operating a Five Star deluxe Hotel namely Hyatt Regency in Delhi since 1982. The Holding Company has three subsidiaries as on the balance sheet date namely Fineline Hospitality & Consultancy Pte Ltd., an overseas subsidiary, incorporated in Mauritius provides offshore project consultancy services; Lexon Hotel Ventures Limited is incorporated in Mauritius also provides offshore project consultancy services; Leading Hotels Limited incorporated in India is developing an all Villa Hotel Complex, including residential villas and an 18 hole, 72 pars Championship Golf Course in Goa (India).

### 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015 and with the applicable provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- Defined benefit plans
- Contingent consideration

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purposes of current/non-current classification of assets and liabilities.

### 2A PRINCIPLES OF CONSOLIDATION

These consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS 110) – “Consolidated Financial Statements”. These consolidated financial statements comprise the financial statements of the Company and its following subsidiaries: -

Name of the Company	Country of Incorporation	Effective % of holding as at 31 <sup>st</sup> March, 2019	Effective % of holding as at 31 <sup>st</sup> March, 2018
Fineline Hospitality & Consultancy Pte Ltd (FHCPL)- an Overseas Subsidiary	Mauritius	100.00%	100.00%
Lexon Hotel Ventures Limited (Lexon), a subsidiary of FHCPL	Mauritius	80.00%(#)	80.00%(#)
Leading Hotels Limited (LHL), a subsidiary of Lexon	India	79.81%(^)	79.81%(^)

(#) i.e. 100.00% of 80.00 % held by FHCPL.

(^) i.e. 80.00% of 99.76% held by Lexon

These consolidated financial statements have been prepared on the following basis:

- (i) the financial statements of the Holding Company, its Overseas Wholly Owned Subsidiary and its Indian Subsidiary have been combined on a line by 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, based on the special purpose audited Ind AS consolidated financial statements received from the Overseas Subsidiary and audited financial statement received from the Indian Subsidiary for the year ended 31<sup>st</sup> March 2019, in Indian Rupees as per the Indian Accepted Accounting Policies.
- (ii) These consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- (iii) The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Goodwill arising out of consolidation is tested for impairment at each balance sheet date.
- (v) Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Holding Company's shareholders.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2A PRINCIPLES OF CONSOLIDATION ...contd.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: -

- (a) the amount of equity attributable to non-controlling interest at the date on which investment in Subsidiary is made; and
- (b) the non-controlling share of movements in equity since the date the parent – subsidiary relationship came into existence.

Minority interests share of Net Profit / (Loss) (including share of Foreign Exchange Translation Reserve) of consolidated subsidiaries for the relevant period is identified and adjusted against the profit after tax of the group.

### 2B USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policy 3.9
- b) Estimated useful life of property plant & equipment and intangible assets – Refer accounting policy 3.1
- c) Estimation of defined benefit obligation – Refer accounting policy 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policy 3.12
- e) Recognition of revenue - Refer accounting policy 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policy 3.9
- g) Impairment of financial assets – Refer accounting policy 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

#### Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, plant and equipment:

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

##### Tangible Fixed Assets:

- (a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.
- (b) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (c) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve and credited to the Other Comprehensive Income based on guidance provided by "Application Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by the Institute of Chartered Accountants of India read with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2016 as amended by the Companies (Indian Accounting standards) (Amendment) Rules, 2016.
- (d) No depreciation is charged on the assets sold/ discarded during the year.

##### Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

##### Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period has been set off from the interest expense accounted for as expenditure during the construction period.

#### 3.2 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Group measures it on the basis of discounted cash flows of next five years' projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

#### 3.3 Foreign Currency Transactions

The Group's financial statements are presented in INR, which is also the Group's functional currency.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

#### 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 transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in 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 arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

### 3.4 Revenue recognition

Effective 01 April 2018, the Group (wherever applicable) has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Specifically,

- (i) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer or the agreed milestones are achieved and are net of service tax, wherever applicable.
- (ii) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], 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 amortized cost of a financial liability. When calculating the effective interest rate, the Group 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.
- (iii) Dividend income from investments is recognized when the Group's right to receive payment is established which is generally when shareholders approve the dividend.
- (iv) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.
- (v) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.
- (vi) Excise duty (upto 30<sup>th</sup> June, 2017) is a liability of the Group, which forms part of the cost of production, irrespective of whether the goods are sold or not. Therefore, the recovery of excise duty flows to the Group on its own account and hence revenue includes excise duty.

### 3.5 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.

#### A. Financial Assets

##### a. 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 attributable to the acquisition of the financial asset. Purchases or



# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Group settle commits to purchase or sell the asset.

#### b. Subsequent measurement:

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

##### i. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- 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 and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

##### ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

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

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments 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]. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

##### iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### c. Derecognition:

A financial asset is primarily derecognized when:

- i. The Group 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 Group has transferred substantially all the risks and rewards of the asset, or [b] the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

- ii. the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

#### d. Impairment of financial assets:

In accordance with Ind AS 109, the Group 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 amortized cost e.g., loans, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash
- c. Financial assets that are debt instruments and are measured as at FVTOCI
- d. Lease receivables under Ind AS 17
- e. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the Group to recognize the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group 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 recognizing 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. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

#### B. Financial liabilities:

##### a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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.

##### b. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

##### i. 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. This category also includes

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

#### ii. Loans and borrowings:

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.

#### iii. Financial guarantee contracts:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

#### c. Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### C. Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

#### D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 3.6 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

The principal or the most advantageous market must be accessible by the Group. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### 3.7 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is determined by weighted average method. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

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

#### 3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. There is no obligation other than the contribution payable to the respective fund.
- (ii) The Group also provides for retirement benefits in the form of gratuity and compensated absences/ Leave encashment in pursuance of the Group leave rules. The Group's liability towards such defined benefit plans are determined based on valuations as at the Balance Sheet date made by independent actuaries. The classification of the Group's net obligation into current and non-current is as per the actuarial valuation report.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset

#### 3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Group operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the reporting date.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

#### 3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the Group during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

#### 3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

#### 3.12 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

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. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

#### 3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 3.14 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.

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

- A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group 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.
- Lease other than finance lease are operating lease and these leased assets are not recognized in the Group's statement of financial position but are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Group is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease unless another systematic basis is more representative of the time pattern of the user's benefit.

#### 3.15 Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 4- PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Furniture & Fittings	Plant and Equipments	Office Computers & Equipment	Vehicles	Goodwill	Total	Capital Work-in progress
<b>Cost:</b>									(Rs. in Lakhs)
As at 1st April, 2017	92,902.95	30,125.11	7,795.22	15,308.39	72.61	461.50	49,322.56	197,346.09	18,756.99
Additions	0.42	111.83	42.53	329.38	8.34	8.80	371.73	1,075.29	4,682.71
Disposals / transfers	-	2,292.60	33.95	470.16	6.99	7.62	113.05	-	2,924.37
<b>As at 31st March, 2018</b>	<b>92,903.37</b>	<b>27,944.34</b>	<b>7,803.79</b>	<b>15,167.61</b>	<b>73.96</b>	<b>462.69</b>	<b>49,524.81</b>	<b>195,497.00</b>	<b>22,940.30</b>
Additions	0.42	89.34	37.07	286.68	1.93	29.77	43.11	569.27	1,057.59
Disposals / transfers	-	324.08	47.05	112.20	-	-	236.09	-	719.42
<b>As at 31st March, 2019</b>	<b>92,903.80</b>	<b>27,709.59</b>	<b>7,793.82</b>	<b>15,342.09</b>	<b>75.89</b>	<b>492.45</b>	<b>50,094.08</b>	<b>195,835.17</b>	<b>25,585.98</b>
<b>Accumulated depreciation:</b>									
As at 1st April, 2017	-	3,454.00	5,183.97	6,883.01	46.62	402.41	477.50	-	16,447.50
Depreciation charged during the year	-	467.02	450.33	898.98	9.23	22.28	192.18	-	2,040.02
Disposals / transfers	-	110.72	11.64	103.12	6.05	7.19	65.78	-	304.50
<b>As at 31st March, 2018</b>	<b>-</b>	<b>3,810.30</b>	<b>5,622.66</b>	<b>7,678.87</b>	<b>49.80</b>	<b>417.49</b>	<b>603.90</b>	<b>-</b>	<b>18,183.02</b>
Depreciation charged during the year	-	462.58	432.73	863.62	7.96	19.38	182.15	-	1,968.42
Disposals / transfers	-	20.78	21.94	48.48	-	-	148.67	-	239.87
<b>As at 31st March, 2019</b>	<b>-</b>	<b>4,252.10</b>	<b>6,033.44</b>	<b>8,494.02</b>	<b>57.75</b>	<b>436.87</b>	<b>637.38</b>	<b>-</b>	<b>19,911.58</b>
<b>Net book value</b>									
As at 31st March, 2018	92,903.37	24,134.04	2,181.13	7,488.74	24.17	45.20	1,012.53	177,314.00	22,940.30
<b>As at 31st March, 2019</b>	<b>92,903.80</b>	<b>23,457.50</b>	<b>1,760.37</b>	<b>6,848.08</b>	<b>18.14</b>	<b>55.58</b>	<b>786.07</b>	<b>175,923.61</b>	<b>25,585.98</b>

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 4 PROPERTY, PLANT AND EQUIPMENT...contd.

	(Rs. In Lakhs)	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>(a) Building includes leasehold improvement:</b>		
Gross value	37.44	37.44
Accumulated depreciation	33.88	28.53
Depreciation charge for the year	5.35	5.35
Net value	3.57	8.91
<b>(b) Vehicles includes those financed:</b>		
Gross value	1,312.29	1,339.76
Net value	762.07	942.49
<b>(c) Land (freehold) and Plant and Equipments includes assets relating to the business of generation of electricity</b>		
<b>Land (freehold)</b>		
Gross value	34.00	34.00
Net value	34.00	34.00
<b>Plant and Equipments</b>		
Gross value	1,857.02	1,857.02
Net value	901.26	974.75
<b>(d) Capital Work in Progress consists of :</b>		
Balance at the beginning of the year	22,940.30	18,756.99
Building under construction	4.13	154.28
Technical and consultancy fees	166.08	442.59
Kitchen Equipments	3.15	41.60
Plant and Machinery under installation	-	-
Plumbing and sanitation	4.25	13.68
Air conditioning under installation	0.77	80.42
Elevators under installation and others	-	7.25



# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 4 PROPERTY, PLANT AND EQUIPMENT...contd.

	(Rs. In Lakhs)	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Furniture and Fixtures	-	55.45
Fire fighting equipments	-	14.13
Office, Housekeeping and other equipments	-	0.15
Music, TV and Cinematograph	-	18.83
Electrification	-	15.12
Expenditure during construction {Refer Note (e) below}	<b>2,627.90</b>	3,666.46
	<b>25,746.59</b>	23,266.95
Add: transfer from service tax cenvat (Reversal)	-	172.75
Less: Interest on security deposits (Ind AS)	<b>(0.04)</b>	(1.03)
Less: Capitalized during the year	<b>(160.57)</b>	(498.37)
<b>Balance at the end of the year</b>	<b>25,585.98</b>	22,940.30

(e) All other expenses specifically attributable to construction have been accounted for as expenditure during construction. The Group has prepared the following Statement of Expenditure during construction:

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>STATEMENT OF EXPENDITURE DURING CONSTRUCTION</b>		
Employee benefits expenses	238.55	220.41
Rent	14.88	14.81
Loan processing arranging fees	31.07	16.22
Legal and professional charges (Including loan processing and arranging fees)	1.79	75.13
Site office running expenses	40.82	478.17
Travelling expenses	10.86	52.66
Interest expenses*	2,228.34	2,695.04
Depreciation	42.40	43.95
Miscellaneous	19.20	70.07
	<b>2,627.90</b>	3,666.46

\* One of the subsidiaries has not made a provision for interest liability amounting to Rs. 7,50,13,349/- relating to Inter Corporate Deposits and other financial commitments, which forms part of the CWIP as at 31st March 2019.

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<b>5</b>	<b>NON - CURRENT FINANCIAL ASSETS - INVESTMENTS</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2019</b>	<b>31-03-2018</b>
		<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
	<b>Unquoted investments:</b>		
	<b>a. Investment in equity instruments</b>		
	Others companies	142.54	142.54
		<u>142.54</u>	<u>142.54</u>
	Aggregate amount of unquoted investments	142.54	142.54
	Aggregate provision for diminution on value of investments	-	-
	<b>Details of Investments</b>		
		<b>Face value</b>	
		<b>per unit in Rs.</b>	
		<b>unless otherwise</b>	
		<b>specified</b>	
		<b>No. of</b>	
		<b>shares/units</b>	
		<b>As at</b>	
		<b>31-03-2019</b>	
		<b>Value</b>	
		<b>31-03-2019</b>	<b>31-03-2018</b>
		<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
	Unquoted Investments:		
	Investment in equity instruments		
	Sandhya Hydro Power Projects Balagha Pvt. Ltd.	Rs. 10	1,424,780
		142.54	142.54
	<b>Total</b>	<u>142.54</u>	<u>142.54</u>
<b>6</b>	<b>NON - CURRENT FINANCIAL ASSETS - LOANS</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2019</b>	<b>31-03-2018</b>
		<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Other loans:		
	Loans to employees	47.73	26.83
		<u>47.73</u>	<u>26.83</u>
<b>7</b>	<b>NON - CURRENT FINANCIAL ASSETS - OTHERS</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2019</b>	<b>31-03-2018</b>
		<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
	Bank deposits with original maturity greater than 12 months* (See Note - 12)	24.38	24.38
	Security deposits	346.12	246.26
	Rental deposits	1.68	1.79
		<u>372.19</u>	<u>272.42</u>
	*Includes as margin money deposit against borrowings from banks	-	-
<b>8</b>	<b>TAXATION - DEFERRED TAX</b>		
	<b>I. Income tax related items charged or credited directly to profit or loss during the year</b>		
	<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>Statement of profit or loss</b>		
	Current income tax	-	-
	Prior year income tax / (reversal)	-	-
	Deferred tax expense / (benefit)	(895.66)	(32.81)
	<b>Total</b>	<u>(895.66)</u>	<u>(32.81)</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 8 TAXATION - DEFERRED TAX...contd.

<b>II. Income Tax Expense</b>		-
<b>Reconciliation</b>		
Accounting profit / loss before tax	(4,207.70)	(274.88)
Applicable tax rate	31.20%	31.20%
<b>Computed tax expense</b>	<b>(1,312.80)</b>	<b>(85.76)</b>
Expense not considered for tax purpose	394.34	221.01
Income not considered for tax purpose	(219.13)	(744.45)
Additional allowance for tax purpose	(11.36)	(16.55)
Additional allowance for capital gains	-	-
Other timing difference	0.11	(2.11)

### III. Deferred Tax relates to the following:

Particulars	Balance Sheet		Recognised in statement of profit or loss	
	As at 31-03-2019	As at 31-03-2018	2018-19	2017-18
Expense allowable on payment basis	530.82	536.62	(5.80)	2.90
Unused tax losses / depreciation	5,993.39	6,685.06	(691.67 )	810.56
Minimum alternate tax (MAT) credit	778.15	778.15	-	-
Depreciation timing difference	(6,124.31)	(6,120.12)	(4.19)	(780.65)
Others	1,597.32	-	1,597.32	-
<b>Deferred tax asset / (liability)</b>	<b>2,775.37</b>	<b>1,879.71</b>	<b>895.66</b>	<b>32.81</b>
<b>Net income /(expense)</b>				

The group is having net deferred tax asset (DTA) as on 31st March, 2019 and on the basis of reasonable certainty concept as per Ind-AS provisions, the same has been recognized in the books of account.

### 9 NON - CURRENT ASSETS - OTHERS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Capital advances		
Considered good	23.88	42.02
Considered doubtful	-	-
	<u>23.88</u>	<u>42.02</u>
Less: Provision for doubtful advances	-	-
Advance income tax (net of provision for taxation)	1,696.85	1,236.40
	<u>1,720.73</u>	<u>1,278.42</u>

### 10 INVENTORIES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
(valued at lower of cost and net realizable value)		
Wines and liquor	450.11	550.41
Provisions, other beverages and smokes	204.84	189.15
Crockery, cutlery, silverware, linen etc.	396.29	338.14
General stores and spares	75.56	83.59
	<u>1,126.79</u>	<u>1,161.29</u>

- As per inventory taken and valued by the Management

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

11 TRADE RECEIVABLES	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unsecured</b>		
Other debts		
Considered good	1,666.23	1,200.56
Considered doubtful	-	21.35
	<u>1,666.23</u>	<u>1,221.91</u>
Less: Provision for doubtful debts	-	(21.35)
	<u><u>1,666.23</u></u>	<u><u>1,200.56</u></u>
Trade receivables includes:		
Debts related to generation of electricity business (See segment reporting note)	57.59	217.78
<b>12 CASH AND CASH EQUIVALENTS</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>	<b>As at 31-03-2018 (Rs. In Lakhs)</b>
Balances with banks		
In current accounts	503.72	834.31
In deposit accounts (maturity less than 3 months)		
Cash in hand	16.14	37.12
Cheque in hand	-	-
	<u>519.86</u>	<u>871.42</u>
<b>13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>	<b>As at 31-03-2018 (Rs. In Lakhs)</b>
Other balances		
Earmarked balances with banks for:		
Unpaid dividends #	7.28	12.10
Bank deposits *	-	328.00
	<u>7.28</u>	<u>340.10</u>
There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019		
# includes excess deposit due to rounding-off of dividend payable on fractional shares	0.09	0.09
*Includes as margin money deposit against borrowings from banks	-	328.00
*under lien against guarantee given for loan taken by the holding company	-	-
*Against bank guarantee from bank	-	-
<b>14 CURRENT FINANCIAL ASSETS - OTHERS</b>	<b>As at 31-03-2019 (Rs. In Lakhs)</b>	<b>As at 31-03-2018 (Rs. In Lakhs)</b>
Interest accrued on fixed deposits	6.33	3.15
Security deposits	-	0.35
Advance recoverable in cash or kind	3,591.84	2,569.28
Others *	158.67	157.97
	<u>3,756.84</u>	<u>2,730.75</u>
* Includes recoverable from DBS Bank on account of withholding tax deposited on their behalf		

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

15 CURRENT ASSETS - OTHERS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Prepaid expenses	327.22	308.56
Balance with Statutory Authorities	226.80	298.45
	<b>554.02</b>	<b>607.01</b>

16 SHARE CAPITAL	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Authorised:</b>		
40,000,000 Equity Shares of Rs. 10 each (40,000,000 Equity Shares of Rs. 10 each as on 31st March, 2019 and 31st March 2018)	4,000.00	4,000.00
30,000,000 Preference Shares of Rs. 10 each (30,000,000 Preference Shares of Rs. 10 each as on 31st March, 2019 and 31st March 2018)	3,000.00	3,000.00
<b>Issued, Subscribed and paid-up:</b>		
19,453,229 Equity Shares of Rs. 10 each fully paid up (19,453,229 Equity Shares of Rs. 10 each fully paid up as on 31st March, 2019 and 31st March 2018)	1,945.32	1,945.32

### Notes:

#### (a) Reconciliation of the number of shares outstanding at the beginning at the end of the year:

Authorized Share Capital	As at 31-03-2019		As at 31-03-2018	
	No. of shares	Rs. (Lakhs)	No. of Shares	Rs. (Lakhs)
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	40,000,000	4,000.00	40,000,000	4,000.00
Balance at the end of the year	40,000,000	4,000.00	40,000,000	4,000.00
<b>(2) Preference Shares</b>				
Balance at the beginning of the year	30,000,000	3,000.00	30,000,000	3,000.00
Balance at the end of the year	30,000,000	3,000.00	30,000,000	3,000.00
<b>Issued, subscribed and paid-up capital</b>				
	As at 31-03-2019		As at 31-03-2018	
	No. of shares	Rs. (Lakhs)	No. of Shares	Rs. (Lakhs)
<b>(1) Equity Shares</b>				
Balance at the beginning of the year	19,453,229	1,945.32	19,453,229	1,945.32
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	<b>19,453,229</b>	<b>1,945.32</b>	<b>19,453,229</b>	<b>1,945.32</b>

#### (b) Terms / rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31st March, 2019, the amount of per share dividend proposed as distribution to equity shareholders is Nil (31st March, 2018: Re. Nil).

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

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 16 SHARE CAPITAL...contd.

#### (c) Details of shareholders holding more than 5 % shares in the Holding Company

	As at 31-03-2019 %	No. of shares	As at 31-03-2018 %	No. of shares
<b>Equity Shares of Rs. 10 each fully paid up</b>				
Fineline Holdings Limited, (an overseas promoter entity)	23.10	4,493,145	23.10	4,493,145
Yans Enterprises (H.K.) Limited, (an overseas promoter entity)	27.43	5,336,880	27.43	5,336,880
Mr. Shiv Kumar Jatia (Chairman & Managing Director & Promoter)	13.72	2,668,027	13.72	2,668,027
Asian Holdings Private Limited (a domestic promoter entity)	8.24	1,602,664	8.24	1,602,664

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### 17 OTHER EQUITY

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Capital Reserve</b>		
Opening balance	1.41	1.41
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<u>1.41</u>	<u>1.41</u>
<b>Capital Redemption Reserve for redeemed NCPS</b>		
Opening balance	990.00	990.00
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<u>990.00</u>	<u>990.00</u>
<b>Securities Premium</b>		
Opening balance	32,994.83	32,994.83
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	<u>32,994.83</u>	<u>32,994.83</u>
<b>General Reserve</b>		
Opening balance	8,863.57	8,863.57
Additions during the financial year	-	-
Adjusted to FVTOCI reserve on transition to Ind AS	-	-
Closing balance	<u>8,863.57</u>	<u>8,863.57</u>
<b>Revaluation Reserve</b>		
Opening balance	-	19,074.94
Additions during the financial year	-	-
Deductions during the financial year	-	-
Transferred to Surplus of Profit and Loss	-	(19,074.94)
Closing balance	<u>-</u>	<u>-</u>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	24,067.34	5,363.50
Transferred from Revaluation Reserve *	-	19,074.94
Profit / (loss) during the year	(3,565.73)	(371.10)
Closing balance	<u>20,501.61</u>	<u>24,067.34</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 17 OTHER EQUITY...contd.

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Fair Value through Other Comprehensive Income [FVTOCI] Reserve</b>		
Opening balance	532.72	501.98
Additional depreciation on account of re-valuation	-	-
- Re-measurement gains / (losses) on employee benefits	16.18	30.74
Closing balance	<u>548.90</u>	<u>532.72</u>
<b>Foreign Exchange Translation Reserve</b>		
Opening balance	4,478.53	4,278.67
Additions during the financial year	60.91	199.86
Closing balance	<u>4,539.44</u>	<u>4,478.53</u>
<b>Total of other equity - as at 31st March, 2019</b>	<u>68,439.75</u>	<u>71,928.40</u>

\* As per Ind AS requirements, the balance lying in revaluation reserve account has been transferred.

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Secured Term Loans</b>		
<b>From Banks</b>		
<i>External commercial borrowings</i>		
DBS Bank Limited	21,236.04	20,151.21
USD 307.01 Lakhs (Previous Year USD 309.80 Lakhs)		
<i>Other Term Loans</i>		
Axis Bank Limited-Rupee loan	-	-
Bank of Maharashtra - Rupee Loan	23,412.31	23,898.14
Yes Bank Limited-Rupee loan	29,725.24	30,266.41
Punjab National Bank	14,485.82	14,619.91
IndusInd Bank	9,906.24	10,000.00
	<u>98,765.65</u>	<u>98,935.67</u>
Less: Adjustment of transaction costs as per Ind AS 109	<u>(2,128.03)</u>	<u>(2,208.13)</u>
	<u>96,637.62</u>	<u>96,727.54</u>
<i>For acquisition of /secured against vehicles</i>		
Axis Bank Limited- Rupee loan	4.02	13.12
ICICI Bank Limited- Rupee loan	170.13	141.01
HDFC Bank Limited- Rupee loan	46.96	35.24
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	25.21	63.69
Genesis Finance Company Limited - Rupee loan	632.19	676.00
<i>For acquisition of /secured against vehicles</i>		
Axis Bank Limited - Rupee loan	-	-
Kotak Mahindra Prime Limited - Rupee loan	111.41	340.47
Toyota Financial Services - Rupee loan	21.40	30.52
<b>Unsecured Loans</b>		
Interest Free loans from:		
Promoter Director	138.34	182.12
Group Companies	835.72	670.73
	<u>98,623.01</u>	<u>98,880.44</u>

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- (a) DBS Bank Limited -External commercial borrowings (carried interest @ 3.25% p.a. plus LIBOR ) are secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. External commercial borrowings are repayable as under: (i) USD 148.97 Lakhs is payable in 18 unequal half yearly installments till March, 2030; (iii) USD 160.83 Lakhs is payable in 11 unequal half yearly installments till March, 2030.
- (b) Yes Bank Limited - Rupee loan of Rs. 4,651.36 Lakhs (carried interest @ 10.50% - 10.55% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 34 unequal quarterly installments till July, 2030.
- (c) Yes Bank Limited - Rupee loan of Rs. 10,972.78 Lakhs (carried interest @ 10.95% - 11.50% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 36 unequal quarterly installments till December, 2030.
- (d) Bank of Maharashtra (Term Loan I) of Rs. 19,775 Lakhs (carried interest @ 10.85% - 10.95% per annum) - is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is payable in 48 unequal quarterly installments commencing October, 2018.
- (e) Bank of Maharashtra (Term Loan II) of Rs. 4,366 Lakhs (carried interest @ 10.85% - 10.95% per annum) - is secured by 1st Pari Passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is payable in 48 unequal quarterly installments commencing October, 2018.
- (f) Indusind Bank Limited - Rupee loan of Rs. 10,000 Lakhs (carried interest @ 9.50% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 18 unequal half yearly installments till March, 2030.
- (g) Punjab National Bank - Rupee loan of Rs. 14,619.91 Lakhs (carried interest @ 9.25% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 36 structured quarterly installments till March, 2030 commencing/Effective from September, 2021.
- (h) Genesis Finance Company Limited - Rupee loan for business of generation of electricity (carried interest @ 12.00% per annum) is secured by first charge on plant & machinery pertaining to the windmill situated at Sinner in Maharashtra and personal guarantee of Chairman & Managing Director. The loan is repayable in 99 unequal monthly installments up to October 2027.
- (i) ICICI Bank-Rupee loan (carried interest @ 9.84% per annum) is secured against hypothecation of 8 vehicles. Balance repayable in monthly installments up to December, 2020.
- (j) ICICI Bank-Rupee loan (carried interest @ 9.35% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to June, 2021.
- (k) ICICI Bank-Rupee loan (carried interest @ 8.51% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2021.
- (l) ICICI Bank-Rupee loan (carried interest @ 8.02% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.
- (m) ICICI Bank-Rupee loan (carried interest @ 8.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.
- (n) ICICI Bank-Rupee loan (carried interest @ 8.01% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.



# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

- (o) ICICI Bank-Rupee loan (carried interest @ 14.51% per annum) is secured against hypothecation of 8 vehicles. Balance repayable in monthly installments up to June, 2021.

The aggregate values of the vehicle loans from ICICI Bank aggregate to Rs. 292.52 Lakhs.

- (p) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carried interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to December 2018.
- (q) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to May 2020.
- (r) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to February 2021.
- (s) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.48% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to February 2020.
- (t) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to October 2019.
- (u) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 11.89% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to November, 2019.
- (v) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 8.60% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to March 2022.
- (w) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.33% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to May 2022.
- (x) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 7.78% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to November 2022.

The aggregate values of the vehicle loans outstanding from Kotak Mahindra Prime Ltd aggregates to Rs. 251.89 Lakhs

- (y) SREI Equipment Finance Ltd - Rupee Loan of Rs. 96.92 Lakhs for acquisition of equipment (carried interest @ 14.25% per annum) is secured against the power saving equipment acquired from the loan. Balance is payable in equal monthly installments up to October, 2020 starting from December, 2015.
- (z) HDFC Bank Ltd - Rupee loan of Rs. 48.80 Lakhs for acquisition of a vehicle (carried interest @ 11.00% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to May 2021.
- (aa) HDFC Bank Ltd - Rupee loan of Rs.33.39 Lakhs for acquisition of a vehicle (carried interest @ 8.40% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to August, 2023.
- (ab) Toyota Financial Services India Ltd - Rupee loan for acquisition of a vehicle (carried interest @ 9.05% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to June 2021.
- (ac) Toyota Financial Services India Ltd - Rupee loan for acquisition of a vehicle (carried interest @ 7.74% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to October 2022.
- (ad) Term loan from bank (Yes bank) is secured, at the interest rate of base rate 10.25% plus 0.62% and TL-II & III base rate 10.25% plus 2.40% ,by Mortgage of land and building of Goa Project on land admeasuring 160 acres and by Charges over moveable Fixed Assets (excluding vehicle) and current assets of Goa project.
- (ae) Vehicle Loan from bank (Axis bank) carried interest @ 9.51% p.a. The loan is repayable in monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- (af) Loan from Non-banking financial institutions (Kotak Mahindra Prime Ltd) for acquisition of vehicles carried interest @ 10.69% to 12.976% pa. The loan is repayable in monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- (ag) Inter Corporate Deposit carries interest rate 18% p.a. by Mortgage of land of admeasuring 46100 sq. mts.
- (ah) The Company has been generally regular in its loan(s) / borrowing(s) repayment obligations. Following is the summary of the defaults made:

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

Bank	Amount Due	Nature	Due Date
Yes Bank Limited	Rs. 1,23,16,166	Interest on loan	01.03.2019
Yes Bank Limited	Rs. 1,36,35,755	Interest on loan	01.04.2019

Loan from group Company carries interest rate 18% p.a.

The details of repayment of long term borrowings as at 31st March, 2019 are as follow:

Particulars	Up to 1 year (Rs. In Lakhs)	2 to 5 years (Rs. In Lakhs)	Above 5 years (Rs. In Lakhs)	Total (Rs. In Lakhs)
<b>Secured term loans</b>				
From banks	859.05	35,070.55	63,695.09	99,624.69
From financial institution	159.97	445.81	190.40	796.19
<b>Total</b>	<b>1,019.02</b>	<b>35,516.36</b>	<b>63,885.50</b>	<b>100,420.88</b>

### 19 NON - CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Security Deposits	<u>1,823.78</u>	1,827.30
	<u><b>1,823.78</b></u>	<u>1,827.30</u>

The above includes Rs. 180.12 Lakhs (Previous Year Rs. 178.22 Lakhs) received as refundable interest free security deposits against leave and license agreements relating to the shops in Hotel Hyatt Regency and Rs. 1,500 Lakhs (Previous Year Rs. 1,500.00 Lakhs) received as refundable interest free security deposit for parking space in Serviced Apartment Tower.

### 20 NON - CURRENT PROVISIONS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	353.36	337.34
Leave Encashment	107.59	105.82
Lease Rent Equalization	1.33	1.74
	<u>462.28</u>	<u>444.90</u>

### 21 NON - CURRENT LIABILITIES - OTHERS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Advances and Deposits for Platinum Golf Membership (PGM) in Goa Project	<u>2,126.56</u>	2,126.56
	<u><b>2,126.56</b></u>	<u>2,126.56</u>

Advances & Deposits for Villa & Development rights represents deposit for development rights and advances and deposits from prospective buyer of Villas constituents forming part of an All Villa Hotel Complex, Goa.

### 22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Secured Term Loans</b>		
<b>From Banks</b>		
<i>Other Term Loans</i>		
Bank of Maharashtra - Rupee Loan	485.72	242.86
Yes Bank Ltd.-Rupee loan	373.33	-

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 22 CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<i>For acquisition of /secured against vehicles</i>		
ICICI Bank Limited- Rupee loan	122.39	55.61
Axis Bank Limited - Rupee loan	9.09	-
HDFC Bank Limited- Rupee loan	21.67	13.56
Kotak Mahindra Bank Limited-Rupee loan	47.01	-
<i>Overdraft Facilities</i>		
Yes Bank Limited	3,349.74	2,760.25
DBS Bank	3.32	-
Axis Bank Limited	1,260.01	1,283.23
IndusInd Bank	503.14	264.91
	<b>6,175.43</b>	<b>4,620.42</b>
<b>From Financial Institution</b>		
SREI Equipment Finance Ltd - Equipment Loan	38.41	33.22
<i>For acquisition of /secured against vehicles</i>		
Kotak Mahindra Prime Limited - Rupee loan	140.48	179.06
Toyota Financial Services - Rupee loan	9.12	8.40
BMW Financial Services - Rupee loan	-	-
	<b>188.01</b>	<b>220.68</b>
<b>Others</b>		
Current Maturities of Long-Term borrowings from others	2,181.37	1,815.16
	<b>2,181.37</b>	<b>1,815.16</b>
<b>Unsecured Loans</b>		
Intercorporate Loans (carry interest @ 9% to 18%)	11,160.72	8,542.89
	<b>19,705.53</b>	<b>15,199.14</b>

#### Nature of security and terms of repayment for secured current financial liabilities-borrowings:

- Yes Bank Limited -Overdraft facilities (carried interest @ 11.50% - 11.75% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets, personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company.
- Axis Bank Limited - Overdraft facilities (carried interest @ 11.40% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.
- Indusind Bank Limited - Overdraft facilities (carried interest @ 9.50% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.
- Term loan from bank (Yes bank) is secured, at the interest rate of base rate 10.25% plus 0.62% and TL-II & III base rate 10.25% plus 2.40% ,by Mortgage of land and building of Goa Project on land admeasuring 160 acres and by Charges over moveable Fixed Assets (excluding vehicle) and current assets of Goa project.
- Vehicle Loan from bank (Axis bank) carried interest @ 9.51% p.a. The loan is repayable in monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- Loan from Non-banking financial institutions (Kotak Mahindra Prime Ltd) for acquisition of vehicles carried interest @ 10.69% to 12.976% p.a. The loan is repayable in monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- Inter Corporate Deposit carries interest rate 18% p.a. by Mortgage of land of admeasuring 46100 sq. mts.
- The Company has been generally regular in its loan(s) / borrowing(s) repayment obligations. Following is the summary of the defaults made:

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 22 CURRENT FINANCIAL LIABILITIES - BORROWINGS...contd.

Bank	Amount Due	Nature	Due Date
Yes Bank Limited	Rs. 1,23,16,166	Interest on loan	01.03.2019
Yes Bank Limited	Rs. 1,36,35,755	Interest on loan	01.04.2019

### 23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Due to micro and small enterprises	158.14	45.84
Due to other than micro and small enterprises	6,178.68	4,808.75
	<b>6,336.81</b>	<b>4,854.59</b>

The disclosure pursuant to the said Act is as under:

#### DISCLOSURE UNDER MSMED ACT, 2006

	As at 2018-19 (Rs. In Lakhs)	As at 2017-18 (Rs. In Lakhs)
(a) Principal amount due to suppliers under MSMED Act, 2006	158.14	45.84
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with Group.

### 24 CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Security deposits	110.49	63.26
Interest accrued but not due on borrowings	951.04	878.69
Interest accrued and due on borrowing	259.50	136.86
Payables for capital goods	162.17	170.88
Employee Dues	485.54	320.83
Other payables	324.86	108.04
Unpaid/unclaimed dividend	7.19	12.01
	<b>2,300.79</b>	<b>1,690.57</b>

There are no amounts due for payment to Investor Education and Protection Fund under the Companies Act, 2013

### 25 OTHER CURRENT LIABILITIES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Advance from customers *	5,912.70	5,093.43
Statutory liabilities	1,422.04	1,600.07
Other liabilities	2,287.89	2,499.93
	<b>9,622.63</b>	<b>9,193.43</b>

\* Advance from customers include advance received upon execution of agreement to sale related to apartments amounting to Rs. 5036.05 Lakhs (Previous year ended March 31, 2018: Rs. 4235.78 Lakhs)

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

26 SHORT TERM PROVISIONS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	260.72	243.43
Leave Encashment	11.60	11.25
	<u>272.32</u>	<u>254.68</u>
27 REVENUE FROM OPERATIONS	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Room income	9,869.98	10,182.91
Wines and liquor	3,038.95	3,310.13
Food, other beverages, smokes and banquets	10,123.99	9,774.44
Communications	16.27	22.20
Others*	4,303.09	4,154.29
	<u>27,352.28</u>	<u>27,443.97</u>
*Includes related to generation of electricity business (Refer Note on Segment Reporting)	255.62	226.54
28 OTHER INCOME	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Interest Received/Receivable		
From banks	8.61	28.04
From others	137.34	17.61
Excess provisions no longer required written back	27.39	124.78
Net gain on sale of fixed assets	183.45	2,328.03
Net gain on foreign currency transaction and translation (other than finance cost)	0.19	37.30
Miscellaneous income	43.58	581.46
	<u>400.56</u>	<u>3,117.22</u>
29 CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>WINES AND LIQUOR</b>		
Opening Stock	550.41	526.04
Add : Purchases	1,078.34	1,206.35
	<u>1,628.75</u>	<u>1,732.39</u>
Closing Stock	(442.71)	(550.41)
	<u>1,186.04</u>	<u>1,181.98</u>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	189.15	154.64
Add : Purchases	2,703.86	2,484.70
	<u>2,893.01</u>	<u>2,639.34</u>
Closing Stock	(212.24)	(189.15)
	<u>2,680.77</u>	<u>2,450.19</u>
Excise duty expense	-	9.57
	<u>3,866.81</u>	<u>3,641.74</u>
Percentage of total consumption between:		
Indigenous 69.32% (Previous Year 63.99%)	2,679.34	2,324.37
Imported 30.68% (Previous Year 36.01%)	1,186.06	1,307.80

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<b>30 EMPLOYEE BENEFITS EXPENSES</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Salaries and wages	4,485.26	4,665.30
Contribution to provident and other funds	213.12	224.93
Contract labour and services	1,289.32	1,051.22
Staff welfare expense	545.95	452.26
Recruitment and training	19.92	25.27
	<b>6,553.57</b>	<b>6,418.98</b>
<b>31 FINANCE COSTS</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Interest expenses	9,305.28	8,807.66
Other borrowing costs (including bank charges)	1,108.14	1,120.63
Applicable net loss/(gain) on foreign currency transactions and translation	1,026.37	(18.36)
	<b>11,439.79</b>	<b>9,909.92</b>
<b>32 OTHER EXPENSES</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	1,040.89	1,073.00
Operating equipment and supplies written off	170.13	168.46
Power, fuel and light (net)	1,460.85	1,658.37
Repairs, maintenance and refurbishing *	924.74	914.88
Rent	555.57	472.03
Rates and taxes	449.23	378.31
Insurance	70.70	90.00
Data processing charges	311.99	268.87
Legal and professional charges	296.36	495.86
Payment to the auditors**	46.84	47.16
Stationery and printing	100.02	98.87
Travelling and conveyance	405.77	365.57
Guest transportation	182.77	189.75
Communication (including telephones for guests)	91.25	184.15
Technical services	946.53	992.04
Advertisement, publicity and business promotion	451.42	448.80
Commission and brokerage	919.72	960.69
Charity and donation	9.29	5.52
Corporate Social Responsibility (Refer Note 39)	-	-
Bad debts / advances written off	0.41	2.38
Loss on sale of fixed assets	-	0.40
Provision for doubtful debts / advances	0.07	35.98
Difference in Exchange	165.38	-
Miscellaneous	203.73	182.80
	<b>8,803.65</b>	<b>9,033.89</b>
* includes:		
Repairs to buildings	235.19	218.80
Repairs to machinery	499.84	538.79
**Payments to the auditors for (including service tax)		
-statutory audit	37.37	37.69
-tax audit fee	4.72	4.72
-limited review fees	3.54	3.54
-other services	0.12	0.12
-out of pocket expenses	1.09	1.10
	<b>46.84</b>	<b>47.17</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

33 EARNINGS PER EQUITY SHARE	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Profit/(loss) available for equity shareholders	(3,906.84)	(406.60)
Weighted average numbers of equity shares outstanding	19,453,229	19,453,229
Nominal value per equity share (in Rupees)	10.00	10.00
<b>Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)</b>	<b>(20.08)</b>	<b>(2.09)</b>

34 CONTINGENT LIABILITIES AND COMMITMENTS	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
---	---------------------------------------	---------------------------------------

### CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as debts *	7.00	20.00
* pertains to cases filed by certain employees of the Company		
(b) Service tax demand not provided for *	254.53	254.53
* pertains to a demand raised by Service Tax Authorities amounting to Rs. 401.10 Lakhs which includes penalty demand of Rs. 250.00 Lakhs and excluding interest for earlier years up to 2007, against which the Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi on 11th March 2014. Since the Company had already deposited the service tax payable, as determined by the tax authorities, before issuance of the show cause notice for levy of the penalty, it is contesting before the above appellate authorities that it is not liable to pay any penalty and interest.		
(c) Additional bonus liability for the financial year 2014-15 owing to amendment made in "The Payment of Bonus Act, 1965" w.r.e.f. 1st April, 2014, has not been provided for as the matter is subjudice before various High Courts in the country.	-	-
(d) Relating to an accident in the hotel premises, a writ petition has been filed with Delhi High Court by a relative of the injured person, and the Company has been made one of the respondents. The same relative has also filed a consumer complaint/petition, before the National Consumer Dispute Redressal Commission (NCDRC), against the Hyatt Hotels Corporation, Chicago and Hotel Hyatt Regency, Delhi, seeking compensation for the above injured person on various counts. Any consequence on the outcome of the above writ petition and the Consumer complaint before the NCDRC can not be ascertained.	-	-
(e) Petitions have been filed before the National Green Tribunal against grant of Costal Regulation Zone and Private Forest by the competent authorities to the Company's project at Goa, which are being contested by the Company. Based on legal advice received and outcome of similar cases in past, the management is hopeful of favorable outcome and does not foresee them to have any material impact on the progress of the project of the Company.	-	-
(f) During the year, income tax assessment of the Company for AY 2016-17 was completed u/s 143(3) of the Income Tax Act, 1961 wherein additions of Rs.30.56 Crore has been made u/s 68 of the said Act in respect of Inter corporate deposits received by the Company, consequently a demand of Rs. 14.03 Crores, comprising of tax and interest, has been raised. The Company has filed appeal against the said assessment order and has deposited Rs. 50,01,000 towards above disputed tax demand.	-	-
(g) TDS related dues appearing on TRACES portal (subject to reconciliation and adjustment)	8.05	8.05

### Notes:

- (a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 34 CONTINGENT LIABILITIES AND COMMITMENTS...contd.

#### COMMITMENTS

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	269.04	5,866.37
(b) Future commitments in respect of assets acquired under Finance Schemes:		
Minimum installments payable within one year	866.88	452.18
later than one year but not later than five years	4,198.38	3,775.66
Present value of minimum installments payable within one year	730.01	373.48
later than one year but not later than five years	2,793.92	2,768.66

### 35 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES

	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>OPERATING LEASE COMMITMENTS</b>		
(a) Future minimum lease amounts receivable by the Company in respect of non-cancellable operating leases (other than land) for shops and apartments entered into by the Company :		
Not later than one year	62.10	66.12
Later than one year and not later than five years	9.82	134.69
More than five years	-	-
(b) Future minimum lease amounts payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented premises) entered into by the Company :		
Not later than one year	643.20	532.68
Later than one year and not later than five years	3,427.43	2,850.63
More than five years	4,269.62	3,511.86

### 36 SEGMENT REPORTING

The Holding Company and its subsidiaries operate only in one reportable segment, i.e. Hospitality/Hotel Business at one location, namely New Delhi (India). While the Holding Company's Hotel is located at New Delhi and its ultimate subsidiary, i.e., Leading Hotels Limited is developing an all Villa Hotel Complex at Goa. Other business segment, i.e. power generation, though governed by different sets of risks and returns, however, is not a reportable segment as defined under the Indian Accounting Standard Ind AS - 108 "Operating Segments", and therefore, no separate disclosures have been made. The assets, liabilities and revenues relating to the said power generation business have, however, been disclosed in the accounts separately. The above treatment is in accordance with the guiding principles enunciated in the said Ind AS.

### 37 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

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

#### (a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 186.04 Lakhs (Previous Year Rs. Rs. 198.63 Lakhs)

#### (b) Defined benefit plans

- Gratuity

- Compensated absences - Earned leave

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

#### Economic Assumptions

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



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 37 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

#### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.71% p.a. (Previous Year 7.50% p.a.) compound has been used.

#### Salary Escalation Rate

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

The assumptions used are summarized in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Discount rate(per annum)	7.66%	7.71%	7.66%	7.71%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	NA	NA	NA	NA
Mortality Rates	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Retirement age	58 Years	58 Years	58 Years	58 Years
Withdrawal rates				
- Up to 30 years	3.00%	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Change in present value of the defined benefit obligation during the year</b>				
Present value of obligation as at the beginning of the year	580.76	585.33	117.05	98.61
Interest Cost	44.78	43.92	9.03	7.39
Current Service Cost	44.03	49.57	26.93	29.85
Benefits Paid	(37.75)	(63.48)	(29.10)	(42.34)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.90	(7.34)	0.54	(2.38)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(18.63)	(27.25)	(5.27)	25.92
Present value of obligation as at the end of the year	614.09	580.76	119.18	117.05
<b>Change in fair value of plan assets during the year</b>				
Fair Value of plan assets at the beginning of the year	NA	NA	NA	NA
Interest Income	NA	NA	NA	NA
Contributions by the employer	NA	NA	NA	NA
Benefits paid	NA	NA	NA	NA
Return on plan assets	NA	NA	NA	NA
Fair Value of plan assets at the end of the year	NA	NA	NA	NA

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 37 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS...contd.

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
<b>Net Asset/ (Liability) recorded in the Balance Sheet</b>				
Present value of obligation as at the end of the year	<b>(614.08)</b>	(576.18)	<b>(119.18)</b>	(117.05)
Net Asset/ (Liability)-Current	<b>(260.72)</b>	(243.43)	<b>(11.60)</b>	(11.25)
Net Asset/ (Liability)-Non-Current	<b>(353.36)</b>	(337.34)	<b>(107.59)</b>	(105.82)
<b>Expenses recorded in the Statement of Profit &amp; Loss during the year</b>				
Interest Cost	<b>44.78</b>	43.92	<b>9.03</b>	7.39
Current Service Cost	<b>44.03</b>	49.57	<b>26.93</b>	29.85
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	0.00	<b>0.54</b>	(2.38)
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	0.00	<b>(5.27)</b>	25.92
Total expenses included in employee benefit expenses	<b>88.81</b>	93.49	<b>31.23</b>	60.78
<b>Recognized in Other Comprehensive Income during the year</b>				
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	<b>0.90</b>	(7.34)	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	<b>(18.63)</b>	(27.25)	-	-
Recognized in Other Comprehensive Income	<b>(17.73)</b>	(34.59)	-	-
<b>Maturity profile of defined benefit obligation</b>				
Within 12 months of the reporting period	<b>260.58</b>	243.43	<b>11.60</b>	11.25
Between 2 and 5 years	<b>262.62</b>	40.43	<b>8.70</b>	12.24
Between 6 and 10 years	-	294.67	<b>98.90</b>	93.58
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>				
Increase/ (decrease) on present value of defined benefit obligation at the end of the year				
Half percentage point increase in discount rate	<b>(13.03)</b>	(13.43)	<b>(5.27)</b>	(5.33)
Half percentage point decrease in discount rate	<b>13.95</b>	14.40	<b>5.74</b>	5.81
Half percentage point increase in salary increase rate	<b>14.25</b>	14.68	<b>5.86</b>	5.94
Half percentage point decrease in salary increase rate	<b>(13.41)</b>	(13.80)	<b>(5.42)</b>	(5.48)
<b>Expected contribution to the defined benefit plan for the next reporting period</b>				
			<b>2018-19</b>	2017-18
			<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)			<b>175.26</b>	167.78
Expected contribution to the defined benefit plan for the next reporting period (Compensated Absences Earned Leave)			<b>80.31</b>	85.66

### 38 CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Holding Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Holding Company is required to spend at least 2% of the average net profits determined under section 198 of the Companies Act 2013 during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the Holding Company is not required to spend any amount on CSR activities for Financial Year 2018-19

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 39 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
(a) Value of imports calculated on CIF basis		
Food and beverages	62.37	224.61
Stores and spares	47.87	101.30
Capital goods	146.02	270.95
Beverages - through canalising agencies	1,021.05	1,138.49
(b) Expenditure in foreign currency	-	-
Technical services (Royalty)	44.47	88.91
Technical services (Professional and consultation fees)	64.38	105.10
Interest	1,208.79	1,318.02
Others		
- Advertisement and publicity	19.67	103.40
- Commission and brokerage	341.31	267.98
- Recruitment and training	-	-
- Miscellaneous	175.91	542.66
(c) Earning in foreign currency		
Revenue from operations (As reported by the management of the Company and certified by an independent Chartered Accountant)	13,144.55	13,247.27

### 40 DERIVATIVE INSTRUMENTS

(a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2019 & 31st March, 2018 are as under:

	As at 31-03-2019		As at 31-03-2018	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
<b>Receivables</b>				
Loans and advances given				
(in USD)	98,357	68.03	182,465	118.69
(in EURO)	1,346	1.22	-	-
Other Receivable				
(in USD)	4,751	3.29		
<b>Payables</b>				
Trade payables				
(in USD)	4,560,991	3,154.90	3,676,458	2,391.32
Payable for capital goods				
(in USD)	-	-	15,980	10.39
(in SEK)	28,667	2.15	28,667	2.24
Borrowings				
(in USD)	32,117,244	22,215.92	32,303,579	21,011.58
Interest on Borrowings				
(in USD)	845,926	585.14	769,738	500.67

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 41 RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

#### (a) Individuals and his relatives having control over the Group (either directly or indirectly)

Mr. Shiv Kumar Jatia	Chairman & Managing Director
Mr. Amritesh Jatia	Non-Executive Director

#### (b) Companies which significantly influence the Group (either directly or indirectly)

Yans Enterprises (HK) Limited	An overseas entity
Fineline Holding Limited	An overseas entity
Asian Holdings Pvt. Ltd.	A domestic entity

#### (c) Related parties

##### Key Management Personnel

Mr. Shiv Kumar Jatia	Chairman & Managing Director
Ms. Anita Thapar	Whole Time Director
Mr. Tapeshe Bharat Kumar Goenka	Executive Director
Mr. Sanjay Banthiya	Independent Non-Executive Director of the Subsidiary Company
Mr. Lalit Bhasin	Independent Non-Executive Director
Mr. Dinesh Chandra Kothari	Independent Non-Executive Director of the Holding Company
Mr. Amritesh Jatia	Non-Executive Director
Mr. Dipendra B Goenka	Non-Executive Director the Holding Company
Mr. Pinaki Misra	Independent Non-Executive Director the Holding Company
Mr. Ranjan K Bhattacharya	Independent Non-Executive Director the Holding Company
Mr. Dinesh Kumar Jain	Company Secretary of the Holding Company
Mr. Prakash Chandra Sharma	Chief Financial Officer of the Holding Company
Ms. Anshika Jain	Company Secretary of the Subsidiary Company (Till 5th April, 2017)
Ms. Rabab Zaidi	Company Secretary of the Subsidiary Company
Mr. Ajay Kumar	Chief Financial Officer of the Subsidiary Company

##### Relative of Key Management Personnel

Mr. Amritesh Jatia	Director and son of Mr. Shiv Kumar Jatia
Mrs. Archana Jatia	Director and wife of Mr. Shiv Kumar Jatia
Mr. Ramesh Jatia	Brother of Mr. Shiv Kumar Jatia
Mr. Raj Kumar Jatia	Brother of Mr. Shiv Kumar Jatia

##### Entities controlled by Directors or their relatives

Bhasin & Co.
Energy Infrastructure (I) Limited
Leading Hotels Limited
Godfrey Philips India Limited
Heyking Ltd., Hongkong
Deuchny Properties Ltd., Mauritius
RSJ Holdings Ltd, Mauritius
GBX Trading FZE, UAE
Experimental Restaurants Private Limited

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 41 RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24...contd.

#### (d) Transactions with related parties:

	Key Management Personnel and their relatives		Entities controlled by Directors or their relatives		Total	
	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Room, Food, Beverages and other services	0.32	32.10	33.32	0.17	33.64	32.27
Remuneration	347.53	350.61	-	-	347.53	350.61
Professional Charges	-	-	8.32	4.38	8.32	4.38
Director's Sitting fees	23.70	19.00	-	-	23.70	19.00
Loan taken	-	-	10.03	592.57	10.03	592.57
Loan repaid	55.34	-	-	484.91	55.34	484.91
Interest expenses	-	-	112.41	64.54	112.41	64.54
Day to day service	-	-	25.25	-	25.25	-
Purchase	-	-	0.70	-	-	-

#### Balance Outstanding

	Payable		Receivable	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Key Management Personnel and their relatives	286.00	329.78	0.23	7.02
Entities controlled by Directors or their relatives	836.55	40.31	13.24	11.06
Total	1,122.56	370.09	13.47	18.08

#### Note:

- The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.
- The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Group have been given at the respective notes.

#### (e) Disclosure in respect of related party-wise transactions

	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
<b>Room, Food, Beverages and other services</b>		
Bhasin & Co.	1.70	0.17
Mr. Dinesh Kumar Jain	0.07	0.08
Experimental Restaurants Private Limited	31.62	-
Mr. Ranjan Kishore Bhattacharya	0.25	-
Mr. Pinaki Misra	-	32.02
<b>Day to Day Services</b>		
Experimental Restaurants Private Limited	25.25	-
<b>Remuneration</b>		
Mr. Shiv Kumar Jatia*	210.53	198.14
Ms. Anita Thapar*	25.96	23.39
Mr. Dinesh Kumar Jain	49.46	66.89
Mr. Prakash Chandra Sharma	46.67	49.69
Ms. Anshika Jain	-	0.20
Ms. Rabab Zaidi	4.78	3.28
Mr. Ajay Kumar	10.12	9.02

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 41 RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24...contd.

<b>Professional Charges</b>		
Bhasin & Co.	8.32	4.38
<b>Purchases</b>		
Energy Infrastructure (I) Limited	0.70	-
<b>Director's Sitting fees</b>		
Ms. Anita Thapar*	0.30	0.50
Mr. Lalit Bhasin	7.10	7.70
Mr. Dinesh Chandra Kothari	7.10	2.00
Mr. Sanjay Banthiya	0.70	0.80
Mr. Pinaki Misra	4.30	3.20
Mr. Ranjan K Bhattacharya	4.20	4.80
<b>Loan taken from</b>		
Fineline Holding Limited	6.57	20.16
GBX Trading FZE, UAE	-	565.88
Heyking Limited	3.46	6.53
<b>Interest expenses</b>		
GBX Trading FZE, UAE	112.41	64.54
<b>Loan repayment to</b>		
Fineline Holding Limited	-	9.76
Heyking Limited	-	16.47
Amritesh Jatia	55.34	458.68

### Balance Outstanding

	Payable		Receivable	
	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2019 (Rs. In Lakhs)	As at 31-03-2018 (Rs. In Lakhs)
Energy Infrastructure (I) Limited	0.83	-	-	-
Bhasin & Co.	-	-	1.48	-
Mr. Lalit Bhasin	8.49	8.49	0.23	-
Mr. Shiv Kumar Jatia	112.36	112.36	-	-
Mr. Amritesh Jatia	146.47	190.25	-	-
Mr. Dinesh Chandra Kothari	8.13	8.13	-	-
Mr. Ramesh Jatia	1.89	1.89	-	-
Mr. Raj Kumar Jatia	8.61	8.61	-	-
Mr. Dipendra B Goenka	0.05	0.05	-	-
Mr. Pinaki Misra #	-	-	-	7.02
Heyking Limited	36.64	31.20	-	-
Fineline Holding Limited	16.26	9.11	11.76	11.06
GBX Trading FZE	782.83	-	-	-

**Note: The above transactions excludes changes due to exchange rate fluctuation.**

\* These include Provident Fund paid / payable by the employer.

# Amounts have been subsequently paid

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

#### I. Figures as at March 31, 2019

Financial Instrument	Carrying Amount					Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>									
<b>Financial Assets</b>									
(i) Investments	-	142.54	142.54	-	142.54	-	-	142.54	142.54
(ii) Loans	-	-	-	47.73	47.73	-	-	47.73	47.73
(iii) Others	-	-	-	-	-	-	-	-	-
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,666.23	1,666.23	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	519.86	519.86	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	7.28	7.28	-	-	-	-
(iv) Others	-	-	-	3,756.84	3,756.84	-	-	-	-
	-	<b>142.54</b>	<b>142.54</b>	<b>5,997.94</b>	<b>6,140.48</b>	-	-	<b>190.27</b>	<b>190.27</b>
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	98,623.01	98,623.01	-	-	-	-
(ii) Others	-	-	-	1,823.78	1,823.78	-	-	1,823.78	1,823.78
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	19,705.53	19,705.53	-	-	-	-
(ii) Trade Payables	-	-	-	6,336.81	6,336.81	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	2,300.79	2,300.79	-	-	-	-
	-	-	-	<b>128,789.93</b>	<b>128,789.93</b>	-	-	<b>1,823.78</b>	<b>1,823.78</b>

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS...contd.

### II. Figures as at March 31, 2018

Financial Instrument	Carrying Amount				Fair value				
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>									
<b>Financial Assets</b>									
(i) Investments	-	142.54	142.54	-	142.54	-	-	142.54	142.54
(ii) Loans	-	-	-	26.83	26.83	-	-	26.83	26.83
(iii) Others	-	-	-	-	-	-	-	-	-
<b>Current Assets</b>									
<b>Financial Assets</b>									
(i) Trade Receivables	-	-	-	1,200.56	1,200.56	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	871.42	871.42	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	340.10	340.10	-	-	-	-
(iv) Others	-	-	-	2,750.75	2,750.75	-	-	-	-
	-	142.54	142.54	5,189.67	5,332.21	-	-	169.37	169.37
<b>Non Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	98,880.44	98,880.44	-	-	-	-
(ii) Others	-	-	-	1,827.30	1,827.30	-	-	1,827.30	1,827.30
<b>Current Liabilities</b>									
<b>Financial Liabilities</b>									
(i) Borrowings	-	-	-	15,199.14	15,199.14	-	-	-	-
(ii) Trade Payables	-	-	-	4,854.59	4,854.59	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	1,690.57	1,690.57	-	-	-	-
	-	-	-	122,452.04	122,452.04	-	-	1,827.30	1,827.30

During the reporting period ending March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

### Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

### Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate.



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

The Group is not exposed to significant interest rate risk as at the specified reporting date.

Refer Note 19 and Note 22 for interest rate profile of the Group's interest-bearing financial instrument at the reporting date.

#### Foreign currency risk

The Holding Company and one of the subsidiary company operates locally whereas two of the subsidiaries operates outside India, however, the nature of its operations requires it to transact in several currencies and consequently the Group is exposed to foreign exchange risk in various foreign currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies.

#### I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2019 and March 31, 2018 respectively.

#### II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(258.85)	258.85	(237.95)	237.95
Euro	0.01	(0.01)	-	-
GBP	-	-	-	-
SGD	-	-	-	-
SEK	(0.02)	0.02	(0.02)	0.02
<b>Total</b>	<b>(258.86)</b>	<b>258.86</b>	<b>(237.98)</b>	<b>237.98</b>

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the Group compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- Significant increase in credit risk on other financial instruments of the same counterparty.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

#### I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	(Rs. In lakhs)	
	As at 31-03-2019	As at 31-03-2018
Non-current financial assets - Loans	47.73	26.83
Current financial assets - loans	-	-
<b>Total (A)</b>	<b>47.73</b>	<b>26.83</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

#### II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	As at	As at
	31-03-2019	31-03-2018
Trade Receivables	1,666.23	1,200.56
<b>Total (B)</b>	<b>1,666.23</b>	<b>1,200.56</b>
<b>Grand Total (A+B)</b>	<b>1,713.96</b>	<b>1,227.39</b>

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

#### III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	(Rs. In lakhs)	
	As at	As at
	31-03-2019	31-03-2018
Up to 3 months	1,078.93	616.82
3 to 6 months	465.29	236.27
More than 6 months	122.01	347.47
<b>Total</b>	<b>1,666.23</b>	<b>1,200.56</b>

#### IV. Provision for expected credit losses again "II" and "III" above

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Group believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

#### Liquidity Risk

Liquidity Risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecast on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2019			As at 31-03-2018		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	373.33	97,410.56	97,783.89	-	98,926.62	98,926.62
Non-current financial liabilities - Others	-	1,823.78	1,823.78	-	1,827.30	1,827.30
Current financial liabilities - Borrowings	19,332.20	429.62	19,761.82	15,199.14	-	15,199.14
Current financial liabilities - Trade Payables	6,336.81	-	6,336.81	4,854.59	-	4,854.59
Current financial liabilities - Others	2,043.08	-	2,043.08	1,404.56	-	1,404.56
<b>Total</b>	<b>28,085.42</b>	<b>99,663.96</b>	<b>127,749.39</b>	<b>21,458.29</b>	<b>100,753.92</b>	<b>122,212.21</b>

#### Capital management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

Particulars	As at	As at
	31-03-2019	31-03-2018
Total Debt	118,328.54	114,079.58
Equity	72,925.46	72,068.90
Capital and net debt	191,254.00	186,148.48
Gearing ratio	61.87%	61.28%

### 44 ADDITIONAL DISCLOSURE AS REQUIRED BY PARAGRAPH 2 OF SCHEDULE - III

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule - III to the Act

Name of the Enterprise	Net assets i.e. Total assets minus total liabilities		Share in Profit or Loss	
	As a % of consolidated net assets	Rs. In Lakhs	As a % of consolidated profit or loss	Rs. In Lakhs
<b>Parent</b>				
Asian Hotels (North) Limited	84.45%	61,582.04	93.83%	(3,649.28)
<b>Subsidiaries</b>				
<b>Indian</b>				
Leading Hotels Limited*	13.39%	9,768.35	1.94%	(75.57)
<b>Foreign</b>				
Fineline Hospitality & Consultancy Pte Limited, Mauritius	(0.08%)	(57.31)	0.26%	(10.26)
Lexon Hotel Ventures Limited, Mauritius	(1.25%)	(908.01)	3.15%	(122.34)
<b>Minority Interest in all subsidiaries</b>	3.48%	2,540.39	0.81%	(31.65)

One of the subsidiaries (incorporated in India) could not make the desired progress in development of the Golf Course cum Resort Villa project undertaken by it, on account of on-going litigation in respect of tenancy related matters pertaining to the project land and Court order restraining the subsidiary from commencing the development work. This has led to significant delay in execution of the above project. Such delay has resulted in to a cash crunch and consequential delay in meeting financial obligations. The Dy. Collector and SDO, following directions of the Hon'ble High Court of Goa, only in his recent order in FY 2017-18, has decided the tenancy issue in favour of the subsidiary. However, subsequently, against this order, a Writ petition has been filed before the Hon'ble High Court of Goa. The management is of the view that due to the cash crunch situation, uncertainties exist. However, the project being unique and having a great potential going forward, the management is in the process of mobilizing required funds.

### 45 Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to confirm to Ind AS presentation requirements.

The accompanying notes are integral part of the financial statements

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration No. 102511W / W100298

**Kaushik D Shah**

Partner

Membership Number: 016502

Place: New Delhi

Dated: 28<sup>th</sup> May, 2019

ON BEHALF OF THE BOARD OF DIRECTORS

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN: 00006187

**DR. LALIT BHASIN**

Director & Chairman of

Audit Committee

DIN: 00001607

**PRAKASH SHARMA**

Vice President- Finance

(Chief Financial Officer)

**DINESH KUMAR JAIN**

Vice President-Corporate Affairs &

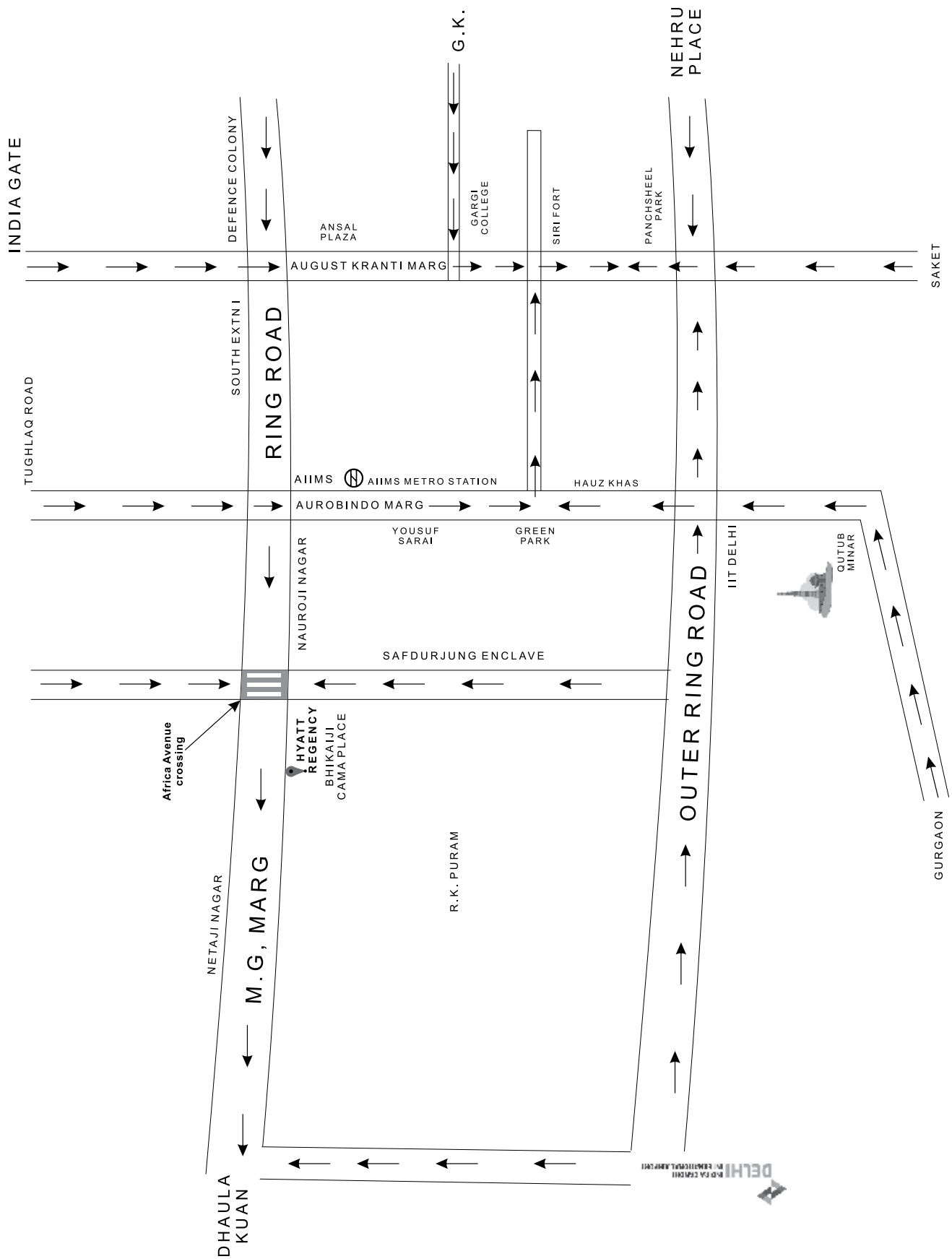
Company Secretary

M. No.: FCS 6224

# ASIAN HOTELS (NORTH) LIMITED

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS ON CONSOLIDATED ANNUAL AUDITED FINANCIAL RESULTS  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019  
[As per Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	Sl. No.	Particulars	Audited Figures as reported before adjusting for the qualifications	Audited Figures as reported after adjusting for the qualifications
			Rs. In Lakhs except for Sr. No.4	Rs. In Lakhs except for Sr. No.4
	1	Turnover / Total income	27752.84	27752.84
	2	Total Expenditure	32589.83	32589.83
	3	Net Profit/(Loss)	-3906.84	-3906.84
	4	Earnings Per Share (In Rs.)	-20.08	-20.08
	5	Total Assets	214199.17	214949.30
	6	Total Liabilities	214199.17	214949.30
	7	Net Worth	70385.07	71135.20
	8	Others - Capital Work In Progress	25585.98	26336.11
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	a	<b>Details of Audit Qualification:</b> Non-provision of interest liability relating to Inter Corporate Deposits and other financial commitments, amounting to Rs. 750.13 Lakhs, by one of the subsidiaries which would otherwise had formed part of the Capital Work in Progress.		
	b	<b>Type of Audit Qualification :</b> Qualified Opinion /Disclaimer of Opinion /Adverse Opinion		
	c	<b>Frequency of qualification:</b> appeared first time /repetitive /since how long continuing		
	d	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> In view of the current financial crunch being faced by the Subsidiary, provisions for interest liability amounting to Rs. 750.13 Lakhs was not provided for by it. This has, however, no impact on the current profit/(loss) of the Subsidiary as well as on consolidated financial statements of the Company, since this would have been otherwise formed part of the Capital work in progress in respective financial statements.		
	e	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> Not Applicable		
	(i)	<b>Management's estimation on the impact of audit qualification:</b>		
	(ii)	<b>If management is unable to estimate the impact, reasons for the same:</b>		
	(iii)	<b>Auditors' Comments on (i) or (ii) above:</b>		
<b>III.</b>	<b>Signatories:</b>			
	.	<b>CEO/Managing Director</b>	<b>Sd/-</b>	
	.	<b>CFO</b>	<b>Sd/-</b>	
	.	<b>Audit Committee Chairman</b>	<b>Sd/-</b>	
	.	<b>Statutory Auditor</b>	<b>Sd/-</b>	
	<b>Place: New Delhi</b>			
	<b>Date: 28th May, 2019</b>			





# ASIAN HOTELS (NORTH) LIMITED

CIN: L55101DL1980PLC011037

Registered Office: Bhikaiji Cama Place, M. G. Marg, New Delhi – 110066

Tel: 011 66771225/26; Fax: 011 26791033

Website: www.asianhotelsnorth.com E-mail: investorrelations@ahlnorth.com

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 (the Act) and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of member(s): .....

Registered Address: .....

E-mail ID: .....

Folio No./DP ID & Client ID : .....

I/We, being the member(s), holding ..... shares of the above named company, hereby appoint:

1. Name : ..... Address : .....

E-mail ID : ..... Signature : .....or failing him/her

2. Name : ..... Address : .....

E-mail ID : ..... Signature : .....or failing him/her

3. Name : ..... Address : .....

E-mail ID : ..... Signature : .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Tuesday, the 27th August, 2019, at 10.30 a.m. at the Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, M. G. Marg, New Delhi-110066 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Subject matter of the Resolutions	Optional	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of the Audited Stand-alone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019	OR	
2	Re-appointment of Mr. Amritesh Jatia (DIN: 02781300) who retires by rotation and being eligible, offers himself for re-appointment	OR	

Signed this ..... day of ..... 2019

Revenue Stamp

.....  
Signature of the shareholder(s)

.....  
Signature of proxy holder(s)

#### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

3. Please ensure that the Proxy Form is filled in completely and signed by the shareholder(s) as well as the proxy holder(s) before depositing with the Company, as aforesaid. Please affix a Re. 1/- revenue stamp and cancel the same either by striking a cross (X) across the stamp or by signing across the stamp.
4. The Proxy Form submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions or authorizations, as applicable.
5. Pursuant to Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
6. You may exercise your option by putting a 'X' in the appropriate column against the resolutions indicated in the box. If you leave both the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
7. **OR** stands for 'Ordinary Resolution'.



# ASIAN HOTELS (NORTH) LIMITED

CIN: L55101DL1980PLC011037

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Website: www.asianhotelsnorth.com E-mail: investorrelations@ahlnorth.com

## PROFORMA FOR REGISTRATION/UP-DATION OF NECS MANDATE

**Karvy Fintech Private Limited**  
**Unit: Asian Hotels (North) Limited**  
**Karvy Selenium-Tower B**  
**Plot No. 31 & 32, Financial District**  
**Nanakramguda**  
**Serilingampally Mandal**  
**Hyderabad – 500 032**

Folio No.-----

Dear Sirs,

I/We hereby give my/our mandate to credit my/our dividend, in respect of shares held by me/us in **Asian Hotels (North) Limited** under the aforesaid folio, directly to my/our bank account through National Electronic Clearing Service (NECS). The details of the bank account are given below:

A	Name of the Bank		
B	Branch Name & Address		
C	Account Number		
D	Type of Account	Saving	Current/Other
E	Nine Digit MICR Code No.		
F	Indian Financial System Code (IFS Code)		

**Please attach a duly signed blank "cancelled" cheque along with this authorization form.**

I/We hereby declare that particulars given above are correct and complete. If the transaction is delayed or credit is not affected due to incomplete or incorrect information, I/We will not hold the Company or its share transfer agents responsible for the same.

Date:

Place:

-----  
Signature of the sole/first holder  
Name & Address of the shareholder

(Please ignore, if you have already registered/up-dated your NECS details)

# ASIAN HOTELS (NORTH) LIMITED

CIN: L55101DL1980PLC011037

Registered Office: Bhikaiji Cama Place, M. G. Marg, New Delhi – 110066

Tel: 011 66771225/26; Fax: 011 26791033

Website: www.asianhotelsnorth.com E-mail: investorrelations@ahlnorth.com

## PROFORMA FOR REGISTRATION/UP-DATION OF E-MAIL IDs

**Karvy Fintech Private Limited**  
**Unit: Asian Hotels (North) Limited**  
**Karvy Selenium-Tower B**  
**Plot No. 31 & 32, Financial District**  
**Nanakramguda**  
**Serilingampally Mandal**  
**Hyderabad – 500 032**

Folio No.-----

Dear Sirs,

Please register/up-date my/our e-mail ID for forwarding all official communications including the general meeting notices/postal ballot notices/annual reports etc. of the Company through electronic mail. My/our e-mail ID is as follows:

E-mail ID:

Date:  
Place:

-----  
Signature of the sole/first holder  
Name & Address of the shareholder

(Please ignore, if you have already registered/up-dated your e-mail ID)





**Asian Hotels (North) Limited**

CIN: L55101DL1980PLC011037

Regd. Office: Bhikaiji Cama Place, M.G. Marg, New Delhi-110 066

Tel: 91 11 66771225-26 Fax: 91 11 2679 1033

Website: [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com) E-mail: [investorrelations@ahlnorth.com](mailto:investorrelations@ahlnorth.com)