

Vol 2

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, AT MUMBAI

CA (CAA) NO. _____ OF 2021

IN THE MATTER OF:
The Companies Act 2013,

AND

IN THE MATTER OF:
An Application under section 230 and
231 of the Companies Act 2013

AND

IN THE MATTER OF:
Sahara Hospitality Limited
Through its Authorized Representative
having its registered office at:
Hotel Sahara Star, Opposite Domestic Airport,
Vile Parle East Mumbai
Maharashtra: 400099
... APPLICANT

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Advocate for the Applicant

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DATE: .09.2021`

PLACE: MUMBAI

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Profit After Tax	(60.74)	(35.50)	31.82	42.94	70.56	84.02	83.94	107.97	118.61	124.22	567.83
Depreciation	64.37	64.58	64.71	64.64	48.53	40.65	40.75	25.15	25.15	25.15	463.70
Interest on Term Loans	25.12	38.21	35.43	31.87	27.40	22.82	17.78	12.66	7.44	1.92	220.65
Upfront contribution of promoters for TL/interest repayments	40.00	45.00	-	-	-	-	-	-	-	-	85.00
Payment paid after cut off	33.35	-	-	-	-	-	-	-	-	-	33.35
Fund available for Service	102.10	112.28	131.96	139.45	146.49	147.49	142.47	145.79	151.20	151.29	1,370.52
Interest on Term Loans to be serviced	19.87	38.21	35.43	31.87	27.40	22.82	17.78	12.66	7.44	1.92	215.39
Term Loan Repayments	27.61	30.98	38.72	49.99	55.08	61.81	62.84	65.08	65.08	57.23	514.43
Redemption of CRPS	0.40	0.80	0.80	0.80	5.98	7.97	15.93	19.92	26.29	79.67	169.49
Obligations to be paid	47.87	69.99	74.95	82.66	83.27	90.60	88.59	93.68	92.44	85.44	809.49
Debt Service Coverage Ratio	2.13	1.60	1.76	1.69	1.76	1.63	1.61	1.56	1.64	1.77	1.69



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TEV Report on Restructuring of Debt

Sahara Hospitality Ltd.

Projected DSCR (Cash Flow Basis)

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Intflows	(18.28)	29.60	55.71	130.16	137.42	143.26	149.38	153.79	162.51	169.54	176.91
PBDIT	18.57	29.67	55.71	130.16	137.42	143.26	149.38	153.79	162.51	169.54	176.91
Disbursement of TL & FITL	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Issue of CSFS	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50
Disbursement of WCTL	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Disbursement of priority loan	27.58	27.58	27.58	27.58	27.58	27.58	27.58	27.58	27.58	27.58	27.58
Unsecured loan int used	(1.77)	(1.77)	(1.77)	(1.77)	(1.77)	(1.77)	(1.77)	(1.77)	(1.77)	(1.77)	(1.77)
Other loans											
Difference on account of restructuring	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Increase in Security deposits	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58
Increase in WCL Borrowings	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35
Increase in Non CA	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64	4.64
Increase in Other LT liabilities	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Other Income											
Total Intflows	31.39	226.82	116.54	132.09	139.44	145.39	151.62	158.14	164.97	172.13	179.62
Outflows	61.91	56.51	34.34	31.97	29.30	26.26	22.45	17.72	12.61	7.40	1.91
Interest Cost	1.48	1.39	1.18	0.97	0.78	0.65	0.50	0.30	0.00	0.00	0.00
Interest on Term loans	1.48	1.39	1.18	0.97	0.78	0.65	0.50	0.30	0.00	0.00	0.00
Interest on FITL	0.85	0.78	0.67	0.44	0.38	0.30	0.20	0.10	0.00	0.00	0.00
Interest on WCTL	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Interest on VCL Borrowings	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88
Interest on priority loan	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Interest on CSFS	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Other Borrowing cost	(34.62)										
Interest on statutory dues (GST & IDS)	2.21										
Interest on Term Loans	26.73	28.05	31.42	35.91	40.40	56.11	62.84	65.08	65.08	65.08	65.08
Interest on previous year arrears											
Term Loan Repayments	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Repayment of Term Loans	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Repayment of WCTL	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Repayment of FITL	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Repayment of priority loan	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Payment of LT Creditors & other Credit for exp											
Payment of other LT deposits/imp											
CAPEX											
Payment of Outstanding dues	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Tax paid											
Changes in Net current assets	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82
Redemption of CSFS	84.08	84.08	84.08	84.08	84.08	84.08	84.08	84.08	84.08	84.08	84.08
Decrease in Bank Borrowings	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37
Annual DSCR (incl statutory dues)	31.34	171.83	1.39	1.45	1.35	1.49	1.34	1.36	1.29	1.29	1.29
Annual DSCR (incl statutory dues Payment)	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37
Average DSCR for 5 years	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37
Outflow towards payment of statutory dues	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Average DSCR (incl statutory dues)	31.34	180.33	1.2044	1.297	1.350	1.488	1.34	1.36	1.29	1.29	1.29
Total Outflows (incl statutory dues)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Annual DSCR (incl statutory dues)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Average DSCR for 5 years	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29

Rs In Cr.



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Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2030-31
Cash Outflow										
Capital Employed	1,107.44									
Incremental capital		98.79	(32.22)	(31.33)	(28.00)	(13.42)	(0.79)	(6.39)	12.19	19.91
Total (a)	1107.44	98.79	-32.22	-31.33	-28.00	-13.42	-0.79	-6.39	12.19	124.22
Cash Inflow										
PAT	(145.21)	(60.74)	(35.50)	31.82	42.94	70.56	84.02	83.94	107.97	118.61
Finance cost	66.26	27.52	40.66	37.93	34.42	30.00	25.42	20.38	15.26	10.04
Depreciation	64.32	64.37	64.58	64.71	64.64	48.53	40.65	40.75	25.15	25.15
Terminal Value - Net FA & NET CA	(14.63)	31.15	69.73	134.46	142.00	149.09	150.09	145.07	148.39	153.80
Total (b)	(14.63)	31.15	69.73	134.46	142.00	149.09	150.09	145.07	148.39	153.80
Net Cash Inflow	(1,122.07)	(67.64)	101.95	165.80	170.00	162.51	150.88	151.46	136.20	133.89
IRR (after tax)										9.99%

Rs in Crs

Cost of Capital & GAP With IRR

Loans	Amt (In Crs)	Post Tax Cost of capital	Proportion	Weighted average COC (WACC)
Repayable term loans	468.86	5.92%	76.35%	4.52%
FITL	18.57	5.92%	3.02%	0.18%
FITL covered into CRPS	79.67	0.07%	12.97%	0.01%
WCTL	10.50	5.92%	1.71%	0.10%
Priority Loan	16.50	7.40%	2.69%	0.20%
CC	20.00	5.92%	3.26%	0.19%
Total	614.10			5.20%
Gap between IRR & COC				4.79%



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Fixed Asset Coverage Ratio

Particulars	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Net fixed assets	1,221.62	1,158.54	1,095.33	1,032.19	985.16	946.01	906.76	883.10	859.45	835.79
Debt O/s										
Term loan	442.13	414.07	382.65	346.74	306.35	250.24	187.40	122.31	57.23	-
WCTL	10.39	9.35	7.14	3.57	-	-	-	-	-	(0.00)
FITL	18.01	16.53	12.63	6.31	-	-	-	-	-	-
Priority loan	16.50	15.90	14.70	10.50	5.70	-	-	-	-	-
CRPS/Debt like instrument	78.47	77.68	76.88	76.08	70.11	62.14	45.21	26.29	-	(0.00)
Total Debt O/s	565.30	533.52	494.00	443.21	382.16	312.38	233.61	148.61	57.23	(0.00)
FACR	2.16	2.17	2.22	2.33	2.58	3.03	3.88	5.94	15.02	NA

Rs in Crs

Loan Life Ratio

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Available cash flows	0.00	225.54	112.59	128.09	135.39	141.29	142.00	136.65	138.51	143.46	149.79
Discounting rate											
NPV											
876.78											
Repayable loans + FITL+ CRPS	594.10										
Loan life ratio	1.48										

Rs in Crs



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Base Case & Sensitivity Analysis-DSCR

SCENARIO	PARTICULARS	Conditions with Avg DSCR of 1 for the entire tenure of the Proposed Package	Other Effect	AVERAGE DSCR
			Base Case- Normal	1.69
			Base case- Cash DSCR	1.35
SCENARIO I	Total Sales	Decrease by 18%	Decrease by 5%	1.51
SCENARIO II	EBIDTA Level	Decrease by 20%	Decrease by 5%	1.27

As per the financial evaluation, the average DSCR is 1.69 for the proposed tenure of the loan whereas the minimum DSCR is 1.56. Sensitivity Analysis shows that Average DSCR is above 1.20 in all the 2 scenarios.

Cashflow based DSCR is 1.35.

If we consider the case of average DSCR of 1.00 for the proposed tenure of the loan, the same can be achieved in case any one of the following conditions:

- If sales are decreased by maximum 18%,
- In case of reduction of EBIDTA by 20%

Further, DSCR will remain above 1.00 in case of EBIDTA level of hotel is maintained at 30% or above (against estimation of 38%).

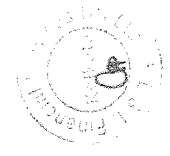


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11. RISK & ITS MITIGATION

Possible Risk Factor	Level of Risk & Proposed Mitigation Mechanism
<p>Promoters Management Capability & Experience</p>	<p>The company has been promoted by Sahara India Pariwar mainly having interests in finance, infrastructure and housing, media & entertainment, consumer products, manufacturing, services and trading.</p> <p>Financial strength and commitment of the promoter: Considering the capital-intensive nature of hotel business, a company with reputed promoter enjoys an advantage over others as its ability to infuse and/or raise funds in a timely manner is crucial. Furthermore, the strong group presence/parentage would result in enhanced financial flexibility.</p> <p>Promoters have in the previous years infused funds to keep the Hotel in operation.</p>
<p>Business Risk</p>	<p>Evaluation of business model: Hotel is owned by the Group with healthy mix of revenue from different business models which would be favorable from a credit perspective.</p> <p>Hotel segments: The industry is composed of three sub-segments viz luxury/upscale segment; mid-scale segment and economy/budget segment. Revenue per available room (RevPAR) of luxury/upscale segment is more vulnerable to cyclicity vis-à-vis RevPAR of mid-scale and economy hotels. However, during high demand, the luxury/upscale segment has higher pricing flexibility as compared with mid-scale and economy hotels.</p> <p>The companies with luxury / upscale segment presence in multiple sub-segments have higher business stability and, as they cater to different customer segments across various price points, they enjoy larger customer base.</p> <p>Operational performance: Revenue per available room (RevPAR) is a derivation of average room rate (ARR) and Occupancy levels, which are, in turn, dependent on many factors like location, demand-supply dynamics, brand, sub-segment, economic scenario and others. Also, the availability of support services for the relevant customer segment is a critical factor. Contribution, stability and dependability of revenues from F&B, business related services, banquets, spa, gym and recreational activities are considered in business evaluation. A mix of foreign and domestic guests, dependence on airline crew or limited corporate catchment and corporate versus individual travelers is also seen, while evaluating diversity in guest profile and revenue stream for a hotel company. Being a Large Size Hotel, during lean period the margins are squeezed.</p> <p>Location analysis The location of the hotel is a major advantage being nearer to Domestic Airport (TI).</p>



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	<p>The analysis of various factors, as mentioned above, is primarily aimed at determining the quantum and stability of the company's future operational cash flows in relation to debt servicing requirements. A detailed financial risk analysis, which includes an assessment of business model & performance and its impact on financial performance & cash flows has been provided in the Financial Assumption & Analysis chapter.</p>
<p>Financial Risk</p>	<p>Hotel projects have long gestation period as construction of a premium hotel takes up to four to five years while stabilization of operations may take another two to three years. A company may also need external financial support for debt servicing till the time its operations get stabilized. "Sahara Star" is an established and operational Hotel and hence do not carry this risk.</p> <p>Revenues & Profitability: In the case of a hotel company, degree of stability to revenues and profits is of high importance. Healthy sales and profitability are a direct derivation of higher RevPAR. Higher RevPAR indicates strong market positioning of the hotel, whereas, healthy profitability reflects ability to generate cash accruals to support business operations.</p> <p>Leverage & Debt Servicing Extent of leveraging determines the possible level of stress on operational cash flows, particularly in cyclical downturns. High leverage reduces financial flexibility of a hotel company, thereby, its fund-raising ability in case of any future capex plans.</p> <p>Financial parameters both past & projected have been discussed in financial chapter in detail</p>
<p>Debt Repayment Obligation</p>	<p>The company is expecting that the demand as well as operation of the Hotel will stabilize gradually from the 2nd half of 2021-22 and onwards. The company is expecting to restore the normal operation to pre covid level from 2022-23 with a growth thereafter.</p> <p><i>In FY 21-22 and FY 22-23, promoter's infusion of Rs.105Cr (Rs.40 Crs upfront) and payments made after cutoff date of Rs.33.35 Crs is proposed to be utilized towards debts servicing obligation. The company has proposed creation of DSRA (Debt servicing reserve account) equivalent to number of instalments to be serviced in upcoming 3 months by way of advance payment of three months.</i></p> <p><i>This will minimize the chance of failure of commitments by the company on debt repayment obligations.</i></p> <p><i>Further, moratorium on payment of interest & instalment has been sought up to September 2021. This will provide a buffer so that there will be no failure in commitments by the company on debt repayment obligation.</i></p>
<p>Industry Risk</p>	<p>Industry risk focuses on the prospects of the industry and the competitive factors affecting the industry. The demand-supply dynamics is an important consideration from the rating perspective. Various factors are analyzed like existing demand & supply, key demand drivers, expected economic growth, expected supply addition,</p>



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	<p>new demand attractions and leisure/business destination to arrive at location specific outlook</p> <p>The hotel industry is cyclical in nature as the demand for hotel rooms varies with the business cycle. However, this risk is partially mitigated due to brand recognition.</p> <p>The hotel industry is also exposed to event risk such as terrorism, epidemic diseases and natural disasters, which is mitigated from Insurance cover.</p> <p>The hotels & tourism sector at large has been the biggest casualty of the COVID-19 shock, with demand at an all-time low across the globe. This has a cascading effect on the performance of the hotel industry disrupting not only the progressive growth of the Hotel in terms of revenue generation and occupancy level, it also put a brake on the future planning of the management of the Hotel to improve its product and services.</p>
<p>Impact of Covid 19</p>	<p><i>According to the recent reports upon withdrawal of lockdowns all over the world and our country as well, most of the operations have resumed; operation of the balance is expected to resume shortly. Domestic flights have started running and passengers are moving to various parts of the country. Foreign travelers' movement are also expected to be normal within a short period of time.</i></p> <p><i>With further relaxation being permitted by Government of India and respective State Governments in movement of goods and personnel in various sectors, the business level is expected to improve gradually.</i></p> <p><i>Hence, the total impact of the crisis on the hotel industry is expected to subside from 2nd Half of 2021-22. Thus, demand is expected to stabilise gradually from 2022-23. Growth in Performance is expected to pick up from 2022-23 & onwards.</i></p>
<p>Supply & Inventory</p>	<p>Supply & Inventory of Hotel Industry may have impact over the operating and financial performance of the company.</p> <p>However, during the last one year or so, setting of new hotels has not been seen over the country as well in Mumbai or surrounding area. At present after Covid 19, no possibility of increase in supply or inventory is observed in the near future. Further, the aftermath of Covid, has forcibly led to shutting down of many premia as well as mid-size hotels resulting in reduction in supply. This shall provide SHL an opportunity to capitalise on the demand supply gap. Hence, this will not impact the financial performance of the company in the coming days.</p>
<p>Marketing</p>	<p>Future revenue depends upon sales backed by strong marketing network.</p> <p>The company has strong marketing network and various tie-up arrangements with several corporate clients for providing various services.</p> <p>All the above factors may assure steady income generation and proposed to mitigate the risk of marketing as well.</p>



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12. SWOT ANALYSIS

Strength

- **Long standing:** SHL is into the business of Hotel Industry since 2002 and has strong established customer base. It is segmented has Luxury Hotel and has positioned its hotel as one of the premium hotels in Mumbai. This positioning strategy has helped the Hotel to acquire more customers.
- **Strategic Location:** Located in vicinity to the domestic terminal T1 and around 10minutes' drive from international terminal (T2) of Mumbai and hence is quite popular with the frequent travellers. It is also fronting the busiest Western Express Highway which connects South and North Mumbai.
- **Infrastructure:** It is one of the leading hotels in Mumbai catering the premium events in the banquets due to the enormous floor space and capacity. The Hotel boasts of the Mumbai's largest pillar less Event Hall (Sapphire) with floor space of 55,000 sq. ft and ceiling height of 25 feet and also boasts of the Presidential Boardroom, which is one of the city's largest hall featuring technologically advanced facilities. The banquet facilities cater to more than 4600 guests at a time gives a first mover advantage to the company over the other premium hotels in the vicinity.
- **Adequate Marketing Network:**
 - i. Hotel has tie ups with a number of agents and gets a good share of business from them.
 - ii. Hotel is listed on all major travel portals.
 - iii. Digitalized facility in place to enable seamless booking process from anywhere and other allied facilities.
 - iv. Designated Relationship manager to coordinate with the corporate clients.
- Hotel has an experienced team of professionals responsible for key areas of operations.

WEAKNESS

- **Large size of hotel with Large commercial space, Restaurants and Banquets also has its disadvantage i.e., servicing of Fixed costs during Lean Period and present situation of ongoing pandemic.**
- Servicing of high amount of Debt becomes a burden when operations are affected due to pandemic and similar situation.
- Given the discretionary nature of consumer spending, this industry is highly susceptible to external shocks; the sharp decline in revenues from its hotel and resort segment coupled with sizeable debt-servicing requirements will have adverse impact on its liquidity profile.
- With addition of rooms, there is a tendency of reduction in the average room rates (RevPAR) to meet competition. (This aspect however gets mitigated by the fact that there are no hotel projects of this category being undertaken presently).
- The hotel industry is vulnerable to changes in the domestic and international economies. During lean periods, revenue per available room (RevPAR) of premium hotels is affected more than that of mid-scale or economy hotels. As the cost of operating premium properties remains high even during downturns, the cash flow from these properties are, therefore, more susceptible to economic downturns
- **Severe impact on Revenue & Profits for Hotel & Tourism Industry inflicted by Covid 19 Pandemic.**



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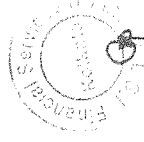
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OPPORTUNITIES

- The tourism and hospitality sector are among the top 10 sectors to attract highest FDI's
- To tap the opportunities available after COVID, as many of the properties in the vicinity may not be able to absorb the shock of COVID -19 related cash flow problem and may face closure resulting in reduction in supply.

THREATS

- Competition from peers.
- The Tourism & Hospitality industry depends on the Socio-political factors like political instability, conflict between nations, occurrence of infectious diseases, extreme weather conditions and natural calamities, etc. which may affect the level of travel and business activity and thus revenue of the Hotel.



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13. CONCLUSION

On an assessment of the parameters considered here, it is concluded that:

- Prevailing of Pandemic Covid 19 inflicted lockdowns and restrictions on organizing of events like Marriages / Business Conclaves etc. for longer time will adversely affect future revenue & profits of the Hotel Industry as a whole including Sahara Star Hotel. However, the Company proposes to bring in funds by way of Unsecured Loan to service part repayment of Debt in FY 2021-22 & 2022-23.
- The Hotel has to achieve the projected capacity utilization to sustain both revenue & profitability.
- The Hotel has to operationalize 42 Rooms in time as per the projections.
- The Hotel has to timely receive Occupation Certificate from Authority for its Commercial Spaces and to start earning lease income as per the projections assumed here in. Any delay in receiving OC will hamper revenue and profits of the Company as this income plays important role in successful implementation of Restructuring Package.
- The Company receives sanction of fresh loan including sanction of Restructuring of Loans in time so that it can timely complete in-complete rooms / get the OC and save on interest cost.
- The Company has to timely lease out the commercial spaces available in the Hotel as per the projections.
- The Promoters have to ensure smooth availability of need-based funds to keep the hotel running and service debt timely in case hotel is unable to achieve projected revenue and profits.
- Promoter arranges timely infusion of need-based Funds/ Equity as per the restructuring plan stated here in.
- The Company is able to get the additional debt requirement with lenders in time. Alternatively, the Company may arrange the funds from their own sources to complete the work of 42 unfinished rooms and may claim reimbursement out of proposed Priority Loan requested for sanction.
- The Company / Hotel maintains efficient and optimum utilization of available man Power.
- The Company/ hotel is able to reduce its cost of salaries and labour cost as per the projections.
- The Company broad bases its corporate tie ups and customer base.
- The Company is advised to enter into long term tie ups with its customer to maintain higher Room's capacity utilization at all times.

Conclusions:

Based on the detailed technical and financial appraisal & recommendations made, it may be concluded that:

- Considering SHL's infrastructural facilities for the Hotel, it is viewed as technically feasible.
- Considering SHL's achieving of projected financials and the comment there on, the company is expected to meet its debt serving obligations.



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- The overall financial, liquidity and profitability parameters of the Company are considered to be achievable by adhering to higher capacity utilization, timely receiving the OC, need based infusion of funds by Promoters & strict financial discipline as assumed in this report by the Company.

Subject to the risk analysis, technical parameters, assumptions and various mitigation mechanisms thereto, the weaknesses and threats enumerated in the SWOT analysis and observations made in the report we are of the opinion that:

- The Debt Restructuring Proposal, as contemplated in this report, is viable subject to adhering to higher capacity utilization, timely receipt of OC, need based infusion of funds by Promoters & strict financial discipline as assumed in this report by the Company;
- The technical feasibility and commercial viability of the Hotel under reference could be achieved subject to timely completion of unfurnished Rooms and receipt of OC.

Based on the Conclusion as explained here in above, discussions with the technical and financial personnel of the Company & their consultant during the site visit, considering requisite infrastructure in place and in view of the future market outlook to improve post Covid 19, the Operations of Sahara Hospitality Limited (Sahara Star Hotel) as well as the proposal for Restructuring of loan, is viewed as technically feasible and financially viable.

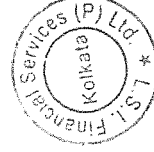
Limitations & Disclaimer

We understand that any prospective operational projection is generally based on expectations of the competitive and economic environments, market dynamics, and other factors that may impact upon the future operations of an organization. In arriving at the financial forecasts, key assumptions have been consistently applied during the estimation period and to the best of our knowledge no factors that may be relevant have been omitted to the best of our knowledge. However, it is usually the case that some events and circumstances do not occur as expected or anticipated. Therefore, actual results during the forecast period may differ from that forecasted and such differences may be material. This report is intended for use of the SHL (the borrower), its Lender and other agencies involved in the restructuring exercise for the purpose mentioned at the outset.

Date: 16/06/2021

Place: Kolkata

For LSI Financial Services Pvt. Ltd.



[Signature]

Director

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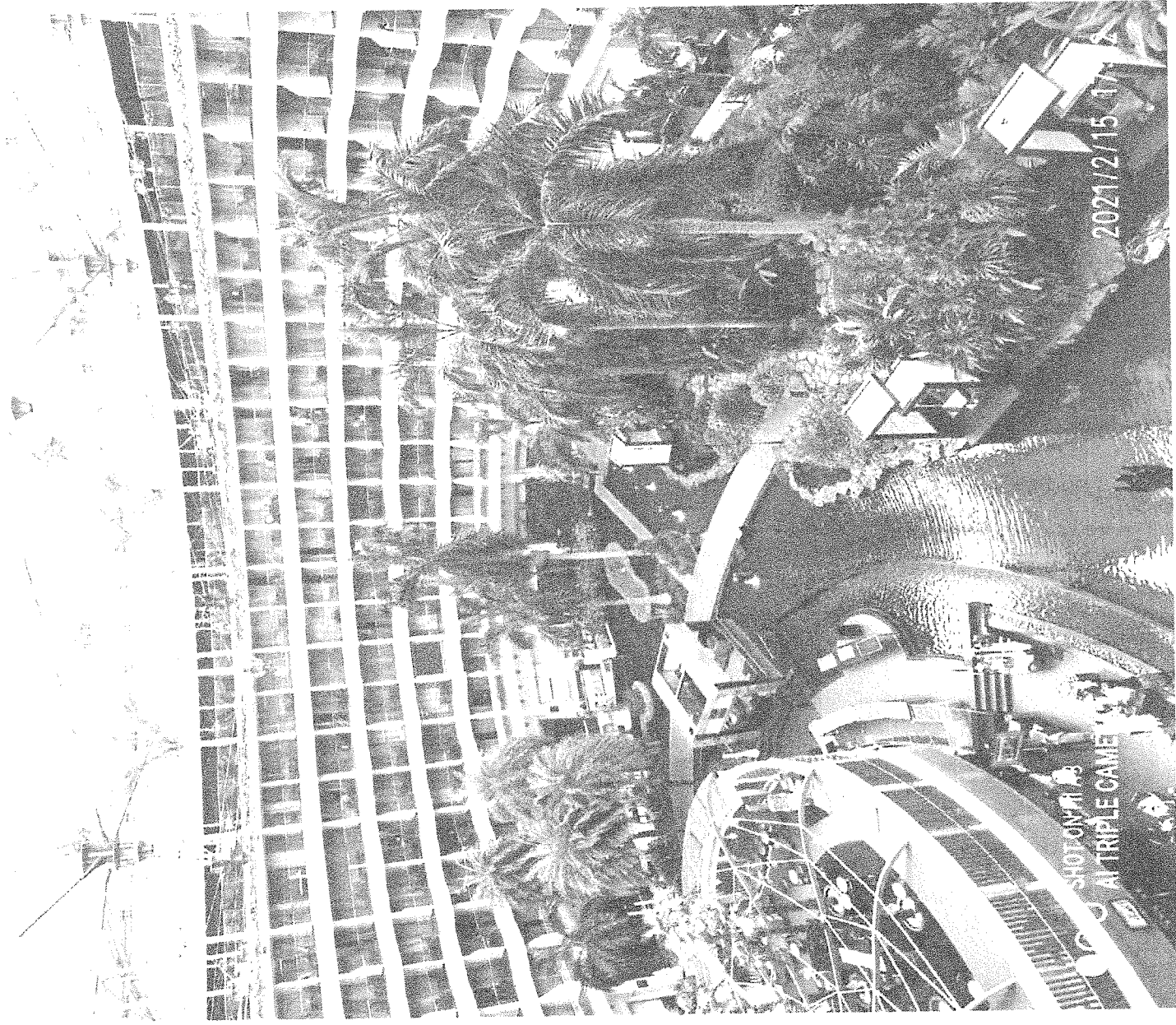
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14. Photographs:



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ANNEXURE 'A'-3

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MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

SAHARA HOSPITALITY LIMITED


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No. U 55101 MH 2003 PLC 140211.

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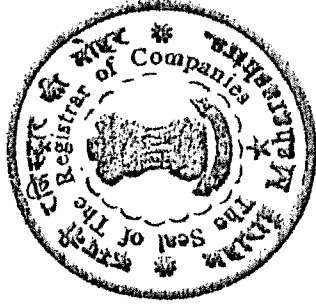
[Section 18(3) of the Companies Act, 1956.]

CERTIFICATE OF REGISTRATION OF THE ORDER OF COMPANY
LAW BOARD CONFIRMING TRANSFER OF THE REGISTERED
OFFICE FROM ONE STATE TO ANOTHER

The SAHARA HOSPITALITY LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the NCT of Delhi to the State of Maharashtra and such alteration having been confirmed by an order of the Company Law Board, Northern Region Bench, New Delhi bearing date the 25th day of February, 2003.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Mumbai this Twenty ninth day of April, 2003.



B. Chandra
(B. CHANDRA)
DY. REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.

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COMPANY NO. 55- 37820

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME ON
CONVERSION TO PUBLIC LIMITED COMPANY

In the office of the Registrar of Companies. NCT of Delhi & Harvana
[under the Companies Act. 1956 (1 of 1956)]

IN THE MATTER OF M/s SAHARA HOSPITALITY PRIVATE LIMITED

I hereby certify that SAHARA HOSPITALITY PRIVATE LIMITED
which was originally incorporated on

Twenty Sixth September Nineteen Hundred and eighty nine

under the Companies Act.1913(Act VII of 1913)/Companies Act.1956(Act 1 of 1956)
under the name BATRA NIBESO INDIA PVT.LTD.


having duly passed the necessary Special Resolution on 28/10/2002
in terms of section 31/21 read with section 44 of the Companies Act, 1956.
the name of the said company is this day changed to

SAHARA HOSPITALITY LIMITED.

and this Certificate is issued pursuant to Section 23(I) of the said Act

Given under my hand at New Delhi this
Ninth December Two Thousand and Two




(T.P. SHAMI)
DY./ASST- REGISTRAR OF COMPANIES.
N.C.T. OF DELHI AND HARVANA (JLNS)

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COMPANY NO. 37820

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME

In the office of the Registrar of Companies, NCT of Delhi & Haryana
[Under-the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF M/s Dalra Hospitality Private Limited

I hereby certify that Dalra Hospitality Private Limited
incorporated on Twenty Sixth September Nineteen Hundred and eighty nine
under the Companies Act, 1956 (Act 1 of 1956) under the name

Datra Hospitality Private Limited

having duly passed the necessary resolution in terms of Section 21 of the
Companies Act, 1956 and the approval of the Central Government signified
in writing having been accorded thereto under Section 21 read with Government
of India, Department of Company Affairs, NCT of Delhi & Haryana, New Delhi
vide letter No. ROC/Approval/21/55-37820 dated

the name of the said

company is this day changed to

SAHARA HOSPITALITY PRIVATE LIMITED

and this certificate is issued pursuant to Section 23(1) of the said Act

Given under my hand at New Delhi this Fifteenth November
Two Thousand and Two



(Signature)
(T.P. SHARMA)
DEPUTY REGISTRAR OF COMPANIES,
N.C.T. OF DELHI AND HARYANA (JLNS)

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COMPANY NO. 37820

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME

in the office of the Registrar of Companies, NCI of Delhi & Haryana
[Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF M/s BATRA NIBESO INDIA PVT.LTD.

I hereby certify that BATRA NIBESO INDIA PVT.LTD.
incorporated on Twenty Sixth September Nineteen Hundred and eighty nine
under the Companies Act, 1956 (Act 1 of 1956) under the name

BATRA NIBESO INDIA PVT.LTD.

having duly passed the necessary resolution in terms of Section 21 of the
Companies Act, 1956 and the approval of the Central Government signified
in writing having been accorded thereLo under Section 21 read with Government
of India, Department of Company Affairs NCI of Delhi & Haryana, New Delhi
vide letter NO. ROC/Approval/21/56-37820/773 dated

.....25/1/2002..... the name of the said
company is this day changed to

Batra Hospitality Private Limited

and this Certificate is issued pursuant to Section 23(1) of the said Act

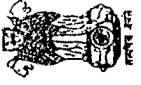
Given under my hand at New Delhi this Twenty Ninth January
Two Thousand and Two



(Signature)
(D.K.GOPAL)
DEPUTY REGISTRAR OF COMPANES,
N.C.T. OF DELHI AND HARYANA (JLNS)

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शरूप० एक
Form 1

निर्गमन का प्रमाण-पत्र

Certificate of Incorporation

सं० 55-37820 का सं०.....1911...
No. 55-37820 of.....1989-90

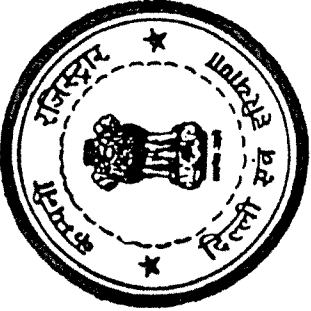
में एतद् द्वारा प्रमाणित करता हूँ कि आज बत्रा निवेशो इण्डिया प्राइवेट लिमिटेड

कम्पनी अधिनियम, १९५६ (१९५६ का १) के अधीन निर्गमित की गई है और यह
कम्पनी परिसीमित है।

I hereby certify that BATRA NIBESO INDIA PRIVATE LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and
that the Company is limited.

मेरे हस्ताक्षर से आज ता० 4 अश्विन 1911 को दिया गया।
Given under my hand at NEW DELHI this.... TWENTY SIXTH..... day
of...SEPTEMBER ...One thousand nine hundred and.....EIGHTY NINE.....



Sd/-

(बा० भवानी शंकर)

कम्पनी रजिस्ट्रार
दिल्ली एवं हरियाणा

(B. BHAVANI SANKAR)
Registrar of Companies
DELHI. & HARYANA

TRUE COPY

THE COMPANIES ACT, 1956**COMPANY LIMITED BY SHARES****MEMORANDUM OF ASSOCIATION**

OF

SAHARA HOSPITALITY LIMITED
(Formerly known as **Batra Hospitality Private Limited**)

- I. The name of the company is **Sahara Hospitality Limited**.
- II. The registered office of the company will be situated in the State of Maharashtra.
- III. The objects for which the company is established are:

(A) MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on the business of hotels, motels, resorts, restaurants, cafe, beer house, refreshment-room boarding and lodging house keepers, licensed victuals, inns, wine, beer sprit merchants, brewers merchants, importers, exporters of aerated, mineral and artificial waters and other drinks, purveyors, caterers for public amusements, coach, cab, carnage and motor car and proprietors of clubs, baths, beauty parlors, laundries, libraries, grounds and place of amusements, reaction sport, tobacco and cigar dealers.
2. To construct, acquire, alter, uphold, maintain, furnish buildings and properties for the hotels, motels, club-houses, auditoriums, theatres, cinema houses, studios, Shopping arced, holiday inns, holiday resorts, guest houses, tourist homes, cottages, resorts, residential bungalows, commercial and trading activities and to sell, let out on lease or otherwise the whole or any part of the property of the company for any of the above mentioned purposes or otherwise.
3. To provide camping and parking place for motorists, lodging and boarding, restaurants, bar, eating house, swimming pool and other facilities to the public including motorists, visitors and other delegates coming from all over India and foreign countries and to the members of delegations and missions from delegation from foreign countries and to encourage and carry on and facilitate motorists and tourist trade in India.
4. To carry on the business as proprietors and consultants of hotels, motels, restaurants, cafeteria, travelers, lodging, guest houses and place of the purposes of providing boarding and lodging in India and abroad. To take on lease, run and maintain hotels, motels, restaurants, canteens, cafeteria, travelers, lodging, guest houses and place for the purposes of providing boarding and lodging.
5. To obtain foreign exchange and currencies and to convert currencies, subject to approval of appropriate authorities and to act as moneychangers and conduct and carry on business of money changing.

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(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE OBJECTS ARE:

1. To pay for any immovable or movable property or assets of any kind acquired or to be acquired by the company for any services rendered to Company and generally to pay or discharge any consideration to be paid or given by the company, in money or otherwise.
2. To sell or in any other manner deal with or dispose of any property of the Company, or any part thereof, for such consideration as the company may think fit.
3. To purchase or by any other means acquire and protect, prolong and renew whether in India or elsewhere, any patents, patents rights, trade marks, designs, brevets d'invention, licenses, protections and concessions which may appear likely to be advantageous or useful to the company.
4. To draw, make, accept, endorse, seal , execute, negotiate, purchase, discount to and dispose of cheques, promissory notes, bills of exchange, hundies, draw charter parties, bills of lading, warrants, debentures and other negotiable documents and contracts, deeds and instruments, and to cancel and vary such instrument and to open any kind of account in any Bank.
5. Subject to section 58A and 292 of the Companies Act, 1956, to receive money or deposit or loan at interest or otherwise and to lend and Advance money with or without security to such persons, firms association or companies on such terms as may seem expedient without doing banking business as defined in the Banking Regulations Act, 1949.
6. To ensure with any person or company against losses, damages, risks and liabilities of any kind which may effect the company either wholly or partially, and if thought fit, to affect any such insurance by joining or becoming members of any mutual insurance, protection or indemnity association, federation or society and to accept any such insurance, or any part thereof, for the account of the company.
7. To borrow or raise money, by itself or jointly with others at interest or otherwise in such manner as the Company may think fit, and in particular by the issue of debentures perpetual or otherwise including debentures converted into shares of this or any other Company, or perpetual annuities and in security of any such money so borrowed, raised or received, to mortgage, pledge, or charge the whole or any part of the property , assets or revenue of the company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders the power of sale and other powers as may seem expedient, and to purchase, redeem or pay for any such security.
8. To guarantee the payment of money and performance of contract or engagement entered into by any Company person and to secure the payment of money and performance of any contracts or engagement entered into by this company and to discharge any debt or other obligation of or binding upon this company by mortgage or charge upon all or any part of the undertaking, property and right of the company (either present or future or both) including its uncalled capital or by the creation of issue of debentures, debenture stock or other securities or by any other means.
9. To purchase or otherwise acquire or undertake the whole or any part of the business property, right and liabilities of any person, firm or company, carrying on any business, which the Company is authorized to carry on, or possessed of property or rights suitable for any purposes of the Company, and to purchase, acquire, sell and deal in property, of any such person, firm or Company, association or society.

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10. Subject to section 381 & 394 of the Companies Act, 1956 to amalgamate with any other company or companies having objects altogether or in any part similar to those of this company.
11. To promote and form and to be interested in, and take, hold and dispose of shares in other companies, to transfer to any such company any property of this company, and to take or otherwise acquire hold and dispose of shares, debentures and other securities in or of any such company and subsidiaries or otherwise assist any such company.
12. To take or otherwise acquire and hold shares in any other company, and to pay for any properties, rights or privileges acquired by this company either in shares of this company, or partly in cash, or otherwise, or to give shares and stock of this company, in exchange for shares or stock of any other company.
13. To carry on any scientific research or other research which may be of benefit to the company, to conduct and carry on such other activities for the attainment of the main object.
14. To subscribe for, conditionally or unconditionally to underwrite, issue on commission or otherwise, take hold deal in and convert stocks, shares and securities of all kind and to enter into partnership or into any arrangement for sharing profits, union of interest reciprocal concession or cooperation with ant person, partnership or company and to promote and aid in promoting, constitute, form or organize any company, syndicate or partnership of any kind, for the purpose of acquiring any undertaking, any property and liabilities of this company, or of advancing, directly or indirectly, the objects thereof or for any other purpose which the company may think expedient.
15. To invest in other than investment in Company's own shares and deal with the moneys of the Company not immediately required for the business of the company.
16. To establish in India or elsewhere in the World branches, or appoint agencies in connection with any of the main objects of the company.
17. To carry on main business Free Trade Export Zones and to do all the incidental acts and deeds necessary in conduct of such business.
18. To carry on any other business whether manufacturing or otherwise which in the discretion of the Directors, may seem to be capable of being conveniently carried on in connection with the above or calculated directly or indirectly.
19. To pay all costs, charges and expenses, if any, incidental to the promotion, formation, registration and establishment of the company and the issue of its capital and change in connection therewith and to remunerate or make donations to (by cash or other assets or by allotment of fully or partly paid shares, or by a call or option on shares, debentures, debenture stock, or security of this or any other company or in other manner, whether out of the company's capital or profits or otherwise) any person or persons or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares of the Company's capital or Debentures, Debenture Stock, or other securities of the Company, or in the conduct of its business or in introducing any property or business of the Company or for any other reason which the Company may think proper.
20. To do all or any of the above things and all such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India or

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any other part of the world as principals, agents, contractors, trustees, or otherwise and either alone or in conjunction with others.

21. To purchase, take on lease or exchange, hire or otherwise acquire, to sell, give on lease or exchange, hire or otherwise dispose of any movable or immovable property, patents, license, rights and privileges, which the Company may think necessary or convenient for the purpose of its business and to pay for the same either in cash or in share or securities and to sell, let, lease, or under lease or otherwise dispose off or grant rights over any immovable property belonging to the company.
22. To obtain any provisional order or Act of the Government for enabling the company to carry any of its objects into or for effecting any modification of the Company's constitution.
23. To refer to or agree to refer any claim, dispute or any other question by or against the company or in which the company is interested or concerned and whether between the company and the member or members of his or their representatives or between the company and third party, to arbitration and to observe and perform and to do all acts, matters, and things to carry out or enforce the award.
24. To train or pay for the training in India and abroad of any of the Company's employees or any candidate in the interest of or for the furtherance of the Company's objects.
25. To acquire from any person, firm or body corporate whether in India or elsewhere technical information, franchise, know-how, processes, manufacturing and operating, data, plans, layouts, and blue prints useful for the design, erection and operation of plants required for the business of the company and to acquire any grant or license, and other right and benefits in the foregoing matters and things.
26. To apply for purchase or otherwise acquire and protect prolong and review in any part of the world, any patents rights bravets d'invention, trade marks, designs, licenses, protection's, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention, process or privilege, which may seem, capable of being uses for any invention, process or privilege, which may seem, capable of being uses for any and to use, exercise, develop or grant licenses or privileges in respect of or otherwise turn to account, the property, rights and information so acquired and to carry on any business in any way connected therewith.
27. To expend money in experimenting on and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the company or those which the company may acquire or propose to acquire.
28. To enter into collaboration agreement to acquire technical know-how and/ or any financial assistance and/ or to acquire any plant or machinery and/ or equipment under any such collaboration agreement.
29. To enter into any arrangement with any Government or Authority, Central, State, Local or Foreign or Public body, or person or authority or from any private individual that may seem conductive to the company's objects or to any of them and to obtain from any such Government, authority, person or company any concessions, grants, decrees, rights, charters, contracts, licenses, powers and privileges what so ever which may seem to the company capable of being carried on in connection with its business and to work, develop, carry out, exercise and turn to account the same.
30. To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the company's objects or

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which may be advisable to undertake with a view to developing, rendering, enhancing the value or turning to account any property, deal or personal belonging, to the company or in which the company may be interested.

(C) OTHER OBJECTS OF THE COMPANY:

1. To provide medical relief and carry on activities of general public utility, to promote, organize and carry out research in the field of medical sciences including medical, health and related problem and activity.
2. To set up hospitals, Dispensaries, Health Clubs, to serve as a forum for exchange of ideas and experience for collection and dissemination of research and management information relating to the conduct of medical and health services, research or any other activity and to effectively interact to the existing medical health care set up in India or abroad.
3. To carry on the business of manufacture of all types and kinds including medical, LPG, and industrial valves.
4. To establish and conduct and or manage any industry which may be thought fit to be established and or conducted and/ or managed.
5. To carry on all or any of the business of manufacturers of and dealers in organic and inorganic chemicals, petro-chemicals, fertilizers, manure, pesticides, soda ash, caustic soda, calcium carbide, ethyl alcohol, coaltar, medicines, ointments, essences, acids, toilet requisite, soaps, detergents, cosmetics, perfumes, dyes, paints, colours, pigments, varnishes, explosives, ammunition, fuels, oils, grease, lubricants, vegetable oils and cotton seeds oils.
6. To manufacture all types of machinery, equipment, spare parts, goods, produce, articles and merchandise, of any kind whatsoever.
7. To obtain sanction, permission, license and quotas from the Government for export and to do all things that may be necessary to obtain recognition as an 'Export House' and to carry on all or any of the business of importers and exporters buying and selling agents and dealers in all and every kind of goods in India and elsewhere.
8. To carry on the business of leasing and hire purchase company and to acquire to provide on lease or to provide on hire purchase basis all types of industrial, and office plant, equipment, machinery, vehicles, building and real estate required for manufacturing, processing, transportation and trading business and other commercial and service business.
9. To carry on business of exporters and importers, buyers, sellers, processors and manufacturers of and general export and import both traditional and non-traditional items industrial minerals, agricultural commodities, handicrafts and household articles.
10. To buy, sell, export, import and deal in all kind of food products, fast food, seed, live and stock-feeds.
11. To carry on the business of manufacturers and dealers in chemicals of any nature and kind whatsoever and as chemists, druggists, analytical or pharmaceuticals, chemist, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies acid, drugs, tanius, essences, pharmaceutical, sizngs, medicinal and other preparations and articles of any nature and kind whatsoever mineral and other waters.

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12. To carry on the business of manufacturing, assembling, fabricating, dealing, selling, importing, exporting all kinds of medical equipments, dialysis systems, disposable dialysis tubing sets, needles connection chambers, filters, dialysis machines, pacemakers and similar items in the range of such products including their components and accessories with indigenous and/ or imported technologies/ components and inputs as may be necessary anywhere in India or abroad.
13. To repair, purchase, sale, import, export, hire and dealing in and material used in the manufacture of above products, components and the accessories referred to in above clause.
14. To deal in all kind of petroleum products and to set up, install, lay, repair, maintain, operate fuel pumps/ gas agencies for supply/ use of petrol, diesel, lubricants, compressed natural gas, liquid petroleum gas, other gases, pipes, fittings, accessories, other fittings for supply/ use/ transportation of above articles.
- IV The liability of members is limited.
- * V The authorised share capital of the company is ₹ 750,00,00,000 (Rupees Seven Hundred and Fifty Crores Only) consisting of 7,00,00,000 (Seven Crores) Equity Shares of ₹ 10/- (Rupees Ten) each and 68,00,00,000 (Sixty Eight Crore) Preference Shares of ₹ 10/- (Rupees ten) each with a power to increase or reduce the same, to divide into shares of several classes and to attach there to such preferential, qualified and specified privileges and conditions as the Articles of Association of the Company may prescribe and vary, modify, abrogate any such right, privilege or conditions in such manner as may be from time to time in accordance with the regulation of the Company and the provision of the Companies Act, 1956.

** Clause V (Capital Clause) of the Memorandum of Association has been altered as per the Resolution passed by the members at an Extra-Ordinary General Meeting held on 24th March, 2014.*

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We, the several persons whose names, addresses are subscribed below are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:-

Name Address, Description and Occupation of each Subscriber	No. of Equity Shares taken	Signature of the subscribers	Name address and description of witness to the signatures of Subscribers
1. Shri Amrit Lal Batra S/o Sri Late Ch. Ashi Ram Batra C 27/28 South Extension Part - II New Delhi-49 (Business)	10 (Ten)	Sd/-	I witness the signatures of both the subscribers Sd/- ABHAY KUMAR MAHESHWARI S/o Sri D. R. Gupta Chartered Accountant 224, Siddharth Enclave New Delhi-110 014
2. Shri Sanjay Batra S/o Sri A.L. Batra C 27/28 South Extension Part-II New Delhi-49 (Business)	10 (Ten)	Sd/-	
TOTAL	20 (Twenty)		

Dated: 12th September, 1989

Place: New Delhi

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THE COMPANIES ACT, 2013

COMPANIES LIMITED BY SHARES

(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION

OF

SAHARA HOSPITALITY LIMITED

CIN NO. - U55101MH1989PLC140211


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The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting of the Company held on 30th day of September, 2015 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

1	(1)	The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.	Table 'F' not to apply
	(2)	The regulations for the management of the Company and for the observance by the members thereto and their representative, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	Company to be governed by these articles
Interpretation			
2	(1)	In these Articles--	
	(a)	"the Act" means the Companies Act, 2013, and Rules made thereunder or any other statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Articles and any previous company law, so far as may be applicable.	"The Act"
	(b)	"Articles" means these Articles of Association of the Company or as altered from time to time.	"The Articles"


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	(c)	"Authorised Capital or Nominal Capital" means such capital as is authorised by the Memorandum of the Company to be the maximum amount of the shares capital of the Company.	"The Authorised Capital"
	(d)	"Board of Directors" or "Board", means the collective body of the directors of the Company.	"The Board of Directors" or "The Board"
	(e)	"the Company or this Company" means SAHARA HOSPITALITY LIMITED	"The Company"
	(f)	"Financial Year" means the period ending on the 31 st day of March every year.	"The Financial Year"
	(g)	"Foreign Company" means a Company or Body Corporate incorporated outside India which - (i) Has a place of business in India whether by itself or through an agent, physically or through electronic mode; and (ii) Conduct any business activity in India in any other manner	"The Foreign Company"
	(h)	"Holding Company" In relation to one or more other Companies, means a Company of which such Companies are subsidiary Companies.	"The Holding Company"
	(i)	"Independent Director" means an independent director referred to in subsection (6) of section 149 of the Act.	"Independent Director"
	(j)	"Key Managerial Personnel" in relation to a Company, means- (i) The Chief Executive Officer or the Managing Director or the Manager (ii) The Company Secretary (iii) The Whole Time Director	"Key Managerial Personnel"

	(iv) The Chief Financial Officer; and (v) Such other officer as may be prescribed	
(k)	<p>"Managing Director" means a director who, by virtue of articles of a Company or an agreement with the Company or a Resolution passed in its General Meeting or by its Board of directors, is entrusted with substantial powers of Management of the affairs of the Company and includes the director occupying the position of Managing Director, by whatever name called.</p> <p>Explanation.- For the purpose of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the Company to any document or to draw and endorse any cheque on the account of the Company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management.</p>	"Managing Director"
(l)	<p>"Member", in relation to a Company, means -</p> <p>(i) The subscriber to the memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;</p> <p>(ii) Every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company;</p> <p>(iii) Every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository.</p>	"The Member"
(m)	"Ordinary or Special Resolution" means an ordinary resolution, or as the case may be, special resolution	"Ordinary or Special"

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	referred to in Section 114 of the Act.	Resolution"
(n)	"Paid-up share capital" or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of the Company, but does not include any other amount received in respect of such shares, by whatever name called.	"Paid-up share capital"
(o)	"Rules" means the applicable rules for the time being in force as prescribed and as amended from time to time under the relevant sections of the Act.	"The Rules"
(p)	"Securities" means the securities as defined as in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956	"Securities"
(q)	"Share" means a share in the share Capital of the Company and Includes stock.	"Share"
(r)	"Subscribed Capital" means such part of the Capital which is for the time being subscribed by the members of the Company.	"Subscribed Capital"
	"Subsidiary Company or Subsidiary" in relation to any other Company (that is to say the Holding Company), Means a Company in which a Holding Company- <ul style="list-style-type: none"> (i) Controls the Composition of the Board of Directors or (ii) Exercises or Controls more than one half of the total shares capital either its own or together with one or more of its subsidiary Companies 	"Subsidiary Company"
(s)	"Voting Right" means the right of the member of a Company to vote in any meeting of the Company or by means of postal ballot.	"Voting Right"
(t)	"Whole Time Director (WTD)" includes a director in	"Whole Time

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	the whole time employment of the Company.	Director (WTD)"
(1)	"The seal" means the common seal of the Company.	"The seal"
(2)	Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	"Number" And "Gender"
(3)	Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.	Expressions In the articles to bear the same meaning as in the act
Share capital and variation of rights		
3	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares under control of Board
4	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Directors may allot shares otherwise than for cash
5	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules, and other applicable laws: a) Equity Share Capital.	Kinds of Share Capital

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	<p>i. with voting rights; and/or</p> <p>ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>b) Preference share capital</p>		
6	<p>(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company the Application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.</p>		Issue of certificate
	<p>(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p>		Certificate to bear seal
	<p>(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>		One certificate for shares held jointly
7	<p>A person subscribing to shares offered by the company shall have the option either to receive certificates for such shares or hold the shares in dematerialised state with the depository. Where a person opts to hold any share with the depository, the company shall intimate the depository the details of allotment of the share to enable the depository to enter in its record the name of such person as the beneficial owner of that share.</p>		Option to receive share certificate or hold shares with depository
8	<p>If any share certificate be worn out, defaced, mutilated</p>		Issue of new

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	or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board	certificate in place of one defaced, lost or destroyed
9	The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.
10	(1) The Company may pay commission to any person in connection with the subscription to its securities as prescribed under the Act.	Power to pay commission in connection with the securities issued
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.	Rate of commission in accordance with the Rules
	(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with	Variation of members' right

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		the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Provisions as to General meetings to apply mutatis mutandis to each meeting
(2)		To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply	Issue of further shares not to affect rights of existing members
12		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith	Power to issue redeemable preference shares
13		Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Further issue of share capital
14	(1)	The Board or the Company, as the case may be, may, in accordance with the Act and the rules, issue further shares to - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of the them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b).	
(2)		A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject	Mode of further issue of shares

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to and in accordance with the Act.			
Lien			
			Company's lien on shares
15	(1)	<p>The company shall have a first and paramount lien –</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>	
	(2)	<p>The company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.</p>	Lien to extend to dividends, etc.
	(3)	<p>Unless otherwise agreed by the Board, the registration of transfer of shares operate as a waiver of the Company's lien.</p>	Waiver of lien in case of registration
16		<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made –</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency</p>	As to enforcing lien by sale

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17	(1)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	Validity of sale
	(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer	Purchaser to be registered as a holder
	(3)	The receipt of the Company for consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument or transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share	Validity of Company's receipt
	(4)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Purchaser not affected
18	(1)	The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	(2)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale	Payment of residual money
19		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	Outsider's lien not to affect Company's lien
20		The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including	Provisions as to lien to apply

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debentures of the Company.		<i>mutatis mutandis</i> to debentures, etc.
Calls on shares		
21	(1)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
	(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
	(3)	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances
	(4)	A call may be revoked or postponed at the discretion of the Board.
22		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments
23		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof
24	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof ("the due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate, as the Board may determine
	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.

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25	(1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable	Sums deemed to be calls
	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified	Effect of non-payment of sums
26		<p>The Board –</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as fixed by the Board.</p> <p>Nothing contained in this clause shall confer on the member (i) any right to participate in profits or dividends or (ii) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p>	Payment in anticipation of calls may carry interest
27		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by the instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Instalments on shares to be duly paid

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28	<p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p>	<p>Calls on shares of the same class to be on uniform basis</p>	
29	<p>Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.</p>	<p>Partial payment not to preclude forfeiture</p>	
30	<p>The provisions of the Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>	<p>Provisions as to calls to apply <i>mutatis mutandis</i> to debentures etc.</p>	
Transfer of shares			
31	<p>(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p>	<p>Instrument of transfer to be executed by transferor and</p>	


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		transferee
32	<p>(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof</p> <p>The Board may, subject to the right of appeal conferred by the Act decline to register –</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) Any transfer of shares on which the company has a lien.</p>	Board may refuse to register transfer
33	<p>The Board may decline to recognise any instrument of transfer unless –</p> <p>(a) the instrument of transfer is duly executed and is in the form as prescribed in the rules made under the Act;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) The instrument of transfer is in respect of only one class of shares.</p>	Board may decline to recognize instrument of transfer
34	<p>On giving not less than seven days' previous notice or such lesser period in accordance with the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>	Transfer of shares when suspended
32	<p>The Provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>	Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.
Transmission of shares		

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	(1)	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.	Title to shares on death of a member
	(2)	Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Estate of deceased member liable
34	(1)	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) To make such transfer of the share as the deceased or insolvent member could have made.	Transmission Clause
	(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency	Board's right unaffected
	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer	Indemnity to the Company
35	(1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects	Right to election of holder of share
	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	Manner of testifying election
	(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the	Limitations applicable to

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		notice
		registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member
36		<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with</p>
37		<p>The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>
Forfeiture of shares		
38		<p>If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment</p>
		<p>If call or instalment not paid notice must be given</p>
		<p>Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.</p>
		<p>Claimant to be entitled to same advantage</p>

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	The notice aforesaid shall –	Form of notice
39	(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited	If the default of payment of shares to be forfeited
40	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	Receipt of part amount or grant of indulgence not to affect forfeiture
41	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeiture shares and not actually paid before the forfeiture.	Entry of forfeiture in register of members
42	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid	Effect of forfeiture
43	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share	Forfeited shares
44	A forfeited share shall be deemed to be the property of (1)	

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		the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	may be sold etc.
	(2)	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
45	(1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the share	Members still liable to pay money owing at time of forfeiture
	(2)	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
	(3)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the share.	Cesser of liability
46	(1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Certificate of forfeiture
	(2)	The company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of	Title of purchaser and transferee of forfeited shares

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	(3)	The transferee shall thereupon be registered as the holder of the share	Transferee to be registered as holder
	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share	Transferee not affected
47		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the share sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of sale
48		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited shares
49		The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of share certificates
50		The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls

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51	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company	Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures etc.
Alteration of capital		
52	<p>Subject to the provisions of the Act, the company may, by ordinary resolution, —</p> <p>(a) Increase in shares capital by such sum, to be divided into shares of such amount as it thinks expedient;</p> <p>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> <p>(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person</p>	Power to alter share capital
53	<p>(1) Where shares are converted into stock, —</p> <p>the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal</p>	Shares may be converted into stock

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	amount of the shares from which the stock arose.	
(2)	<p>the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the Articles of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" in those regulations shall include "stock" and "stockholder" respectively.</p>	Right of stockholders
54	<p>The company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, –</p> <p>(a) its share capital; and/or</p> <p>(b) any capital redemption reserve account; and/or</p> <p>(c) any share premium account and/or</p> <p>(d) any other reserve in the nature of share capital</p>	Reduction of Share Capital
Joint Holders		
56	<p>Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles</p>	Joint Holders
(1)	<p>The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be</p>	Liability of joint-holders

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	made in respect of such share	
(2)	On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	Death of one or more joint-holders
(3)	Any one of such joint holders may give effectual receipts of any dividends, interest or other moneys payable in respect of such share.	Receipt of one sufficient
(4)	Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders	Delivery of certificate and giving of notice to first named holder
(5)	(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such persons so present whose name stands first or higher (a the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holders present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in respect of such shares	Vote of joint-holders
	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holder	Executors or administrators as joint-holders
(6)	The provisions of these Articles relating to joint-holders	Provisions as to joint holders as to

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	of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names	shares to apply <i>mutatis mutandis</i> to debentures, etc.
Capitalisation of profits		
56	<p>(1) The company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve –</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p>	Capitalisation
	<p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards –</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares or other securities of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B)</p>	Sum how applied
	<p>(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p>	
	<p>(4) The Board shall give effect to the resolution passed by</p>	

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	the company in pursuance of this Article		
57	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –</p> <p>(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities if any; and</p> <p>(b) Generally do all acts and things required to give effect thereto.</p>	Power of the Board for capitalisation	
	<p>(2) The Board shall have power –</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p>	Board's power to issue fractional certificate/coupon etc.	
	<p>(3) Any agreement made under such authority shall be effective and binding on such members</p>	Agreement binding on members	
Buy-back of shares			
58	Notwithstanding anything contained in these articles but subject to all applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities	Buy-back of shares	

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General meetings		Extraordinary General Meeting
59	All general meetings other than annual general meeting shall be called extraordinary general meeting	Powers of Board to call extraordinary general meeting
60	The Board may, whenever it thinks fit, call an extraordinary general meeting.	
Proceedings at general meetings		
61	(1) No business shall be transacted at any general meeting unless a quorum of members as prescribed under the Act is present at the time when the meeting proceeds to business	Presence of Quorum
(2)	No business shall be discussed or transacted at any general meeting except election of chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair is vacant
(3)	The Quorum for general meeting shall be as provided in the Act.	Quorum for General Meeting
62	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company	Chairperson of the meetings
63	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	Director to elect a Chairperson
64	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting	Members to elect a Chairperson
65	On any business at any general meeting, in case of an	Casting vote of

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		equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Chairperson at general meeting
66	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared, signed and numbered in such manner as may be prescribed by the Act.	Minutes of proceedings of meeting and resolutions passed by postal ballot
	(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting- a) is or could reasonably be regarded, as defamatory of any person; or b) is irrelevant or immaterial to the proceeding; or c) is detrimental to the interests of the Company.	Certain matters not to be included in Minutes
	(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the grounds specified in the aforesaid clause.	Discretion of Chairperson in relation to minutes
	(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein	Minutes to be evidence
67	(1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: a) be kept at the registered office of the Company; and b) be open for inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days	Inspection of minute books of general meeting
	(2)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board,	Members may obtain copy of minutes

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	with a copy of any minutes referred to in clause (1) above; provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	
68	The Board and also any person(s) authorized by it may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision	Powers to arrange security at meetings
Adjournment of meeting		
69	(1) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place	Chairperson may adjourn the meeting
	(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place	Business at adjourned meeting
	(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting	Notice of adjourned meeting
	(4) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting	Notice of adjourned meeting not required
Voting rights		
70	Subject to any rights or restrictions for the time being attached to any class or classes of shares, — (a) on a show of hands, every member present in person shall have one vote; and	Entitlement to vote on show of hands and on poll

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		(b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.	
71		A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
72		In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders	Vote of joint-holders
73		For this purpose, seniority shall be determined by the order in which the names stand in the register of members	Seniority of names
74		A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How members <i>non compos mentis</i> and minor may vote
75		Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members, etc.
76		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll	Business may proceed pending poll
77		No member shall be entitled to vote at any general	Restriction on

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		voting rights
	meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on exercise of voting rights in other cases to be void
78	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or any other ground not being a ground set out in the preceding Article	
79	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members
Proxy		
80	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting and proxies should be appointed in accordance with the provisions of the Act	Member may vote in person or otherwise
81	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid	Proxies when to be deposited
82	An instrument appointing a proxy shall be in the form as prescribed in the Act	Form of proxy
83	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the	Proxy to be valid notwithstanding

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	<p>previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	death of the principal
Board of Directors		
84	Unless otherwise determined by the company in its general meeting, the number of directors shall not be less than 3 (three) and not more than 15 (Fifteen).	Board of Directors
85	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of directors
	(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	Remuneration to require member's consent
	(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them – (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company	Travelling and other expenses
86	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by	Execution of negotiable instrument

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	resolution determine. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.		
87	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.	Appointment of Additional Directors	
88	Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.	Duration of office of additional director	
89	(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called the "Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to appointed as an independent director under the provisions of the Act	Appointment of alternate director	
	(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration office of alternate director	
	(3) If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director	Re-appointment provisions applicable to Original Director.	
90	(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a	Appointment of director to fill a casual vacancy	

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	meeting of the Board		
(2)	The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.		Duration of office of director appointed to fill casual vacancy
Powers of Board			
91	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.		General powers of the Company vested in Board
Proceedings of the Board			
92	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.		When meeting to be convened
	(2) A Director may and the Manager or Secretary or any other person authorized by the Board of Director, on the requisition of a Director, shall at any time summon a meeting of the Board.		Who may summon Board meeting
	(3) The quorum for the Board meeting shall be as provided in the Act.		Quorum for Board meetings

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	(4)	The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Act.	Participation at Board Meetings
	(5)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
	(6)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Casting vote of Chairperson at Board meeting
93		The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose	Directors not to act when numbers falls below minimum
94	(1)	The Board may elect a chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their member to be Chairperson of the meeting	Who to preside at meetings of the Board
	(2)	The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.	Delegation of powers
	(3)	Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Committee to conform to Board regulations
	(4)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or	Participation at Committee meetings

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	teleconferencing, as may be prescribed by the Act		
95	(1) A committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	Chairperson of Committee	
	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting	Who to preside at meetings of Committee	
96	(1) Subject to provision of the Act, committees may meet and adjourn as it thinks fit.	Committee to meet	
	(2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present	Question at Committee meeting how decided	
	(3) In case of an equality of votes, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at Committee meeting	
97	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	Acts of Board or Committee valid notwithstanding defect of appointment	
98	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or secured electronic mode by a majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.	Passing of resolution by circulation	

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Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer		Chief Executive Officer, etc.
99	<p>(1) Subject to the provisions of the Act, –</p> <p>A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple business</p>	Director may be chief executive officer, etc.
Registers		
100	<p>The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The register and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.</p>	Statutory Register
101	<p>(1) (a) The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions</p>	Foreign Register

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	of that section) make and vary such regulations as it may think fit respecting the keeping of any such register. (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.	
The Seal		
102	(1) The Board shall provide for the safe custody of the seal.	The seal, its custody and use
	(2) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	Affixation of seal
Dividends and Reserve		
103	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the company in general meeting may declare the lesser dividend.	Company in general meeting may declare dividends
104	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit	Interim dividends
105	(1) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies	Dividend only to be paid out of profits

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		or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.		
		(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve	Carry forward of profits	
106	(1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.	Division of profits	
	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share	Payment in advance	
	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly	Dividends to be apportioned	
107	(1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company	No member to receive dividend whilst indebted to the Company and the Company's right to reimbursement there from	
	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person become a member	Retention of dividends	

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	in respect of such share	Dividend how remitted
108	(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct	
	(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent	Instrument of payment
	(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the forgoing permissible means is made.	Discharge to Company
109	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share	Receipt of one holder sufficient
110	No dividend shall bear interest against the company	No interest on dividends
111	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends
Accounts		
112	(1) The books of account and books and papers of the Company, or any of them, shall be open to the	Inspection by Directors

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	inspection of directors in accordance with the applicable provisions of the Act and the Rules	
(2)	No member (not being a director) shall have any right of inspecting any books of account or books and paper or document of the company except as conferred by law or authorised by the Board	Restriction on inspection by members
Winding up		
113	<p>Subject to the provisions of the Act and rules made thereunder –</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability</p>	Winding up of Company
Indemnity and Insurance		
114 (1)	Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all cost, losses and expenses (including travelling expenses) which such director, manager, company secretary and officer may incur or	Directors and officers right to indemnity


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	<p>become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharge or in connection with any application under applicable provisions of the Act in which relief is granted to him by the court or the Tribunal.</p>	
(2)	<p>The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably</p>	Insurance
General Power		
115	<p>Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p>	General Power

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Name Address, Description and Occupation of each Subscriber	Signature of the subscribers	Name address and description of witness to the signatures of Subscribers
<p>1. Shri Amrit Lal Batra S/o Late Shri Ch. Ashi Ram Batra C 27/28 South Extension Part-II New Delhi-49 (Business)</p> <p>2. Shri Sanjay Batra S/o Sri A.L. Batra C 27/28 South Extension Part-II New Delhi-49 (Business)</p>	<p>Sd/-</p> <p>Sd/-</p>	<p>I witness the signature of both the subscribers</p> <p>Sd/-</p> <p>ABHAY KUMAR MAHESHWARI S/o Shri D.R. Gupta Chartered Accountant 224, Siddharth Enclave New Delhi-110 014</p>

Dated: 12th September, 1989
Place: New Delhi


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ANNEXURE - 'A' - 4

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SAHARA
INDIA PARIWAR

SAHARA PRIME CITY LIMITED

REGISTERED OFFICE: Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024, (U.P), INDIA, CIN: U65921UP1993PLC015170,

EMAIL: statutory.spcl@sahara.in **PHONE:** 0522-2337777

To,

Date: 24th September, 2021

The Board of Directors

Sahara Hospitality Limited (The Company)
Hotel Sahara Star, Opp. Domestic Airport,
Vile Parle (East),
Mumbai - 400 099.

Re: Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors enlisted in Appendix-A.

I, **Shiv Pal Singh Kanaujiya**, Authorized Representative of **Sahara Prime City Limited**, having its registered office at Sahara India Center, 2 Kapoorthala Complex, Lucknow - 226024, holding **46,85,00,000 (i.e.79.88%)** Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS) of Rs.10/- each of the Company duly authorized by the Board of Directors of Sahara Prime City Limited in their meeting held on 27th June,2019 to give consent and represent on behalf of the Sahara Prime City Limited, have read the **Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A**, pursuant to the provision of Section 230 of the Companies Act, 2013.

I on behalf of the **Sahara Prime City Limited** hereby give consent to (I) the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A(II) dispense with the holding of the meeting of the Preference Shareholders of the Company and (III) the specific term of the Scheme in respect of the modification and variation of the terms of redemption of the above mentioned Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS).

Further, I also authorize the Board of Directors of the Company for making changes, correction, alterations, modification and amendments in the said Scheme of Compromise and Arrangement as may be considered necessary by the Board of Directors and give my consent to the same.

Thanking you,

Yours faithfully,

For **Sahara Prime City Limited**

Authorised Signatory

Encl: Copy of Board Resolution dated 27th June,2019 of Sahara Prime City Limited authorizing Mr.Shiv Pal Singh Kanaujiya in this regard.

TRUE COPY



SAHARA PRIME CITY LIMITED

REGISTERED OFFICE: Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024, (U.P), INDIA, **CIN:** U65921UP1993PLC015170,

EMAIL: statutory.spcl@sahara.in **PHONE:** 0522-2337777

To,

Date: 24th September, 2021

The Board of Directors

Sahara Hospitality Limited (The Company)
Hotel Sahara Star, Opp. Domestic Airport,
Vile Parle (East),
Mumbai – 400 099

Re :Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors enlisted in Appendix-A.

I, **Shiv Pal Singh Kanaujiya**, Company Secretary of **Sahara Prime City Limited**, having its registered office at Sahara India Center, 2 Kapoorthala Complex, Lucknow - 226024, holding **5,71,12,041 (100%)** equity shares of Rs.10/- each of the Company duly authorized by the Board of Directors of Sahara Prime City Limited in their meeting held on 27th June,2019 to give consent and represent on behalf of the Sahara Prime City Limited , have read the **Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A**, pursuant to the provision of Section 230 of the Companies Act, 2013.

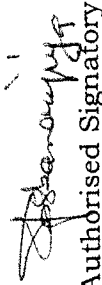
I on behalf of the **Sahara Prime City Limited** hereby give consent to the **Scheme of Compromise and Arrangement**,and to dispense with the holding of the meeting of the Equity Shareholders of the Company.

Further, I also authorised the Board of Directors of the Company for making changes, correction, alterations, modification and amendments in the **Scheme of Compromise** as may be considered necessary by the Board of Directors and give my consent to the same.


Thanking you,

Yours faithfully,

For **Sahara Prime City Limited**


Authorised Signatory

Encl: Copy of Board Resolution dated 27th June,2019 of Sahara Prime City Limited authorizing Mr. Shiv Pal Singh Kanaujiya in this regard.


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ANNEXURE - 'A' - 5

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SAHARA PRIME CITY LIMITED

REGISTERED OFFICE: Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024, (U.P), INDIA, **CIN:** U65921UP1993PLC015170,

EMAIL: statutory.spcl@sahara.in **PHONE:** 0522-2337777

To,

Date: 24th September, 2021

The Board of Directors

Sahara Hospitality Limited (The Company)
Hotel Sahara Star, Opp. Domestic Airport,
Vile Parle (East),
Mumbai – 400 099.

Re: Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors enlisted in Appendix-A.

I, **Shiv Pal Singh Kanaujya**, Authorized Representative of **Sahara Prime City Limited**, having its registered office at Sahara India Center, 2 Kapoorthala Complex, Lucknow - 226024, holding **46,85,00,000 (i.e.79.88%)** Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS) of Rs.10/- each of the Company duly authorized by the Board of Directors of Sahara Prime City Limited in their meeting held on 27th June,2019 to give consent and represent on behalf of the Sahara Prime City Limited , have read the **Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A**, pursuant to the provision of Section 230 of the Companies Act, 2013.

I on behalf of the **Sahara Prime City Limited** hereby give consent to (I) the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A(II) dispense with the holding of the meeting of the Preference Shareholders of the Company and (III) the specific term of the Scheme in respect of the modification and variation of the terms of redemption of the above mentioned Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS).

Further, I also authorize the Board of Directors of the Company for making changes, correction, alterations, modification and amendments in the said Scheme of Compromise and Arrangement as may be considered necessary by the Board of Directors and give my consent to the same.

Thanking you,

Yours faithfully,

For **Sahara Prime City Limited**

A handwritten signature in black ink, appearing to read "Shiv Pal Singh Kanaujya".

Authorised Signatory

Encl: Copy of Board Resolution dated 27th June,2019 of Sahara Prime City Limited authorizing Mr.Shiv Pal Singh Kanaujya in this regard.

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SAHARA PRIME CITY LIMITED

REGISTERED OFFICE: Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024, (U.P), INDIA, **CIN:** U65921UP1993PLC015170,

EMAIL: statutory.spcl@sahara.in **PHONE:** 0522-2337777

To,

Date: 24th September, 2021

The Board of Directors

Sahara Hospitality Limited (The Company)
Hotel Sahara Star, Opp. Domestic Airport,
Vile Parle (East),
Mumbai – 400 099

Re :Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors enlisted in Appendix-A.

I, **Shiv Pal Singh Kanaujiya**, Company Secretary of **Sahara Prime City Limited**, having its registered office at Sahara India Center, 2 Kapoorthala Complex, Lucknow - 226024, holding **5,71,12,041 (100%)** equity shares of Rs.10/- each of the Company duly authorized by the Board of Directors of Sahara Prime City Limited in their meeting held on 27th June,2019 to give consent and represent on behalf of the Sahara Prime City Limited, have read the **Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A**, pursuant to the provision of Section 230 of the Companies Act, 2013.

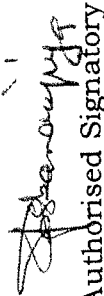
I on behalf of the **Sahara Prime City Limited** hereby give consent to the **Scheme of Compromise and Arrangement**, and to dispense with the holding of the meeting of the Equity Shareholders of the Company.

Further, I also authorised the Board of Directors of the Company for making changes, correction, alterations, modification and amendments in the **Scheme of Compromise** as may be considered necessary by the Board of Directors and give my consent to the same.

Thanking you,

Yours faithfully,

For Sahara Prime City Limited


Authorised Signatory

Encl: Copy of Board Resolution dated 27th June,2019 of Sahara Prime City Limited authorizing Mr. Shiv Pal Singh Kanaujiya in this regard.

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ANNEXURE - A' - 6

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To,

Date: 21st September, 2021

The Board of Directors

Sahara Hospitality Limited (**The Company**)

Hotel Sahara Star, Opp. Domestic Airport,

Vile Parle (East),

Mumbai - 400 099.

Re: Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors enlisted in Appendix-A.

I, P.K. Sivasubrah, Authorized Representative of **Sahara Q Shop Unique Products Range Limited**, having its registered office at Hotel Sahara Star, opposite Domestic Airport Vile Parle (East), Mumbai-400099, holding **7,40,00,000** (i.e. **12.61%**) Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS) of Rs.10/- each of the Company, have read the **Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A**, pursuant to the provision of Section 230 of the Companies Act, 2013.

I on behalf of the **Sahara Q Shop Unique Products Range Limited** hereby give consent to (I) the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A (II) dispense with the holding of the meeting of the Preference Shareholders of the Company and (III) the specific term of the Scheme in respect of the modification and variation of the terms of redemption of the above mentioned Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS).

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Further, I also authorize the Board of Directors of the Company for making changes, correction, alterations, modification and amendments in the said Scheme of Compromise and Arrangement as may be considered necessary by the Board of Directors and give my consent to the same.

Thanking you,

Yours faithfully,

For Sahara Q Shop Unique Products Range Limited



Authorised Signatory

Encl: Copy of Board Resolution dated 28/09/2020 of Sahara Q Shop Unique Products Range Limited authorizing Mr. P. K. Srivastava in this regard.

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APPENDIX-A

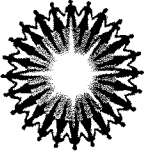
**List of the Secured Financial Creditors before whom the Company has
proposed the Scheme of Compromise**

Sr. No.	Financial Creditors
1.	Union Bank of India
2.	Andhra Bank (Merged with Union Bank of India)
3.	UCO Bank
4.	Corporation Bank (Merged with Union Bank of India)
5.	Central Bank of India
6.	Bank of Baroda
7.	IDBI Bank
8.	Karnataka Bank

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ANNEXURE - 'A' - '7'

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SAHARA CREDIT COOPERATIVE SOCIETY LIMITED

Regd. Office: Sahara India Bhawan, 1, Kapoorthala Complex, Aliganj, Lucknow-226024
Tele.Fax: 0522-2330155, Email : sccsl.cooperative@sahara.in, Regd.No.MSCS/CR/333/2010

EXTRACT COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF SAHARA CREDIT COOPERATIVE SOCIETY LIMITED HELD ON MONDAY, 20TH DAY OF SEPTEMBER, 2021 AT THE REGISTERED OFFICE OF THE SOCIETY SITUATED AT SAHARA INDIA BHAWAN, 1, KAPOORTHALA COMPLEX, ALIGANJ, LUCKNOW - 226 024 AT 11:00 A.M

The Managing Director informed the board members that our Society holds 3,00,00,000 (Three crore) Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS) of Rs.10/- each of M/s Sahara Hospitality Limited and the said Company is entering into scheme of Compromise and Arrangement entered between it and its Secured Financial Creditor. Therefore, it seeks approval of our board of directors for the same.

"RESOLVED THAT the consent of Board of Directors be and is hereby accorded to:

- approve the scheme of Compromise and Arrangement entered between M/s Sahara Hospitality Limited and its Secured Financial Creditor.
- dispense with the holding of the meeting of the Preference Shareholders of the Company.
- specific term of the Scheme in respect of the modification and variation of the terms of redemption of the Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS).

"FURTHER RESOLVED THAT Board of Directors of M/s Sahara Hospitality Limited be and is hereby authorized for making changes in the said Scheme of Compromise and Arrangement as may be considered necessary by the Board of Directors of the Company."


"FURTHER RESOLVED THAT Shri Karunesh Awasthi, Managing Director of the Society be and is hereby authorized to do all acts, deeds, matters, and things as deemed necessary, desirable and expedient to give effect to the above mentioned resolution."


"FURTHER RESOLVED THAT a certified true copy of the resolution be given to anyone concerned or interested in the matter."

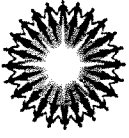
//Certified true copy//

For Sahara Credit Cooperative Society Limited




(Karunesh Awasthi)
Managing Director


TRUE COPY



SAHARA CREDIT COOPERATIVE SOCIETY LIMITED

Regd. Office: Sahara India Bhawan, 1, Kapoorthala Complex, Aliganj, Lucknow-226024
Tele.Fax: 0522-2330155, Email : sccsl.cooperative@sahara.in, Regd.No.MSCS/CR/333/2010

Date: 21st September, 2021

To,

The Board of Directors

Sahara Hospitality Limited (The Company)

Hotel Sahara Star, Opp. Domestic Airport,

Vile Parle (East),

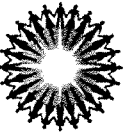
Mumbai – 400 099.

Re: Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors enlisted in Appendix-A.

I, Karunesh Awasthi, Managing Director of Sahara Credit Cooperative Society Limited, having its registered office at Sahara India Bhawan, 1, Kapoorthala Complex, Aliganj, Lucknow-226024, holding 3,00,00,000 (i.e. 5.11%) Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS) of Rs.10/- each of the Company, have read the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A, pursuant to the provision of Section 230 of the Companies Act, 2013.

I, Karunesh Awasthi, on behalf of the Sahara Credit Cooperative Society Limited hereby give consent to (I) the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A (II) dispense with the holding of the meeting of the Preference Shareholders of the Company and (III) the specific term of the Scheme in respect of the modification and variation of

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SAHARA CREDIT COOPERATIVE SOCIETY LIMITED

Regd. Office: Sahara India Bhawan, 1, Kapoorthala Complex, Aliganj, Lucknow-226024
Tele.Fax: 0522-2330155, Email : sccsl.cooperative@sahara.in, Regd.No.MSCS/CR/333/2010

the terms of redemption of the above mentioned Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS).

Further, I also authorize the Board of Directors of the Company for making changes, correction, alterations, modification and amendments in the said Scheme of Compromise and Arrangement as may be considered necessary by the Board of Directors and give my consent to the same.

Thanking you,

Yours faithfully,

For Sahara Credit Cooperative Society Limited

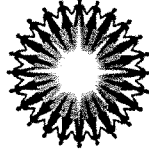


Karunesh Awasthi
(Managing Director)

Encl: Copy of Board Resolution dated 20.09.2021 of Sahara Credit Cooperative Society Limited authorizing Shri Karunesh Awasthi in this regard.

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SAHARA CREDIT COOPERATIVE SOCIETY LIMITED


Regd. Office: Sahara India Bhawan, 1, Kapoorthala Complex, Aliganj, Lucknow-226024
Tele.Fax: 0522-2330155, Email : sccsl.cooperative@sahara.in, Regd.No.MSCS/CR/333/2010

APPENDIX-A

List of the Secured Financial Creditors before whom the Company has proposed the Scheme of Compromise

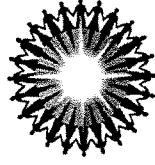
Sr. No.	Financial Creditors
1.	Union Bank of India
2.	Andhra Bank (Merged with Union Bank of India)
3.	UCO Bank
4.	Corporation Bank (Merged with Union Bank of India)
5.	Central Bank of India
6.	Bank of Baroda
7.	IDBI Bank
8.	Karnataka Bank


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ANNEXURE - 'A' - '8'

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SAHARAYN UNIVERSAL MULTIPURPOSE SOCIETY LIMITED
(Formerly Known as Saharaya E-Multipurpose Society Limited) (Regd. No.-MSCS/CR/935/2014)
Regd. Office: 195, Zone-1, In Front of D.B. Mall, M.P. Nagar, Bhopal, Madhya Pradesh-462011
Tel.: 0755-4296180, Email Id: sumsl.cooperative@sumsl.in

Date: 21st September, 2021

To,

The Board of Directors

Sahara Hospitality Limited (The Company)
Hotel Sahara Star, Opp. Domestic Airport,
Vile Parle (East),
Mumbai – 400 099.

Re: Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors enlisted in Appendix-A.

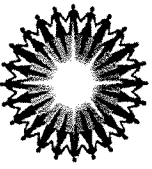
I, **Navalendu Jha**, Managing Director of **Saharaya Universal Multi- Purpose Society Limited**, having its registered office at 195, Zone-1, In Front of D.B. Mall, M.P. Nagar, Bhopal, Madhya Pradesh-462011, holding **1,40,00,000** (i.e. **2.40%**) Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS) of Rs.10/- each of the Company, have read the **Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A**, pursuant to the provision of Section 230 of the Companies Act, 2013.

I on behalf of the **Saharaya Universal Multi-Purpose Society Limited** hereby give consent to

- (I) the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A
- (II) dispense with the holding of the meeting of the Preference Shareholders of the Company and
- (III) the specific term of the Scheme in respect of the modification and variation of the terms of redemption of the above mentioned Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS).

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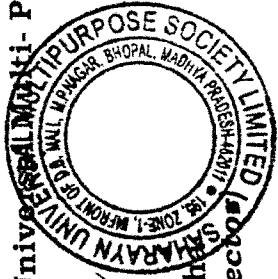
SAHARAYN UNIVERSAL MULTIPURPOSE SOCIETY LIMITED
(Formerly Known as Saharayn E-Multipurpose Society Limited) (Regd. No.-MSCS/CR/935/2014)
Regd. Office: 195, Zone-I, In Front of D.B. Mall, M.P. Nagar, Bhopal, Madhya Pradesh-462011
Tel.: 0755-4296180, Email Id: sumsl.cooperative@sumsl.in

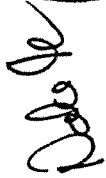
Further, I also authorize the Board of Directors of the Company for making changes, correction, alterations, modification and amendments in the said Scheme of Compromise and Arrangement as may be considered necessary by the Board of Directors and give my consent to the same.

Thanking you,

Yours faithfully,

For Saharayn Universal Multi- Purpose Society Limited



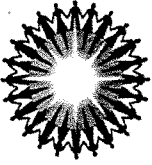


Navaleindu Jha
(Managing Director)

Encl: Copy of Board Resolution dated 20.09.2021 of Saharayn Universal Multi- Purpose Society Limited authorizing Mr Navaleindu Jha in this regard.

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SAHARAYN UNIVERSAL MULTIPURPOSE SOCIETY LIMITED
(Formerly Known as Saharaya E-Multipurpose Society Limited) (Regd. No.-MSCS/CR/935/2014)
Regd. Office: 195, Zone-1, In Front of D.B. Mall, M.P. Nagar, Bhopal, Madhya Pradesh-462011
Tel.: 0755-4296180, Email Id: sumsl.cooperative@sumsl.in

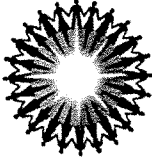
APPENDIX-A

List of the Secured Financial Creditors before whom the Company has proposed the Scheme of Compromise

Sr. No.	Financial Creditors
1.	Union Bank of India
2.	Andhra Bank (Merged with Union Bank of India)
3.	UCO Bank
4.	Corporation Bank (Merged with Union Bank of India)
5.	Central Bank of India
6.	Bank of Baroda
7.	IDBI Bank
8.	Karnataka Bank

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SAHARAYN UNIVERSAL MULTIPURPOSE SOCIETY LIMITED
(Formerly Known as Saharaya E-Multipurpose Society Limited) (Regd. No.-MSCS/CR/935/2014)
Regd. Office: 195, Zone-1, In Front of D.B. Mall, M.P. Nagar, Bhopal, Madhya Pradesh-462011
Tel.: 0755-4296180, Email Id: sumsl.cooperative@sumsl.in

CERTIFIED TRUE COPY OF RESOLUTION PASSED IN THE MEETING OF BOARD OF DIRECTORS OF SAHARAYN UNIVERSAL MULTIPURPOSE SOCIETY LIMITED HELD ON TUESDAY, 20th SEPTEMBER, 2021 AT 2.30 P.M. AT ITS REGISTERED OFFICE SITUATED AT 195, ZONE-1, IN FRONT OF D.B. MALL, M.P. NAGAR, BHOPAL, MADHYA PRADESH-462011

Scheme of Compromise and Arrangement between the Company and its Secured Financial Creditors

Mr. Navalendu Jha, Managing Director of Saharaya Universal Multi- Purpose Society Limited informed the Board that our Society is holding 1,40,00,000 (i.e. 2.40%) Non-Cumulative, Optionally Convertible, Redeemable Preference Shares (NOCRPS) of Rs.10/- each of the Company, for which he read the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A, pursuant to the provision of Section 230 of the Companies Act, 2013 in front of Board.

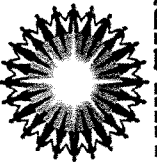
After a long discussion on the facts and figures of the Scheme the Board resolved the followings:

“RESOLVED THAT the Board accords its approval on the Scheme of Compromise and Arrangement between the Company i.e. Sahara Hospitality Limited and its Secured Financial Creditors enlisted in Appendix-A read above by the Managing Director.

“RESOLVED FURTHER THAT Board of Directors of SAHARA HOSPITALITY LIMITED be and hereby authorized for making changes, correction, alterations, modification and amendments in the said Scheme of Compromise and Arrangement as may be considered necessary by the Board of Directors of the company”.

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SAHARAYN UNIVERSAL MULTIPURPOSE SOCIETY LIMITED
(Formerly Known as Saharain E-Multipurpose Society Limited) (Regd. No.-MSCS/CR/935/2014)
Regd. Office: 195, Zone-1, In Front of D.B. Mall, M.P. Nagar, Bhopal, Madhya Pradesh-462011
Tel.: 0755-4296180, Email Id: sumsl.cooperative@sumsl.in

“RESOLVED FURTHER THAT Mr. Navalendu Jha, Managing Director be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the forgoing resolutions.”

For Saharain Universal Multi- Purpose Society Limited


Navalendu Jha
(Managing Director)



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ANNEXURE 'A' - '9'

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Sahara Hospitality Limited						
PHASE-I						
Particulars	Int Rate %	Sanctioned	Availed	Loan Disbursed Period		
HUDCO (Taken over by Union Bank)	12.25	43.35	43.35	March 05 to June 07		
Union Bank of India	13.10	27.83	27.83	March 05 to July 07		
Bank of Baroda	11.95	27.83	27.83	March 05 to Sep 07		
UCO Bank	13.15	44.34	44.34	March 05 to July 07		
Andhra Bank (HUDCO Loan taken over)	12.25	15.06	15.06	Feb-13		
Union Bank of India (HUDCO Loan taken over)		19.59	19.59	Feb-13		
Total		178.00	178.00			
PHASE-II						
Particulars	Int Rate %	Sanctioned	Availed	Loan Disbursed Period		
Corporation Bank	13.55	40.00	40.00	Aug 10 to Feb 13		
Union Bank of India	12.25	60.00	60.00	April 10 to Jan 13		
Bank of Baroda	12.90	48.00	47.00	Aug 10 to March 13		
UCO Bank	12.40	40.00	40.00	Sep 10 to Jan 13		
Andhra Bank	13.00	60.00	60.00	Aug 10 to Feb 13		
IDBI Bank Ltd.	12.85	40.00	40.00	Aug 10 to March 13		
Karnataka Bank	11.95	22.00	22.00	Aug 10 to Jan 13		
Total		310.00	309.00			
PHASE-III						
Particulars	Int Rate %	Revised Sanctioned Amount	Availed	Loan Disbursed	Sanctioned	Diff
Union Bank of India	12.25	55.00	55.00	July 12 to March 13	55.00	
Central Bank of India	12.05	51.25	51.25	Sep 12 to March 16	55.00	3.75
UCO Bank	12.40	41.25	41.25	March 16	55.00	13.75
Corporation Bank	12.68	35.00	35.00	Sep 15 to March 16	70.00	35.00
Andhra Bank	13.00	30.00	30.00	Dec 15 to June 16	40.00	10.00
Total		212.50	212.50		275.00	62.50
Bank wise summary:-						
Sr.no	Bank Name	Sanctioned	Disbursed			
1	Andhra Bank	105.06	105.06			
2	Bank of Baroda	75.83	74.83			
3	Central Bank of India	51.25	51.25			
4	Corporation Bank	75.00	75.00			
5	IDBI Bank Ltd.	40.00	40.00			
6	Karnataka Bank Ltd.	22.00	22.00			
7	Union Bank of India	162.42	162.42			
8	UCO Bank	125.59	125.59			
9	HUDCO (Taken over by Union Bank of India and Andhra Bank)	43.35	43.35			
Total		700.50	699.50			

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ANNEXURE - A-10

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NARKAR & ASSOCIATES **CHARTERED ACCOUNTANTS**

PHONES : 2497 48 99
 6666 13 36
FAX : 2493 22 90
E mail : nikhil@narkarandassociates.com

216, T. V. INDUSTRIAL ESTATE,
OFF ANNIE BESANT ROAD,
WORLI, MUMBAI - 400 025.

Independent Auditors' Report

To The Members of Sahara Hospitality Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sahara Hospitality Limited (The Company), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

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perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

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 purpose of our audit.
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) on the basis of written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

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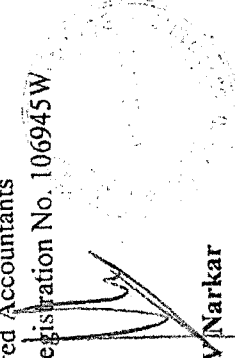
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- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
- g) with respect to the other matters 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:
- (a) the company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note number 26 (b) to the financial statements;
 - (b) the company did not have any long term contracts including derivative contracts for which there were any foreseeable losses;
 - (c) there were no amounts which were required to be transferred by the Company, to the Investor Education and Protection Fund.

Place: Mumbai
Date : 07/07/2016

For NARKAR & ASSOCIATES
Chartered Accountants
Firm Registration No. 106945W.


Nikhil V Narkar
Proprietor
Membership No.: 128828


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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Sahara Hospitality Limited for the year ended 31st March, 2016)

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) The company is situated on a leasehold land, held by Airport Authority of India and title deed of the building structure is in the name of Sahara Hospitality Limited.
- (ii) In respect of its Inventory:
- a) Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As per the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a), (b) and (c) of clause (iii) of CARO, 2016 are not applicable to the Company for the year.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of paragraph 3 of CARO, 2016 are not applicable to the Company.
- (vi) The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 are not applicable to the Company.

(vii) In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of


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the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.

- b) As informed by the Company and based upon the information and explanations provided to us, the Company does not have any disputed dues in relation to Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax as on March 31, 2016.
- (viii) The Company has defaulted in terms of delay in repayment of dues to banks as detailed below:-
Delay in repayment of principal/interest as on 31/03/2016 amounted to ₹ 151.72 Lakhs of Term Loan – I, ₹ 461.31 Lakhs of Term Loan – II and ₹ 182.21 Lakhs of Term Loan – III.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the records of the company, outstanding balance of term loan at the beginning of the year and the proceeds during the year have been applied by the Company, during the year, for the purposes for which they were borrowed.
- (x) According to the information and explanations provided to us, no fraud cases have been noticed or reported during the year by or on the company by its officers or employees as on the balance sheet date.
- (xi) Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not a Nidhi Company. Hence, clause (xii) of paragraph 3 of CARO, 2016 is not applicable during the year under review.
- (xiii) Based on the information provided to us and to the best of our knowledge, the company has complied with sections 177 and 188 of Companies Act, 2013 for all transactions with related parties and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause (xiv) of paragraph 3 of CARO, 2016 is not applicable.
- (xv) According to the records of the company and as per the information provided to us, the company has not entered into any non-cash transactions with Directors or persons connected with him/her.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, clause (xvi) of paragraph 3 of CARO, 2016 is not applicable during the year under review.

For NARKAR & ASSOCIATES
Chartered Accountants
(Firm Regn No. 106945W)


Nikhil V. Narkar
Proprietor
Membership No. 128828

Place: Mumbai
Date : 07/07/2016

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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 Sahara Hospitality Limited ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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


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evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

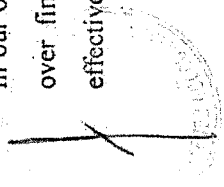
- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established



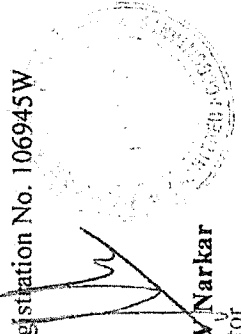
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by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date : 07/07/2016

For NARKAR & ASSOCIATES
Chartered Accountants
Firm Registration No. 106945W



Nikhil Y. Narkar
Proprietor
Membership No.: 128828

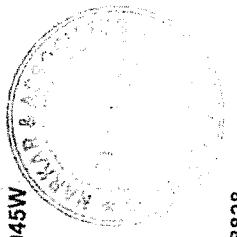
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SAHARA HOSPITALITY LIMITED
Balance Sheet as at March 31, 2016

Particulars	Note No.	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	62,961.20	62,961.20
Reserves and Surplus	3	26,694.65	29,452.83
		89,655.85	92,414.04
Non-Current Liabilities			
Long Term Borrowings	4	43,976.21	38,863.61
Other Long Term Liabilities	5	4,622.96	4,121.69
Long Term Provisions	6	84.47	22.13
		48,683.64	43,007.43
Current Liabilities			
Short Term Borrowings	7	1,624.05	2,299.96
Trade Payables	8	1,797.18	1,728.01
Other Current Liabilities	9	14,021.13	13,590.83
Short Term Provisions	10	4.41	13.00
		17,446.77	17,631.79
TOTAL		155,786.26	153,053.26
ASSETS			
Non-Current Assets			
Fixed Assets	11	148,894.88	91,957.83
Tangible Assets		90.75	106.33
Intangible Assets		-	54,135.12
Capital Work-in-Progress		-	731.57
Deferred Tax Assets(net)	12	1,928.24	2,430.57
Long Term Loans and Advances	13	1,149.95	146.69
Other Non-Current Assets	14	51.12	149,508.11
		152,114.94	
Current Assets			
Inventories	15	1,795.75	1,918.66
Trade Receivables	16	1,060.54	794.03
Cash and Bank Balance	17	487.90	428.40
Short-Term Loans and Advances	18	325.01	402.09
Other Current Assets	19	2.12	1.97
		3,671.32	3,545.15
TOTAL		155,786.26	153,053.26
Significant Accounting Policies			
The accompanying notes are an integral part of the Financial Statements			

As per our attached report of even date
FOR NARKAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regr/ Nb. 106945W



Nikhil Narkar
Nikhil Narkar
Proprietor
Membership No. 128828

For and on behalf of the Board

O.P. Srivastava
O.P. Srivastava
Director
DIN-00144000

Vivek Kumar
Vivek Kumar
Chief Executive Officer

Nitin Prajapati
Nitin Prajapati
Chief Financial Officer

Samreen Zaidi
Samreen Zaidi
Director
DIN-02039860

Shishank Jain
Shishank Jain
Company Secretary

Place: Mumbai
Dated: 07/07/2016

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SAHARA HOSPITALITY LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note No.	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Revenue			
Revenue from Operations	20	19,502.07	16,294.29
Other Income	21	46.34	76.81
Total		19,548.41	16,371.10
Expenses			
Cost of Materials Consumed	22	7,516.64	6,856.00
Employee Benefits Expense	23	1,218.00	1,134.86
Fuel, Power, Light and Water Charges		1,064.29	940.37
Finance Costs	24	4,687.05	635.52
Depreciation and Amortization		3,969.20	2,715.31
Other Operating and General Expenses	25	5,048.12	3,574.53
Total		23,503.30	15,856.59
Profit / (Loss) Before Exceptional and Extraordinary Items and Tax		(3,954.89)	514.51
Exceptional items			
Profit / (Loss) Before Extraordinary Items and Tax		(3,954.89)	514.51
Extraordinary Items			
Profit / (Loss) Before Tax		(3,954.89)	514.51
Tax Expense:			
Current Tax (MAT)			
Minimum Alternate Tax Credit			
Deferred Tax			
Profit / (Loss) After Tax		1,196.70	102.94
Earnings / (Loss) Per Equity Share		(102.94)	87.26
Basic (in ₹)			
Diluted (in ₹)			
Face value per Equity Share (in ₹)	38	(2,758.19)	427.25
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements	2-40		

As per our attached report of even date
FOR NARKAR & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Regn No. 106945W



Nikhil Narkar
 Proprietor
 Membership No. 128828

Place: Mumbai
 Dated: 07/07/2016

For and on behalf of the Board

O.P. Srivastava
 Director
 DIN-00144000

Samreen Zaidi
 Director
 DIN-02039860

Vivek Kumar
 Chief Executive Officer

Nitin Prajapati
 Chief Financial Officer

Shubh Jain
 Company Secretary

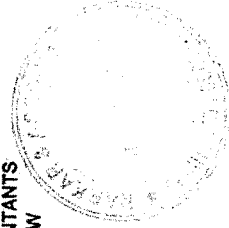
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SAHARA HOSPITALITY LIMITED
Cash Flow Statement for the year 2015-16

Particulars	March 31, 2016 (₹ Lakhs)		March 31, 2015 (₹ Lakhs)	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (loss) before tax as per Profit and Loss Statements		(3,954.89)		514.51
Adjustment for:				
Depreciation and Amortization	3,969.20		2,715.31	
Inventory Written off	97.73		-	
Interest Paid	4,687.05		635.52	
Interest income on Fixed Deposit and Others	(23.18)		(44.19)	
Excess provision no longer required	(10.60)		(8.27)	
Provision for Employee Benefits	20.65		18.39	
Unrealised Exchange Gain	(0.30)		(0.40)	
Provision for Wealth Tax	-		0.14	
Operating Profit before working capital changes		8,740.55		3,316.50
Adjustment for:				
(Increase)/Decrease in Trade Receivable	(266.51)		350.55	
(Increase)/Decrease in Inventories	25.18		(597.52)	
Increase/(Decrease) in Trade and Other Payable	(798.89)		4,246.22	
(Increase)/Decrease Loans and Advances	(29.59)		226.18	
Cash generated from operations		(1,069.81)		4,225.43
Direct Tax Paid		3,715.85		8,056.43
Net Cash from operating activities (I)		3,715.85		(102.94)
B CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Asset/ Capital work in progress	(6,751.41)		(16,535.65)	
Bank Balance not considered as Cash and Cash Equivalents	95.19		5.03	
Investment in Fixed Deposit	48.03		1,333.04	
Interest Received on Fixed Deposit and Others	23.18		44.19	
Net Increase in Other Creditors	1,790.80		5,240.63	
Net Cash from investing activities (II)		(4,794.21)		(9,912.76)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	-		3,000.00	
Redemption of Preference Shares	-		(1,404.59)	
Interest Paid	(4,687.05)		(635.52)	
Repayment of Long-Term Borrowings	(4,047.78)		(1,251.80)	
Proceeds from Long-Term Borrowings	10,596.62		3,280.20	
Short-Term Loan Raised/(Repaid) (Net)	(675.91)		(1,568.33)	
Net Cash from financing activities (III)		1,185.88		1,419.96
Net Increase in Cash and Cash Equivalents (I+II+III)		107.52		(539.31)
Cash and Cash Equivalents at beginning of period		243.65		782.96
Cash and Cash Equivalents at end of period		351.17		243.65
Footnote :				
Reconciliation of Cash and Cash Equivalents with Cash and Bank Balance as per the Balance Sheet				
Cash and Cash Equivalents as above		351.17		243.65
Add: Other Cash and Bank Balances				
Fixed Deposit with Bank against bank guarantee issued to Airports Authority of India		26.30		26.30
Fixed Deposit with Bank- towards LC in favor of Mahanagar Gas Limited		1.68		1.68
Fixed Deposit with Bank as Margin money against BG issued		100.54		174.55
Fixed Deposit with Bank as Margin money against LC issued		50.94		120.15
Cash and Bank Balances as per the Balance Sheet		530.63		566.33
Less: Classified as Non-Current (Refer Note No. 14)		42.73		137.93
Cash and Bank Balances classified as Current (Refer Note No. 17)		487.90		428.40

As per our attached report of even date
FOR NARKAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 106945W



Nikhil Narkar
Proprietor

Membership No. 128828

Place: Mumbai

Dated: 07/07/2016

O.P. Srivastava
Director
DIN-00144000

Vivek Kumar
Chief Executive Officer

Nitin Prajapati
Chief Financial Officer

For and on behalf of the Board

Samreen Zaidi
Director
DIN-02039860

Company Secretary

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SAHARA HOSPITALITY LIMITED

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to comply with the Generally Accepted Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared under the historical cost convention, on an accrual basis.

1.2 USE OF ESTIMATES

The preparation of Financial Statements requires the management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as on the date of Financial Statements and reported Income & Expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to such estimates is recognized in the period the same is determined.

1.3 INCOME & EXPENDITURE RECOGNITION

- a) Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.
- b) Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operation, including net income from telecommunication services and revenue from sale of petrol and allied products. Revenue is recognized upon rendering of the services and at the time of sale of petrol and allied products (net of discount).
- c) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- d) Dividend income is recognized when right to receive is established.

1.4 FIXED ASSETS

- a) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. Expenditure directly attributable to construction is accumulated as Capital Work In Progress till the time assets are ready for commercial use and is allocated to the relevant fixed assets on a pro-rata basis in the ratio of the prime cost of such assets.
- b) Cost of carpets purchased initially for a new unit /major renovation are capitalized in the year those are put to use. Cost of carpets purchased for replacement of existing one in the subsequent years is written off as revenue expenditure in the respective year of replacement.

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SAHARA HOSPITALITY LIMITED

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.5 DEPRECIATION / AMORTISATION

Depreciation amount is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on assets is being provided on 'Straight Line Method' over the useful life of assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of computer, in whose case the life of the asset is considered at 6 years taking into account the estimated usage, the operating condition of the asset, past history of replacement etc. The leased land is not depreciated. Intangible assets are amortized over the period of their useful life as determined by the Management or Ten years, whichever is less, on straight-line basis.

1.6 IMPAIRMENT OF ASSETS

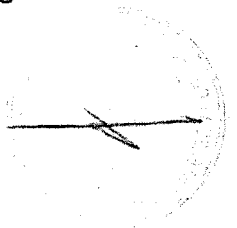
Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. For this purpose the recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

1.7 BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which those are incurred.

1.8 FOREIGN CURRENCY TRANSACTIONS

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
- b) Monetary assets and liabilities in foreign currency as at Balance Sheet date are translated at rates prevailing at the year end and resultant net gains or loss are recognized as income or expenses in the year in which they arise.
- c) Non monetary foreign currency items are carried at cost.
- d) Collection transactions in Foreign Currencies are translated into rupees at the rate of exchange ruling on the date of deposit of the said collection with the Bank.



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SAHARA HOSPITALITY LIMITED

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.9 VALUATION OF INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower, on First In First Out method except in the case of linen / curtain / cutlery & crockery in rooms and outlets, which are being valued at cost irrespective of their net realizable value

1.10 EMPLOYEE BENEFITS

- a) Short Term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

1.11 INVESTMENTS

Long term investments are valued at cost. Current investments are valued at the lower of the cost or market / fair value as at the date of the Balance Sheet.


1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be out flow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not recognized in the financial statements.

1.13 ASSETS TAKEN ON LEASE

Operating Lease payments are recognized as expenditure in the statement of Profit and Loss.


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SAHARA HOSPITALITY LIMITED

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.14 CASH FLOW STATEMENT

Cash flow statements are reported using indirect method as set out in the Accounting Standard – AS 3: 'Cash Flow Statement' issued by the Institute of Chartered Accountant of India.

1.15 PROVISION FOR CURRENT AND DEFERRED TAX

- a) Provision for current taxation has been made in accordance with the Income Tax laws applicable to the assessment year.
- b) Deferred tax is provided and recognized on timing differences between taxable income and accounting income subject to prudential considerations.
- c) Deferred tax assets on unabsorbed depreciation and carry forward losses are not recognized unless there is virtual certainty about availability of future taxable income to realize such assets.
- d) Minimum Alternate Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

1.16 EARNINGS PER SHARE

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- b) Diluted earnings per share are calculated by dividing adjusted net profit or loss for the period attributable to equity shareholders by aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2 SHARE CAPITAL:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Authorised Share Capital				
Equity Shares of ₹10/- each	70,000,000	7,000.00	70,000,000	7,000.00
Preference Shares of ₹10/- each	680,000,000	68,000.00	680,000,000	68,000.00
	750,000,000	75,000.00	750,000,000	75,000.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹10/- each fully paid up	57,112,047	5,711.20	57,112,047	5,711.20
0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares of ₹10/- each fully paid up (Refer Footnote i to v)	572,500,000	57,250.00	572,500,000	57,250.00
Total	629,612,047	62,961.20	629,612,047	62,961.20

Footnote:

(i) Par Value per share:

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares and non-cumulative, optionally convertible, redeemable preference shares having a par value of ₹ 10 each.

(ii) Share Holding:

a) All the Equity Shares are held by Sahara Prime City Limited - Holding Company and its Nominees.

b) 46,85,00,000 Preference Shares are held by Sahara Prime City Limited - Holding Company, 7,40,00,000 Preference Shares are held by Sahara Q Shop Unique Products Range Limited and 3,00,00,000 Preference Shares are held by Sahara Credit Co-Operative Society Limited.

(iii) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Equity Shares at the beginning of the year	57,112,047	5,711.20	57,112,047	5,711.20
Add: Shares Issued during the year	-	-	-	-
Less: Shares Bought Back during the year	-	-	-	-
Equity Shares at the end of the year	57,112,047	5,711.20	57,112,047	5,711.20

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Preference Shares at the beginning of the year	572,500,000	57,250.00	556,000,000	55,600.00
Add: Shares Issued during the year of the face value of ₹ 10 each	-	-	30,000,000	3,000.00
Less: Shares Redeemed during the year	-	-	13,500,000	1,350.00
Preference Shares at the end of the year	572,500,000	57,250.00	572,500,000	57,250.00

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SAHARA HOSPITALITY LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(iv) Rights, preferences and restrictions attached to shares:

Equity Shares

(a) The holders of the Equity Shares are entitled to receive dividend as and when declared from time to time, and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

(b) 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.

Preference Shares

(a) The holders of Preference Shares are entitled to receive 0.05% dividend of the face value as and when declared.

(b) 0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares will be redeemed or converted upon exercising the option. The redemption will be at ₹ 22/- per share after 10 years with the call option for premature redemption at a price equivalent to 12% per annum or part thereof on issue price or converted at book value per share or at Enterprise Value per share or at a price mutually agreed by parties.

(v) The details of Shareholders holding more than 5% shares:

Name of the Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
<u>Equity Shares</u>				
Sahara Prime City Limited including Nominees	57,112,047	100.00%	57,112,047	100.00%
<u>Preference Shares</u>				
Sahara Prime City Limited	468,500,000	81.83%	468,500,000	81.83%
Sahara Q Shop Unique Products Range Limited	74,000,000	12.93%	74,000,000	12.93%
Sahara Credit Co-Operative Society Limited	30,000,000	5.24%	30,000,000	5.24%

3 RESERVES AND SURPLUS:

Particulars	As at	As at
	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
<u>Securities Premium Account</u>		
Opening Balance	30,072.41	30,127.00
Add: On issue of shares	-	54.59
Less: On redemption of Preference Shares	-	-
Closing Balance	30,072.41	30,072.41
<u>Surplus</u>		
Opening Balance	(619.57)	(1,046.82)
Add: Net profit/(loss) after tax transferred from Statement of Profit and Loss	(2,758.19)	427.25
Closing Balance	(3,377.76)	(619.57)
Total	26,694.65	29,452.83

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

4 LONG TERM BORROWINGS:

Particulars	As at March 31, 2016 (₹ Lakhs)		As at March 31, 2015 (₹ Lakhs)	
	Non Current	Current	Non Current	Current
Secured				
Term Loan From Bank- I	-	1,897.41	1,630.50	2,827.62
Term Loan From Bank- II	24,660.64	3,902.94	27,660.89	2,589.75
Term Loan From Bank- III	19,315.57	1,169.26	9,572.22	315.99
(Refer Footnote (i) to (v))				
Total	43,976.21	6,969.61	38,863.61	5,533.36

Footnote:

(i) Term Loan From Bank - I:

Rupee Term loan from consortium of lenders namely Union Bank of India, UCO Bank, Bank of Baroda and Andhra Bank; secured by mortgage and pari passu charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company, Corporate Guarantee of Sahara Prime City Limited (as per the Loan agreement dated 14th February, 2005 and amendatory agreement dated 7th September 2006 and further amendatory agreement dated 29th January, 2013).

Interest rates are linked to respective Banks' Prime Lending Rate / Base Rate plus margin and the loan is repayable in installments starting from February, 2008 and ending in January, 2017.

(ii) Term Loan From Bank - II:

Rupee Term loan from consortium of lenders namely Union Bank of India, Bank of Baroda, UCO Bank, Andhra Bank, IDBI Bank Limited, Corporation Bank and Karnataka Bank, secured by mortgage and pari passu charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company, Corporate Guarantee of Sahara Prime City Limited (as per the Loan agreement dated 3rd March, 2010 and addendum number 1 and 2 dated 29th January, 2013 and 22nd August, 2014 respectively).

Interest rates are linked to Lead Bank (i.e. Union Bank of India) Prime Lending Rate / Base Rate plus margin and the loan is repayable in installments starting from October, 2015 and ending in March, 2023.

(iii) Term Loan From Bank - III:

Rupee Term loan from consortium of lenders namely Union Bank of India, UCO Bank, Andhra Bank, Corporation Bank and Central Bank of India, secured by mortgage and charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company and irrevocable Corporate Guarantee of Sahara Prime City Limited (as per the common loan agreement dated 29th January, 2013 and addendum number 1 to common loan agreement dated 29th July, 2015).

Interest rates are linked to Lead Bank (i.e. Union Bank of India) Prime Lending Rate / Base Rate plus margin and the loan is repayable in installments starting from October, 2016 and ending in September, 2024.

(iv) Of the above long term borrowings the delay in repayment of principal / interest as at balance sheet date amounted to ₹ 151.72 Lakhs (Previous Year ₹ 650.28 Lakhs) of Term Loan - I, ₹ 461.31 Lakhs (Previous Year ₹ 1,039.90 Lakhs) of Term Loan - II and ₹ 182.21 Lakhs (Previous Year ₹ 315.99 Lakhs) of Term Loan - III. These have subsequently been paid.

(v) Maturity Profile of Secured Term Loans are as set out below:

Particulars	F.Y.2016-17 (₹ Lakhs)	F.Y.2017-18 (₹ Lakhs)	F.Y.2018-19 and Onwards (₹ Lakhs)
Term Loan From Bank-I	1,897.41	-	-
Term Loan From Bank-II	3,902.94	3,099.71	21,560.94
Term Loan From Bank-III	1,169.26	1,854.55	17,461.03

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

5 OTHER LONG TERM LIABILITIES:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Security and Other Deposits	2,905.42	1,491.10
Retention Money Payable	1,636.01	2,549.06
Others	81.53	81.53
Total	4,622.96	4,121.69

Includes deposits amounting to Nil (previous year ₹ 95.50 Lakhs) received from Sahara Prime City Limited - Holding Company and ₹ 157.41 Lakhs (previous year ₹ 277.35 Lakhs) received from Sahara India (Firm).

6 LONG TERM PROVISIONS:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
<u>Provision for Employee Benefits (refer note 28)</u>		
Provision for Leave Encashment	23.05	22.13
Provision for Gratuity	61.42	-
Total	84.47	22.13

7 SHORT TERM BORROWINGS:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
<u>Secured</u>		
Loans Repayable on Demand From Banks	1,424.05	2,049.96
Rupee Loan (refer footnote (i))		
<u>Unsecured</u>		
Loans Repayable on Demand From Others	200.00	250.00
Rupee Loan		
Total	1,624.05	2,299.96

Footnotes :

(i) Rupee Loan from Banks consists of Working Capital facilities. These are secured by way of hypothecation of all book debts, inventories/stocks, both present and future of the company. Cash credit is additionally secured by second charge of all the movable and immovable properties, both present and future, irrevocable corporate guarantee from M/s Sahara Prime City Limited.

8 TRADE PAYABLES:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
<u>Trade Payables</u>		
Micro and Small Enterprises (Refer Footnotes i & ii)	68.77	98.37
Others for Goods and Services	1,728.41	1,629.64
Total	1,797.18	1,728.01



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Footnotes :

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

(ii) Disclosures relating to Micro and Small Enterprises are as under:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
(a) The Principal amount remaining unpaid to supplier as at the end of the accounting year.	68.77	98.37
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid in terms of section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

9 OTHER CURRENT LIABILITIES:

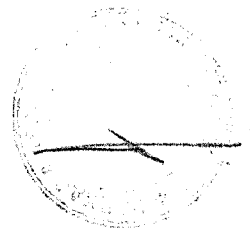
Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Current Maturity of Long Term Debt (Refer Note No. 4)	6,969.61	5,533.37
Other Creditors	5,758.41	5,355.29
Others (Refer Footnote)	1,293.11	2,702.16
Total	14,021.13	13,590.83

Footnote:

Includes statutory dues and accruals relating to expenses.

10 SHORT TERM PROVISIONS:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Provision for Employees Benefits (refer note 28)	1.84	10.36
Provision for Gratuity	2.57	2.50
Provision for Leave Encashment	4.41	12.86
Provision - Other	-	0.14
Provision for Wealth Tax	4.41	-
Total	4.41	13.00



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

11. FIXED ASSETS:

Nature of Assets	Gross Blocks (At Cost)				Depreciation				Net Block	
	As at April 1, 2015	Additions/ Adjustments during the period	Deductions/ Retirement during the period	As at March 31, 2016	As at April 1, 2015	For the period	Deductions/ Adjustments during the period	As at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)
Tangible Assets:										
Buildings (On Leasehold Land)	74,760.85	39,784.38	-	114,545.24	3,977.62	1,252.41	-	5,230.03	109,315.20	70,783.23
Ownership Flats (Freehold)	154.40	-	-	154.40	32.18	2.60	-	34.78	119.62	122.22
Plant and Machinery	16,592.80	6,231.58	9.88	22,814.50	3,625.20	1,261.65	9.88	4,876.97	17,937.53	12,967.60
Furniture, Fixtures and Office Equipments	11,396.36	14,835.72	1,823.63	24,408.45	3,378.36	1,395.27	1,823.63	2,950.00	21,458.45	8,018.00
Vehicles	93.63	-	16.65	76.98	49.30	13.08	16.65	45.73	31.25	44.33
Computers	132.58	34.11	8.70	157.99	110.13	23.73	8.70	125.16	32.83	22.45
Total (A)	103,130.62	60,885.79	1,858.86	162,157.55	11,172.79	3,948.74	1,858.86	13,262.67	148,894.88	91,957.83
Intangible Assets:										
Trademarks	0.54	-	0.08	0.46	0.29	0.06	0.08	0.27	0.19	0.25
Computer Software	193.83	4.88	1.05	197.66	87.75	20.40	1.05	107.10	90.56	106.08
Total (B)	194.37	4.88	1.13	198.12	88.04	20.46	1.13	107.37	90.75	106.33
Capital Work In Progress (Refer Footnote(ii)) (C)	54,135.12	6,719.11	60,854.23	-	-	-	-	-	-	54,135.12
Total (A+B+C)	157,460.11	67,609.78	62,714.22	162,355.67	11,260.84	3,969.20	1,859.99	13,370.04	148,985.63	146,199.28
Previous Year	142,141.70	80,859.82	65,541.41	157,460.11	9,762.76	2,715.31	1,217.24	11,260.83	146,199.28	132,378.94

Footnote:

(i) On completion of Phase-III, Capital Work In Progress amounting to ₹ 60,854.23 Lakhs (including incidental and related expenditure) had been capitalised during the year.

(ii) Pursuant to the company adopting the recommended useful life of fixed assets as indicated in part C of Schedule II of the Companies Act, 2013, fixed assets that have completed their useful life as at 1st April, 2015 and during the year, amounting to ₹ 347.31 Lakhs (Previous year ₹ 137.92 Lakhs) have been charged off to profit and loss statement during the year.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12 DEFERRED TAX ASSETS (NET):

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Deferred Tax Assets		
Unabsorbed Depreciation	7,643.11	4,190.02
Leave Encashment	5.67	5.37
Gratuity	5.23	3.20
Property Tax	76.95	18.15
Provision for Doubtful Debt	1.12	1.12
	7,732.08	4,217.86
Less:		
Deferred Tax Liability		
Depreciation on Fixed Assets	5,803.84	3,486.29
	5,803.84	3,486.29
Total	1,928.24	731.57

13 LONG TERM LOANS AND ADVANCES:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Unsecured and Considered Good		
Advance Income Tax	116.05	8.99
MAT Credit Entitlement	504.56	504.56
Other Advances	284.23	1,671.91
Others	245.11	245.11
Total	1,149.95	2,430.57

14 OTHER NON-CURRENT ASSETS:

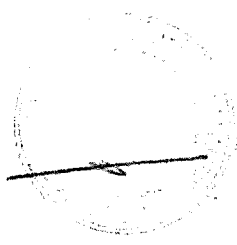
Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Deposits with Banks	42.73	137.93
Insurance Claim Receivable	8.39	8.76
Total	51.12	146.69

15 INVENTORIES:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Food and Beverages	168.22	152.94
Stores and Operating Supplies	1,616.37	1,734.21
Petrol and Allied Products	11.16	31.51
(Refer Footnote)		
Total	1,795.75	1,918.66

Footnote:

Inventories are valued at cost or net realizable value, whichever is lower, on First In First Out method except in the case of linen / curtain / cutlery & crockery in rooms and outlets, which are being valued at cost irrespective of their net realizable value.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

16 TRADE RECEIVABLES:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
<u>Unsecured</u>		
Outstanding more than Six Months	531.87	397.36
Considered Good	25.31	25.31
Considered Doubtful	557.18	422.67
<u>Others</u>		
Considered Good	528.67	396.67
Considered Doubtful	-	-
Total	528.67	396.67
(Less) Provision for Doubtful Debts	1,085.85 (25.31)	819.34 (25.31)
(Refer Footnote)		
Total	1,060.54	794.03

Footnote:

Trade receivables include debts due from firm and private companies in which directors are partners / directors are partners / directors amounting to ₹ 1.23 Lakhs (Previous Year ₹ 0.75 Lakhs) from Sahara India Mass Communication (Firm) and Nil (Previous Year ₹ 0.11 Lakhs) from Sahara Asset Management Company Private Limited.

17 CASH AND BANK BALANCES:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
<u>Cash and Cash Equivalents</u>		
Balance with Bank	315.82	184.39
Cheques on Hand	9.94	45.26
Cash on Hand	25.41	14.00
	351.17	243.65
<u>Other Bank Balances</u>		
Fixed Deposit with Bank against bank guarantee issued to Airports Authority of India	26.30	26.30
Fixed Deposit with Bank- towards LC in favor of Mahanagar Gas Limited	1.68	1.68
Fixed Deposit with Bank as Margin money for bank guarantees issued	100.54	174.55
Fixed Deposit with Bank as Margin money against LC issued	50.94	120.15
	179.46	322.68
Total Cash and Bank Balances	530.63	566.33
Less: Fixed deposits with banks maturing after 12 months from Balance Sheet date and Other Margin Money classified as Other Non-Current Assets. (Refer Note No.14)	42.73	137.93
Total	487.90	428.40

18 SHORT-TERM LOANS AND ADVANCES:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
<u>Unsecured and Considered Good unless otherwise stated</u>		
Loans and Advances to Staff	34.69	47.86
Prepaid Expenses	148.54	97.19
Deposit with public bodies and others	40.65	31.95
Other advances recoverable in cash or in kind	101.13	225.10
Total	325.01	402.09

19 OTHER CURRENT ASSETS:

Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
Interest accrued but not due	2.12	1.97
Total	2.12	1.97

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

20 REVENUE FROM OPERATIONS:

Particulars	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Room Income	5,471.44	4,408.20
Food and Beverages	6,954.06	5,703.49
Banquet Rentals	1,365.41	558.60
Other Rentals	58.14	33.79
Sale of Petrol and Allied Products	5,332.13	5,248.98
Other Services	320.89	341.23
Total	19,502.07	16,294.29

21 OTHER INCOME:

Particulars	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Interest Income (Gross)		
On Deposit with Banks and Post office	23.18	44.19
On Others	1.30	5.60
	24.48	49.79
Net Gain On Foreign Currency Transaction	3.22	3.59
Other Non-Operating Income	18.64	23.43
Total	46.34	76.81

22 COST OF MATERIALS CONSUMED:

Particulars	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Consumption of Food, Beverages and Smokes	1,993.19	1,409.26
Consumption of Stores and Supplies	341.40	317.97
Consumption of Petrol and Allied Products	5,182.05	5,128.77
Total	7,516.64	6,856.00

23 EMPLOYEE BENEFITS EXPENSE:

Particulars	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Salaries and Wages	1,062.75	994.46
Contribution to Provident and Other Funds	56.42	50.27
Staff Welfare Expenses	98.83	90.13
Total	1,218.00	1,134.86

24 FINANCE COSTS:

Particulars	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Interest Expense on Borrowings	4,673.79	627.91
Other Borrowing Costs	13.26	7.61
Total	4,687.05	635.52

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

25 OTHER OPERATING AND GENERAL EXPENSES:

Particulars	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
<u>Operating Expenses</u>		
Soft Furnishings and Laundry Charges	228.48	182.37
Payment for Outsourced Services	1,308.85	990.61
Repairs to Buildings	209.68	113.94
Repairs to Plant and Machinery	472.56	360.21
Repairs to Others	115.63	71.48
Commission on Sales	331.68	120.22
Guest Transportation	115.76	130.81
Advertisement, Publicity and Marketing	115.26	141.67
Other Operating Expenses	778.52	547.58
	3,676.42	2,658.89
<u>General Expenses</u>		
Printing and Stationery	94.58	77.43
Lease Rent	669.74	314.50
Licence Fees	73.12	63.66
Rates and Taxes	255.06	186.77
Insurance	70.58	69.88
Auditors' Remuneration (Refer Footnote)	3.02	3.37
Professional and Retainership Fees	205.60	200.03
	1,371.70	915.64
Total	5,048.12	3,574.53

Footnote:

Auditors Remuneration:

Particulars	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Audit Fees	2.25	2.25
Tax Audit Fees	0.75	0.75
Other Matters	0.02	0.37
Total	3.02	3.37

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

26. Contingent Liabilities (to the extent not provided for):

a) In respect of claims against the Company:

	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Bank Guarantees issued on behalf of the Company	376.20	518.08
Other Money for which the company is Contingently liable -Letter of Credit	510.41	735.18

In respect of Bank Guarantees and Letter of Credit, the Company has given Counter Guarantee to Union Bank of India for the entire non-fund based facility of ₹ 2,000.00 Lakhs (Previous Year ₹ 2,000.00 Lakhs).

b) The Company had raised in the past a claim of ₹ 235.67 Lakhs, based on independent professional report, on Hotel Corporation of India Limited who had raised a counter claim of ₹ 439.15 Lakhs which the Company had not accepted. The matter had been under arbitration and on 19th April 2011, the Hon'ble Arbitral Tribunal had awarded a sum of ₹ 188.49/- Lakhs together with interest at State Bank of India prime lending rate plus 2% per annum from 15.08.2002 along with ₹ 40.00 Lakhs towards costs. The Company has challenged the said award before the Hon'ble High Court of Mumbai and on 08th May, 2015, the Arbitral award was set aside. The Hotel Corporation of India has preferred an appeal against the said Order of the High Court, which is pending for admission. The Company has in the meantime invoked fresh arbitration claiming a sum of Rs. 235.67 lakhs plus interest on Hotel Corporation of India.

27. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for ₹ 284.23 Lakhs (Previous Year ₹ 4,692.98 Lakhs).

28. Employee Benefits:

a) The Company has recognized the following expenses as Defined Contribution Plan for the year which are as under:

	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Employer's Contribution to Provident Fund	12.20	14.36
Employer's Contribution to Pension Scheme	21.89	18.84

b) Employees' gratuity obligation, which is a defined benefit plan, is met by the company as and when the employees leave the organization. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation for leave encashment is recognized in the same manner as gratuity.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

i) Defined Benefit Plan – As per Actuarial Valuation on March 31, 2016:

	Gratuity (Unfunded)	
	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Present Value of Benefit obligation at the beginning of the year.	59.84	46.29
Current Service Cost	8.89	6.09
Interest Cost	4.81	4.31
Actuarial (gain)/Loss on obligations - due to change in Financial Assumptions.	0.14	8.07
Actuarial (gain)/Loss on obligations - due to Experience	2.65	(4.39)
Past Service Cost	-	-
Benefit Paid by the employer and from the fund	(13.08)	(0.53)
Present Value of Benefit obligation at the end of the period	63.25	59.84
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the period	49.48	44.99
Expected Return on Plan Assets	3.97	3.92
Contributions by the Employer	(46.33)	1.29
Benefits Paid from the fund	(3.15)	(0.52)
Actuarial gain/ (loss) on Plan Assets-Due to Experience	(3.97)	(0.20)
Fair Value of Plan assets at year end of the period	Nil	49.48
c) Reconciliation of fair value of assets and Obligations		
Fair value of plan assets as at 31st March, 2016	Nil	49.48
Present value of obligation as at 31st March, 2016	(63.25)	59.84
Net Asset / (Liability) recognized in Balance Sheet	(63.25)	(10.36)

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
d)	Expenses recognized during the year		
	Current Service Cost	8.89	6.09
	Net Interest Cost	4.80	4.31
	Expected return on plan assets	(3.97)	(3.91)
	Net Actuarial (gain)/loss recognized in the period	6.77	3.88
	Past Service Cost	-	-
	Expenses recognized in P&L A/C	16.49	10.36
e)	Actuarial Assumptions		
	Indian Assured Lives Mortality (2006-08) Ultimate	2006-08	2006-08
	Discount rate (Per annum)	8.01%	8.03%
	Expected rate of return on plan assets (Per annum)	N.A.	8.03%
	Rate of increase in compensation level	5.00%	5.00%

ii) The Company has made provision for leave salary on actuarial valuation basis. This being retirement benefit, an obligation to pay this amount might arise at the time of separation of the employees. The breakup of the same is as under:

Nature of obligation	Carrying amount at the beginning of the period (₹ Lakhs)	Additional provisions made during the year (₹ Lakhs)	Amounts incurred and charged against the provision during the period (₹ Lakhs)	Unused amounts reversed during the period (₹ Lakhs)	Carrying amount at the end of the period (₹ Lakhs)
FY 2015-16	24.64	4.15	(3.36)	0.20	25.63
FY 2014-15	18.60	8.03	(1.99)	-	24.64

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by actuary and has been relied upon by the auditors.

29. Operating Lease:

The company has taken land on Operating Lease. The total lease rent including Minimum Guaranteed Annual Payment, on the same amounting to ₹ 669.74 Lakhs (Previous year ₹ 415.24 Lakhs) is recognized during the year. The lease rental including Minimum Guaranteed Annual Payment of future lease rental payables in respect thereof are as follows:-

	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Not Later than One Year	591.56	588.60
Later than one year but not later than 5 years	3,214.42	2,959.84
Later than 5 years	12,301.24	13,147.37

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 201630. Quantitative information in respect of petrol and high-speed diesel:

	2015-16 (in Litres)	2014-15 (in Litres)
Opening Stock	48,894	31,782
Purchases	90,52,000	78,36,000
Turnover *	90,85,008	78,18,887
Closing Stock	15,886	48,894

* After adjusting evaporation loss of 20,837 Litres (Previous year 28,112 Litres)

31. CIF Value of imports:

	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Inventory	78.19	95.38
Capital Goods	170.24	1,566.16

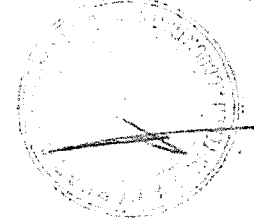
32. Expenditure in Foreign Exchange:

	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Travelling	1.20	9.22
Interest & Bank charges	Nil	84.36
Professional Consultancy Fees & other matters	17.15	34.11
Commission	131.42	84.64

33. Earnings in Foreign Exchange:

	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
Revenue Receipts	1,937.12	1,615.29

34. In the matter of dispute in respect of repayment of Optionally Fully Convertible Debentures (OFCDs) by two group companies namely M/s Sahara India Real Estate Corporation Ltd and Sahara Housing Investment Corporation Ltd, the Hon'ble Supreme Court of India by its order dated 21st November 2013, had directed that both of the above companies as well as group companies and its promoters shall not part with any movable and immovable property till further orders. However, properties or bank accounts of the company have not been attached / frozen by the Securities and Exchange Board of India (SEBI) and the Hotel is continuing operation in the normal course of business.



SAHARA HOSPITALITY LIMITED

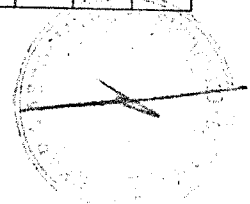
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

35. Related Party Disclosures:

Related Party Disclosures, as required in terms of "Accounting Standard (AS-18)" are given below:

- a) Holding Company: Sahara Prime City Limited.
- b) Individuals having control over the Company: Shri Subrata Roy Sahara, Director.
- c) Key Management Personnel: Shri Vivek Kumar, C.E.O
- d) Details of related parties and transactions during the year ended March 31, 2016:
 1. Enterprises over which persons specified in (b) and (c) above, have significant influence:

Sr. No.	Name
1.	Sahara India Commercial Corporation Limited
2.	Sahara India Financial Corporation Limited
3.	Aamby Valley Limited
4.	Sahara India (Firm)
5.	Sahara One Media and Entertainment Limited
6.	Sahara Pure Eatables Corporation Limited
7.	Sahara Global Design Studio Limited
8.	Sahara Asset Management Company Private Limited
9.	Sahara Global Mastercraft Limited
10.	Sahara Adventure Sports Limited
11.	Sahara India CAPSAC Limited
12.	Sahara Q Shop Unique Products Range Limited
13.	Sahara Universal Minings Corporation Limited
14.	Sahara Infrastructure and Housing Limited
15.	Sahara India Mass Communication (Firm)
16.	Sahara India Limited
17.	Aamby Valley Airport Project Limited
18.	Qing Ambay City Developers Corporation Limited



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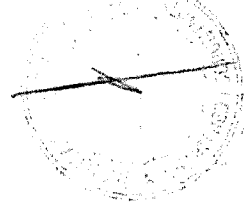
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Sr. No.	Name
19.	Aamby Valley Global Sports Limited
20.	Aamby Valley Green Golf Limited
21.	Aamby Valley Mega Retails Limited
22.	Aamby Entertainment Services Limited
23.	AVL Canal Limited
24.	AVL Land Holdings Company Limited
25.	AVL Royal Apartments Limited
26.	AVL Villas Limited
27.	AVL Hotels and Resorts Limited
28.	Sahara Q Gold Mart Limited
29.	Sahara School Holding Limited
30.	Sahara Worldwide Limited
31.	Sudhir Chandra Sahara Sugar Industry Limited

2. Details of related party transactions during the year ended March 31, 2016.

Description of transaction	Holding Company (₹ Lakhs)	Individuals having control over the Company (₹ Lakhs)	Key Management Personnel (₹ Lakhs)	Enterprise over which person specified in (b) and (c) above have significant influence. (₹ Lakhs)
Sales/ Rentals/ Misc Income (including taxes)	8.84 (29.68)	- (-)	- (-)	390.86 (612.67)
Purchase of Goods	- (-)	- (-)	- (-)	- (51.75)
Redemption of Preference Shares including premium	- (1404.59)	- (-)	- (-)	- (-)
Loans and Advances	- (-)	- (-)	- (-)	- (52.91)
Current liability	- (-)	- (-)	- (-)	28.22 (-)
Remuneration Paid/Payable(Gross)	- (-)	- (-)	219.40 (200.26)	- (-)

Note: Figures in bracket represent previous year amounts.



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

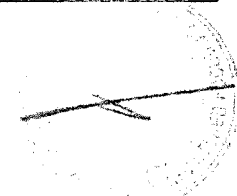
3. Balance Outstanding as at March 31, 2016.

Description of transaction	Holding Company (₹ Lakhs)	Individuals having control over the Company (₹ Lakhs)	Key Management Personnel (₹ Lakhs)	Enterprise over which person specified in (b) and (c) above have significant influence. (₹ Lakhs)
Trade Receivable	4.40 (-)	- (-)	- (-)	367.53 (339.53)
Security Deposit	(95.50)	- (-)	- (-)	157.41 (277.35)
Trade Payable	- (-)	- (-)	- (-)	42.77 (41.04)
Loans and Advances	- (-)	- (-)	- (-)	50.64 (163.81)
Other Payable	5.00 (5.00)	- (-)	- (-)	25.63 (25.71)

Note: Figures in bracket represent previous year amounts.

4. Statement of Material Transactions.

Name of the company	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
I) Holding Company		
Sahara Prime City Limited		
➤ Redemption of Preference Shares including premium	-	1,404.59
➤ Sales of Services	8.84	29.68
II) Remuneration to Key Management Personnel		
Shri Vivek Kumar	219.40	200.26
III) Enterprise over which persons specified in (b) and (c) above, have significant influence:		
Sahara Q Shop Unique Products Range Limited		
➤ Sales of Services	2.58	2.39
➤ Purchase of Goods	-	45.03



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

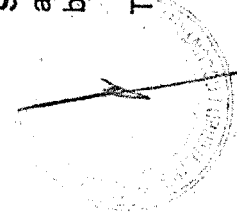
Name of the company	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Sahara India (Firm)		
➤ Sale of Services	243.94	305.12
Sahara India Commercial Corporation Limited		
Sale of Services	72.49	216.87
Aamby Valley Limited		
➤ Sale of Services	63.90	55.52

36. Segmental Reporting:

A. Primary Segment Report

Information about Business Segment

Segment Revenue:	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
a. Hotel	14,216.28	11,122.11
b. Income from Petrol Pump	5,332.13	5,248.98
Total Revenue	19,548.41	16,371.10
Segment Results:		
Profit before tax:		
a. Hotel	(4,034.13)	448.17
b. Petrol Pump	79.24	66.34
Total Profit	(3,954.89)	514.51
Other Information:		
Segment Assets		
a. Hotel	1,55,721.34	1,52,963.11
b. Petrol Pump	64.92	90.15
Total	1,55,786.26	1,53,053.26
Segment Liabilities		
a. Hotel	1,55,748.44	1,53,015.64
b. Petrol Pump	37.82	37.62
Total	1,55,786.26	1,53,053.26



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

B. Secondary Segment Report

The company primarily operates from Mumbai and does not have any other geographically located segment.

Notes: The above segment results for hotel include:

	2015-2016 (₹ Lakhs)	2014-2015 (₹ Lakhs)
a. Depreciation	3,969.20	2,715.31
	-----	-----
	3,969.20	2,715.31
	=====	=====

The segment assets as stated above include capital work in progress of Nil (previous year ₹ 54,135.12 Lakhs) which have not been put to use as on the Balance Sheet date.

37. Sundry Debtors, Loans and Advances have been stated to be good and recoverable and are taken at book value. The same are subject to confirmation, reconciliation and consequential adjustments, if any.

38. Earnings Per Share:

Earnings per share is calculated in accordance with Accounting Standard 20- 'Earnings Per Share'-(AS-20), notified by the Company's (Accounting Standards) Rules, 2006 (as amended).

Particulars	2015-16	2014-15
Profit / (Loss) after Tax (₹ Lakhs)	(2,758.19)	427.25
Weighted No. of Equity shares:		
Basic	57,112,047	57,112,047
Diluted	15,80,09,378	14,92,50,895
Earnings / (Loss) Per Share		
Basic (₹)	(4.83)	0.75
Diluted (₹)	(1.75)	0.29
Face Value per Equity Share (₹)	10.00	10.00

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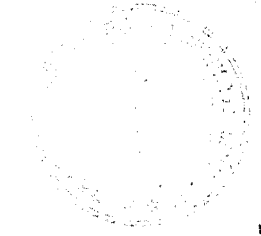
SAHARA HOSPITALITY LIMITED

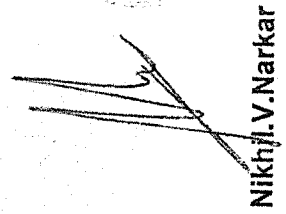
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

- 39. The financial statements are presented in Indian rupees rounded off to the nearest rupees in Lakhs.
- 40. Previous year figures have been regrouped, re-arranged, and recast wherever necessary.

As per our Report even date

For Narkar & Associates
Chartered Accountants
Firm Regn No. 106945W





Nikh/J.V.Narkar


Proprietor
Membership No 128828

Place: Mumbai
Date: 07/07/2016

For and on behalf of the Board


O.P.Srivastava
Director
DIN-00144000


Samreen Zaidi
Director
DIN-02039860


Vivek Kumar
Chief Executive
Officer


Nitin Prajapati
Chief Financial
Officer


Abhishek Jain
Company
Secretary


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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SAHARA HOSPITALITY LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **SAHARA HOSPITALITY LIMITED** (the Company), which comprise the Balance Sheet as at 31 March, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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



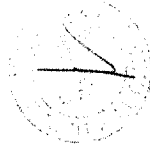
Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matters described in the "emphasis of matter"**, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

1. We draw attention to Note-43 & 44 to the Standalone Ind AS Financial Statements, which describes that the balances of Trade Receivables, Loans & Advances and all Group Company accounts whether in debit or in credit are subject to confirmation, reconciliation and adjustment, if any, in the books of accounts. In view of non reconciliation and non confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the Financial Statements of the Company.
2. Ind AS 16 (Property, Plant and Equipment) is based on the component approach. Under this approach, each major part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item should be depreciated separately. As per the management view, there are no such types of assets, hence, component approach is not applicable to the Company but the company is yet to provide any reasonable basis as to why component approach should not be applied to it? Hence, we are unable to comment upon the correctness of the approach applied by the company.
3. As on Balance Sheet date, the Company has not filed its Service Tax Return for the period Oct'16 to Mar'17 (i.e. Form ST-3 for second half). Therefore, we are unable to match the details of Service Tax Receivable appearing in the financials with Form ST-3.
4. The Company has not been regular in discharging its Luxury Tax liability. As on the Balance Sheet date, the company has not paid its liability of Luxury Tax amounting to Rs. 1.97 crores for the period from November, 2016 to March, 2017.
5. Reference is invited to Note 37 to the Standalone Ind AS financial statements regarding deposit of Rs. 9,900,000/- to Sahara-SEBI Refund account in the matter of dispute in respect of repayment of Optionally Fully Convertible Debentures (OFCDs) by two group companies, namely M/s Sahara India Real Corporation Limited & Sahara Housing Investment Corporation Limited as per Hon'ble Supreme Court vide it's order dated 4th June, 2014. However, we are unable to ascertain whether this amount is fully recoverable or not and its further impact, if any, that may arise in case if this amount is subsequently determined to be doubtful of recovery.
6. During the Previous Financial Year, the Gratuity Trust in which company was making gratuity contribution was dissolved, and upon dissolution the Trust has refunded the amount pertaining to the company but company has neither created any Recognized Gratuity Fund Trust nor made any other arrangement to deposit this amount to any other recognized Gratuity Fund Trust.

Our opinion is not modified in respect of these matters.



Other Matters

The Comparative financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2005 included in these Standalone financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated July 07, 2016 and September 25, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

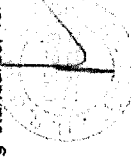
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, *subject to the effects of the matters described in the 'emphasis of matter' paragraph*, 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, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act. Further, Ms. Samreen Zaidi (DIN: 2039860) who is also a director in LOKESH VANIJYA PRIVATE LIMITED (CIN: U51109WB2007PTC116119) is disqualified u/s 164(2) of the Companies Act, 2013, as the above mentioned company did not file its financial statement or annual returns for continuous period of three financial years;
- 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 of pending litigations on its financial position in its standalone Ind AS financial statements;
- ii. the Company has made provision, as required under the applicable law or accounting standards, for



D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

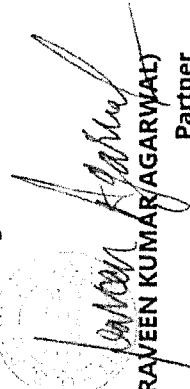
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material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note 42 to the standalone Ind AS financial statements.

Place: Mumbai
Date: 19/09/2017

For D.S.SHUKLA & CO.
Chartered Accountants
Firm Reg. No.: 000773C


(PRAVEEN KUMAR AGARWAL)
Partner

Membership No.:416717

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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

(i)	(a)	The Company has maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets on the basis of available information.
	(b)	As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. The discrepancies noticed on verification between the physical assets and the book records were not material and have been dealt with in books of account.
	(c)	The Company is situated on a leasehold land, held by Airport Authority of India and title deed of the building structure is in the name of Sahara Hospitality Limited.
(ii)		The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification.
(iii)		According to the information and explanations given 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 Act. Therefore, the provisions of sub-clauses (a), (b) & (c) of paragraph 3(iii) of the Order are not applicable to the company.
(iv)		In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
(v)		In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
(vi)		According to the information and explanation given to us, no cost records have been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the Company. Hence no such accounts and records have been made and maintained.
(vii)	(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases.
	(b)	According to the information and explanations given to us, there are no dues of income-tax, sales tax, customs duty, excise duty and value added tax outstanding on account of any dispute.
(viii)		Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in terms of delay in repayment of dues to Banks as detailed below: Delay in repayment of principal / interest as on 31/03/2017 amounted to Rs. 48.89 Lakhs of Term Loan-I, Rs. 922.72 lakhs of Term Loan-II and Rs. 717.62 of Term Loan-III.

D.S. SHUKLA & CO.

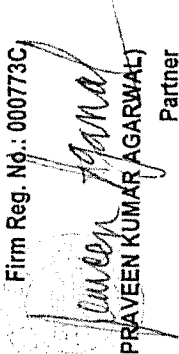
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(ix)	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the records of the Company, outstanding balance of term loan at the beginning of the year and the proceeds during the year have been applied by the Company during the year for the purposes for which they were borrowed.
(x)	According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
(xi)	According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
(xii)	According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
(xiii)	According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
(xiv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
(xv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
(xvi)	According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Place: Mumbai
Date: 19/09/2017

For D.S.SHUKLA & CO.
Chartered Accountants
Firm Reg. No.: 000773C


(PRAVEEN KUMAR AGARWAL)
Partner

Membership No. :416717

B.O.: New M.P. Building, Golghar, Gorakhpur - 273001. Phone : +91-551-2344587, Fax : +91-551-2334157


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ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (l) 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 **SAHARA HOSPITALITY LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

329
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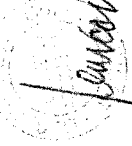
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 D.S.SHUKLA & CO.
Chartered Accountants
Firm Reg. No.: 000773C


Praveen Kumar Agarwal
(PRAVEEN KUMAR AGARWAL)
Partner

Place: Mumbai
Date: 19/09/2017

Membership No.: 416717

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SAHARA HOSPITALITY LIMITED

Balance Sheet as at March 31, 2017

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Particulars	Note No.	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment			1,48,894.88	91,957.83
Capital Work-In-Progress	2	1,43,953.28	-	54,135.12
Intangible Assets		17.93		106.33
Financial Assets:		95.89	90.75	
Other financial assets				
Deferred Tax Assets (Net)	3	389.16	310.68	410.39
Other Non-Current Assets	4	4,549.26	216.28	731.57
Total Non-Current Assets (I)	5	1,519.28	1,026.21	2,439.82
CURRENT ASSETS		1,50,524.80	1,50,538.80	1,49,781.06
Inventories				
Financial Assets:		1,801.19	1,795.75	1,918.66
Trade Receivables				
Cash and cash equivalents	7	1,312.46	1,060.54	794.03
Other Bank Balance	8	42.04	351.17	243.65
Other financial assets	9	119.79	136.72	184.76
Other Current Assets	10	34.67	42.77	33.92
Total Current Assets (II)	11	145.07	148.54	97.19
		3,455.22	3,535.49	3,272.21
TOTAL ASSETS (I+II)		1,53,980.02	1,54,074.29	1,53,053.27
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	12	5,711.20	5,711.20	5,711.20
Other Equity	13	(1,961.80)	8,477.36	29,452.83
Total Equity (A)		3,749.40	14,188.56	35,164.03
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings				
Other Financial Liabilities				
Provisions	14	1,31,027.27	1,17,774.41	96,113.61
Other Non-Current Liabilities	15	8,170.12	9,075.96	9,282.56
Total Non-Current Liabilities (B)	16	112.58	84.47	22.13
CURRENT LIABILITIES	17	2,791.49	1,075.33	194.41
Financial Liabilities		1,42,101.46	1,28,010.17	1,05,612.73
Borrowings				
Trade Payables	18	2,920.41	8,593.66	7,833.33
Other Current Financial Liabilities	19	2,924.61	1,797.18	1,728.01
Provisions	20	435.23	409.64	867.46
Other Current Liabilities	21	9.21	4.41	13.00
Total Current Liabilities (C)	22	1,839.70	1,070.67	1,834.71
		8,129.16	11,875.56	12,276.51
TOTAL LIABILITIES (D=B+C)		1,50,230.62	1,39,885.73	1,17,889.24
TOTAL EQUITY AND LIABILITIES (A+D)		1,53,980.02	1,54,074.29	1,53,053.27
Significant Accounting Policies	1			
Notes to Accounts	2-49			

See accompanying Notes to Financial Statements.

As per our attached report of even date


For D.S.Shukla & Co.

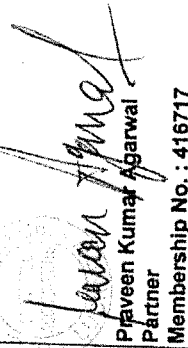
Chartered Accountants

Firm Regn No. 000773C

For and on behalf of the Board

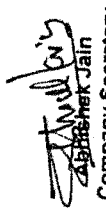

O.P. Srivastava
Director
DIN-00144000


J.B. Roy
Director
DIN-00432043


Paveen Kumal Agarwal
Partner
Membership No. : 416717


Vivek Kumar
Chief Executive Officer


Nitin Prajapati
Chief Financial Officer


Anshu Mehra Jain
Company Secretary

Place: Mumbai

Dated: 19/09/2017

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SAHARA HOSPITALITY LIMITED
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No.	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Income:			
Revenue from Operations	23	21,159.38	19,502.07
Other Income	24	1,064.00	189.08
Total Income		22,223.38	19,701.15
Expenses:			
Cost of Materials Consumed	25	7,955.64	7,516.64
Employee Benefits Expense	26	1,936.16	1,211.23
Finance Costs	27	13,351.35	10,388.51
Depreciation and Amortization	2	6,003.18	3,969.20
Other Expenses	28	7,739.61	6,115.98
Total Expenses		36,985.94	29,201.56
Profit / (Loss) Before Tax		(14,762.56)	(9,500.41)
Tax Expense:			
Current Tax		-	-
Deferred Tax		(4,332.98)	515.29
Profit / (Loss) for the year		(10,429.58)	(10,015.70)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Change in fair value of Preference Shares		-	10,953.01
Actuarial (Gains) and Losses		9.58	6.77
Total Comprehensive Income for the year		(10,439.16)	(20,975.48)
Earnings / (Loss) Per Equity Share:			
Basic (in ₹ per share)	40	(18.26)	(17.54)
Diluted (in ₹ per share)		(18.26)	(17.54)
Face value per Equity Share (in ₹)		10.00	10.00
Significant Accounting Policies			
Notes to Accounts	1		
	2-49		

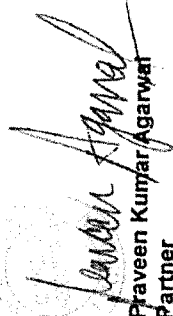
See accompanying Notes to Financial Statements.


As per our attached report of even date

For D.S.Shukla & Co.


Chartered Accountants


Firm Regn No. 000773C


Praveen Kumar Agarwal
Partner
Membership No. : 416717



O.P. Srivastava
Director
DIN-00144000

For and on behalf of the Board


J.B. Roy
Director
DIN-00432043



Nitin Prajapati
Chief Financial Officer


Vivek Kumar
Chief Executive Officer


Akhilesh Jain
Company Secretary

Place: Mumbai

Dated: 19/09/2017


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SAHARA HOSPITALITY LIMITED
Cash Flow Statement for the year 2016-17

Particulars	March 31, 2017 (₹ Lakhs)		March 31, 2016 (₹ Lakhs)	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (loss) before tax as per Profit and Loss Statements				(9,500.41)
Adjustment for:				
Depreciation and Amortization	6,003.18		3,969.20	
Inventory Written off	6,054.21		97.73	
Interest Expense on Preference Shares	121.20		5,595.21	
Interest cost on fair valuation of security deposit	7,175.94		106.27	
Interest Paid	(17.15)		4,667.04	
Interest Income on Fixed Deposit and Others	-		(23.18)	
Restatement of Prior Period Expenses	(152.74)		3.57	
Unwinding of deferred income on security deposit accepted	(153.45)		(152.74)	
Excess provision no longer required	(701.54)		(10.60)	
Excess Depreciation Charged in earlier years	96.60		-	
Provision for Doubtful Debts and Advances	32.60		-	
Provision for Employee Benefits	(0.55)		13.87	
Unrealised Exchange Gain			(0.30)	
		18,458.30		14,286.07
Operating Profit before working capital changes		3,695.74		4,785.67
Adjustment for:				
(Increase)/Decrease in Trade Receivable	(251.92)		(266.51)	
(Increase)/Decrease in Inventories	(5.44)		25.18	
Increase/(Decrease) in Trade and Other Payable	3,662.29		(798.89)	
(Increase)/Decrease Loans and Advances	(580.67)		(29.59)	
		2,824.06		(1,069.81)
Cash generated from operations		6,519.80		3,715.85
Direct Tax Paid				
Net Cash from operating activities (I)		6,519.80		3,715.85
B CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Asset/ Capital work in progress	(438.78)		(6,751.41)	
Bank Balance not considered as Cash and Cash Equivalents	16.94		95.19	
Investment in Fixed Deposit	20.88		48.03	
Interest Received on Fixed Deposit and Others	17.15		23.18	
Net Increase in Other Creditors	(794.57)		1,790.80	
	(1,178.38)		(4,794.21)	
Net Cash from investing activities (II)		(7,175.94)		(4,687.05)
C CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(516.06)		(4,047.78)	
Repayment of Long-Term Borrowings	1,448.32		10,596.62	
Proceeds from Long-Term Borrowings	593.13		(675.91)	
Short-Term Loan Raised/(Repaid) (Net)	(5,650.65)		1,185.88	
Net Cash from financing activities (III)		(309.13)		107.52
Net Increase in Cash and Cash Equivalents (I+II+III)		351.17		243.65
Cash and Cash Equivalents at beginning of period				
		42.04		351.17
Cash and Cash Equivalents at end of period				
Footnote :				
Cash and Cash Equivalents at the end of the period				
Cash in hand	14.32		25.41	
Cheques in Hand	5.40		9.94	
Balance with Banks				
In Current Account	22.32		315.82	
In Fixed Deposit Account				
Total	42.04		351.17	

As per our attached report of even date
For D.S.Shukla & Co.
Chartered Accountants
Firm Regn No. 000773C

Praveen Kumar Agarwal
Praveen Kumar Agarwal
Partner
Membership No. : 416717

For and on behalf of the Board

O.P. Srivastava
O.P. Srivastava
Director
DIN-00144000

Vivek Kumar
Chief Executive Officer

Nitin Prajapati
Nitin Prajapati
Chief Financial Officer

J.B. Roy
J.B. Roy
Director
DIN-00432043

Abhishek Jain
Abhishek Jain
Company Secretary

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SAHARA HOSPITALITY LIMITED

Statement of Changes in Equity for the year ended March 31, 2017

Particulars	Reserves and Surplus				Amount (₹ Lakhs)
	Securities Premium	Other Comprehensive Income	Retained Earnings	Total	Amount (₹ Lakhs)
A Equity Share Capital :					
As at April 1, 2015					5,711.20
Changes in Equity Share Capital during the year					-
As at March 31, 2016					5,711.20
Changes in Equity Share Capital during the year					-
As at March 31, 2017					5,711.20
B Other Equity :					
Balance at April 1, 2015	30,072.41	-	(619.57)	29,452.84	
Profit/(Loss) for the period	-	(10,959.78)	(10,015.70)	(20,975.48)	
Amortised during the period	-	-	-	-	
Utilised during the period	-	-	-	-	
Balance at April 1, 2016	30,072.41	(10,959.78)	(10,635.27)	8,477.36	
Profit/(Loss) for the period	-	(9.58)	(10,429.58)	(10,439.16)	
Amortised during the period	-	-	-	-	
Utilised during the period	-	-	-	-	
Balance as at March 31, 2017	30,072.41	(10,969.38)	(21,064.85)	(1,961.80)	

See accompanying Notes to Financial Statements.

As per our attached report of even date

For D.S.Shukla & Co.
Chartered Accountants
Firm Regn No. 000773C

Praveen Agarwal
Praveen Kumar Agarwal
Partner
Membership No. : 416717

Place : Mumbai
Dated : 19/09/2017

For and on behalf of the Board

O.P. Srivastava
O.P. Srivastava
Director
DIN-00144000

J.B. Roy
J.B. Roy
Director
DIN-00432043

Vivek Kumar
Vivek Kumar
Chief Executive Officer

Nitin Prajapati
Nitin Prajapati
Chief Financial Officer

Abhishek Jain
Abhishek Jain
Company Secretary

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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

1.1 STATEMENT OF COMPLIANCE:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

1.2 BASIS OF PREPARATION:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to such estimates is recognized in the period in which the same is determined.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

i) Useful lives of property, plant and equipment and intangible assets:

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

ii) Impairment testing:

Property, plant and equipment and intangible assets that are subject to amortization / depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Income Taxes:

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

iv) Fair value measurement of financial instruments:

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

v) Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

1.4 SIGNIFICANT ACCOUNTING POLICIES:

1.4.1 REVENUE RECOGNITION:

Income from Operations:

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages, allied services relating to Hotel operation, including net income from telecommunication services and revenue from sale of petrol and allied products. Revenue is recognized upon rendering of the services and at the time of sale of petrol and allied products (net of discount and indirect taxes).

Interest Income:

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend:

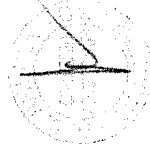
Dividend income is recognized when Company's right to receive the amount is established.

Other Income:

Revenue is accountant for in statement of Profit and Loss on accrual basis.

1.4.2 PROPERTY, PLANT AND EQUIPMENT:

- a) Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment losses if any. Expenditure directly attributable to construction is accumulated as Capital Work In Progress till the time assets are ready for commercial use and is allocated to the relevant fixed assets on a pro-rata basis in the ratio of the prime cost of such assets.
- b) Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

- c) Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- d) The assets' useful lives and residual values are reviewed at the Balance Sheet date and effects of any changes in estimates are accounted for on a prospective basis.

Class of Assets	Estimated Useful Life
Buildings	60 years
Ownership Flats	60 years
Plant and Machinery	15 years
Furniture, Fixtures and Office Equipment	8 years
Vehicles	8 years
Computers	6 years

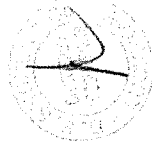
- e) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.
- f) For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- g) Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

1.4.3 INTANGIBLE ASSETS:

Intangible assets include cost of trademark and computer software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful lives used for amortizing intangible assets are as under:

Class of Assets	Estimated Useful Life
Trademarks	10 years
Computer Software	10 years



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

Transition to Ind AS on transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

1.4.4 IMPAIRMENT OF ASSETS:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount and impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For this purpose the recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

1.4.5 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which those are incurred.

1.4.6 FOREIGN CURRENCY TRANSACTIONS:

a) Functional and presentation currency:

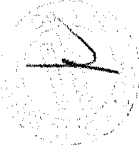
The functional currency and presentation currency of the Company is Indian Rupee (₹).

b) Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

c) Subsequent Recognition:

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognized in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

1.4.7 ASSETS TAKEN ON LEASE:

OPERATING LEASE:

Assets taken on Operating Lease in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.4.8 INVENTORIES:

Inventories are valued at cost or net realizable value, whichever is lower, on First In First Out method except in the case of linen / curtain / cutlery & crockery in rooms and outlets, which are being valued at cost irrespective of their net realizable value.

1.4.9 EMPLOYEE BENEFITS:

a) Short-term Obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Post-Employment Obligations:

The company operates the following post-employment benefit schemes:

Gratuity obligations

Maintained as a defined benefit retirement plan, the liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Leave encashment on termination of service

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Provident Fund

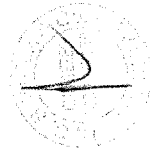
The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognizes such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Employee.

1.4.10 FINANCIAL INSTRUMENTS:

a. Financial assets:

Initial recognition and measurement:

Financial assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification:

Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Debt Instruments:

The Company classifies its debt instruments as 'Subsequently measured at amortized cost', 'Fair value through Other Comprehensive Income' or 'Fair value through profit or loss' based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

i. Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

ii. Financial assets at Fair Value through Other Comprehensive Income ("FVOCI"):

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

iii. Financial assets at Fair Value through Statement of Profit and Loss ("FVTPL"):

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

De-recognition:

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

b. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs, in the case of financial liabilities not at fair value through profit or loss.

Subsequent measurement:

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized, and during amortization.

De-recognition:

A financial liability is de-recognized 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in Statement of Profit and Loss.

c. Impairment of Financial Assets:

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is/are impaired. Ind AS-109 on Financial Instruments requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognizes expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

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SAHARA HOSPITALITY LIMITED
NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND
JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING
PRONOUNCEMENTS:

1.4.11 INCOME TAXES:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity, respectively.

a. Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates at the end of the reporting period in the countries where the Company operates and generates taxable income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

b. Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of the goodwill. The deferred income tax is also not accounted for, if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, when at the time of the transaction, neither accounting profit nor taxable profit / (taxable loss) is affected.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets positions are reviewed at each reporting date and are recognized / reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences between the carrying amount and the tax bases of investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

1.4.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

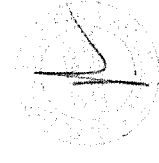
Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the company are not recognized but disclosed in the financial statements. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

1.4.13 STATEMENT OF CASH FLOWS:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash flows for the year are classified by operating, investing and financing activities.



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SAHARA HOSPITALITY LIMITED**NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:****1.4.14 EARNINGS PER SHARE:**

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares, if any.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

1.4.15 SEGMENTAL REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

1.4.16 RECENT ACCOUNTING DEVELOPMENTS:**Standards issued but not yet effective:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company.

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2. PROPERTY, PLANT AND EQUIPMENT:

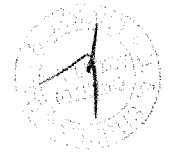
Nature of Assets	Gross Blocks (At Cost)		Accumulated Depreciation		Carrying Value	
	As at April 1, 2016	As at April 1, 2016	As at April 1, 2016	As at April 1, 2016	As at March 31, 2017	As at March 31, 2016
	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)
Tangible Assets:	Buildings (On Leasehold Land)	1,14,545.24	16.76	1,14,669.29	5,230.03	1,902.65
	Ownership Flats (Freehold)	154.40	-	154.40	2.42	34.78
Plant and Equipment	22,814.50	99.21	22,912.01	1,562.07	4,876.97	1,562.07
Furniture, Fixtures and Office Equipments	24,408.45	233.58	24,532.47	2,950.00	2,483.50	2,950.00
Vehicles	76.98	-	76.98	12.12	45.73	12.12
Computers	157.99	11.57	169.56	23.47	125.16	23.47
Total (A)	1,62,157.56	485.17	1,62,514.71	13,262.67	5,986.23	5,986.23
Intangible Assets:	Trademarks	0.46	-	0.46	0.27	0.04
	Computer Software	197.66	7.89	205.55	107.10	16.91
Total (B)	198.12	7.89	206.01	107.37	16.95	14.20
Capital Work In Progress (C)	-	17.93	-	-	-	-
Total (A+B+C)	1,62,355.68	510.99	1,62,738.65	13,370.04	6,003.18	7,01.67
Previous Year	1,57,460.11	67,609.78	62,714.22	11,260.84	3,969.20	1,859.99
	1,48,985.63	1,44,067.10	1,48,985.63	13,370.05	1,48,985.63	1,46,199.28

Footnote:

Excess depreciation charged in the earlier years of ₹ 701.22 Lakhs as per physical verification report of fixed assets, now adjusted in F.Y.2016-17. ** Assets which are found to be scrapped and not found during the course of physical verification of fixed assets amounting to ₹ 32.90 lakhs has been disposed off from the books during the current financial year 2016-17. # Additions/Adjustments during the period and Deductions/Retirement during the period includes ₹ 72.21 Lakhs which is wrongly capitalized under the head Furniture, Fixtures and Office Equipments in the financial year 2015-16, which is actually being in the nature of the Building hence rectified accordingly. Further, Deductions/Retirement during the period include ₹ 22.91 Lakhs which has been excess capitalised in the previous financial year 2015-16, hence rectified accordingly.

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2. PROPERTY, PLANT AND EQUIPMENT:

Nature of Assets	As at April 1, 2015		For the year ending March 31, 2016		As at March 31, 2016		As at March 31, 2015	
	Balance as at April 1, 2015	Balance as at March 31, 2015	Balance as at April 1, 2015	Balance as at March 31, 2015	Balance as at April 1, 2015	Balance as at March 31, 2015	Balance as at April 1, 2015	Balance as at March 31, 2015
Gross Blocks (At Cost)	1,14,545.24	1,14,545.24	3,977.62	1,252.41	5,230.03	1,09,315.20	70,783.23	70,783.23
Accumulated Depreciation	1,14,545.24	1,14,545.24	3,977.62	1,252.41	5,230.03	1,09,315.20	70,783.23	70,783.23
Buildings (On Leasehold Land)	74,760.85	74,760.85	39,784.98	-	-	34.78	154.40	154.40
Ownership Flats (Freehold)	-	-	-	-	-	34.78	154.40	154.40
Plant and Equipment	6,231.58	6,231.58	9.88	3,625.20	2.60	119.62	122.22	122.22
Furniture, Fixtures and Office Equipments	14,835.72	14,835.72	1,823.63	1,395.27	1,823.63	17,937.53	12,967.60	12,967.60
Vehicles	-	-	49.30	13.08	18.65	21,458.45	8,018.00	8,018.00
Computers	34.11	34.11	8.70	23.73	8.70	32.83	44.33	44.33
Total (A)	60,885.79	60,885.79	1,858.86	3,948.74	1,858.86	148,894.88	91,957.83	91,957.83
Intangible Assets:								
Trademarks	0.46	0.46	0.29	0.06	0.08	0.27	0.19	0.25
Computer Software	4.88	4.88	87.75	20.40	1.05	107.10	90.56	106.08
Total (B)	4.88	4.88	88.04	20.46	1.13	107.37	90.75	106.33
Capital Work in Progress (C)	6,719.11	6,719.11	-	-	-	-	-	-
Total (A+B+C)	67,609.78	67,609.78	62,714.22	3,969.20	1,859.99	13,370.04	1,48,985.63	1,48,199.28
Previous Year	80,859.82	80,859.82	65,541.41	2,715.31	1,217.24	11,260.83	1,46,199.28	1,32,378.94

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3 OTHER FINANCIAL ASSETS:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Loan to Staff	14.80	14.45	18.59
Insurance Claim Receivable	8.39	8.39	8.76
Accounts Receivable -Others	245.11	245.11	245.11
Deposit with SEBI under "SEBI Sahara Refund Account" (Refer Note no. 30)	99.00	-	-
Fixed Deposit with Maturity after twelve months	21.86	42.73	137.93
TOTAL	389.16	310.68	410.39

4 DEFERRED TAX ASSETS (NET):

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Deferred Tax Assets			
Unabsorbed Depreciation	14,503.12	7,643.11	4,190.02
Disallowance U/s 43 B of the Income Tax Act, 1961	85.88	88.97	27.84
	14,589.00	7,732.08	4,217.86
Less:			
Deferred Tax Liability	10,039.74	7,515.80	3,486.29
Fixed Assets	10,039.74	7,515.80	3,486.29
Total	4,549.26	216.28	731.57

5 OTHER NON-CURRENT ASSETS:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Staff Advance	18.55	20.24	29.27
Capital Advances	493.73	284.23	1,671.91
Other Advances and receivables	172.26	101.13	225.09
Advance Taxes	330.18	116.05	8.99
MAT Credit Entitlement	504.56	504.56	504.56
TOTAL	1,519.28	1,026.21	2,439.82

6 INVENTORIES:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Food and Beverages	161.28	168.22	152.94
Stores and Operating Supplies	1,628.68	1,616.37	1,734.21
Petrol and Allied Products	11.23	11.16	31.51
TOTAL	1,801.19	1,795.75	1,918.66

7 TRADE RECEIVABLES:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Unsecured:			
Considered Good	1,312.46	1,060.54	794.03
Considered Doubtful	91.53	25.31	25.31
Less : Allowance for Doubtful Receivables	(91.53)	(25.31)	(25.31)
(Refer Footnote)			
TOTAL	1,312.46	1,060.54	794.03



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Footnote:

Allowance for Doubtful Receivables:

Particulars	As at	
	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Opening Balance	25.31	25.31
Add: Allowance during the year	68.02	-
Less: Reversal of allowances no longer required	1.80	-
TOTAL	91.53	25.31

8 CASH AND CASH EQUIVALENTS:

Particulars	As at		As at	
	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	April 01, 2015 (₹ Lakhs)
Balance with Banks	22.32	315.82	184.39	184.39
Cheques on Hand	5.40	9.94	45.26	45.26
Cash on Hand	14.32	25.41	14.00	14.00
TOTAL	42.04	351.17	243.65	243.65

9 OTHER BANK BALANCE:

Particulars	As at		As at	
	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	April 01, 2015 (₹ Lakhs)
Fixed Deposit with Banks Maturity within less than twelve months (held by Bank as margin money for Guarantees & Letter of Credit given)	119.79	136.72	136.72	184.76
TOTAL	119.79	136.72	136.72	184.76

10 OTHER FINANCIAL ASSETS:

Particulars	As at		As at	
	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	April 01, 2015 (₹ Lakhs)
Security Deposit: With Others	33.88	40.65	40.65	31.95
Interest Accrued but not Due	0.79	2.12	2.12	1.97
TOTAL	34.67	42.77	42.77	33.92

11 OTHER CURRENT ASSETS:

Particulars	As at		As at	
	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	April 01, 2015 (₹ Lakhs)
Prepaid Expenses	145.07	148.54	148.54	97.19
TOTAL	145.07	148.54	148.54	97.19

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

12 EQUITY SHARE CAPITAL:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Authorised Share Capital						
Equity Shares of ₹10/- each	7,00,00,000	7,000.00	7,00,00,000	7,000.00	7,00,00,000	7,000.00
	7,00,00,000	7,000.00	7,00,00,000	7,000.00	7,00,00,000	7,000.00
Issued, Subscribed & Paid up Capital						
Equity Shares of ₹10/- each fully paid up (Refer Footnote i to v)	5,71,12,047	5,711.20	5,71,12,047	5,711.20	5,71,12,047	5,711.20
Total	5,71,12,047	5,711.20	5,71,12,047	5,711.20	5,71,12,047	5,711.20

Footnote:

(i) **Par Value per share:**

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each.

(ii) **Share Holding:**

All the Equity Shares are held by Sahara Prime City Limited - Holding Company and its Nominees.

(iii) **Reconciliation of the shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Equity Shares at the beginning of the year	5,71,12,047	5,711.20	5,71,12,047	5,711.20	5,71,12,047	5,711.20
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares Bought Back during the year	-	-	-	-	-	-
Equity Shares at the end of the year	5,71,12,047	5,711.20	5,71,12,047	5,711.20	5,71,12,047	5,711.20

(iv) **Rights, preferences and restrictions attached to equity shares:**

(a) The holders of the Equity Shares are entitled to receive dividend as and when declared from time to time, and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

(b) 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.

(v) **The details of Shareholders holding more than 5% shares in the Company:**

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Sahara Prime City Limited including Nominees	5,71,12,047	100.00%	5,71,12,047	100.00%	5,71,12,047	100.00%

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SAHARA HOSPITALITY LIMITED

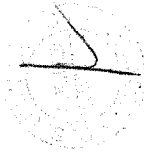
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

13 OTHER EQUITY:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Securities Premium Account			
Opening Balance	30,072.41	30,072.41	
Add: Addition during the year	-	-	
Closing Balance	30,072.41	30,072.41	30,072.41
Retained Earnings			
As per last balance sheet	(10,635.27)	(619.57)	
Add: Profit/(Loss) for the year from Statement of Profit and Loss	(10,429.58)	(10,015.70)	
Closing Balance	(21,064.85)	(10,635.27)	(619.57)
Other Comprehensive Income (OCI)			
As per last balance sheet	(10,959.78)	-	
Add: Change in fair value of Preference Shares	-	(10,953.01)	
Add: Actuarial Gain/(Loss)	(9.58)	(6.77)	
Closing Balance	(10,969.36)	(10,959.78)	-
Total	(1,961.80)	8,477.36	29,452.83

14 BORROWINGS:

Particulars	As at March 31, 2017 (₹ Lakhs)		As at March 31, 2016 (₹ Lakhs)		As at April 01, 2015 (₹ Lakhs)	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Preference Share Capital						
Authorised						
Preference Shares of ₹10/- each	68,00,00,000	68,000.00	68,00,00,000	68,000.00	68,00,00,000	68,000.00
	68,00,00,000	68,000.00	68,00,00,000	68,000.00	68,00,00,000	68,000.00
Issued, Subscribed & Paid up Capital						
0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares of ₹10/- each fully paid up	57,25,00,000	79,852.41	57,25,00,000	73,798.20	57,25,00,000	57,250.00
Secured						
Term Loan From Bank- I		1,497.30		0.00		1,630.50
Term Loan From Bank- II		28,041.91		24,660.64		27,660.89
Term Loan From Bank- III		21,635.55		19,315.57		9,572.22
		51,174.86		43,976.21		38,863.61
(Refer Footnote I to x)						
Total		1,31,027.27		1,17,774.41		96,113.61



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Footnote:

(i) Par Value per share:

The Authorised, Issued, Subscribed and Fully paid-up preference share capital comprises non-cumulative, optionally convertible, redeemable preference shares having a par value of ₹ 10 each.

(ii) Share Holding:

46,85,00,000 Preference Shares are held by Sahara Prime City Limited - Holding Company, 7,40,00,000 Preference Shares are held by Sahara Q Shop Unique Products Range Limited and 3,00,00,000 Preference Shares are held by Sahara Credit Co-Operative Society Limited.

(iii) Reconciliation of the preference shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Preference Shares at the beginning of the year	57,25,00,000	73,798.20	57,25,00,000	57,250.00	55,60,00,000	55,600.00
Add: Shares Issued during the year of the face value of ₹ 10 each	-	-	-	-	3,00,00,000	3,000.00
Add: Interest Expense on Preference Shares	-	6,054.21	-	5,595.19	-	-
Add: Fair Value of Preference Shares	-	-	-	10,953.01	-	-
Less: Shares Redeemed during the year	-	-	-	-	1,35,00,000	1,350.00
Preference Shares at the end of the year	57,25,00,000	79,852.41	57,25,00,000	73,798.20	57,25,00,000	57,250.00

(iv) Rights, preferences and restrictions attached to preference shares:

(a) The holders of Preference Shares are entitled to receive 0.05% dividend of the face value as and when declared.

(b) 0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares will be redeemed or converted upon exercising the option. The redemption will be at ₹ 22/- per share after 10 years with the call option for premature redemption at a price equivalent to 12% per annum or part thereof on issue price or converted at book value per share or at Enterprise Value per share or at a price mutually agreed by parties.

(c) 0.05% Non-Cumulative Preference Shares that are Optionally Convertible or Redeemable at ₹ 22/- per share after the expiry of 10 years from the date of issue of such shares. We presume that contractual obligation to deliver cash exists for redemption of such share at the above mentioned rate and the company cannot avoid the outflow of cash at the end of 10 year. Therefore, the preference shares have been classified as a financial liability at Amortized Cost using Effective rate of interest and has accordingly been disclosed in the Balance Sheet under "Borrowings".

(v) The details of Preference Shareholders holding more than 5% shares:

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Sahara Prime City Limited	46,85,00,000	81.83%	46,85,00,000	81.83%	46,85,00,000	81.83%
Sahara Q Shop Unique Products Range Limited	7,40,00,000	12.93%	7,40,00,000	12.93%	7,40,00,000	12.99%
Sahara Credit Co-Operative Society Limited	3,00,00,000	5.24%	3,00,00,000	5.24%	3,00,00,000	5.24%

(vi) Term Loan From Bank -i:

Rupee Term loan from consortium of lenders namely Union Bank of India, UCO Bank, Bank of Baroda and Andhra Bank, secured by mortgage and pari passu charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company, Corporate Guarantee of Sahara Prime City Limited (as per the Loan agreement dated 14th February, 2005 and amendatory agreement dated 7th September 2006 and further amendatory agreement dated 29th January, 2013).

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(vii) Term Loan From Bank - II:

Rupee Term loan from consortium of lenders namely Union Bank of India, Bank of Baroda, UCO Bank, Andhra Bank, IDBI Bank Limited, Corporation Bank and Karnataka Bank, secured by mortgage and pan passu charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company, Corporate Guarantee of Sahara Prime City Limited (as per the Loan agreement dated 3rd March, 2010 and addendum number 1 and 2 dated 28th January, 2013 and 22nd August, 2014 respectively).

(viii) Term Loan From Bank - III:

Rupee Term loan from consortium of lenders namely Union Bank of India, UCO Bank, Andhra Bank, Corporation Bank and Central Bank of India, secured by mortgage and charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company and irrevocable Corporate Guarantee of Sahara Prime City Limited (as per the common loan agreement dated 28th January, 2013 and addendum number 1 to common loan agreement dated 29th July, 2015).

The company in the consortium meeting held on 28th June, 2016 requested the term loan consortium member banks of Phase I, Phase II and Phase III for implementation of Flexible debt structuring scheme of Reserve bank of India and the same was implemented as per amendatory agreement dated 28th Nov, 2016.

Interest rates are linked to Lead Bank (i.e. Union Bank of India) 1 year Marginal Cost of funds based Lending Rate (MCLR) plus margin and the loan is repayable in installments starting from September, 2016 and ending in December, 2028.

(ix) Default Period and Amount:

Period and amount of default as on the Balance Sheet date in repayment of borrowings and interest are as under:

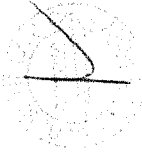
Particulars	Amount (₹ in Lakhs)			Period of Daily (In days)
	Borrowings	Interest	Total	
Term Loan From Bank-I				
For Jan-2017	0.27	16.42	16.69	60
For Feb-2017	0.27	15.09	15.36	50
For Mar-2017	0.27	16.57	16.84	60
Term Loan From Bank-II				
For Jan-2017	5.01	310.60	315.62	31
For Feb-2017	5.25	282.34	287.59	31
For Mar-2017	5.25	314.27	319.51	31
Term Loan From Bank-III				
For Jan-2017	4.55	241.35	245.90	1
For Feb-2017	4.55	218.75	223.30	1
For Mar-2017	4.55	243.86	248.42	1

(x) Maturity Profile of Secured Term Loans are as set out below:

Particulars	F.Y.2017-18 (₹ Lakhs)	F.Y.2018-19 (₹ Lakhs)	F.Y.2019-20 and Onwards (₹ Lakhs)
Term Loan From Bank- I	20.75	44.46	1,452.84
Term Loan From Bank- II	384.98	824.95	27,177.13
Term Loan From Bank- III	297.50	637.50	20,998.15

15 OTHER FINANCIAL LIABILITIES:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
	Security and Other Deposits	983.86	992.77
Deferred Income (Security Deposit)	491.20	603.67	-
Payable to Contractors	4,981.73	5,761.98	5,355.29
Retention Money	1,621.70	1,636.01	2,549.06
Others	91.63	81.53	81.53
TOTAL	8,170.12	9,075.96	9,282.68



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

16 PROVISIONS:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
<u>Provision for Employee Benefits</u>			
Provision for Leave Encashment	27.79	23.05	22.13
Provision for Gratuity	75.18	61.42	-
Provision for Bonus	9.60	-	-
Total	112.58	84.47	22.13

17 OTHER NON-CURRENT LIABILITIES:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Security Deposit with Government Authorities and Other Deposits	2,791.49	1,075.33	194.41
Total	2,791.49	1,075.33	194.41

18 BORROWINGS:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Current Portion of Long-Term Borrowings	703.23	6,969.61	5,533.37
<u>Short-term borrowings</u>			
Secured			
Loans Repayable on Demand	2,067.18	1,424.05	2,049.96
Rupee Loan (refer footnote (i))			
<u>Unsecured</u>			
Loans Repayable on Demand			
From Others	150.00	200.00	250.00
Rupee Loan			
Total	2,920.41	8,593.66	7,833.33

Footnotes :

(i) Rupee Loan from Banks consists of Working Capital facilities. These are secured by way of hypothecation of all book debts, inventories, stocks, both present and future of the company. Cash credit is additionally secured by second charge of all the movable and immovable properties, both present and future, irrevocable corporate guarantee from M/s Sahara Prime City Limited.

19 TRADE PAYABLES:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
<u>Trade Payables</u>			
Micro and Small Enterprises (Refer Footnotes i & ii)	154.81	68.77	98.37
Others for Goods and Services	2,769.80	1,728.41	1,629.64
Total	2,924.61	1,797.18	1,728.01

Footnotes :

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



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(f) Disclosures relating to Micro and Small Enterprises are as under:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
(a) The Principal amount remaining unpaid to supplier as at the end of the accounting year.	154.81	68.77	98.37
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year.	-	-	-
(c) The amount of interest paid in terms of section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-	-

20 OTHER FINANCIAL LIABILITIES:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Deferred Income (Security Deposit)	146.92	187.20	-
Current Financial Liabilities - Others	288.31	222.44	867.46
TOTAL	435.23	409.64	867.46

21 SHORT TERM PROVISIONS:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
<u>Provision for Employees Benefits (refer note 28)</u>			
Provision for Gratuity	4.65	1.84	10.36
Provision for Leave Encashment	4.56	2.57	2.50
<u>Provision - Other</u>	9.21	4.41	12.86
Provision for Wealth Tax	-	-	0.14
Total	9.21	4.41	13.00

22 OTHER CURRENT LIABILITIES:

Particulars	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 01, 2015 (₹ Lakhs)
Statutory Dues and Other Accruals	1,075.81	243.64	1,195.88
Advance from Customers	304.36	337.67	123.94
Other Advances	459.53	489.36	514.88
Total	1,839.70	1,070.67	1,834.71

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

23 REVENUE FROM OPERATIONS:

Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Room Income	5,663.02	5,471.44
Food and Beverages	7,827.24	6,954.06
Banquet Rentals	1,669.00	1,365.41
Other Rentals	221.61	58.14
Sale of Petrol and Allied Products	5,524.33	5,332.13
Other Services	264.18	320.89
Total	21,159.38	19,502.07

24 OTHER INCOME:

Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Interest Income (Gross)		
On Deposit with Banks and Post office	17.15	23.18
On Others	0.83	1.30
	17.98	24.48
Net Gain On Foreign Currency Transaction	3.77	3.22
Other Non-Operating Income	187.97	18.64
Unwinding of deferred income on security deposits accepted	152.74	152.74
Excess Depreciation Charged in earlier years (Refer note 2)	701.54	-
Total	1,064.00	199.08

25 COST OF MATERIALS CONSUMED

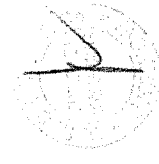
Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Consumption of Food, Beverages and Smokes	2,232.36	1,993.19
Consumption of Stores and Supplies	355.40	341.40
Consumption of Petrol and Allied Products	5,367.88	5,182.05
Total	7,955.64	7,516.64

26 EMPLOYEE BENEFITS EXPENSE:

Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Salaries and Wages	1,647.28	1,062.75
Contribution to Provident and Other Funds	63.80	49.65
Staff Welfare Expenses	225.08	98.83
Total	1,936.16	1,211.23

27 FINANCE COSTS:

Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Interest Expense on Borrowings	7,056.67	4,673.79
Interest Expense on Preference Shares	6,054.21	5,595.19
Other Borrowing Costs	119.27	13.26
Interest cost on fair valuation of security deposit	121.20	106.27
Total	13,351.35	10,388.51



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

28 OTHER EXPENSES:

Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Operating Expenses		
Fuel, Power, Light and Water Charges	1,539.68	1,064.29
Soft Furnishings and Laundry Charges	291.17	228.48
Payment for Outsourced Services	1,421.56	1,308.85
Repairs to Buildings	391.28	209.68
Repairs to Plant and Machinery	610.85	472.56
Repairs to Others	107.29	115.63
Commission on Sales	542.43	331.68
Guest Transportation	84.04	115.76
Advertisement, Publicity and Marketing	170.88	115.26
Other Operating Expenses	956.92	778.52
	6,116.10	4,740.71
General Expenses		
Printing and Stationery	84.89	94.58
Lease Rent	595.83	669.74
Licence Fees	77.77	73.12
Rates and Taxes	255.18	255.06
Insurance	78.03	70.58
Auditors' Remuneration (Refer Footnote)	3.00	3.02
Professional and Retainership Fees	432.21	209.17
Doubtful Debts Provision	96.60	-
	1,623.51	1,375.27
Total	7,739.61	6,115.98

Footnote:

Auditors Remuneration:

Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Audit Fees	2.25	2.25
Tax Audit Fees	0.75	0.75
Other Matters	-	0.02
Total	3.00	3.02



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

29. Contingent Liabilities (to the extent not provided for):

a) In respect of claims against the Company:

	2016-17 (₹ Lakhs)	2015-16 (₹ Lakhs)
Bank Guarantees issued on behalf of the Company	346.55	376.20
Other Money for which the company is Contingently liable -Letter of Credit	40.50	510.41

In respect of Bank Guarantees and Letter of Credit, the Company has given Counter Guarantee to Union Bank of India for the entire non-fund based facility of ₹ 2,000.00 Lakhs (Previous Year ₹ 2,000.00 Lakhs).

b) The Company had raised in the past a claim of ₹ 235.67 Lakhs, based on independent professional report, on Hotel Corporation of India Limited who had raised a counter claim of ₹ 439.15 Lakhs which the Company had not accepted. The matter had been under arbitration and on 19th April 2011, the Hon'ble Arbitral Tribunal had awarded a sum of ₹ 188.49/- Lakhs together with interest at State Bank of India prime lending rate plus 2% per annum from 15.08.2002 along with ₹ 40.00 Lakhs towards costs. The Company has challenged the said award before the Hon'ble High Court of Mumbai and on 08th May, 2015, the Arbitral award was set aside. The Hotel Corporation of India has preferred an appeal against the said Order of the High Court, which is admitted and pending for hiring. The Company has in the meantime invoked fresh arbitration claiming a sum of ₹ 235.67 lakhs plus interest on Hotel Corporation of India.

30. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for ₹ 55.31 Lakhs (Previous Year ₹ 284.23 Lakhs).

31. Employee Benefits:

a) The Company has recognized the following expenses as Defined Contribution Plan for the year which are as under:

	2016-17 (₹ Lakhs)	2015-16 (₹ Lakhs)
Employer's Contribution to Provident Fund	17.88	12.20
Employer's Contribution to Pension Scheme	24.37	21.89



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

b) Employees' gratuity obligation, which is a defined benefit plan, is met by the company as and when the employees leave the organization. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation for leave encashment is recognized in the same manner as gratuity.

i) Gratuity Disclosure Statement as per Indian Accounting Standard 19 (Ind-AS 19) for the period 01/04/2016 – 31/03/2017:

	Current Period	Previous Period
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard – 19 (Ind AS 19)	Indian Accounting Standard – 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-04-2016	01-04-2015
Date of Reporting	31-03-2017	31-03-2016
Period of Reporting	12 Months	12 Months

Assumptions (Previous Period)	
Expected Return on Plan Assets	N.A.
Rate of Discounting	8.01%
Rate of Salary Increase	5.00%
Rate of Employee Turnover	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.

Assumptions (Current Period)	
Expected Return on Plan Assets	N.A.
Rate of Discounting	6.82%
Rate of Salary Increase	5.00%
Rate of Employee Turnover	For Service 4 years and below 20% p.a. ; For Service 5 years and above 5% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Gratuity (Unfunded)	
	2016-17 (₹ Lakhs)	2015-16 (₹ Lakhs)
a) Change in the Present Value of Projected Benefit Obligation:		
Present Value of Benefit obligation at the beginning of the year.	63.25	59.84
Current Service Cost	9.37	8.89
Interest Cost	5.07	4.80
Past Service Cost	-	-
Benefit Paid from the fund	-	(3.15)
Benefit Paid Directly by the Employer	(7.43)	(9.93)
Actuarial Gains/(Losses) on Obligations – Due to change in Demographic Assumptions	2.91	-
Actuarial Gains/(Losses) on Obligations – Due to change in Financial Assumptions	7.60	0.14
Actuarial Gains/(Losses) on Obligations – Due to Experience	(0.93)	2.65
Present Value of Benefit obligation at the end of the period	79.85	63.25
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the period	-	49.48
Expected Return on Plan Assets	-	3.97
Contributions by the Employer	-	(46.33)
Benefits Paid from the fund	-	(3.15)
Return on Plan Assets, Excluding Interest Income	-	(3.97)
Fair Value of Plan assets at year end of the period	-	Nil
c) Reconciliation of fair value of assets and Obligations		
Fair value of plan assets at the end of the Period	(79.85)	(63.25)
Present value of obligation at the end of the Period	(79.85)	(63.25)
Funded Status (Surplus/(Deficit))	(79.85)	(63.25)
Net Asset / (Liability) recognized in Balance Sheet		

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	2016-17 (₹Lakhs)	2015-16 (₹Lakhs)
d) Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	63.25	59.84
Fair Value of Plan Assets at the beginning of the Period	-	(49.48)
Net Asset/(Liability) at the Beginning	63.25	10.36
Interest Cost	5.07	4.80
(Interest Income)	-	(3.97)
Net Interest Cost for the Current Period	5.07	0.83
e) Expenses recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	9.37	8.89
Net Interest Cost	5.07	0.83
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognized	14.43	9.72
f) Expenses recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation for the Period	9.58	2.80
Return on Plan Assets, Excluding Interest Income	-	3.97
Change in Asset Ceiling	-	-
Net Income/(Expense) for the period recognized in OCI	9.58	6.77

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SAHARA HOSPITALITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

ii) The Company has made provision for leave salary on actuarial valuation basis. This being retirement benefit, an obligation to pay this amount might arise at the time of separation of the employees. The breakup of the same is as under:

Nature of obligation	Carrying amount at the beginning of the period (₹ Lakhs)	Additional provisions made during the year (₹ Lakhs)	Amounts incurred and charged against the provision during the period (₹ Lakhs)	Unused amounts reversed during the period (₹ Lakhs)	Carrying amount at the end of the period (₹ Lakhs)
FY 2016-17	25.63	8.56	(1.84)	-	32.35
FY 2015-16	24.64	4.15	(3.36)	0.20	25.63

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by actuary and has been relied upon by the auditors.

32. Operating Lease:

The land for the hotel is on Operating Lease (The fair value of the lease hold right of this land as per the valuation report of M/s Kanti Karamsey & Co., dated April, 2016 is ₹ 1,03,170.28 lakhs which has not been recognized as Fixed Assets as per Ind AS adopted during current financial year. Had the same been considered the gross value of Fixed assets would have been ₹ 2,65,891.00 Lakhs). The total lease rent including Minimum Guaranteed Annual Payment, on the same amounting to ₹ 595.83 Lakhs (Previous year ₹ 669.74 Lakhs) is recognized during the year. The lease rental including Minimum Guaranteed Annual Payment of future lease rental payables in respect thereof are as follows:-

Particulars	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
Not Later than One Year	782.99	591.56
Later than one year but not later than 5 years	3,289.15	3,214.42
Later than 5 years	11,443.51	12,301.24

33. Quantitative information in respect of petrol and high-speed diesel:

	2016-17 (in Litres)	2015-16 (in Litres)
Opening Stock	15,886	48,894
Purchases	87,12,000	90,52,000
Turnover *	87,02,974	90,85,008
Closing Stock	24,912	15,886

* After adjusting evaporation loss of 15,024 Litres (Previous year 20,837 Litres)



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

34. CIF Value of Imports:

	2016-17 (₹ Lakhs)	2015-16 (₹ Lakhs)
Inventory	23.30	78.19
Capital Goods	135.92	170.24

35. Expenditure in Foreign Exchange:

	2016-17 (₹ Lakhs)	2015-16 (₹ Lakhs)
Travelling	Nil	1.20
Professional Consultancy Fees & other matters	11.39	17.15
Commission	186.80	131.42

36. Earnings in Foreign Exchange:

	2016-17 (₹ Lakhs)	2015-16 (₹ Lakhs)
Revenue Receipts	1,948.95	1,937.12

37. In the matter of dispute in respect of repayment of Optionally Fully Convertible Debentures (OFCDs) by two group companies namely M/s Sahara India Real Estate Corporation Limited and Sahara Housing Investment Corporation Limited, the Hon'ble Supreme Court of India by its order dated 21st November 2013, had directed that both of the above companies as well as group companies and its promoters shall not part with any movable and immovable property till further orders. However, properties or bank accounts of the company have not been attached / frozen by the Securities and Exchange Board of India (SEBI) and the Hotel is continuing operation in the normal course of business. As on date, the aforesaid case is pending before the Hon'ble Supreme Court of India. Further, the company has deposited ₹ 99.00 lakhs in "SEBI Sahara Refund Account" during the current financial year i.e. 2016-17.

38. Related Party Disclosures:

Related Party Disclosures, as required by "Indian Accounting Standard: 24 (Ind AS-24)" are given below:

- Holding Company: Sahara Prime City Limited.
- Individuals having control over the Company: Shri Subrata Roy Sahara, Director.
- Key Management Personnel: Shri Vivek Kumar (Chief Executive Officer), Mr. Nitin Prajapati (Chief Financial Officer) and Mr. Abhishek Jain (Company Secretary).

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SAHARA HOSPITALITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Details of related parties and transactions during the year ended March 31, 2017:

- Enterprises over which persons specified in (b) and (c) above, have significant influence:

Sr. No.	Name
1.	Sahara India Commercial Corporation Limited
2.	Sahara India Financial Corporation Limited
3.	Aamby Valley Limited
4.	Sahara India (Firm)
5.	Sahara One Media and Entertainment Limited
6.	Sahara Pure Eatables Corporation Limited
7.	Sahara Global Design Studio Limited
8.	Sahara Asset Management Company Private Limited
9.	Sahara Global Mastercraft Limited
10.	Sahara Adventure Sports Limited
11.	Sahara India CAPSAC Limited
12.	Sahara Q Shop Unique Products Range Limited
13.	Sahara Universal Minings Corporation Limited
14.	Sahara Infrastructure and Housing Limited
15.	Sahara India Mass Communication (Firm)
16.	Sahara India Limited
17.	Aamby Valley Airport Project Limited
18.	Qing Amby City Developers Corporation Limited
19.	Aamby Valley Global Sports Limited
20.	Aamby Valley Green Golf Limited
21.	Aamby Valley Mega Retails Limited
22.	Aamby Entertainment Services Limited
23.	AVL Canal Limited
24.	AVL Land Holdings Company Limited
25.	AVL Royal Apartments Limited
26.	AVL Villas Limited
27.	AVL Hotels and Resorts Limited
28.	Sahara Q Gold Mart Limited
29.	Sahara School Holding Limited
30.	Sahara Worldwide Limited
31.	Sudhir Chandra Sahara Sugar Industry Limited

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

DETAILS OF KEY MANAGERIAL PERSONNEL OF HOLDING COMPANY - 'SAHARA PRIME CITY LIMITED' FOR FINANCIAL YEAR 2016-17:

Name of the Key Managerial Personnel	Relationship
Shri Madhukar	Director
Shri Swapan Ghosh	Director
Shri Devi Dayal	Director
Shri Tapas Kumar Subodh Basak	Director
Shri Rana Zia	Director
Shri Amitesh Ahuja	Chief Executive Officer
Shri Rudra Nath Yadav	Chief Financial Officer

2. Details of related party transactions during the year ended March 31, 2017.

Description of transaction	Holding Company (₹ Lakhs)	Individuals having control over the Company (₹ Lakhs)	Key Management Personnel (₹ Lakhs)	Enterprise over which person specified in (b) and (c) above have significant influence. (₹ Lakhs)
Sales/ Rentals/ Misc	3.18	-	-	457.85
Income (including taxes)	(8.84)	(-)	(-)	(390.86)
Current liability	-	-	-	91.54
Remuneration	(-)	(-)	(-)	(28.22)
Paid/Payable(Gross)	(-)	(-)	250.56	-
			(233.44)	(-)

Note: Figures in bracket represent previous year amounts.

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3. Balance Outstanding as at March 31, 2017.

Description of transaction	Holding Company (₹ Lakhs)	Individuals having control over the Company (₹ Lakhs)	Key Management Personnel (₹ Lakhs)	Enterprise over which person specified in (b) and (c) above have significant influence. (₹ Lakhs)
Trade Receivable	7.58 (4.40)	- (-)	- (-)	362.23 (367.53)
Security Deposit	- (-)	- (-)	- (-)	62.32 (157.41)
Trade Payable	- (-)	- (-)	- (-)	11.99 (42.77)
Loans and Advances	- (-)	- (-)	- (-)	50.00 (50.64)
Other Payable	5.00 (5.00)	- (-)	- (-)	255.29 (25.63)

Note: Figures in bracket represent previous year amounts.

4. Statement of Material Transactions.

Name of the company	March 31, 2017 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)
I) Holding Company		
Sahara Prime City Limited		
> Sales of Services	3.18	8.84
II) Remuneration to Key Management Personnel		
Shri Vivek Kumar	226.89	219.40
Mr. Nitin Prajapati	11.71	9.44
Mr. Abhishek Jain	11.96	4.60
III) Enterprise over which persons specified in (b) and (c) above, have significant influence:		
Sahara Q Shop Unique Products Range Limited		
> Sales of Services	36.17	2.58
Sahara India (Firm)		
> Sale of Services	105.88	243.94
Sahara India Commercial Corporation Limited		
Sale of Services	50.01	72.49
Aamby Valley Limited		
> Sale of Services	246.29	63.90
> Current Liability	90.00	-

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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 201739. Segmental Reporting:

A. Primary Segment Report

Information about Business Segment

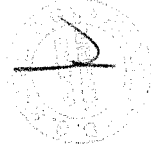
	2016-17 (₹ Lakhs)	2015-16 (₹ Lakhs)
Segment Revenue:		
a. Hotel	16,699.05	14,369.02
b. Income from Petrol Pump	5,524.33	5,332.13
Total Revenue	22,223.38	19,701.15
Segment Results:		
Profit before tax:		
a. Hotel	(10,520.35)	(21,054.72)
b. Petrol Pump	81.19	79.24
Total Profit	(10,439.16)	(20,975.48)
Other Information:		
Segment Assets		
a. Hotel	1,53,822.43	1,54,009.37
b. Petrol Pump	157.59	64.92
Total	1,53,980.02	1,54,074.29
Segment Liabilities		
a. Hotel	1,52,940.01	1,54,036.47
b. Petrol Pump	40.01	37.82
Total	1,53,980.02	1,54,074.29

B. Secondary Segment Report

The company primarily operates from Mumbai and does not have any other geographically located segment.

Notes: The above segment results for hotel include:

	2016-2017 (₹ Lakhs)	2015-2016 (₹ Lakhs)
a. Depreciation	6,003.18	3,969.20
	6,003.18	3,969.20



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

40. Earnings Per Share:

Particulars	2016-17	2015-16
Profit / (Loss) after Tax (₹ Lakhs)	(10,429.58)	(10,015.70)
Weighted No. of Equity shares:		
Basic	57,112,047	57,112,047
Diluted	57,112,047	57,112,047
Earnings / (Loss) Per Share		
Basic (₹)	(18.26)	(17.54)
Diluted (₹)	(18.26)	(17.54)
Face Value per Equity Share (₹)	10.00	10.00

41. Financial Instruments:

i. Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

Exposure to Credit Risk

The Company maintains exposure in cash and cash equivalents, term deposits with banks, government securities.

The Company maximum exposure to credit risk as at 31st March, 2017, 2016 and 1st April, 2015 is the carrying value of each class of financial assets.

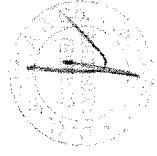
ii. Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. The company's liquidity is managed with own self generated cash flow.

Maturity Profile of Loans and Derivative Financial Liabilities as on 31st March 2017

Particulars	Carrying Amount	Contractual Cash Flow		
		0-12 Months	1-3 Years	Total
Non-Derivative Liabilities				
Borrowings	1,33,947.68	2,920.41	1,31,027.27	1,33,947.68
Trade Payables	2,924.61	2,924.61	-	2,924.61
Other Financial Liabilities	8,605.35	435.23	8,170.12	8,605.35

(₹ Lakhs)



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Maturity Profile of Loans and Derivative financial Liabilities as on 31st March 2016

Particulars	Carrying Amount	Contractual Cash Flow		
		0-12 Months	1-3 Years	Total
Non-Derivative Liabilities				
Borrowings	1,26,368.07	8,593.66	1,17,774.41	1,26,368.07
Trade Payables	1,797.18	1,797.18	-	1,797.18
Other Financial Liabilities	9,485.60	409.64	9,075.96	9,485.60

(₹ Lakhs)

42. Specified Bank Notes Disclosure:

Transactions by the company in Specified Bank Notes (SBNs) and in other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 during the period from November 8, 2016 to December 30, 2016 is given below:

Particulars	SBNs	OTHER DENOMINATION NOTES	TOTAL
Closing cash in hand as on 08.11.2016	8.09	0.50	8.59
(+) Permitted receipts	464.16	238.80	702.96
(-) Permitted payments	-	(15.02)	(15.02)
(-) Amounts deposited in Banks	(472.25)	(200.26)	(672.51)
Closing cash in hand as on 30.12.2016	-	24.02	24.02

43. Necessary provision for Trade Receivables, Loans and Advances which were not considered as good has been made and balance amount has been considered as good and recoverable and are taken at book value because their carrying amounts are reasonable approximation of fair value. The same are subject to confirmation, reconciliation and consequential adjustments, if any.

44. All Group company balances shown under Trade Receivables/Trade Payables/ Other Non-Current Financial Liabilities/ Other Current Liabilities are subject to reconciliation and confirmation and consequential adjustments, if any.

45. Miscellaneous expenses do not include any items of expenses which exceeds 1% of Revenue from Operation or ₹ 1, 00,000/- whichever is higher.

46. FIRST TIME ADOPTION OF Ind-AS:Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.



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Financial Statements

of

*SAHARA HOSPITALITY
LIMITED, Mumbai*

for the period

01-04-2017 to 31-03-2018

*D.S. Shukla & Co.,
Chartered Accountants*

*Head Office:
GF-2, Ekta Apartments, 125,
Chandralok, Aliganj, Lucknow*

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Independent Auditor's Report

TO THE MEMBERS OF SAHARA HOSPITALITY LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Sahara Hospitality Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

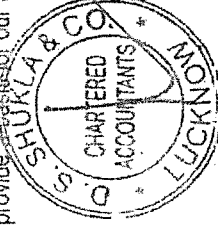
Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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



B.O.: New M.P. Building, Golghar, Gorakhpur - 273001, Phone : +91-551-2344587, Fax : +91-551-2334157

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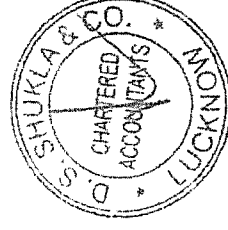
Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the "emphasis of matter"*, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

1. We draw attention to Note 42 & 43 to the Standalone Ind AS Financial Statements, which describes that the balances of Trade Receivables, Loans & Advances and all Group Company accounts whether in debit or in credit are subject to confirmation, reconciliation and consequential adjustments, if any, in the books of accounts. In view of non reconciliation and non confirmation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the Financial Statements of the Company.
2. Ind AS 16 (Property, Plant and Equipment) is based on the component approach. Under this approach, each major part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item should be depreciated separately. As per the management view, there are no such types of assets, hence, component approach is not applicable to the Company but the company is yet to provide any reasonable basis as to why component approach should not be applied to it? Hence, we are unable to comment upon the correctness of the approach applied by the company.
3. Reference is invited to Note 37 to the Standalone Ind AS financial statements regarding deposit of Rs. 9,900,000/- to Sahara-SEBI Refund account in the matter of dispute in respect of repayment of Optionally Fully Convertible Debentures (OFCDs) by two group companies, namely M/s Sahara India Real Corporation Limited & Sahara Housing Investment Corporation Limited as per Hon'ble Supreme Court vide its order dated 4th June, 2014. However, we are unable to ascertain whether this amount is fully recoverable or not and its further impact, if any, that may arise in case if this amount is subsequently determined to be doubtful of recovery.
4. During the Financial Year 2015-16, the Gratuity Trust in which company was making gratuity contribution was dissolved, and upon dissolution the Trust has refunded the amount pertaining to the company but company has neither created any Recognized Gratuity Fund Trust nor made any other arrangement to deposit this amount to any other recognized Gratuity Fund Trust.
5. Annual Return for Employer Contribution towards Professional Tax has not been filed till the Balance Sheet date.

Our opinion is not modified in respect of these matters.

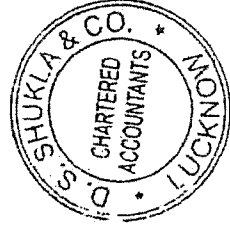


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of subsection (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements - Refer Notes 29 and 30 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.



For D.S.SHUKLA & CO.
Chartered Accountants
Firm Reg. No.: 000773C

(Signature)
(PRAVEEN KUMAR AGARWAL)
Partner

Place: Lucknow
Date: 06/09/2018

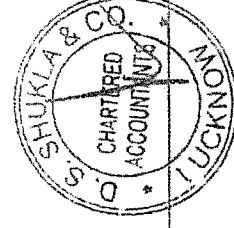
Membership No.: 416717

Annexure A to the Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

(i)	(a)	The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the above programme, the Company has verified certain fixed assets during the year and no discrepancies were noticed in respect of assets verified during the year.
	(c)	The Company is situated on a leasehold land, held by Airport Authority of India and title deed of the building structure is in the name of Sahara Hospitality Limited.
(ii)		The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification.
(iii)		According to the information and explanations given 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 Act. Therefore, the provisions of sub-clauses (a), (b) & (c) of paragraph 3(iii) of the Order are not applicable to the company.
(iv)		In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
(v)		In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
(vi)		According to the information and explanation given to us, no cost records have been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the Company. Hence no such accounts and records have been made and maintained.
(vii)	(a)	According to the information and explanations given to us and the records examined by us, 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 and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2018, for a period of more than six months from the date they became payable except the followings:

	(Rs. in Lacs)
Property Tax	361.25
Luxury Tax	237.80
Service Tax	295.67
TDS	245.09
WCT	58.34
GST	0.41
N.A. Tax	58.09
MLWF	0.01



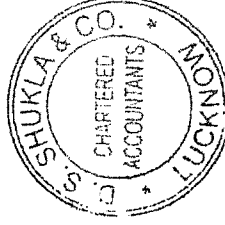
D.S. SHUKLA & CO.

CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok, Colony
Aliganj, Lucknow-226024
Phone & Fax : +91-522-42356996
E-mail : dsshuklaca@yahoo.co.in

(b)	According to the information and explanations given to us, there are no dues of income-tax, sales tax, customs duty, excise duty and value added tax outstanding on account of any dispute.
(viii)	Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in terms of delay in repayment of dues to Banks as detailed below: Delay in repayment of principal / interest as on 31/03/2018 amounted to Rs. 49.80 lakhs of Term Loan-I, Rs. 914.47 lakhs of Term Loan-II and Rs. 719.11 lakhs of Term Loan-III.
(ix)	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the records of the Company, outstanding balance of term loan at the beginning of the year and the proceeds during the year have been applied by the Company during the year for the purposes for which they were borrowed.
(x)	According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
(xi)	According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
(xii)	According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
(xiii)	According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
(xiv)	The Company has issued 14000000 Equity Shares on Preferential basis to Saharayn Universal Multi-Purpose Society Limited during the year under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
(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.
(xvi)	According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Place: Lucknow
Date: 06/09/2018



For D.S.SHUKLA & CO.
Chartered Accountants
Firm Reg. No.: 000773C

Praveen Kumar Agarwal
(PRAVEEN KUMAR AGARWAL)
Partner
Membership No. : 416717

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Praveen Kumar Agarwal

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ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (l) 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 **SAHARA HOSPITALITY LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company



D.S. SHUKLA & CO.

CHARTERED ACCOUNTANTS

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Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

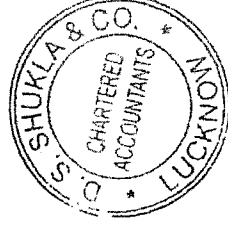
are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

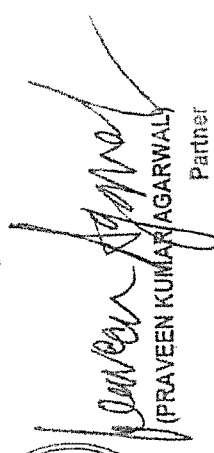
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 D.S.SHUKLA & CO.
Chartered Accountants
Firm Reg. No.: 000773C



(PRAVEEN KUMAR AGARWAL)
Partner

Membership No. :416717

Place: Lucknow

Date: 06/09/2018

B.O.: New M.P. Building, Goghar, Gorakhpur - 275001. Phone : +91-551-2344587, Fax : +91-551-2334157


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SAHARA HOSPITALITY LIMITED
Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		1,41,073.13	1,43,953.26
Capital Work-In-Progress	2	90.29	17.93
Intangible Assets			95.89
Financial Assets:			
Other financial assets		375.80	389.16
Deferred Tax Assets (Net)	3	3,741.77	4,548.26
Other Non-Current Assets	4	1,183.66	1,519.29
Total Non-Current Assets (I)	5	1,46,464.65	1,50,524.80
CURRENT ASSETS			
Inventories	6	1,694.72	1,801.19
Financial Assets:			
Trade Receivables	7	2,020.54	1,312.46
Cash and cash equivalents	8	86.54	42.04
Other Bank Balance	9	99.25	119.79
Other financial assets	10	41.18	34.67
Other Current Assets	11	161.57	145.07
Total Current Assets (II)		4,103.80	3,455.22
TOTAL ASSETS (I+II)		1,50,568.45	1,53,980.02
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	5,711.20	5,711.20
Other Equity	13	(13,905.73)	(1,961.80)
Total Equity (A)		(13,194.53)	3,749.40
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	1,35,998.37	1,31,027.27
Other Financial Liabilities	15	10,528.64	8,170.12
Provisions	16	73.62	112.58
Other Non-Current Liabilities	17	2,454.01	2,791.49
Total Non-Current Liabilities (B)		1,49,054.64	1,42,101.46
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	18	6,031.58	2,920.41
Trade Payables	19	4,164.04	2,924.61
Other Current Financial Liabilities	20	506.55	435.23
Provisions	21	42.70	9.21
Other Current Liabilities	22	3,963.47	1,839.70
Total Current Liabilities (C)		14,708.34	8,129.16
TOTAL LIABILITIES (D=B+C)		1,63,762.98	1,50,230.62
TOTAL EQUITY AND LIABILITIES (A+D)		1,50,568.45	1,53,980.02
Significant Accounting Policies	1		
Notes to Accounts	2-46		

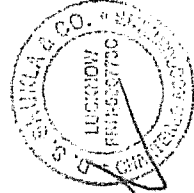
See accompanying Notes to Financial Statements.

As per our attached report of even date

For D.S.Shukla & Co.

Chartered Accountants

Firm Regn No. 000773C



Lawrence Agarwal
Partner
Membership No. : 416717

O.P. Srivastava
Director
DIN-00144000

Muneesh Sodhi
Chief Executive Officer

Nitin Prajapati
Chief Financial Officer

For and on behalf of the Board

J.B. Roy
Director
DIN-00432043

Abhishek Jain
Company Secretary

Place: Mumbai

Date: 06/09/2018

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SAHARA HOSPITALITY LIMITED
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Income:			
Revenue from Operations	23	21,423.44	21,159.38
Other Income	24	229.42	1,064.00
Total Income		21,652.86	22,223.38
Expenses:			
Cost of Materials Consumed	25	7,667.28	7,955.64
Employee Benefits Expense	26	1,927.19	1,935.16
Finance Costs	27	13,874.09	13,351.35
Depreciation and Amortization	2	5,892.68	6,003.18
Other Expenses	28	8,430.14	7,739.61
Total Expenses		37,791.38	36,985.94
Profit / (Loss) Before Tax		(16,138.52)	(14,762.56)
Tax Expense:			
Current Tax		807.50	(4,332.98)
Deferred Tax			
Profit / (Loss) for the year		(16,946.02)	(10,429.58)
Other Comprehensive Income		(2.09)	9.58
Items that will not be reclassified subsequently to profit or loss			
Actuarial (Gains) and Losses			
Total Comprehensive Income for the year		(16,943.93)	(10,439.16)
Earnings / (Loss) Per Equity Share:	40		
Basic (in ₹ per share)		(29.67)	(18.26)
Diluted (in ₹ per share)		(29.67)	(18.26)
Face value per Equity Share (in ₹)		10.00	10.00
Significant Accounting Policies			
Notes to Accounts			

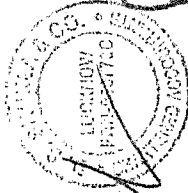
See accompanying Notes to Financial Statements.

As per our attached report of even date

For and on behalf of the Board

For D.S.Shukla & Co.

Chartered Accountants
Firm Regn No. 000773C



Praveen Kumar Agarwal
Partner
Membership No. : 416717

O.P. Srivastava
O.P. Srivastava
Director
DIN-00144000

A.B. Roy
A.B. Roy
Director
DIN-00432043

Muneesh Sodhi
Muneesh Sodhi
Chief Executive Officer

Nitin Prajapati
Nitin Prajapati
Chief Financial Officer

Abhishek Jain
Abhishek Jain
Company Secretary

Place: Mumbai

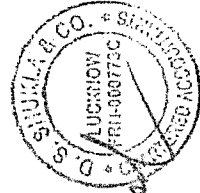
Dated: 06/09/2018

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SAHARA HOSPITALITY LIMITED
Cash Flow Statement for the year 2017-18

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before tax as per Profit and Loss Statements	(16,136.52)	(14,762.56)
Adjustment for:		
Depreciation and Amortization	5,892.68	6,003.18
Interest Expense on Preference Shares	6,665.73	6,054.21
Interest cost on fair valuation of security deposit	138.23	121.20
Interest Paid	7,070.13	7,175.94
Interest Income on Fixed Deposit and Others	(8.93)	(17.15)
Unwinding of deferred income on security deposit accepted	(152.74)	(152.74)
Excess provision no longer required	(23.39)	(153.45)
Excess Depreciation Charged in earlier years	-	(701.94)
Provision for Doubtful Debts and Advances	61.79	96.60
Provision for Employee Benefits	20.63	32.60
Unrealised Exchange Gain	(0.39)	(0.55)
Operating Profit before working capital changes	19,653.74	18,458.30
Adjustment for:		
(Increase)/Decrease in Trade Receivable	(708.09)	(251.92)
(Increase)/Decrease in Inventories	106.46	(5.44)
Increase/(Decrease) in Trade and Other Payable	3,110.91	3,662.29
(Increase)/Decrease Loans and Advances	317.12	(580.87)
Cash generated from operations	6,351.63	6,519.80
Direct Tax Paid	-	-
Net Cash from operating activities (I)	6,351.63	6,519.80
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Asset/ Capital work in progress	(3,006.26)	(438.78)
Bank Balance not considered as Cash and Cash Equivalents	20.54	16.94
Investment in Fixed Deposit	8.86	20.66
Interest Received on Fixed Deposit and Others	8.93	17.15
Net Increase in Other Creditors	2,314.41	(794.57)
Net Cash from investing activities (II)	(653.54)	(1,176.39)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Preference Shares	1,400.00	(7,175.94)
Interest Paid	(7,070.13)	(516.09)
Repayment of Long-Term Borrowings	(607.59)	1,448.32
Proceeds from Long-Term Borrowings	-	-
Short-Term Loan Raised/(Repaid) (Net)	624.12	593.13
Net Cash from financing activities (III)	(5,653.59)	(5,550.58)
Net Increase in Cash and Cash Equivalents (I+II+III)	44.50	(300.13)
Cash and Cash Equivalents at beginning of period	42.04	351.17
Cash and Cash Equivalents at end of period	86.54	42.04
Footnote :		
<u>Cash and Cash Equivalents at the end of the period</u>		
Cash in hand	7.16	14.32
Cheques in Hand	-	5.40
Others - Union Bank Rewards Points	2.54	-
Balance with Banks	76.84	22.32
In Current Account	-	-
In Fixed Deposit Account	86.54	42.04
Total		

As per our attached report of even date
For D.S.Shukla & Co.
Chartered Accountants
Firm Regn No. 000773C



Praveen Kumar
Partner
Membership No. 416717

For and on behalf of the Board

O.P. Srivastava
O.P. Srivastava
Director
DIN-00144000

Muneesh Sodhi
Muneesh Sodhi
Chief Executive Officer

J.B. Roy
J.B. Roy
Director
DIN-00432043

Abhishek Jain
Abhishek Jain
Company Secretary

Place: Mumbai
Date: 06/09/2018

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SAHARA HOSPITALITY LIMITED

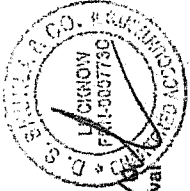
Statement of Changes in Equity for the year ended March 31, 2018

Particulars	Reserves and Surplus				Total
	Securities Premium	Other Comprehensive Income	Retained Earnings		
A) Equity Share Capital :					
As at April 1, 2017					5,711.20
Changes in Equity Share Capital during the year					
As at March 31, 2018					5,711.20
B Other Equity :					
Amount (₹ Lakhs)					
Particulars	Securities Premium	Other Comprehensive Income	Retained Earnings		Total
Balance at April 1, 2017	30,072.41	(10,969.36)	(21,064.85)		(1,961.80)
Profit/(Loss) for the period	-	2.09	(16,946.02)		(16,943.93)
Amortised during the period	-	-	-		-
Utilised during the period	-	-	-		-
Balance as at March 31, 2018	30,072.41	(10,967.27)	(38,010.87)		(18,905.73)

See accompanying Notes to Financial Statements.

As per our attached report of even date

For D.S.Shukla & Co.
Chartered Accountants
Firm Regn No. 000773C



Praveen Kumar Agarwal
Partner
Membership No. : 416717

For and on behalf of the Board

O.P. Srivastava
Director
DIN-00144000

A.B. Roy
Director
DIN-00432043

Muneesh Sodhi
Chief Executive Officer

Nitin Prajapati
Chief Financial Officer

Abhishek Jain
Company Secretary

Place : Mumbai
Dated : 06/09/2018

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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

CORPORATE INFORMATION:

The Sahara Hospitality Limited (the "Company"), is primarily engaged in the business of owning, operating & Managing Hotel and Petrol pump.

The Company is domiciled and incorporated in India in 1989, and has its registered office at Hotel Sahara Star, Opposite Domestic Airport, Vile Parle-East, Mumbai-400099, India.

1.1 STATEMENT OF COMPLIANCE:

These financial statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

1.2 BASIS OF PREPARATION:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

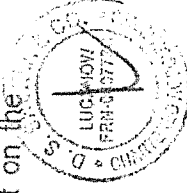
All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the company. Current Assets do not include elements which are not expected to be realized within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to such estimates is recognized in the period in which the same is determined.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:



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SAHARA HOSPITALITY LIMITED

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NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

i) Useful lives of property, plant and equipment and intangible assets:

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

ii) Impairment testing:

Property, plant and equipment and Intangible assets that are subject to amortization / depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Income Taxes:

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.

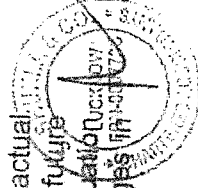
Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

iv) Fair value measurement of financial instruments:

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgments in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

v) Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

1.4 SIGNIFICANT ACCOUNTING POLICIES:

1.4.1 REVENUE RECOGNITION:

Income from Operations:

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages, allied services relating to Hotel operation, including net income from telecommunication services and revenue from sale of petrol and allied products. Revenue is recognized upon rendering of the services and at the time of sale of petrol and allied products (net of discount and indirect taxes).

Interest Income:

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend:

Dividend income is recognized when Company's right to receive the amount is established.

Other Income:

Revenue is accountant for in statement of Profit and Loss on accrual basis.

1.4.2 PROPERTY, PLANT AND EQUIPMENT:

- a) Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment losses if any. Expenditure directly attributable to construction is accumulated as Capital Work In Progress till the time assets are ready for commercial use and is allocated to the relevant fixed assets on a pro-rata basis in the ratio of the prime cost of such assets.
- b) Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- c) Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- d) The assets' useful lives and residual values are reviewed at the Balance Sheet date and effects of any changes in estimates are accounted for on a prospective basis.

Class of Assets	Estimated Useful Life
Buildings	60 years
Ownership Flats	60 years
Plant and Machinery	15 years
Furniture, Fixtures and Office Equipment	8 years
Vehicles	8 years
Computers	6 years

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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

- e) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.
- f) For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- g) Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

1.4.3 INTANGIBLE ASSETS:

Intangible assets include cost of trademark and computer software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful lives used for amortizing intangible assets are as under:

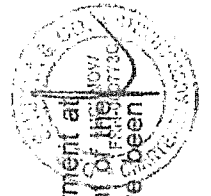
Class of Assets	Estimated Useful Life
Trademarks	10 years
Computer Software	10 years

Transition to Ind AS on transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

1.4.4 IMPAIRMENT OF ASSETS:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount and impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For this purpose the recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

1.4.5 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which those are incurred.

1.4.6 FOREIGN CURRENCY TRANSACTIONS:

a) Functional and presentation currency:

The functional currency and presentation currency of the Company is Indian Rupee (₹).

b) Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

c) Subsequent Recognition:

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognized in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

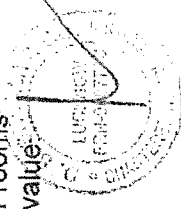
1.4.7 ASSETS TAKEN ON LEASE:

OPERATING LEASE:

Assets taken on Operating Lease in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.4.8 INVENTORIES:

Inventories are valued at cost or net realizable value, whichever is lower, on First In First Out method except in the case of linen / curtain / cutlery & crockery in rooms and outlets, which are being valued at cost irrespective of their net realizable value.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

1.4.9 EMPLOYEE BENEFITS:

a) Short-term Obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Post-Employment Obligations:

The company operates the following post-employment benefit schemes:

Gratuity obligations

Maintained as a defined benefit retirement plan, the liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

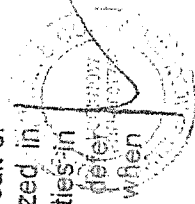
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Leave encashment on termination of service

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



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NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognizes such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Employee.

1.4.10 FINANCIAL INSTRUMENTS:

a. Financial assets:

Initial recognition and measurement:

Financial assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification:

Cash and cash equivalents:

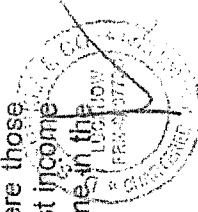
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Debt Instruments:

The Company classifies its debt instruments as 'Subsequently measured at amortized cost', 'Fair value through Other Comprehensive Income' or 'Fair value through profit or loss' based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

i. Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.



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NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

ii. Financial assets at Fair Value through Other Comprehensive Income ("FVOCI"):

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

iii. Financial assets at Fair Value through Statement of Profit and Loss ("FVTPL"):

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.

De-recognition:

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

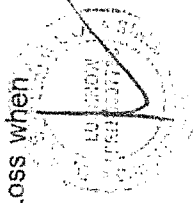
b. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs, in the case of financial liabilities not at fair value through profit or loss.

Subsequent measurement:

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized, and during amortization.



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NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

De-recognition:

A financial liability is de-recognized 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in Statement of Profit and Loss.

c. Impairment of Financial Assets:

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is/are impaired. Ind AS-109 on Financial Instruments requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognizes expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

1.4.11 INCOME TAXES:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity, respectively.

a. Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates at the end of the reporting period in the countries where the Company operates and generates taxable income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

b. Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of the goodwill. The deferred income tax is also not accounted for, if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, when at the time of the transaction neither accounting profit nor taxable profit / (taxable loss) is affected.

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NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets positions are reviewed at each reporting date and are recognized / reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences between the carrying amount and the tax bases of investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

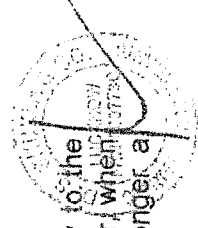
Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

1.4.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the company are not recognized but disclosed in the financial statements. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.



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SAHARA HOSPITALITY LIMITED

NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

1.4.13 STATEMENT OF CASH FLOWS:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash flows for the year are classified by operating, investing and financing activities.

1.4.14 EARNINGS PER SHARE:

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares, if any.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

1.4.14 SEGMENTAL REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

1.4.15 RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA"), on march 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

Ind As 115 – Revenue for Contract with Customers:

Ind AS115 will supersede the existing revenue recognition standard "Ind AS18- Revenue". The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The company has completed its preliminary evaluation of the possible impact of Ind AS 115 and will adopt it retrospectively with the cumulative effect of initially applying this standard recognized as an adjustment to the opening balance retained earnings at the date of initial application i.e. April 1, 2018 and accordingly comparative for the year ended March 31, 2018 will not be retrospectively only to the contracts that are not completed contracts at the date of initial application. The company does not expect the impact of the adoption of new standard to be material on its retained earnings and on its net income on an ongoing basis.

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NOTE 1: BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS:

Ind AS 21 – The effect of changes in Foreign Exchange Rates (Appendix B):

The amendment clarifies on the accounting of transaction that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

2. PROPERTY, PLANT AND EQUIPMENT:

Nature of Assets	As at April 1, 2017		Adjustments during the period		Balance as at March 31, 2018		As at April 1, 2017		For the year		Adjustments during the period		Balance as at March 31, 2018		Carrying Value	
	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)
Tangible Assets:	Buildings (On Leasehold Land)	1,14,669.29	1,801.25	-	154.40	37.21	2.42	1,832.00	1,832.00	-	-	-	8,813.16	1,07,657.36	1,07,688.13	1,07,688.13
	Ownership Flats (Freehold)	154.40	-	-	154.40	37.21	2.42	1,563.64	1,563.64	-	-	-	7,734.85	15,404.91	16,740.80	16,740.80
Plant and Equipment	22,912.01	227.75	23,139.76	6,171.21	2,445.77	9.74	5,207.29	6,171.21	2,445.77	-	-	7,653.06	17,807.28	19,325.18	19,325.18	19,325.18
Furniture, Fixtures and Office Equipments	24,532.47	927.87	25,460.34	5,207.29	2,445.77	9.74	5,207.29	6,171.21	2,445.77	-	-	7,653.06	17,807.28	19,325.18	19,325.18	19,325.18
Vehicles	76.98	-	70.89	58.16	9.74	6.09	9.74	58.16	9.74	-	-	61.81	9.08	18.82	18.82	18.82
Computers	169.56	38.41	207.97	106.40	21.86	-	128.26	106.40	21.86	-	-	128.26	79.71	63.16	63.16	63.16
Total (A)	1,62,514.71	2,995.28	1,65,503.99	18,561.43	5,875.43	6.09	24,430.77	18,561.43	5,875.43	6.09	6.09	24,430.77	1,41,073.13	1,43,953.28	1,43,953.28	1,43,953.28
Intangible Assets:	Trademarks	0.46	-	0.46	0.33	0.03	0.36	0.33	0.03	-	-	0.36	0.10	0.13	0.13	0.13
Computer Software	205.55	11.64	217.19	109.79	17.21	-	127.00	109.79	17.21	-	-	127.00	90.19	95.76	95.76	95.76
Total (B)	206.01	11.64	217.65	110.12	17.25	-	127.37	110.12	17.25	-	-	127.37	90.29	95.89	95.89	95.89
Capital Work In Progress (C)	17.93	-	17.93	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A+B+C)	1,62,738.65	3,006.92	1,65,721.55	18,671.55	5,892.68	6.09	24,558.14	18,671.55	5,892.68	6.09	6.09	24,558.14	1,41,163.42	1,44,067.10	1,44,067.10	1,44,067.10
Previous Year	1,62,355.67	510.99	1,62,738.65	13,370.05	6,003.18	7,01.67	18,671.55	13,370.05	6,003.18	7,01.67	7,01.67	18,671.55	1,44,067.10	1,48,985.63	1,48,985.63	1,48,985.63



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3 OTHER FINANCIAL ASSETS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Loan to Staff	10.30	14.80
Insurance Claim Receivable	8.39	8.39
Accounts Receivable -Others	245.11	245.11
Deposit with SEBI under "SEBI Sahara Refund Account" (Refer Note no. 37)	99.00	99.00
Fixed Deposit with Maturity after twelve months	13.00	21.86
TOTAL	375.80	389.16

4 DEFERRED TAX ASSETS (NET):

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
<u>Deferred Tax Assets</u>		
Unabsorbed Depreciation	15,672.66	14,503.12
Disallowance U/s 43 B of the Income Tax Act, 1961	1,16.19	85.88
	15,788.85	14,589.00
<u>Less:</u>		
<u>Deferred Tax Liability</u>		
Fixed Assets	12,047.08	10,039.74
	12,047.08	10,039.74
TOTAL	3,741.77	4,549.26

5 OTHER NON-CURRENT ASSETS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Staff Advance	34.93	18.55
Capital Advances	204.55	493.73
Other Advances and receivables	101.80	172.26
Advance Taxes	337.82	330.16
MAT Credit Entitlement	504.56	504.56
TOTAL	1,183.66	1,519.28

6 INVENTORIES:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Food and Beverages	123.13	161.28
Stores and Operating Supplies	1,546.04	1,828.68
Fuel and Allied Products	25.55	11.23
TOTAL	1,694.72	1,801.19

7 TRADE RECEIVABLES:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
<u>Unsecured:</u>		
Considered Good	2,020.54	1,312.46
Considered Doubtful	127.41	91.53
<u>Less: Allowance for Doubtful Receivables</u>	<u>(127.41)</u>	<u>(91.53)</u>
(Refer footnote)		
TOTAL	2,020.54	1,312.46



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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Footnote:

Allowance for Doubtful Receivables:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
	Opening Balance	91.53
Add: Allowance during the year	40.31	68.02
Less: Reversal of allowances no longer required	4.44	1.80
TOTAL	127.40	91.53

8 CASH AND CASH EQUIVALENTS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Balance with Banks	76.84	22.32
Cheques on Hand	-	5.40
Cash on Hand	7.16	14.32
Others - Union Bank Rewards Points	2.54	-
TOTAL	86.54	42.04

9 OTHER BANK BALANCE:

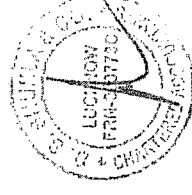
Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Fixed Deposit with Banks Maturity within less than twelve months (held by Bank as margin money for Guarantees & Letter of Credit given)	99.25	119.79
TOTAL	99.25	119.79

10 OTHER FINANCIAL ASSETS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Security Deposit: With Others	40.28	33.88
Interest Accrued but not Due	0.90	0.79
TOTAL	41.18	34.67

11 OTHER CURRENT ASSETS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Prepaid Expenses	161.57	145.07
TOTAL	161.57	145.07



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

12 EQUITY SHARE CAPITAL:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Authorised Share Capital				
Equity Shares of ₹10/- each	7,00,00,000	7,000.00	7,00,00,000	7,000.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹10/- each fully paid up	5,71,12,047	5,711.20	5,71,12,047	5,711.20
(Refer footnote i to v)				
Total	5,71,12,047	5,711.20	5,71,12,047	5,711.20

Footnote:

(i) Par Value per share:

The Authorised, issued, Subscribed and Fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each.

(ii) Share Holding:

All the Equity Shares are held by Sahara Prime City Limited - Holding Company and its Nominees.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Equity Shares at the beginning of the year	5,71,12,047	5,711.20	5,71,12,047	5,711.20
Add: Shares Issued during the year	-	-	-	-
Less: Shares Bought Back during the year	-	-	-	-
Equity Shares at the end of the year	5,71,12,047	5,711.20	5,71,12,047	5,711.20

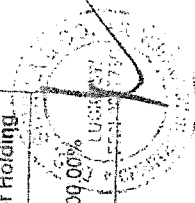
(iv) Rights, preferences and restrictions attached to equity shares:

(a) The holders of the Equity Shares are entitled to receive dividend as and when declared from time to time, and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

(b) 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.

(v) The details of Shareholders holding more than 5% shares in the Company:

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Sahara Prime City Limited including Nominees	5,71,12,047	100.00%	5,71,12,047	100.00%



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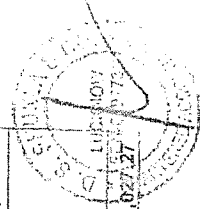
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

13 OTHER EQUITY:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Securities Premium Account		
Opening Balance	30,072.41	30,072.41
Add: Addition during the year		
Closing Balance	30,072.41	30,072.41
Retained Earnings		
As per last balance sheet	(21,064.86)	(10,635.27)
Add: Profit/(Loss) for the year from Statement of Profit and Loss	(16,946.02)	(10,429.58)
Closing Balance	(38,010.87)	(21,064.86)
Other Comprehensive Income (OCI)		
As per last balance sheet	(10,959.36)	(10,959.78)
Add: Change in fair value of Preference Shares		
Add: Actuarial Gain/(Loss)	2.09	(9.59)
Closing Balance	(10,957.27)	(10,969.36)
Total	(18,905.73)	(1,961.80)

14 BORROWINGS:

Particulars	As at March 31, 2018 (₹ Lakhs)		As at March 31, 2017 (₹ Lakhs)	
	No. of shares	Amount	No. of shares	Amount
Preference Share Capital				
Authorised				
Preference Shares of ₹10/- each		68,000.00		68,000.00
	68,00,00,000	68,000.00	68,00,00,000	68,000.00
Issued, Subscribed & Paid up Capital				
0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares of ₹10/- each fully paid up		87,918.14	57,25,00,000	79,852.41
Secured				
Term Loan From Bank- I		1,407.46		1,497.30
Term Loan From Bank- II		26,374.01		28,041.91
Term Loan From Bank- III		20,298.76		21,635.65
		48,080.23		51,174.86
(Refer Footnote i to x)				
Total		1,35,998.37		1,31,027.27



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Footnote:

(i) Par Value per share:

The Authorised, Issued, Subscribed and Fully paid-up preference share capital comprises non-cumulative, optionally convertible, redeemable preference shares having a par value of ₹ 10 each.

(ii) Share Holding:

46,85,00,000 Preference Shares are held by Sahara Prime City Limited - Holding Company, 7,40,00,000 Preference Shares are held by Sahara Q Shop Unique Products Range Limited, 3,00,00,000 Preference Shares are held by Sahara Credit Co-Operative Society Limited and 1,40,00,000 Preference Shares are held by Saharavn Universal Multi-Purpose Society Limited.

(iii) Reconciliation of the preference shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Preference Shares at the beginning of the year	57,25,00,000	79,852.41	57,25,00,000	73,798.20
Add: Shares issued during the year of the face value of ₹ 10 each	1,40,00,000	1,514.85	-	-
Add: Interest Expense on Preference Shares	-	6,550.88	-	6,054.21
Add: Fair Value of Preference Shares	-	-	-	-
Less: Shares Redeemed during the year	-	-	-	-
Preference Shares at the end of the year	58,65,00,000	87,918.14	57,25,00,000	79,952.41

(iv) Rights, preferences and restrictions attached to preference shares:

(a) The holders of Preference Shares are entitled to receive 0.05% dividend of the face value as and when declared.

(b) 0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares will be redeemed or converted upon exercising the option. The redemption will be at ₹ 22/- per share after 10 years with the call option for premature redemption at a price equivalent to 12% per annum or part thereof on issue price or converted at book value per share or at Enterprise Value per share or at a price mutually agreed by parties.

(c) 0.05% Non-Cumulative Preference Shares that are Optionally Convertible or Redeemable at ₹ 22/- per share after the expiry of 10 years from the date of issue of such shares. We presume that contractual obligation to deliver cash exists for redemption of such share at the above mentioned rate and the company cannot avoid the outflow of cash at the end of 10 year. Therefore, the preference shares has been classified as a financial liability at Amortized Cost using Effective rate of Interest and has accordingly been disclosed in the Balance Sheet under " Borrowings."

(v) The details of Preference Shareholders holding more than 5% shares:

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Sahara Prime City Limited	46,85,00,000	79.88%	46,85,00,000	81.83%
Sahara Q Shop Unique Products Range Limited	7,40,00,000	12.61%	7,40,00,000	12.93%
Sahara Credit Co-Operative Society Limited	3,00,00,000	5.11%	3,00,00,000	5.24%



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SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(vi) Term Loan From Bank - I:

Rupee Term loan from consortium of lenders namely Union Bank of India, UCO Bank, Bank of Baroda and Andhra Bank, secured by mortgage and pari passu charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company, Corporate Guarantee of Sahara Prime City Limited (as per the Loan agreement dated 14th February, 2005 and amendatory agreement dated 7th September 2006 and further amendatory agreement dated 29th January, 2013).

(vii) Term Loan From Bank - II:

Rupee Term loan from consortium of lenders namely Union Bank of India, Bank of Baroda, UCO Bank, Andhra Bank, IDBI Bank Limited, Corporation Bank and Karnataka Bank, secured by mortgage and pari passu charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company, Corporate Guarantee of Sahara Prime City Limited (as per the Loan agreement dated 3rd March, 2010 and addendum number 1 and 2 dated 29th January, 2013 and 22nd August, 2014 respectively).

(viii) Term Loan From Bank - III:

Rupee Term loan from consortium of lenders namely Union Bank of India, UCO Bank, Andhra Bank, Corporation Bank and Central Bank of India, secured by mortgage and charge on all immovable properties of the Company both present and future, first charge by hypothecation of all movable properties both present and future of the Company and irrevocable Corporate Guarantee of Sahara Prime City Limited (as per the common loan agreement dated 29th January, 2013 and addendum number 1 to common loan agreement dated 29th July, 2015).

The company in the consortium meeting held on 28th June, 2016 requested the term loan consortium member banks of Phase I, Phase II and Phase III for implementation of Flexible debt structuring scheme of Reserve bank of India and the same was implemented as per amendatory agreement dated 29th Nov, 2016.

Interest rates are linked to Lead Bank (i.e. Union Bank of India) 1 year Marginal Cost of funds based Lending Rate (MCLR) plus margin and the loan is repayable in installments starting from September, 2016 and ending in December 2028.

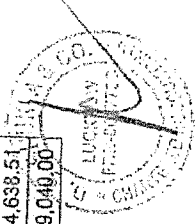
(ix) Default Period and Amount:

Period and amount of default as on the Balance Sheet date in repayment of borrowings and interest are as under:

Particulars	Amount (₹ in Lakhs)			Period of Default (In days)
	Borrowings	Interest	Total	
Term Loan From Bank - I				
For Jan-2018	1.32	15.73	17.05	60
For Feb-2018	1.32	14.32	15.64	60
For Mar-2018	1.32	15.78	17.10	60
Term Loan From Bank - II				
For Jan-2018	24.65	301.63	326.28	31
For Feb-2018	24.65	241.06	265.71	31
For Mar-2018	24.65	297.82	322.47	31
Term Loan From Bank - III				
For Jan-2018	22.13	226.74	248.87	1
For Feb-2018	22.13	204.30	226.43	1
For Mar-2018	22.13	221.68	243.81	1

(x) Maturity Profile of Secured Term Loans are as set out below:

Particulars	F.Y.2018-19	F.Y.2019-20	F.Y.2020-21 and Onwards
	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)
Term Loan From Bank - I	44.46	88.92	1,327.90
Term Loan From Bank - II	824.95	1,649.90	24,638.51
Term Loan From Bank - III	637.50	1,275.00	19,049.00



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