

VOL-3

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

INDEX

Sl. No.	Particulars	Page Nos
1.	Memo of Parties	1
2.	Synopsis	2-7
3.	List of Dates	8-11
4.	Notice of Admission in Form NCLT-2	12-16
5.	Application in Form NCLT -1	17-53
6.	Appendix-A List of the Secured Financial Creditors before whom the Applicant has proposed the Scheme of compromise and arrangement	54
7.	Appendix-B List of Security Provided by the Applicant in favour of the Secured Financial Creditors	55
8.	Appendix-C List Of Equity Shareholders of the Applicant Company	56
9.	Appendix-D List of Preference Shareholders of the Applicant	57

TRUE COPY

Sl. No.	Particulars	Page Nos
10.	<p>Appendix-E Letter substantiating the readiness of paying an upfront payment of Rs.40,00,00,000/- (Rupees Forty Crores Only) towards repayment of its outstanding debt to the Secured Financial Creditor by the Applicant.</p>	58-60
11.	Affidavit under section 230 (2) of the Companies Act, 2013 verifying the Petition in Form NCLT -6.	61-70
12.	<p>ANNEXURE A-1 A copy of Board Resolution dated 20.09.2021.</p>	71-72
13.	<p>ANNEXURE A-2 Copy of the Scheme dated 20.09.2021 propounded by the Applicant.</p>	73-214
14.	<p>ANNEXURE A-3 A copy of the Memorandum of Association and Articles of Association of the Applicant.</p>	215-269
15.	<p>ANNEXURE A-4 Copy of the consent letter issued by SPCL in respect of its 100% equity shareholding.</p>	270-271
16.	<p>ANNEXURE A-5 Copy of the consent letter issued by SPCL, (Preference Shareholder).</p>	772-273
17.	<p>ANNEXURE A-6 Copy of the consent letter issued by Sahara Q Shop Unique Product Range Limited (Preference Shareholder).</p>	274-276
18.	<p>ANNEXURE A-7 Copy of the consent letter issued by Sahara Credit Co-operative Society Limited (Preference Shareholder).</p>	277-280
19.	<p>ANNEXURE A-8 Copy of the consent letter issued by Saharayn</p>	281-285

Sl. No.	Particulars	Page Nos
	Universal Multi-Purpose Society Limited (Preference Shareholder).	
20.	ANNEXURE A-9 A detailed chart showing the amount of loans sanctioned and disbursed by the abovesaid Secured Financial Creditors in Phase-I, Phase-II and Phase-III along with details of the said Secured Financial Creditors.	286
21.	ANNEXURE A-10 A copy of the Balance Sheet of the Applicant Company along with Independent Auditor's Report for the Financial Years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20.	287-526
22.	ANNEXURE A-11 A copy of provisional Balance Sheet for Financial Year 2020-21.	527-528
23.	ANNEXURE A-12 A copy of provisional Balance Sheet as on 31.08.2021	529- 530
24.	ANNEXURE A-13 Loan Agreement dated February 14, 2005	531-660
25.	ANNEXURE A-14 Inter Creditor Agreement dated February 14, 2005	661-697
26.	ANNEXURE A-15 Lenders Agent Agreement dated February 14, 2005	698-725
27.	ANNEXURE A-16 Security Agent Agreement dated February 14, 2005	726-756
28.	ANNEXURE A-17 Trust and Retention Account Agreement dated February 14, 2005	557- 817
29.	ANNEXURE A-18	818-828

Sl. No.	Particulars	Page Nos
	Corporate Guarantee Agreement dated February 14, 2005 by Sahara India Mass Communication Ltd.	
30.	ANNEXURE A-19 Guarantee Agreement dated February 14, 2005 by Shri Om Prakash Srivastava	829-839
31.	ANNEXURE A-20 Undertaking regarding Non-disposal of shareholdings dated February 14, 2005 by Sahara India Commercial Corporation Ltd.	840-842
32.	ANNEXURE A-21 Undertaking regarding Non-disposal of shareholdings dated February 14, 2005 by Shri Om Prakash Srivastava	843-845
33.	ANNEXURE A-22 Letter from Sahara Hospitality Ltd. Dated February 14, 2005 authorizing the Lenders Security Agent to attend the meetings of Sahara Hospitality Ltd. And lodgment of the Power of Attorney	846-849
34.	ANNEXURE A-23 Confirmation of Inter Creditor Agreement dated February 15, 2005 by Sahara Hospitality Ltd.	850-851
35.	ANNEXURE A-24 Guarantee Agreement dated February 18, 2005 by Shri Joy Broto Roy	852-865
36.	ANNEXURE A-25 Deed of Pledge of Shares dated February 21, 2005	866-880
37.	ANNEXURE A-26 Undertaking regarding Non-disposal of Shareholdings dated February 21, 2005 by Shri Subrata Roy Sahara	881-884
38.	ANNEXURE A-27 Guarantee Agreement dated February 21, 2005 by Shri Subrata Roy Sahara	885-895
39.	ANNEXURE A-28 Indenture of Mortgage dated February 25, 2005	896-962

Sl. No.	Particulars	Page Nos
40.	ANNEXURE A-29 Undertaking-cum-indemnity for compliance of conditions dated February 25, 2005	963-965
41.	ANNEXURE A-30 Phase-2 Common Loan Agreement	966-1041
42.	ANNEXURE A-31 Lenders' Agent Agreement	1042-1061
43.	ANNEXURE A-32 Amended and Restated Inter Creditor Agreement	1062-1089
44.	ANNEXURE A-33 Amended and Restated Security Agent Agreement	1090-1114
45.	ANNEXURE A-34 Amended and Restated Trust and Retention Account Agreement	1115-1160
46.	ANNEXURE A-35 Personal Guarantee from Shri Subrata Roy Sahara for Phase-2 Loans	1161-1171
47.	ANNEXURE A-36 Personal Guarantee from Shri J. B. Roy for Phase-2 Loans	1172-1182
48.	ANNEXURE A-37 Personal Guarantee from Shri Om Prakash Srivastava for Phase-2 Loans	1183-1191
49.	ANNEXURE A-38 Corporate Guarantee from Sahara Prime City Limited for Phase-2 Loans	1192-1200
50.	ANNEXURE A-39 Supplementary Deed of Pledge of Shares	1201-1207
51.	ANNEXURE A-40 Undertaking for shortfall/ overrun from Shri Subrata Roy Sahara, Shri J. B. Roy and Shri Om Prakash Srivastava	1208-1211
52.	ANNEXURE A-41 Undertaking for non-disposal and overrun from Sahara Prime City Limited	1212-1216

Sl. No.	Particulars	Page Nos
53.	ANNEXURE A-42 Termination Agreement	1217-1245
54.	ANNEXURE A-43 Supplementary Indenture of Mortgage	1246-1326
55.	ANNEXURE A-44 Certified true copy of the resolutions regarding the approval for availing of Loans and creation of charge passed by the board of directors of Sahara Hospitality Limited in the board meeting held on February 5, 2010.	1327-1332
56.	ANNEXURE A-45 Certified true copy of the resolutions regarding consent of the company u /s 293(1)(a) and 293(1)(d) passed by the shareholders of Sahara Hospitality Limited in the extra ordinary general meeting held on September 15, 2009.	1333
57.	ANNEXURE A-46 Certified true copy of the resolutions regarding the execution of corporate guarantees, pledge passed by the board of directors of Sahara Prime City Limited in the board meeting held on December 28, 2009.	1334-1335
58.	ANNEXURE A-47 Phase-3 Common Loan Agreement	1336-1406
59.	ANNEXURE A-48 Amended and Restated Lenders' Agent Agreement	1407-1429
60.	ANNEXURE A-49 Amended and Restated Security Agent Agreement	1430-1455
61.	ANNEXURE A-50 Amended and Restated Inter Creditor Agreement	1456-1486
62.	ANNEXURE A-51 Letter of Confirmation to Amended and Restated Inter Creditor Agreement	1487-1490
63.	ANNEXURE A-52 Amended and Restated Trust and Retention Account Agreement	1491-1536

Sl. No.	Particulars	Page Nos
64.	ANNEXURE A-53 Sahara Prime City Limited Pledge Agreement	1537-1552
65.	ANNEXURE A-54 Power of Attorney from Sahara Prime City Limited	1553-1557
66.	ANNEXURE A-55 Undertaking for Non-disposal of Shareholdings from Sahara Prime City Limited for Phase-3 Loans	1558-1563
67.	ANNEXURE A-56 Undertaking for shortfall/overrun from Individual Promoters for Phase-3 Loans	1562-1569
68.	ANNEXURE A-57 Personal Guarantee Agreement from Shri Subrata Roy Sahara for Phase-3 Loans	1570-1579
69.	ANNEXURE A-58 Personal Guarantee Agreement from Shri Joy Broto Roy for Phase-3 Loans	1580-1590
70.	ANNEXURE A-59 Personal Guarantee Agreement from Shri Om Prakash Srivastava for Phase-3 Loans	1591-1600
71.	ANNEXURE A-60 Corporate Guarantee Agreement from Sahara Prime City Limited for Phase-3 Loans	1601-1610
72.	ANNEXURE A-61 Addendum No. 1 to Loan Agreement	1611-1628
73.	ANNEXURE A-62 Undertaking for Non-disposal of Shareholdings from Sahara Prime City Limited	1629-1634
74.	ANNEXURE A-63 Undertaking for Non-disposal of Shareholdings from Shri Subrata Roy Sahara	1635-1640
75.	ANNEXURE A-64 Undertaking for Non-disposal of Shareholdings from Shri Joy Broto Roy	1641-1646
76.	ANNEXURE A-65 Undertaking for Non-disposal of Shareholdings from	1647-1652

Sl. No.	Particulars	Page Nos
	Shri Om Prakash Srivastava	
77.	ANNEXURE A-66 Corporate Guarantee Agreement from Sahara Prime City Limited for Phase-1 Loans	1653-1664
78.	ANNEXURE A-67 Personal Guarantee Agreement from Shri Subrata Roy Sahara for Phase-1 Loans	1665-1675
79.	ANNEXURE A-68 Personal Guarantee Agreement from Shri Joy Broto Roy for Phase-1 Loans	1676-1688
80.	ANNEXURE A-69 Personal Guarantee Agreement from Shri Om Prakash Srivastava for Phase-1 Loans	1689-1699
81.	ANNEXURE A-70 Addendum No. 1 to Phase-2 Common Loan Agreement	1700-1710
82.	ANNEXURE A-71 Corporate Guarantee Agreement from Sahara Prime City Limited for Phase-2 Loans	1711-1723
83.	ANNEXURE A-72 Personal Guarantee Agreement from Shri Subrata Roy Sahara for Phase-2 Loans	1724-1735
84.	ANNEXURE A-73 Personal Guarantee Agreement from Shri Joy Broto Roy for Phase-2 Loans	1736-1747
85.	ANNEXURE A-74 Personal Guarantee Agreement from Shri Om Prakash Srivastava for Phase-2 Loans	1748-1759
86.	ANNEXURE A-75 Resolution passed by the Board of Directors of Sahara Hospitality Limited on June 20, 2012 for acceptance of sanction for the Phase-3 Loans	1760-1763
87.	ANNEXURE A-76 Resolution passed by the Board of Directors of Sahara Hospitality Limited on January 25, 2013 for	1764-1766

Sl. No.	Particulars	Page Nos
	acceptance of sanction of the New Phase-1 Loans	
88.	ANNEXURE A-77 Resolution passed by the Board of Directors of Sahara Prime City Limited on January 27, 2013 for furnishing the Corporate Guarantee and creation of Pledge of Shares	1767-1772
89.	ANNEXURE A-78 Post Execution Opinion dated January 31, 2013 from Clasis Law	1773-1781
90.	ANNEXURE A-79 Termination Agreement	1782-1790
91.	ANNEXURE A-80 Amended and Restated Inter Creditor Agreement	1791-1818
92.	ANNEXURE A-81 Amended and Restated Security Agent Agreement	1819-1843
93.	ANNEXURE A-82 Amended and Restated Trust and Retention Account Agreement	1844-1888
94.	ANNEXURE A-83 Corporate Guarantee from Sahara Prime City Limited for Phase-1 Loans	1889-1899
95.	ANNEXURE A-84 Supplementary Indenture of Mortgage	1900-1990
96.	ANNEXURE A-85 Supplementary Deed of Pledge of Shares	1991-1997
97.	ANNEXURE A-86 Certified true copy of the resolutions regarding execution of the termination agreement and other finance documents and creation of charge passed by the board of directors of Sahara Hospitality Limited in the board meeting held on February 5, 2010	1998-2005
98.	ANNEXURE A-87 Certified true copy of the resolutions regarding the execution of corporate guarantees, pledge passed by the board of directors of Sahara Prime City Limited	2006-2007

Sl. No.	Particulars	Page Nos
	in the board meeting held on December 28, 2009	
99.	ANNEXURE A-88 A copy of the order dated 03 rd December, 2020 by the State Government of Maharashtra according "Industry" status to the hospitality Industry	2008-2012
100.	ANNEXURE A-89 Details of pending investigation and proceedings against the Applicant Company.	2013-2016
101.	Application seeking exemption from filing typed copies of illegible/dim documents along with Affidavit.	2017-2021
102.	Vakalatnama	2022-2025



Advocate for the Applicant

ADITYA CHOPRA

VICTORIAM LEGALIS

ADVOCATES AND SOLICITORS

1085, Hotel Sahara Star,

Opp to Domestic Airport,

Vile Parle (E), Mumbai - 400099

Email - aditya@victoriamlegalis.com

Mob - +919818880644

DATE: .00.2021`

PLACE: MUMBAI

SAHARA HOSPITALITY LIMITED

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

15 OTHER FINANCIAL LIABILITIES:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Security and Other Deposits		
Deferred Income (Security Deposit)	1,140.39	963.86
Payable to Contractors	376.78	481.20
Retention Money	7,383.79	4,981.73
Others	1,534.05	1,621.70
TOTAL	10,528.64	9,163

16 PROVISIONS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Provision for Employee Benefits		
Provision for Leave Encashment	10.41	27.79
Provision for Gratuity	45.65	75.19
Provision for Bonus	17.56	9.60
Total	73.62	112.58

17 OTHER NON-CURRENT LIABILITIES:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Security Deposit with Government Authorities and Other Deposits	2,454.01	2,791.49
Total	2,454.01	2,791.49

18 BORROWINGS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Current Portion of Long-Term Borrowings	3,190.28	703.23
<u>Short-term borrowings</u>		
<u>Secured</u>		
Loans Repayable on Demand		
Rupee Loan (refer footnote (i))	2,601.30	2,067.16
<u>Unsecured</u>		
Loans Repayable on Demand		
From Others		
Rupee Loan	240.00	150.00
Total	6,031.58	2,920.41

Footnotes :

(i) Rupee Loan from Banks consists of Working Capital facilities including Credit Card 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 moveable and immovable properties, both present and future, irrevocable corporate guarantee from M/s Sahara Prime City Limited.



A
TRUE COPY

SAHARA HOSPITALITY LIMITED

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

19 TRADE PAYABLES:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Trade Payables		
Micro and Small Enterprises (Refer Footnotes i & ii)	294.88	154.81
Others for Goods and Services	3,869.16	2,769.80
Total	4,164.04	2,924.61

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.

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

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
(a) The Principal amount remaining unpaid to supplier as at the end of the accounting year.	294.88	154.81
(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, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Deferred Income (Security Deposit)	106.65	146.92
Current financial Liabilities - Others	389.90	288.31
TOTAL	506.55	435.23

21 SHORT TERM PROVISIONS:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Provision for Employees Benefits (refer note 31)		
Provision for Gratuity	37.98	4.65
Provision for Leave Encashment	4.71	4.56
Total	42.70	9.21

22 OTHER CURRENT LIABILITIES:

Particulars	As at March 31, 2018 (₹ Lakhs)	As at March 31, 2017 (₹ Lakhs)
Statutory Dues and Other Accruals	3,280.01	1,076.01
Advance from Customers	490.39	304.36
Other Advances	193.07	459.58
Total	3,963.47	1,839.70

TRUE COPY

SAHARA HOSPITALITY LIMITED

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

23 REVENUE FROM OPERATIONS:

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Room Income	6,107.11	5,663.02
Food and Beverages	8,244.55	7,827.24
Banquet Rentals	1,216.97	1,659.00
Other Rentals	322.49	221.61
Sale of Petrol and Allied Products	5,348.46	5,524.33
Other Services	183.86	264.18
Total	21,423.44	21,159.38

24 OTHER INCOME:

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Interest Income (Gross)		
On Deposit with Banks and Post office	8.93	17.15
On Others	11.19	0.83
	20.12	17.98
Net Gain On Foreign Currency Transaction	2.60	3.77
Other Non-Operating Income	53.96	187.97
Unwinding of deferred income on security deposits accepted	152.74	152.74
Excess Depreciation Charged prior to F.Y. 2016-17	-	701.54
Total	229.42	1,064.00

25 COST OF MATERIALS CONSUMED

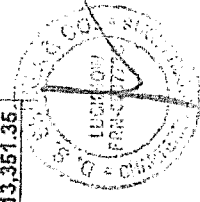
Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Consumption of Food, Beverages and Smokes	2,155.92	2,232.36
Consumption of Stores and Supplies	338.54	355.40
Consumption of Petrol and Allied Products	5,172.82	5,367.88
Total	7,667.28	7,955.64

26 EMPLOYEE BENEFITS EXPENSE:

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Salaries and Wages	1,637.10	1,647.28
Contribution to Provident and Other Funds	69.40	63.80
Staff Welfare Expenses	220.69	225.08
Total	1,927.19	1,936.16

27 FINANCE COSTS:

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Interest Expense on Borrowings	7,036.86	7,056.67
Interest Expense on Preference Shares	6,665.73	6,054.21
Other Borrowing Costs	33.27	119.27
Interest cost on fair valuation of security deposit	138.23	121.20
Total	13,874.09	13,351.35



TRUE COPY

SAHARA HOSPITALITY LIMITED

404

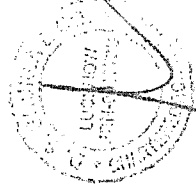
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

28 OTHER EXPENSES:

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Operating Expenses		
Fuel, Power, Light and Water Charges	1,837.29	1,539.68
Soft Furnishings and Laundry Charges	312.63	291.17
Payment for Outsourced Services	1,384.31	1,421.56
Repairs to Buildings	446.90	391.28
Repairs to Plant and Machinery	522.86	610.85
Repairs to Others	77.62	107.29
Commission on Sales	701.96	542.43
Guest Transportation	119.50	84.04
Advertisement, Publicity and Marketing	127.07	170.88
Other Operating Expenses	1,192.13	956.92
General Expenses	6,722.29	6,116.10
Printing and Stationery		
Lease Rent	72.24	84.89
Licence Fees	784.86	595.83
Rates and Taxes	104.79	77.77
Insurance	308.08	255.18
Auditors' Remuneration (Refer Footnote)	78.31	78.03
Professional and Retainership Fees	3.00	3.00
Doubtful Debts Provision	296.78	432.21
	61.79	96.60
Total	1,707.85	1,623.51
Footnote:	3,430.14	7,739.61

Auditors Remuneration:

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Audit Fees	2.25	2.25
Tax Audit Fees	0.75	0.75
Total	3.00	3.00



A
TRUE COPY

405

SAHARA HOSPITALITY LIMITED

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

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

a) In respect of claims against the Company:

	2017-18 (₹ Lakhs)	2016-17 (₹ Lakhs)
Bank Guarantees issued on behalf of the Company	315.53	346.55
Other Money for which the company is Contingently liable -Letter of Credit	-	40.50

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 ₹ NIL (Previous Year ₹ 55.31 Lakhs).

31. Employee Benefits:

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

	2017-18 (₹ Lakhs)	2016-17 (₹ Lakhs)
Employer's Contribution to Provident Fund	15.26	17.88
Employer's Contribution to Pension Scheme	17.41	24.37



A
TRUE COPY

SAHARA HOSPITALITY LIMITED

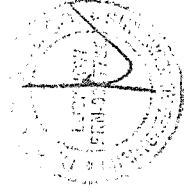
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 01/04/2017 – 31/03/2018:

Type of Benefit	Current Period	Previous Period
Country	Gratuity India	Gratuity 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	01-04-2017	01-04-2016
Date of Reporting	31-03-2018	31-03-2017
Period of Reporting	12 Months	12 Months

Assumptions (Current Period)	
Expected Return on Plan Assets	N.A.
Rate of Discounting	7.71%
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.



A

TRUE COPY

SAHARA HOSPITALITY LIMITED

407

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

		Gratuity (Unfunded)	
		2017-18 (₹ Lakhs)	2016-17 (₹ Lakhs)
a)	Change in the Present Value of Projected Benefit Obligation:		
	Present Value of Benefit obligation at the beginning of the year.	79.85	63.25
	Current Service Cost	9.31	9.37
	Interest Cost	5.45	5.07
	Past Service Cost	-	-
	Benefit Paid from the fund	-	-
	Benefit Paid Directly by the Employer	(8.68)	(7.43)
	Actuarial Gains/(Losses) on Obligations – Due to change in Demographic Assumptions	-	2.91
	Actuarial Gains/(Losses) on Obligations – Due to change in Financial Assumptions	(4.17)	7.60
	Actuarial Gains/(Losses) on Obligations – Due to Experience	2.08	(0.93)
	Present Value of Benefit obligation at the end of the period	83.64	79.85
b)	Reconciliation of opening and closing balances of fair value of plan assets		
	Fair value of plan assets at beginning of the period	-	-
	Expected Return on Plan Assets	-	-
	Contributions by the Employer	-	-
	Benefits Paid from the fund	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan assets at year end of the period	-	-
c)	Reconciliation of fair value of assets and Obligations		
	Fair value of plan assets at the end of the Period	-	-
	Present value of obligation at the end of the Period	(83.64)	(79.85)
	Funded Status (Surplus/(Deficit))	(83.64)	(79.85)
	Net Asset / (Liability) recognized in Balance Sheet	(83.64)	(79.85)



A
TRUE COPY

SAHARA HOSPITALITY LIMITED

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

	2017-18 (₹Lakhs)	2016-17 (₹Lakhs)
d) Net Interest Cost for Current Period	79.85	63.25
Present Value of Benefit Obligation at the Beginning of the Period	-	-
Fair Value of Plan Assets at the beginning of the Period	79.85	63.25
Net Asset/(Liability) at the Beginning	5.45	5.07
Interest Cost	-	-
(Interest Income)	5.45	5.07
Net Interest Cost for the Current Period	-	5.07
e) Expenses recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	9.31	9.37
Net Interest Cost	5.45	5.07
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognized	14.76	14.43
f) Expenses recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation for the Period	(2.09)	9.58
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net Income/(Expense) for the period recognized in OCI	(2.09)	9.58



A
TRUE COPY

SAHARA HOSPITALITY LIMITED

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

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 2017-18	32.35	-	(17.22)	-	15.13
FY 2016-17	25.63	8.56	(1.84)	-	32.35

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:

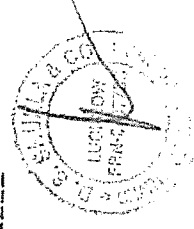
The land for the hotel is on Operating Lease. The total lease rent including Minimum Guaranteed Annual Payment, on the same amounting to ₹ 736.33 Lakhs (Previous year ₹ 595.83 Lakhs) is recognized during the year. The lease rental including Minimum Guaranteed Annual Payment of future lease rental payables in respect thereof are as follows:-

Particulars	March 31, 2018 (₹ Lakhs)	March 31, 2017 (₹ Lakhs)
Not Later than One Year	792.65	782.99
Later than one year but not later than 5 years	3,554.48	3,289.15
Later than 5 years	10,385.54	11,443.51

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

	2017-18 (in Litres)	2016-17 (in Litres)
Opening Stock	24,912	15,886
Purchases	80,92,000	87,12,000
Turnover *	80,85,813	87,02,974
Closing Stock	31,099	24,912

* After adjusting evaporation loss of 12,879 Litres (Previous year 15,024 Litres)



A
TRUE COPY

SAHARA HOSPITALITY LIMITED

410

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

34. CIF Value of Imports:

	2017-18 (₹ Lakhs)	2016-17 (₹ Lakhs)
Inventory	12.84	23.30
Capital Goods	3.69	135.92

35. Expenditure in Foreign Exchange:

	2017-18 (₹ Lakhs)	2016-17 (₹ Lakhs)
Travelling	Nil	Nil
Professional Consultancy Fees & other matters	31.14	11.39
Commission	209.76	186.80

36. Earnings in Foreign Exchange:

	2017-18 (₹ Lakhs)	2016-17 (₹ Lakhs)
Revenue Receipts	1,765.21	1,948.95

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 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:

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



A
TRUE COPY

411

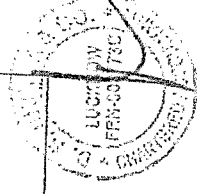
SAHARA HOSPITALITY LIMITED

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

Details of related parties and transactions during the year ended March 31, 2018:

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
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



A
TRUE COPY

SAHARA HOSPITALITY LIMITED

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

412

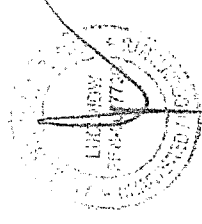
2. DETAILS OF KEY MANAGERIAL PERSONNEL OF HOLDING COMPANY – 'SAHARA PRIME CITY LIMITED' FOR FINANCIAL YEAR 2017-18:

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 Rudira Nath Yadav	Chief Financial Officer

3. Details of related party transactions during the year ended March 31, 2018.

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	3.69	-	-	642.86
Income (including taxes)	(3.18)	(-)	(-)	(457.85)
Current liability	-	-	-	91.13
Remuneration	(-)	(-)	(-)	(91.54)
Paid/Payable (Gross)	-	-	217.62	-
	(-)	(-)	(250.56)	(-)

Note: Figures in bracket represent previous year amounts.



TRUE COPY

SAHARA HOSPITALITY LIMITED

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

39. Segmental Reporting:

A. Primary Segment Report

Information about Business Segment

	2017-18 (₹ Lakhs)	2016-17 (₹ Lakhs)
Segment Revenue:		
a. Hotel		
b. Income from Petrol Pump	16,304.40	16,699.05
Total Revenue	5,348.46	5,524.33
Segment Results:	21,552.86	22,223.38
Profit before tax:		
a. Hotel		
b. Petrol Pump	(16,263.08)	(14,843.76)
Total Profit	124.55	81.19
Other Information:	(16,138.52)	(14,762.56)
Segment Assets		
a. Hotel		
b. Petrol Pump	1,50,406.73	1,53,822.43
Total	161.72	157.59
Segment Liabilities		
a. Hotel		
b. Petrol Pump	1,50,539.24	1,52,940.01
Total	29.21	40.01
B. Secondary Segment Report	1,50,568.45	1,53,980.02

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

Notes: The above segment results for hotel include:

	2017-2018 (₹ Lakhs)	2016-2017 (₹ Lakhs)
a. Depreciation	5,892.68	6,003.18
	5,892.68	6,003.18



TRUE COPY

474

SAHARA HOSPITALITY LIMITED

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

40. Earnings Per Share:

Particulars	2017-18	2016-17
Profit / (Loss) after Tax (₹ Lakhs)	(16,946.02)	(10,429.58)
Weighted No. of Equity shares:		
Basic	57,112,047	57,112,047
Diluted	57,112,047	57,112,047
Earnings / (Loss) Per Share		
Basic (₹)	(29.67)	(18.26)
Diluted (₹)	(29.67)	(18.26)
Face Value per Equity Share (₹)	10.00	10.00

41. Financial Instruments:

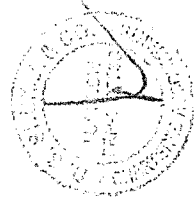
i. Credit Risk

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, 2018 and 2017 is the carrying value of each class of financial assets.



TRUE COPY

SAHARA HOSPITALITY LIMITED

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

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 2018

(₹ Lakhs)

Particulars	Carrying Amount	Contractual Cash Flow	
		0-12 Months	1-3 Years
Non-Derivative Liabilities			Total
Borrowings	1,42,029.94	6,031.58	1,35,998.36
Trade Payables	4,164.05	4,164.05	-
Other Financial Liabilities	11,035.13	506.55	10,528.58
			11,035.13

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

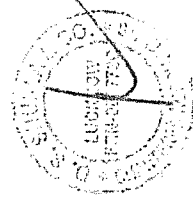
(₹ Lakhs)

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

42. 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.

43. 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.

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



TRUE COPY

SAHARA HOSPITALITY LIMITED

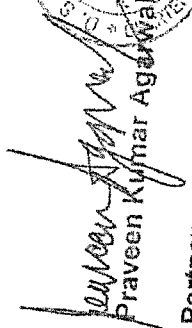
W/6

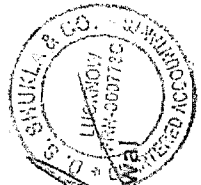
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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


As per our Report even date


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



Praveen Kumar Agarwal
Partner
Membership No 416717

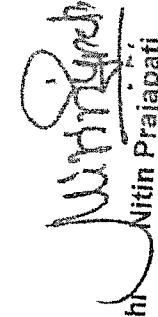



For and on behalf of the Board


O.P. Srivastava
Director
DIN-00144000


J.B. Roy
Director
DIN-00432043


Muneesh Sodhi
Chief Executive Officer


Nitin Prajapati
Chief Financial Officer


Abhishek Jain
Company Secretary

Place: Mumbai
Date: 06/09/2018

A

TRUE COPY

D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandratok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

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

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying standalone financial statements of Sahara Hospitality Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 matter described in the Basis for Qualified Opinion & Emphasis of Matters section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. Reference is invited to Note 11 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.

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

Emphasis of Matters

1. We draw attention to the fact that the management of the company has not made payment of Bonus to employees pertaining to earlier years amounting to Rs.32.60 Lakh. As per Payment of Bonus act, 1965, payment of bonus is to be made within 8 months from close of the relevant financial year. However, our opinion is not qualified in this regard.
2. 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 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.



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

TRUE COPY

D.S. SHUKLA & CO.

CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 are effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

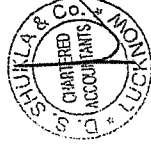
Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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



B.O.: New M.P. Building, Golhar Corakhuir - 223001 Phone : 0522 4236996

TRUE COPY

D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Ailganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

3. 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.
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. No GST has ever been levied on advances received against pre purchased agreement for Room Revenue and Banquet Revenue. However, as per Explanation 1 of Section 12 of CGST Act 2017, if the advance is received before the issue of the invoice, the time of supply would be the date of receipt of advance. Accordingly, GST needs to be levied and paid along with Interest at the time of advance received.
6. The Company has taken unsecured loan from M/s Surya Inn Limited. As per the repayment schedule, this loan should have been cleared by December, 2017 as a single bullet payment, but it is continuing as on 31.03.2019 with the balance of Rs. 1.97 Crores. Agreement with the party has also not been renewed after expiry in Dec 2017.
7. Annual Return for Employer Contribution towards Professional Tax has not been filed till the Balance Sheet date.
Our opinion on the financial statements is not modified in respect of aforesaid matters.

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

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

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

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

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



TRUE COPY

D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4256996
E-mail : dsshukla@yahoo.co.in

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.


Place: Lucknow
Date: 30/06/2019



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

Praveen Kumar Agarwal
(PRAVEEN KUMAR AGARWAL)
Partner

Membership No.: 416717


TRUE COPY.

D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

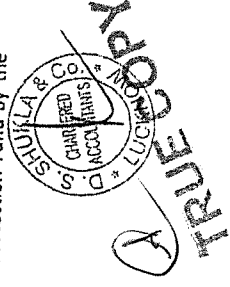
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 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 financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

As per information and according to the explanations given to us, the company has not paid any remuneration to directors.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer note 29 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 were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshukla@yahoo.co.in

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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Lucknow

Date: 30/06/2019

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



Partner

Membership No.: 416717

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

TRUE COPY

D.S. SHUKLA & CO.
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 2019 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

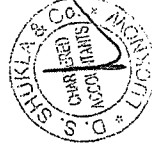
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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.



TRUE COPY

D.S. SHUKLA & CO.

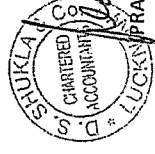
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aiganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

(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, no managerial remuneration has been paid by the Company during the financial year 2018-19. Therefore, the provision of paragraph 3(xi) of the Order is not applicable to the company.
(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. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
(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: 30/06/2019

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



Raveen Kumar Asarwal
RAVEEN KUMAR ASARWAL
Partner
Membership No.: 416717

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

TRUE COPY

D.S. SHUKLA & CO.

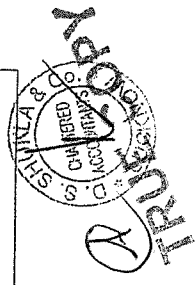
CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

Annexure B 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 2019, we report that:

(i)	(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. +	The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. +												
	(b) Fixed Assets have not been physically verified by the Management during the year hence we are unable to comment on the discrepancies, if any, which could have arisen on such verification.	Fixed Assets have not been physically verified by the Management during the year hence we are unable to comment on the discrepancies, if any, which could have arisen on such verification.												
	(c) The Company is situated on a leasehold land, held by Airport Authority of India and lease deed of the building structure is in the name of Sahara Hospitality Limited.	The Company is situated on a leasehold land, held by Airport Authority of India and lease 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.	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.	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.	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.	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.	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) On Examination of the books of accounts and other records of the Company we report that the Company has defaulted in depositing its undisputed statutory dues including Income-tax, Service tax, Goods and Service tax, and other material statutory dues as applicable with the appropriate authorities. The following statutory liabilities are pending for payment for a period of more than six months from the date they became payable:	<table border="1" style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: right;">(Rs. in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Luxury Tax</td> <td style="text-align: right;">182.01</td> </tr> <tr> <td>Service Tax</td> <td style="text-align: right;">132.29</td> </tr> <tr> <td>WCT</td> <td style="text-align: right;">58.34</td> </tr> <tr> <td>GST</td> <td style="text-align: right;">476.00</td> </tr> <tr> <td>N.A. Tax</td> <td style="text-align: right;">58.09</td> </tr> </tbody> </table>		(Rs. in Lacs)	Luxury Tax	182.01	Service Tax	132.29	WCT	58.34	GST	476.00	N.A. Tax	58.09
	(Rs. in Lacs)													
Luxury Tax	182.01													
Service Tax	132.29													
WCT	58.34													
GST	476.00													
N.A. Tax	58.09													
(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.	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 31/03/2019 amounted to Rs. 69.18 lakhs of Term Loan-I, Rs. 1081.77 lakhs of Term Loan-II and Rs. 814.05 lakhs of Term Loan-III.	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 31/03/2019 amounted to Rs. 69.18 lakhs of Term Loan-I, Rs. 1081.77 lakhs of Term Loan-II and Rs. 814.05 lakhs of Term Loan-III.												



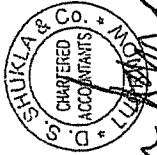
SAHARA HOSPITALITY LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Income:			
Revenue from Operations	23	27,078.29	21,423.44
Other Income	24	264.04	229.42
Total Income		27,342.33	21,652.86
Expenses:			
Cost of Materials Consumed	25	7,710.38	7,667.28
Employee Benefits Expense	26	2,056.72	1,927.19
Finance Costs	27	14,016.76	13,874.09
Depreciation and Amortization	2	5,921.11	5,892.68
Other Expenses	28	9,081.67	8,430.14
Total Expenses		38,786.64	37,791.38
Profit / (Loss) Before Tax		(11,444.31)	(16,138.52)
Tax Expense:			
Current Tax		-	-
Deferred Tax		(1,780.61)	807.50
Profit / (Loss) for the year		(9,663.70)	(16,946.02)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (Gains) and Losses		(25.10)	(2.09)
Total Comprehensive Income for the year		(9,638.60)	(16,943.93)
Earnings / (Loss) Per Equity Share:			
Basic (in ₹ per share)		(16.92)	(29.67)
Diluted (in ₹ per share)		(16.92)	(29.67)
Face value per Equity Share (in ₹₹)		10.00	10.00
Significant Accounting Policies			
Notes to Accounts		1	
		2-48	

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
Praveen Kumar Agarwal
Partner
Membership No. 416717

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

For and on behalf of the Board

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

Munish Sodhi
Munish Sodhi
Chief Executive Officer

Mahipal Jain
Mahipal Jain
Chief Financial Officer

Chandra Jugani
Chandra Jugani
Company Secretary

Place: Mumbai
Dated: 30-06-2019

TRUE COPY

426

127

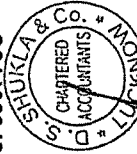
SAHARA HOSPITALITY LIMITED
Balance Sheet as at March 31, 2019

Particulars	Note No.	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		1,35,307.61	1,41,073.13
Capital Work-In-Progress	2	-	-
Intangible Assets		112.14	90.29
Financial Assets:			
Other financial assets	3	265.37	276.81
Deferred Tax Assets (Net)	4	5,522.38	3,741.77
Other Non-Current Assets	5	1,905.66	1,147.45
Total Non-Current Assets (I)		1,43,113.16	1,46,329.45
CURRENT ASSETS			
Inventories	6	1,624.70	1,694.72
Financial Assets:			
Trade Receivables	7	2,542.68	2,020.54
Cash and cash equivalents	8	60.14	86.54
Other Bank Balance	9	209.58	99.25
Other financial assets	10	181.88	27.33
Other Current Assets	11	258.71	260.57
Total Current Assets (II)		4,877.69	4,188.95
TOTAL ASSETS (I+II)		1,47,990.85	1,50,518.40
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	5,711.20	5,711.20
Other Equity	13	(27,538.60)	(18,905.73)
Total Equity (A)		(21,827.40)	(13,194.53)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	1,41,993.66	1,35,998.37
Other Financial Liabilities	15	9,258.93	10,528.64
Provisions	16	85.91	73.62
Other Non-Current Liabilities	17	1,784.83	2,454.01
Total Non-Current Liabilities (B)		1,53,123.33	1,49,054.64
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	18	6,215.55	6,031.59
Trade Payables	19	4,507.28	4,164.04
Other Current Financial Liabilities	20	1,707.79	456.50
Provisions	21	26.67	42.70
Other Current Liabilities	22	4,237.62	3,963.47
Total Current Liabilities (C)		16,694.91	14,658.30
TOTAL LIABILITIES (D=B+C)		1,69,818.24	1,63,712.94
TOTAL EQUITY AND LIABILITIES (A+D)		1,47,990.85	1,50,518.40
Significant Accounting Policies	1		
Notes to Accounts	2-48		

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

Place: Mumbai
Dated: 30-06-2019

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

Muneesh Sodhi
Muneesh Sodhi
Chief Executive Officer

Mahipal Jain
Mahipal Jain
Chief Financial Officer

Chandra Jagan
Chandra Jagan
Company Secretary

Praveen Kumar Agarwal
Praveen Kumar Agarwal
Partner

SAHARA HOSPITALITY LIMITED

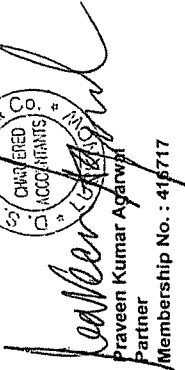
Statement of Changes in Equity for the year ended March 31, 2019

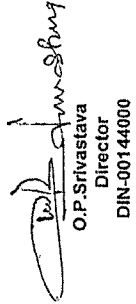
Particulars	Amount (₹. Lakhs)				
A Equity Share Capital :					
As at April 1, 2018				5,711.20	
Changes in Equity Share Capital during the year				-	
As at March 31, 2019				5,711.20	
B Other Equity :					
	Amount (₹. Lakhs)				
Particulars	Equity Capital reserve	Securities Premium	Reserves and Surplus Other Comprehensive Income	Retained Earnings	Total
Balance at April 1, 2018	-	30,072.41	(10,967.27)	(38,010.87)	(18,905.73)
Profit/(Loss) for the period			25.10	(9,663.70)	(9,638.60)
Amortised during the period					
Equity capital reserve	1005.73				
Utilised during the period					
Balance as at March 31, 2019	1,005.73	30,072.41	(10,942.17)	(47,674.57)	(27,538.60)


See accompanying Notes to Financial Statements.

As per our attached report of even date

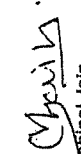
For D.S.Shukla & Co.
Chartered Accountants
Firm Regn No. 000773G



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


Muneesh Sodhi
Chief Executive Officer


Manjpal Jain
Chief Financial Officer


Chandra Jugani
Company Secretary

Place : Mumbai
Dated : 30-06-2019

A
TRUE COPY

422

SAHARA HOSPITALITY LIMITED
Cash Flow Statement for the year 2018-19

Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before tax as per Profit and Loss Statements		(16,138.52)
Adjustment for:		
Depreciation and Amortization	5,921.11	5,892.68
Inventory Written off	7,212.57	6,665.73
Interest Expense on Preference Shares	192.00	138.23
Interest cost on fair valuation of security deposit	6,612.20	7,070.13
Interest Paid	-	-
Provision for Doubtful Debts and Advances	(9.14)	(8.93)
Gain on sale of Units of Mutual Fund	-	-
Interest Income on Fixed Deposit and Others	(108.98)	(152.74)
Prepayment charges of HUDCO Limited Loan	(50.91)	(23.39)
Loss on Insurance Claim	-	-
Restatement of Prior Period Expenses	-	-
Unwinding of deferred income on security deposit accepted	-	-
Excess provision no longer required	-	-
Excess Depreciation Charged in earlier years	169.39	61.79
Provision for Doubtful Debts and Advances	(19.59)	20.63
Provision for Employee Benefits	(0.36)	(0.39)
Unrealised Exchange Gain	-	-
Receipt from Gratuity Trust	-	-
Operating Profit before working capital changes	19,918.30	19,663.74
Adjustment for:		
(Increase)/Decrease in Trade Receivable	(522.13)	(708.08)
(Increase)/Decrease in Inventories	70.03	106.46
(Increase)/Decrease in Trade and Other Payable	1,744.76	3,110.91
(Increase)/Decrease Loans and Advances	(900.61)	317.12
Cash generated from operations	8,866.02	6,351.63
Direct Tax Paid	-	-
Net Cash from operating activities (I)	(8,866.02)	(3,006.28)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Asset/ Capital work in progress	(177.47)	-
Proceeds from Sales of Fixed Assets	-	-
Purchase of Units of Mutual Fund	-	-
Sales/Redemption of Units of Mutual Fund	-	-
Gain on sale of Units of Mutual Fund	(110.33)	20.54
Bank Balance not considered as Cash and Cash Equivalents	1.14	8.86
Investment in Fixed Deposit	9.14	8.93
Interest Received on Fixed Deposit and Others	(917.53)	2,314.41
Net Increase in Other Creditors	-	-
Net Cash from investing activities (II)	(1,195.05)	(653.54)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Preference Shares	-	1,400.00
Interest Paid	(6,612.20)	(7,070.13)
Repayment of Long-Term Borrowings	(1,393.73)	(607.58)
Proceeds from Long-Term Borrowings	-	-
Short-Term Loan Raised/(Repaid) (Net)	308.55	624.12
Net Cash from financing activities (III)	(7,697.37)	(5,653.59)
Net Increase in Cash and Cash Equivalents (I+II+III)	(26.40)	44.50
Cash and Cash Equivalents at beginning of period	86.54	42.04
Cash and Cash Equivalents at end of period	60.14	86.54
Footnote :		
Cash and Cash Equivalents at the end of the period		
Cash in hand	2.41	7.16
Cheques in Hand	-	-
Others - Union Bank Rewards Points	3.37	2.54
Balance with Banks	54.36	76.84
In Current Account	-	-
In Fixed Deposit Account	-	-
Total	60.14	86.54

As per our attached report of even date

For D.S.Shukla & Co.

Chartered Accountants

Firm Regn No. 0007736



Partner

Membership No. : 415717

Place: Mumbai

Dated: 30-06-2019

For and on behalf of the Board

O.P. Srivastava
Director
DIN-00144000

Munesh Sodhi
Chief Executive Officer

J.B. Roy
Director
DIN-00432043

Chandra Jugani
Company Secretary

Mahipal Jain
Chief Financial Officer

TRUE COPY

430

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.

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

TRUE COPY

431

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 judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:



432

SAHARA HOSPITALITY LIMITED

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



TRUE COPY

433

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:

Revenue is recognized at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring the good or services to a customer i.e. on transfer of control of the goods or services to the customers. Revenue from Sales of goods or rendering of services is net of indirect Taxes, returns and discounts.

Effective April 1, 2018 the company has applied IndAS 115 which replaces Ind AS 18 revenue recognition. Refer Note 1.4.1- Significant accounting policies –Revenue recognition in the Annual report of the company for the year ended March 31,2018, for the revenue recognition policy as per Ind AS 18.

Income from Operations:

Rooms, Food and Beverage & Banquets: Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals:

Rentals basically consist of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other allied services:

In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

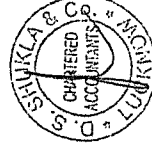
Contract Balances:

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.



A
TRUE COPY

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.



TRUE COPY

537

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:

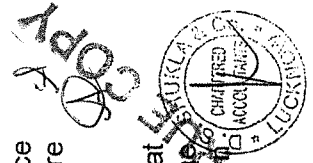
Class of Assets	Estimated Useful Life
Trademarks	10 years
Computer Software	10 years

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.



436

SAHARA HOSPITALITY LIMITED

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.



A
TRUE COPY

127

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.

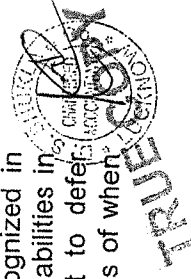
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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.



138

SAHARA HOSPITALITY LIMITED

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.

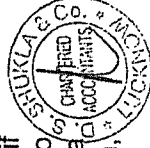
a. Current tax:

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.



(A) TRUE COPY

439

SAHARA HOSPITALITY LIMITED

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.



TRUE COPY

480

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.



TRUE COPY

154

SAHARA HOSPITALITY LIMITED

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.



TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2. PROPERTY, PLANT AND EQUIPMENT:

Nature of Assets	As at April 1, 2018		As at March 31, 2019		As at April 1, 2018		For the year		As at March 31, 2019		Balance as at March 31, 2018	
	As at	Adjustments/ Additions/ Retirements during the period	Balance as at	Adjustments/ Deductions/ Retirements during the period	As at	Adjustments/ Deductions/ Retirements during the period	As at	Adjustments/ Deductions/ Retirements during the period	As at	Adjustments/ Deductions/ Retirements during the period	As at	Adjustments/ Deductions/ Retirements during the period
	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)
Gross Blocks (At Cost)	1,16,470.54	81.49	1,16,552.03	8,813.16	1,839.83	10,652.99	1,05,899.04	1,07,657.38	114.77	154.40	154.40	1,07,657.38
Buildings (On Leasehold Land)	23,139.76	48.25	23,188.01	7,734.85	1,570.57	9,305.42	13,882.59	15,404.91	112.35	154.40	154.40	15,404.91
Ownership Flats (Freehold)	154.40	-	154.40	39.63	2.42	42.05	112.35	114.77	112.35	154.40	154.40	114.77
Plant and Equipment	25,460.34	1.42	25,461.76	7,653.06	2,465.67	9,305.42	13,882.59	15,404.91	112.35	154.40	154.40	15,404.91
Furniture, Fixtures and Office Equipments	70.89	-	70.89	61.81	5.08	10,118.73	15,343.03	17,807.28	9.08	70.89	70.89	17,807.28
Vehicles	207.97	6.46	214.43	128.26	19.57	147.83	66.60	79.71	4.00	207.97	207.97	79.71
Computers	1,65,503.90	137.62	1,65,641.52	24,430.77	5,903.14	30,333.91	1,35,307.61	1,41,073.13	66.60	1,65,503.90	1,65,503.90	1,41,073.13
Tangible Assets:	1,65,721.55	177.47	1,65,899.02	24,558.13	5,921.14	30,479.27	1,35,419.75	1,41,163.42	177.47	1,65,721.55	1,65,721.55	1,41,163.42
Buildings (On Leasehold Land)	23,139.76	48.25	23,188.01	7,734.85	1,570.57	9,305.42	13,882.59	15,404.91	112.35	154.40	154.40	15,404.91
Ownership Flats (Freehold)	154.40	-	154.40	39.63	2.42	42.05	112.35	114.77	112.35	154.40	154.40	114.77
Plant and Equipment	25,460.34	1.42	25,461.76	7,653.06	2,465.67	9,305.42	13,882.59	15,404.91	112.35	154.40	154.40	15,404.91
Furniture, Fixtures and Office Equipments	70.89	-	70.89	61.81	5.08	10,118.73	15,343.03	17,807.28	9.08	70.89	70.89	17,807.28
Vehicles	207.97	6.46	214.43	128.26	19.57	147.83	66.60	79.71	4.00	207.97	207.97	79.71
Computers	1,65,503.90	137.62	1,65,641.52	24,430.77	5,903.14	30,333.91	1,35,307.61	1,41,073.13	66.60	1,65,503.90	1,65,503.90	1,41,073.13
Intangible Assets:	0.46	0.30	0.76	0.36	0.05	0.41	0.35	0.10	0.35	0.46	0.46	0.10
Trademarks	0.46	0.30	0.76	0.36	0.05	0.41	0.35	0.10	0.35	0.46	0.46	0.10
Computer Software	217.19	39.55	256.74	127.00	17.95	144.95	111.79	90.19	111.79	217.19	217.19	90.19
Total (B)	217.65	39.85	257.50	127.36	18.00	145.36	112.14	90.29	112.14	217.65	217.65	90.29
Capital Work in Progress (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A+B+C)	1,65,721.55	177.47	1,65,899.02	24,558.13	5,921.14	30,479.27	1,35,419.75	1,41,163.42	177.47	1,65,721.55	1,65,721.55	1,41,163.42
Previous Year	1,62,738.65	3,006.92	24.02	1,65,721.55	18,671.55	5,892.68	24,558.14	1,44,067.10	1,62,738.65	3,006.92	24.02	1,65,721.55



542

TRUE COPY

448

SAHARA HOSPITALITY LIMITED

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.



A
TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

7 TRADE RECEIVABLES:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Unsecured: Considered Good	2,542.68	2,020.54
Considered Doubtful Less : Allowance for Doubtful Receivables	287.55 (287.55)	127.41 (127.41)
(Refer Footnote)	-	-
TOTAL	2,542.68	2,020.54

Footnote:

Allowance for Doubtful Receivables:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Opening Balance	127.40	91.53
Add: Allowance during the year	176.55	40.31
Less: Reversal of allowances no longer required	16.41	4.44
TOTAL	287.54	127.40

8 CASH AND CASH EQUIVALENTS:

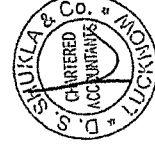
Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Balances with bank in current account	54.36	76.84
Cheques on Hand	-	-
Cash on Hand	2.41	7.16
Others - Union Bank Rewards Points	3.37	2.54
TOTAL	60.14	86.53

9 OTHER BANK BALANCE:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Fixed Deposit with Banks Maturity within less than twelve months (held by Bank as margin money for Guarantees & Letter of Credit given)	209.58	99.25
TOTAL	209.58	99.25

10 OTHER FINANCIAL ASSETS:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Security Deposit:		
a. With Related Party	-	-
b. With Others	175.54	26.43
Considered Good	13.85	13.85
Considered Doubtful	(13.85)	(13.85)
Less: Allowance for Doubtful Advances	175.54	26.43
Loan to Staff		
Considered Good	2.95	-
Considered Doubtful	4.40	-
Less: Allowance for Doubtful Advances	(4.40)	-
Interest Accrued but not Due	2.95	-
	3.39	0.90
TOTAL	181.88	27.34



TRUE COPY

444

445

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3 OTHER FINANCIAL ASSETS:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Loan to Staff	-	10.30
Insurance Claim Receivable	8.39	8.39
Accounts Receivable -Others	245.12	245.12
Fixed Deposit with Maturity after twelve months	11.86	13.00
TOTAL	265.37	276.81

4 DEFERRED TAX ASSETS (NET):

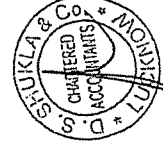
Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Deferred Tax Assets		
Unabsorbed Depreciation	19,081.37	15,672.66
Disallowance U/s 43 B of the Income Tax Act, 1961	58.63	116.19
	19,140.00	15,788.85
Less:		
Deferred Tax Liability	13,617.62	12,047.08
Fixed Assets	13,617.62	12,047.08
Total	5,522.38	3,741.77

5 OTHER NON-CURRENT ASSETS:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Staff Advances		
Considered Good	-	28.06
Considered Doubtful	-	6.87
Less: Allowance for Doubtful Advances	-	(6.87)
		28.06
Capital Advances		
Considered Good	320.33	199.72
Considered Doubtful	4.83	4.83
Less: Allowance for Doubtful Advances	(4.83)	(4.83)
	320.33	199.72
Other Advances and Receivables		
Considered Good	382.14	77.29
Considered Doubtful	24.51	24.51
Less: Allowance for Doubtful Advances	(24.51)	(24.51)
	382.14	77.29
Advance Taxes	698.63	337.82
MAT Credit Entitlement	504.56	504.56
TOTAL	1,905.66	1,147.45

6 INVENTORIES:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Food and Beverages	112.01	123.13
Stores and Operating Supplies	1,482.09	1,546.04
Petrol and Allied Products	30.60	25.55
TOTAL	1,624.70	1,694.72



TRUE COPY

446

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

12 EQUITY SHARE CAPITAL:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount (₹. Lakhs)	No. of shares	Amount (₹. Lakhs)
<u>Authorised Share Capital</u>				
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
<u>Issued, Subscribed & Paid up Capital</u>				
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
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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	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%



TRUE COPY

447

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

11 OTHER CURRENT ASSETS:

Particulars	As at	As at
	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Prepaid Expenses	148.42	161.57
Deposit with SEBI under "SEBI Sahara Refund Account" (Refer Note no. 37)	99.00	99.00
Staff Advances	11.29	-
Considered Good	11.73	-
Considered Doubtful	(11.73)	-
Less: Allowance for Doubtful Advances	11.29	-
TOTAL	258.71	260.57



APPROVED COPY

468

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 Saharayan 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, 2019		As at March 31, 2018	
	No. of shares	Amount (₹. Lakhs)	No. of shares	Amount (₹. Lakhs)
Preference Shares at the beginning of the year	58,65,00,000	87,918.14	57,25,00,000	79,852.41
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	-	7,212.57	-	6,550.88
Add: Fair Value of Preference Shares	-	-	-	-
Less: Shares Redeemed during the year	-	-	-	-
Preference Shares at the end of the year	58,65,00,000	95,130.70	58,65,00,000	87,918.14

(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, 2019		As at March 31, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Sahara Prime City Limited	46,85,00,000	79.88%	46,85,00,000	79.88%
Sahara Q Shop Unique Products Range Limited	7,40,00,000	12.61%	7,40,00,000	12.61%
Sahara Credit Co-Operative Society Limited	3,00,00,000	5.11%	3,00,00,000	5.11%



468
S. SHUKLA & CO.
CHARTERED ACCOUNTANTS
LUCKNOW

449

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

13 OTHER EQUITY:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
<u>Securities Premium Account</u>		
Opening Balance	30,072.41	30,072.41
Add: Addition during the year	-	-
Closing Balance	30,072.41	30,072.41
Equity Capital Reserve	1,005.73	-
<u>Retained Earnings</u>		
As per last balance sheet	(38,010.87)	(21,064.85)
Add: Profit/(Loss) for the year from Statement of Profit and Loss	(9,663.70)	(16,946.02)
Closing Balance	(47,674.57)	(38,010.87)
<u>Other Comprehensive Income (OCI)</u>		
As per last balance sheet	(10,967.27)	(10,969.36)
Add: Actuarial Gain/(Loss)	25.10	2.09
Closing Balance	(10,942.17)	(10,967.27)
Total	(27,538.60)	(18,905.73)

14 BORROWINGS:

Particulars	As at March 31, 2019 (₹. Lakhs)		As at March 31, 2018 (₹. Lakhs)	
	No. of shares	Amount	No. of shares	Amount
<u>Preference Share Capital</u>				
<u>Authorised</u>				
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
<u>Issued, Subscribed & Paid up Capital</u>				
0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares of ₹10/- each fully paid up	58,65,00,000	95,130.70	58,65,00,000	87,918.14
<u>Secured</u>				
Term Loan From Bank- I		1,367.47		1,407.46
Term Loan From Bank- II		25,665.52		26,374.01
Term Loan From Bank- III		19,829.97		20,298.76
		46,862.96		48,080.23
(Refer Footnote i to x)				
Total		1,41,993.66		1,35,998.37

TRUE COPY



SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

15 OTHER FINANCIAL LIABILITIES:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Security and Other Deposits	555.34	1,140.39
Deferred Income (Security Deposit)	671.96	378.78
Payable to Contractors	6,482.56	7,383.79
Retention Money	1,517.75	1,534.05
Others	31.33	91.63
TOTAL	9,258.93	10,528.64

16 PROVISIONS:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Provision for Employee Benefits		
Provision for Leave Encashment	15.37	10.41
Provision for Gratuity	39.98	45.65
Provision for Incentives	3.74	-
Provision for Bonus	26.81	17.56
Total	85.90	73.62

17 OTHER NON-CURRENT LIABILITIES:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Security Deposit From Others	1,784.83	2,454.01
Total	1,784.83	2,454.01

18 BORROWINGS:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Current Portion of Long-Term Borrowings	3,013.82	3,190.28
Short - term borrowings		
Secured		
Loans Repayable on Demand		
Rupee Loan (refer footnote (i))	2,583.64	2,601.30
Unsecured		
Loans Repayable on Demand		
Rupee Loan		
From Others	196.93	240.00
From Holding company (Sahara Prime City Limited)	421.16	618.09
Total	6,215.55	6,031.59

Footnotes :

(i) Rupee Loan from Banks consists of Working Capital facilities including Credit Card 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.



TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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 Dealy (In days)
	Borrowings	Interest	Total	
Term Loan From Bank-I				
For Jan-2019	4.63	15.63	20.25	60
For Feb-2019	4.63	14.26	18.89	32
For Mar-2019	4.63	15.41	20.04	1
Term Loan From Bank-II				
For Jan-2019	69.13	300.38	369.51	60
For Feb-2019	69.13	279.43	348.56	32
For Mar-2019	69.13	294.57	363.70	1
Term Loan From Bank- III				
For Jan-2019	53.13	224.45	277.57	60
For Feb-2019	53.13	205.95	259.07	32
For Mar-2019	53.13	224.29	277.41	1

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

Particulars	F.Y.2019-20 (₹. Lakhs)	F.Y.2020-21 (₹. Lakhs)	F.Y.2021-22 and Onwards (₹. Lakhs)
Term Loan From Bank- I	88.92	103.74	1,224.12
Term Loan From Bank- II	1,649.90	1,924.82	22,713.48
Term Loan From Bank- III	1,275.00	1,487.45	17,552.39



451

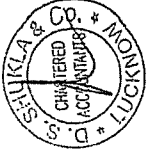
452

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

22 OTHER CURRENT LIABILITIES:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Statutory Dues and Other Accruals	4,090.20	3,280.01
Advance from Customers	-	490.39
Other Advances		
From Related Parties	26.21	
AAMBY VALLEY LTD.	96.26	
Qing Ambay City Developer Corporation Limited	122.47	
From Others	24.95	193.07
Total	4,237.62	3,963.47



TRADE MARK

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

19 TRADE PAYABLES:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Trade Payables		
Micro and Small Enterprises (Refer Footnotes i & ii)	337.12	294.88
Others for Goods and Services	4,170.16	3,869.16
Total	4,507.28	4,164.04

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.

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

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
(a) The Principal amount remaining unpaid to supplier as at the end of the accounting year.	337.12	294.88
(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, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Deferred Income (Security Deposit)	-	106.65
Current Financial Liabilities - Others	1,707.79	349.85
TOTAL	1,707.79	456.50

21 SHORT TERM PROVISIONS:

Particulars	As at March 31, 2019 (₹. Lakhs)	As at March 31, 2018 (₹. Lakhs)
Provision for Employees Benefits (refer note 31)		
Provision for Gratuity	20.93	37.99
Provision for Leave Encashment	5.74	4.71
Total	26.67	42.70



TRUE COPY

454

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

28 OTHER EXPENSES:

Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Operating Expenses		
Fuel, Power, Light and Water Charges	2,114.56	1,837.29
Soft Furnishings and Laundry Charges	366.43	312.63
Payment for Outsourced Services	1,260.30	1,384.31
Repairs to Buildings	437.52	446.90
Repairs to Plant and Machinery	542.82	522.86
Repairs to Others	79.88	77.62
Commission on Sales	577.38	701.98
Guest Transportation	107.95	119.50
Advertisement, Publicity and Marketing	72.40	127.07
Other Operating Expenses	1,645.59	1,192.13
	7,204.83	6,722.29
General Expenses		
Printing and Stationery	91.40	72.24
Lease Rent	792.64	784.86
Licence Fees	174.05	104.79
Rates and Taxes	320.74	308.08
Insurance	72.05	76.31
Auditors' Remuneration (Refer Footnote)	7.00	3.00
Professional and Retainership Fees	249.57	296.78
Doubtful Debts Provision	169.39	61.79
	1,876.84	1,707.85
Total	9,081.67	8,430.14

Footnote:

Auditors Remuneration:

Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Audit Fees	6.00	2.25
Tax Audit Fees	1.00	0.75
Total	7.00	3.00



TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**23 REVENUE FROM OPERATIONS:**

Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Room Income	7,900.95	6,107.11
Food and Beverages	10,831.15	8,244.55
Banquet Rentals	1,821.13	1,216.97
Other Rentals	1,191.62	322.49
Sale of Petrol and Allied Products	4,574.84	5,348.46
Other Services	758.60	183.86
Total	27,078.29	21,423.44

24 OTHER INCOME:

Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Interest Income (Gross)		
On Deposit with Banks and Post office	9.14	8.93
On Others	0.11	11.19
	9.25	20.12
Net Gain On Foreign Currency Transaction	1.92	2.60
Other Non-Operating Income	143.89	53.96
Unwinding of deferred income on security deposits accepted	108.98	152.74
Excess Depreciation Charged prior to F.Y. 2016-17	-	-
Total	264.04	229.41

25 COST OF MATERIALS CONSUMED

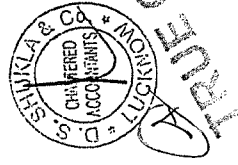
Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Consumption of Food, Beverages and Smokes	2,786.13	2,155.92
Consumption of Stores and Supplies	491.78	338.54
Consumption of Petrol and Allied Products	4,432.47	5,172.82
Total	7,710.38	7,667.28

26 EMPLOYEE BENEFIT EXPENSES:

Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Salaries and Wages	1,742.64	1,637.10
Contribution to Provident and Other Funds	79.15	69.39
Staff Welfare Expenses	234.93	220.69
Total	2,056.72	1,927.19

27 FINANCE COSTS:

Particulars	March 31, 2019 (₹. Lakhs)	March 31, 2018 (₹. Lakhs)
Interest Expense on Borrowings	6,573.27	7,036.86
Interest Expense on Preference Shares	7,212.57	6,665.73
Other Borrowing Costs	38.92	33.27
Interest cost on fair valuation of security deposit	192.00	138.23
Total	14,016.76	13,874.09



SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 01/04/2018 – 31/03/2019:

Type of Benefit	Current Period	Previous Period
Country	Gratuity India	Gratuity 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	01-04-2018	01-04-2017
Date of Reporting	31-03-2019	31-03-2018
Period of Reporting	12 Months	12 Months

	Assumptions (Current Period)	
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.71%	6.82%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	For Service 4 years and below 20% p.a. ; For Service 5 years and above 5% p.a.	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)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.



TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

a) **In respect of claims against the Company:**

	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
Bank Guarantees issued on behalf of the Company	1,105.00	346.55
Other Money for which the company is Contingently liable -Letter of Credit	-	-

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 ₹ NIL (Previous Year ₹ NIL).

31. Employee Benefits:

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

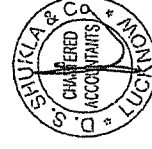
	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
Employer's Contribution to Provident Fund	16.84	15.26
Employer's Contribution to Pension Scheme	29.94	17.41



TRUE COPY

SAHARA HOSPITALITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
d) Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	83.64	79.85
Fair Value of Plan Assets at the beginning of the Period	-	-
Net Asset/(Liability) at the Beginning	83.64	79.85
Interest Cost	6.45	5.45
(Interest Income)	-	-
Net Interest Cost for the Current Period	6.45	5.45
e) Expenses recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	13.67	9.31
Net Interest Cost	6.45	5.45
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognized	20.12	14.76
f) Expenses recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation for the Period	(25.10)	(2.09)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net Income/(Expense) for the period recognized in OCI	(25.10)	(2.09)



TRUE COPY
A

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	Gratuity (Unfunded)	
	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
a)		
Change in the Present Value of Projected Benefit Obligation:		
Present Value of Benefit obligation at the beginning of the year.	83.64	79.85
Current Service Cost	13.67	9.31
Interest Cost	6.45	5.45
Past Service Cost	-	-
Benefit Paid from the fund	-	-
Benefit Paid Directly by the Employer	(17.74)	(8.88)
Actuarial Gains/(Losses) on Obligations – Due to change in Demographic Assumptions	-	-
Actuarial Gains/(Losses) on Obligations – Due to change in Financial Assumptions	(Nil)	(4.17)
Actuarial Gains/(Losses) on Obligations – Due to Experience	(25.10)	2.08
Present Value of Benefit obligation at the end of the period	60.91	83.64
b)		
Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the period	-	-
Expected Return on Plan Assets	-	-
Contributions by the Employer	-	-
Benefits Paid from the fund	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan assets at year end of the period	-	-
c)		
Reconciliation of fair value of assets and Obligations		
Fair value of plan assets at the end of the Period	-	-
Present value of obligation at the end of the Period	(60.91)	(83.64)
Funded Status (Surplus/(Deficit))	(60.91)	(83.64)
Net Asset / (Liability) recognized in Balance Sheet	(60.91)	(83.64)

460

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

34. CIF Value of Imports:

	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
Inventory	35.52	12.84
Capital Goods	6.54	3.69

35. Expenditure in Foreign Exchange:

	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
Travelling	Nil	Nil
Professional Consultancy Fees & other matters	1.61	31.14
Commission	132.42	209.76

36. Earnings in Foreign Exchange:

	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
Revenue Receipts	1587.87	1,948.95

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 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:

- a) Holding Company: Sahara Prime City Limited.
- b) Key Management Personnel: Mr. Muneesh Sodhi (Chief Executive Officer), Mr. Nitin Prajapati (Chief Financial Officer period till 06,Nov 2018), and Mr. Abhishek Jain (Company Secretary period Up to Dec 2018) Chandra Jugani (Company Secretary Period from Dec 2018).



TRUE COPY

SAHARA HOSPITALITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 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 2018-19	15.13	9.54	(3.56)	-	21.11
FY 2017-18	32.35	-	(17.22)	-	15.13

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:

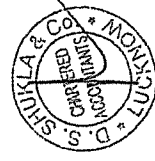
The land for the hotel is on Operating Lease from Airport Authority of India, in that the land admeasuring approximately 30,047.12 squares Meters. The total lease rent including Minimum Guaranteed Annual Payment, on the same amounting to ₹. 792.64 Lakhs (Previous year ₹. 736.33 Lakhs) is recognized during the year. The lease rental including Minimum Guaranteed Annual Payment of future lease rental payables in respect thereof are as follows:-

Particulars	March 31, 2019 (₹ Lakhs)	March 31, 2018 (₹ Lakhs)
Not Later than One Year	793.54	792.65
Later than one year but not later than 5 years	3,885.28	3,554.48
Later than 5 years	9,263.38	10,385.54

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

	2018-19 (in Litres)	2017-18 (in Litres)
Opening Stock	31099	24,912
Purchases	61,04,000	80,92,000
Turnover *	60,82,652	80,85,813
Closing Stock	39,122	31,099

* After adjusting evaporation loss of 13,325 Liters (Previous year 12,879 Liters)



TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2. DETAILS OF KEY MANAGERIAL PERSONNEL OF HOLDING COMPANY - 'SAHARA PRIME CITY LIMITED' FOR FINANCIAL YEAR 2018-19:

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 Manoj Kumar Srivastav	Manager
Shri Rudra Nath Yadav	Chief Financial Officer

3. Details of related party transactions during the year ended March 31, 2019.

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	-	-	-	1,466.16
Income (including taxes)	(3.69)	(-)	(-)	(642.86)
Current liability	-	-	-	91.13
Remuneration	-	-	111.96	(91.13)
Paid/Payable (Gross)	(-)	(-)	(217.62)	(-)

Note: Figures in bracket represent previous year amounts.



TRUE COPY

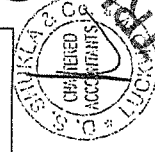
SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Details of related parties and transactions during the year ended March 31, 2019:

1. Enterprises over which persons specified in (a) and (b) 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
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



TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 201939. Segmental Reporting:

A. Primary Segment Report

Information about Business Segment

Segment Revenue:	2018-19 (₹ Lakhs)	2017-18 (₹ Lakhs)
a. Hotel	22767.49	16,304.40
b. Income from Petrol Pump	4574.84	5,348.46
Total Revenue	27,342.33	21,652.86
Segment Results:		
Profit before tax:		
a. Hotel	(11530.03)	(16263.08)
b. Petrol Pump	85.72	124.55
Total Profit	(11,444.31)	(16,138.52)
Other Information:		
Segment Assets		
a. Hotel	1,47,847.20	1,50,406.73
b. Petrol Pump	143.65	161.72
Total	1,47,990.85	1,50,568.45

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:

a. Depreciation	2018-2019 (₹ Lakhs)	2017-2018 (₹ Lakhs)
	5,921.11	5,892.68
	5,921.11	5,892.68



TRUE COPY

465

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

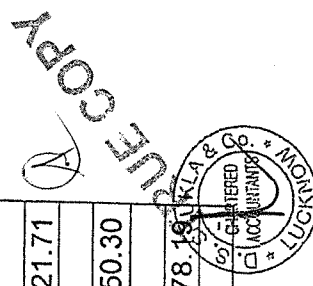
4. Balance Outstanding as at March 31, 2019.

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	0.00 (5.12)	- (-)	- (-)	852.83 (1072.12)
Security Deposit	- (-)	- (-)	- (-)	- (-)
Trade Payable	- (-)	- (-)	- (-)	0.00 (13.69)
Loans and Advances	- (-)	- (-)	- (-)	1425.00 (50.00)
Other Payable	0.00 (0.00)	- (-)	- (-)	0.00 (139.83)
Unsecured Loan	471.16	(-)	(-)	-

Note: Figures in bracket represent previous year amounts.

5. Statement of Material Transactions.

Name of the company	March 31, 2019 (₹ Lakhs)	March 31, 2018 (₹ Lakhs)
I) Holding Company		
Sahara Prime City Limited		
➤ Sales of Services	00.00	3.69
Unsecured Loan	13.75	0.00
II) Remuneration to Key Management Personnel		
Mr. Muneesh Sodhi	82.79	15.26
Mr. Vivek Kumar	00.00	174.38
Mr. Nitin Prajapati	12.41	14.58
Mr. Abhishek Jain	14.76	13.40
Mr. Chandra Jugani	2.00	0.00
II) Enterprise over which persons specified in (b) and (c) above, have significant influence:		
Sahara Q Shop Unique Products Range Limited		
➤ Sales of Services	0.00	36.17
Sahara India (Firm)		
➤ Sale of Services	1216.05	121.71
Sahara India Commercial Corporation Limited		
Sale of Services	89.98	50.30
Aamby Valley Limited		
➤ Sale of Services	154.62	378.16
➤ Current Liability	-	-



466

SAHARA HOSPITALITY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 2019

Particulars	Carrying Amount	Contractual Cash Flow	
		0-12 Months	1-3 Years
Borrowings	1,48,209.21	3201.73	1,45,007.48
Trade Payables	4,507.28	4,507.28	-
Other Financial Liabilities	10,966.13	1,707.79	9,258.34
			10,966.13
			1,48,209.21
			4,507.28

(₹ Lakhs)

Maturity Profile of Loans and Derivative financial Liabilities as on 31st March 2018

Particulars	Carrying Amount	Contractual Cash Flow	
		0-12 Months	1-3 Years
Borrowings	1,42,029.94	6,031.58	1,35,998.36
Trade Payables	4,164.05	4,164.05	-
Other Financial Liabilities	11,035.13	506.55	10,528.58
			10,528.58
			1,42,029.94
			4,164.05
			11,035.13

(₹ Lakhs)

42. 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.
43. 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.
44. Miscellaneous expenses do not include any items of expenses which exceeds 1% of Revenue from Operation or ₹ 1, 00,000/- whichever is higher.



TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 201940. Earnings Per Share:

Particulars	2018-19	2017-18
Profit / (Loss) after Tax (₹ Lakhs)	(9663.70)	(16946.02)
Weighted No. of Equity shares:		
Basic	57,112,047	57,112,047
Diluted	57,112,047	57,112,047
Earnings / (Loss) Per Share		
Basic (₹)	(16.92)	(29.67)
Diluted (₹)	(16.92)	(29.67)
Face Value per Equity Share (₹)	10.00	10.00

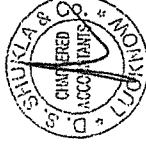
41. Financial Instruments:i. Credit Risk

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, 2019 and 2018 is the carrying value of each class of financial assets.



A
TRUE COPY

867

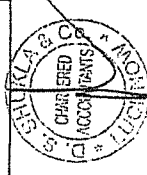
SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Movement of Deferred Tax-2017-18

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Property, Plant & Equipment	10,039.74	(2,007.34)		12,047.08
Retirement Benefit Plans	12.83	(13.88)		(1.05)
Bonus to employees	2.97	0.25		3.22
Unabsorbed Depreciation carried forward under Income Tax	14,503.14	1,169.52		15,672.66
Doubtful Debt & Advances	30.97	(11.88)		19.09
Property Tax	39.11	55.83		94.94
Minimum Alternate Tax (MAT) Credit	-	-		-
TOTAL	24,628.76	(807.50)		27,835.94

Particulars	31-Mar-19				31-Mar-18			
	F V P L	F V O CI	Amortized cost	F V P L	F V O CI	Amortized Cost	F V P L	Amortized Cost
Non-current financial assets								
Loans		0.00				0.00		
Other financial assets		265.37				276.81		
Current financial assets								
Other financial assets		181.88				27.33		
Trade receivables		2,542.68				2020.54		
Cash and cash equivalents		60.14				86.54		
Total Financial Asset		3,050.07				2411.22		
Current Financial Liabilities								
Trade payables		4,507.28				4,164.04		
Employee benefits payable		25.1				2.09		
Total Financial Liabilities		25.1				2.09		



A TRUE COPY

469

SAHARA HOSPITALITY LIMITED

45. a) Assessment completed up to Assessment Year 16-17 and Assessment Year 17-18 is in process, no demand was raised by Department

b) Deferred Tax Balance:-

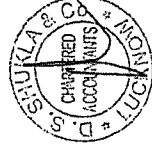
Particulars	As at 31-03-2019	As at 31-03-2018
Deferred Tax Assets	19,140.00	15,788.86
Deferred Tax Liability	(13,617.62)	(12,047.08)
Total	5,522.38	3,741.78

Movement of Deferred Tax-2018-19

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Property, Plant & Equipment	12,047.08	(1,570.54)		13,617.62
Retirement Benefit Plans	(1.05)	3.63	-	2.58
Bonus to employees	3.22	0.49		3.71
Unabsorbed Depreciation carried forward under Income Tax	15,672.66	3,408.71		19,081.37
Doubtful Debt & Advances	19.09	33.25		52.34
Property Tax	94.94	(94.94)		-
Minimum Alternate Tax (MAT) Credit	-	-		-
TOTAL	27,835.94	1,780.61	-	32,757.62

46. Fair Value Measurements

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. Classification of financial assets and liabilities



TRUE COPY

470

SAHARA HOSPITALITY LIMITED

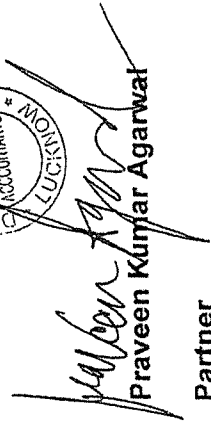
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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


As per our Report even date

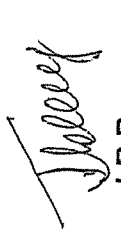
For D.S.Shukla & Co.
Chartered Accountants
Firm Regn No. 000773C





Praveen Kumar Agarwal
Partner
Membership No 416717

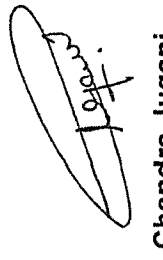
For and on behalf of the Board


O.P. Srivastava
Director
DIN-00144000


J.B. Roy
Director
DIN-00432043


Muneesh Sodhi
Chief Executive
Officer


Mahipal Jain
Chief Financial
Officer


Chandra Jugani
Company
Secretary

Place: Mumbai
Date: 30/06/2019

A
TRUE COPY

SAHARA HOSPITALITY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

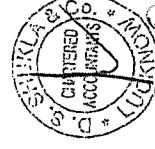
Financial assets and liabilities measured at amortized cost for which fair values are disclosed at March 31, 2019	Level 1	Level 2	Level 3	Total
Non-current financial assets			265.37	265.37
Loans			0.00	0.00
Other financial assets			181.88	181.88
Total Financial Asset			447.25	447.25
Current Financial Liabilities				
Trade payables		4,507.28		4,507.28
Employee benefits payable		25.10	0	25.10
Total Financial Liabilities		4,532.38	0.00	4,532.38

Financial assets and liabilities measured at amortized cost for which fair values are disclosed at March 31, 2018	Level 1	Level 2	Level 3	Total
Non-current financial assets			276.81	276.81
Other financial assets			27.33	27.33
Loan			0.00	0.00
Total Financial Asset			304.14	304.14
Current Financial Liabilities				
Trade payables		4,164.04		4,164.04
Employee benefits payable		2.09		2.09
Total Financial Liabilities		4,166.13	0.00	4,166.13

The carrying value of current trade receivables, cash and cash equivalents, current loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

- Level-1 Hierarchy includes financial instruments measured using quoted price.
- Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize the use Level -3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



TRUE COPY

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

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying standalone financial statements of Sahara Hospitality Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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 matter described in the Basis for Qualified Opinion & Emphasis of Matters section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.**

Basis for Qualified Opinion

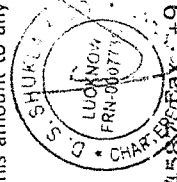
1. Reference is invited to Note 11 to the Standalone Ind AS financial statements regarding deposit of Rs. 9,900,000/- to Sahara-SEBI Refund account in the matter of dispute in respect of repayment of Optionally Fully Convertible Debentures (OFCDs) by two group companies, namely M/s Sahara India Real 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.

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

Emphasis of Matters

We draw your attention to the following matters:

1. We draw attention to the fact that the management of the company has not made payment of Bonus to employees pertaining to earlier years amounting to Rs.51.33 Lakh. As per Payment of Bonus act, 1965, payment of bonus is to be made within 8 months from close of the relevant financial year.
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. 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.



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

TRUE COPY

4. The Company has taken unsecured loan from M/s Surya Inn Limited. As per the repayment schedule, this loan should have been cleared by December, 2017 as a single bullet payment, but it is continuing as on 31.03.2020 with the balance of Rs. 2.15 Crores. Agreement with the party has also not been renewed after expiry in Dec 2017.
5. We draw attention to Note 18 to the Standalone Ind AS Financial Statements, which describes that the balance of Credit card of union Bank of India of Rs. 737.07 lakhs is subject to confirmation, reconciliation and adjustment, if any, in the books of accounts.
6. Most of the balances of Trade Receivables, Loans & Advances and Group Company accounts (including the balance of the holding company) 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.
7. The Company has not submitted GST returns and the same are pending since August 2019 onwards. The matching and availment of input credits is also pending till date. In terms of provisions of section 16(4) of the CGST Act, 2020, pending ITC related to FY 2019-20 can be claimed upto due date of GSTR-3B return for September 2020 and how the company will claim the ITC pertaining to FY 2019-20 is a litigative issue for coming times.

Our opinion is not modified in respect of these matters.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

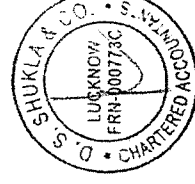
Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements



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

ORIGINAL COPY

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

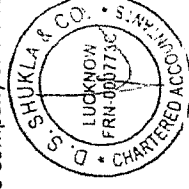
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



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

TRUE COPY

D.S. SHUKLA & CO.

CHARTERED ACCOUNTANTS

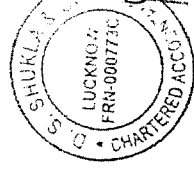
GF-2, Ekta Apartment,
125- Chandralok Colony,
Allganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

- 475
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act except Hon'ble O P Srivastava Ji, whose DIR-8 & MBP-1 were not shown to us at the time of audit. We are therefore unable to comment on disqualification 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as on March 31, 2020, on its financial position in its standalone financial statements. Refer note 29 & 30 to the standalone Ind AS financial statements.
 - 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;
 - There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

Place: Lucknow
Date: 28/12/2020

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



(PRAVEEN KUMAR AGARWAL)
Partner

Membership No.: 416717

UDIN: 20416717AAAACS4279

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

TRUE COPY

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Sahara Hospitality Limited on the standalone financial statements as on and for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to standalone financial statements of Sahara Hospitality Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

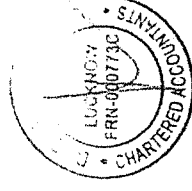
Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisation 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

GF-2, Ekta Apartment,
125- Chandralok Colony,
Alliganj, Lucknow-226024
Phone & Fax : +91-522-4236996
E-mail : dsshuklaca@yahoo.co.in

Inherent Limitations of Internal Financial Controls with reference to financial statements

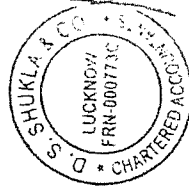
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Lucknow

Date: 28/12/2020



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

Praveen Kumar Agarwal
(PRAVEEN KUMAR AGARWAL)
Partner

Membership No.: 416717

UDIN: 20416717AAAA CS 427

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

TRUE COPY

Annexure B 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 2020, 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 lease 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)	On Examination of the books of accounts and other records of the Company we report that the Company has defaulted in depositing its undisputed statutory dues including Income-tax, Goods and Service tax, and other material statutory dues as applicable with the appropriate authorities. The following statutory liabilities are pending for payment for a period of more than six months from the date they became payable:												
		<table border="1"> <thead> <tr> <th></th> <th>(Rs. in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Luxury Tax</td> <td>182.01</td> </tr> <tr> <td>TDS</td> <td>245.91</td> </tr> <tr> <td>WCT</td> <td>58.34</td> </tr> <tr> <td>GST</td> <td>532.73</td> </tr> <tr> <td>N.A. Tax</td> <td>5.00</td> </tr> </tbody> </table>		(Rs. in Lacs)	Luxury Tax	182.01	TDS	245.91	WCT	58.34	GST	532.73	N.A. Tax	5.00
	(Rs. in Lacs)													
Luxury Tax	182.01													
TDS	245.91													
WCT	58.34													
GST	532.73													
N.A. Tax	5.00													
	(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 31/03/2020 amounted to Rs. 129.65 lakhs of Term Loan-I, Rs. 2554.20 lakhs of Term Loan-II and Rs. 1700.55 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)												



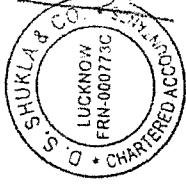
ORIGINAL COPY

D.S. SHUKLA & CO.

CHARTERED ACCOUNTANTS

GF-2, Ekta Apartment,
125- Chandralok Colony,
Aliganj, Lucknow-226024
Phone & Fax : +91-522-4256996
E-mail : dsshuklaca@yahoo.co.in

	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, no managerial remuneration has been paid by the Company during the financial year 2019-20. Therefore, the provision of paragraph 3(xi) of the Order is not applicable to the company.
(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. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
(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.



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

(Signature)
PRAVEEN KUMAR AGARWAL
Partner

Membership No.: 416717

Place: Lucknow
Date: 28/12/2020

UDIN:

20416717AAAA CS4279

B.O.: New M.P. Building, Golghar, Gorakhpur - 273001, Phone : +91-551-2344587, Fax : +91-551-2354157

TRUE COPY

SAHARA HOSPITALITY LIMITED

Balance Sheet as at March 31, 2020

Particulars	Note No.	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		132,737.35	135,307.61
Capital Work-In-Progress	2	92.57	112.14
Intangible Assets			
Financial Assets:			
Other financial assets	3	263.37	265.37
Deferred Tax Assets (Net)	4	2,935.97	5,522.38
Other Non-Current Assets	5	2,768.56	1,905.66
Total Non-Current Assets (I)		138,797.82	143,113.16
CURRENT ASSETS			
Inventories	6	969.59	1,624.70
Financial Assets:			
Trade Receivables	7	1,797.80	2,542.68
Cash and cash equivalents	8	84.54	60.14
Other Bank Balance	9	65.07	209.58
Other financial assets	10	338.98	181.88
Other Current Assets	11	224.89	258.71
Total Current Assets (II)		3,480.87	4,877.69
TOTAL ASSETS (I+II)		142,278.69	147,990.85
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	5,711.20	5,711.20
Other Equity	13	(45,523.69)	(27,538.60)
Total Equity (A)		(39,812.49)	(21,827.40)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	146,481.75	141,993.66
Lease liabilities	32	3,367.82	-
Other Financial Liabilities	15	8,436.40	9,258.93
Provisions	16	122.36	85.91
Other Non-Current Liabilities	17	1,126.95	1,784.83
Total Non-Current Liabilities (B)		159,535.28	153,123.33
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	18	7,718.31	6,215.55
Lease liabilities	32	112.08	-
Trade Payables	19	5,140.06	4,507.28
Other Current Financial Liabilities	20	3,276.89	1,707.79
Provisions	21	2.99	26.68
Other Current Liabilities	22	6,305.57	4,237.62
Total Current Liabilities (C)		22,555.90	16,694.92
TOTAL LIABILITIES (D=B+C)		182,091.18	169,818.25
TOTAL EQUITY AND LIABILITIES (A+D)		142,278.69	147,990.85
Significant Accounting Policies	1		
Notes to Accounts	2-48		

See accompanying Notes to Financial Statements.

As per our attached report of even date

For D.S.Shukla & Co.

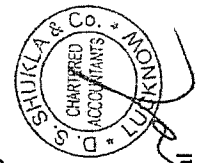
Chartered Accountants

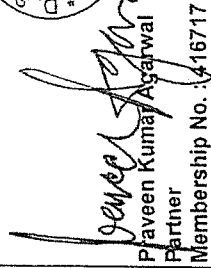
Firm Regn No. 000773C

For and on behalf of the Board

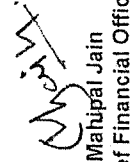

O.P. Srivastava
Director
DIN-00144000

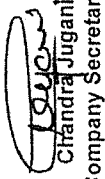

Rachana Mehrotra
Director
DIN-08359787




Paveen Kumar Agarwal
Partner
Membership No. 416717


Muneesh Sodhi
Chief Executive Officer


Mahipal Jain
Chief Financial Officer


Chandira Jugani
Company Secretary

Place: Lucknow

Dated: 28-12-2020

TRUE COPY

184

SAHARA HOSPITALITY LIMITED
Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note No.	March 31, 2020 (₹. Lakhs)	March 31, 2019 (₹. Lakhs)
Income:			
Revenue from Operations	23	25,470.35	27,078.29
Other Income	24	312.93	264.04
Total Income		25,783.28	27,342.33
Expenses:			
Cost of Materials Consumed	25	7,192.37	7,710.38
Employee Benefits Expense	26	2,161.04	2,056.72
Finance Costs	27	15,576.24	14,016.76
Depreciation and Amortization	2	6,198.74	5,921.11
Other Expenses	28	11,914.07	9,081.67
Total Expenses		43,042.46	38,786.64
Profit / (Loss) Before Tax		(17,259.18)	(11,444.31)
Tax Expense:			
Current Tax		2,586.42	(1,780.61)
Deferred Tax		(19,845.60)	(9,663.70)
Profit / (Loss) for the year		(7.78)	(25.10)
Other Comprehensive Income Items that will not be reclassified subsequently to profit or loss			
Actuarial (Gains) and Losses		(7.78)	(25.10)
Total Comprehensive Income for the year		(19,837.82)	(9,638.60)
Earnings / (Loss) Per Equity Share:			
Basic (in ₹ per share)	40	(34.75)	(16.92)
Diluted (in ₹ per share)		(34.75)	(16.92)
Face value per Equity Share (in ₹)		10.00	10.00
Significant Accounting Policies			
Notes to Accounts	1		
	2-48		

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
Praveen Kumar Agarwal
Partner
Membership No. 416717

For and on behalf of the Board

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

Rachana Mehrotra
Rachana Mehrotra
Director
DIN-08359787

Muneesh Sodhi
Muneesh Sodhi
Chief Executive Officer

Mahipal Jain
Mahipal Jain
Chief Financial Officer

Chandra Jugani
Chandra Jugani
Company Secretary

Place: Lucknow

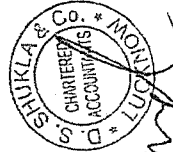
Dated: 28-12-2020

A
TRUE COPY

SAHARA HOSPITALITY LIMITED
Cash Flow Statement for the year 2019-20

Particulars	March 31, 2020 (₹ Lakhs)		March 31, 2019 (₹ Lakhs)	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (loss) before tax as per Profit and Loss Statements		(17,259.18)		(11,444.31)
Adjustment for:				
Depreciation and Amortization	6,198.74		5,921.11	
Interest Expense on Preference Shares	7,804.27		7,212.57	
Interest cost on fair valuation of security deposit	134.14		192.00	
Interest Paid	7,355.96		6,612.20	
Interest Income on Fixed Deposit and Others	(7.36)		(9.14)	
Unwinding of deferred income on security deposit accepted	(138.74)		(108.98)	
Excess provision no longer required	(147.96)		(50.91)	
Provision for Doubtful Debts and Advances	1,193.06		169.39	
Provision for Employee Benefits	14.23		(19.59)	
Unrealised Exchange Gain	(0.30)		(0.36)	
Operating Profit before working capital changes		22,406.05		19,918.29
Adjustment for:				
(Increase)/Decrease in Trade Receivable	744.87		(522.13)	
(Increase)/Decrease in Inventories	655.10		70.03	
Increase/(Decrease) in Trade and Other Payable	5,225.94		1,744.76	
(Increase)/Decrease Loans and Advances	(986.18)		(900.61)	
Cash generated from operations		10,786.61		8,866.02
Direct Tax Paid		-		-
Net Cash from operating activities (I)		10,786.61		8,866.02
B CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Asset/ Capital work in progress	(85.42)		(177.47)	
Bank Balance not considered as Cash and Cash Equivalents	144.51		(110.33)	
Investment in Fixed Deposit	2.00		1.14	
Interest Received on Fixed Deposit and Others	7.36		9.14	
Net Increase in Other Creditors	(1,224.67)		(917.53)	
Net Cash from investing activities (II)		(1,156.22)		(1,195.05)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Preference Shares	(7,355.96)		(6,612.20)	
Interest Paid	(2,814.00)		(1,393.73)	
Repayment of Long-Term Borrowings	(281.87)		-	
Payment of lease Liabilities	845.83		308.55	
Short-Term Loan Raised/(Repaid) (Net)	(9,605.99)		(7,697.37)	
Net Cash from financing activities (III)		24.40	(26.40)	
Net Increase in Cash and Cash Equivalents (I+II+III)		60.14	86.54	
Cash and Cash Equivalents at beginning of period		84.54	60.14	
Cash and Cash Equivalents at end of period				
Footnote :				
<u>Cash and Cash Equivalents at the end of the period</u>				
Cash in hand	22.85		2.41	
Others - Union Bank Rewards Points	2.68		3.37	
Balance with Banks	59.01		54.36	
In Current Account	-		-	
In Fixed Deposit Account	84.54		60.14	
Total				

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

Place: Lucknow
Dated: 28-12-2020

For and on behalf of the Board

O.P. Srivastava
Director
DIN-00144000

Munish Sodhi
Chief Executive Officer

Mahipal Jain
Chief Financial Officer

Rachana Mehrotra
Director
DIN-08359787

Chandra Lugani
Company Secretary

TRUE COPY

483

SAHARA HOSPITALITY LIMITED
Statement of Changes in Equity for the year ended March 31, 2020

Particulars	Amount (₹. Lakhs)				
A Equity Share Capital :					
As at April 1, 2019					5,711.20
Changes in Equity Share Capital during the year					-
As at March 31, 2020					5,711.20
B Other Equity :					
Particulars	Reserves and Surplus				Total
	Equity Capital reserve	Securities Premium	Comprehensive Income Other	Retained Earnings	
Balance at April 1, 2019	1,005.73	30,072.41	(10,942.17)	(47,674.57)	(27,538.60)
Profit/(Loss) for the period	-	-	7.78	(19,845.60)	(19,837.82)
Amortised during the period	-	-	-	-	-
Equity capital reserve	1,852.73	-	-	-	1,852.73
Utilised during the period	-	-	-	-	-
Balance as at March 31, 2020	2,858.46	30,072.41	(10,934.39)	(67,520.17)	(45,523.69)

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

Place : Lucknow
Dated : 28-12-2020

For and on behalf of the Board

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

Rachana Mehrotra
Rachana Mehrotra
Director
DIN-08359787

Munish Jain
Munish Jain
Chief Financial Officer

Chandra Jigani
Chandra Jigani
Company Secretary

TRUE COPY

484

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:

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

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 judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:



TRUE COPY

465

SAHARA HOSPITALITY LIMITED

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) Estimation of uncertainties relating to COVID-19:

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India have taken significant measures to curtail the wide spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, the company's operations were also halted.

In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, right of-use assets, intangible assets, inventories, trade receivables, investments and other financial assets. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions.

As per the Company's current assessment of recoverability of these assets, other than the impairment recorded, no significant impact on carrying amounts of these assets is expected.



A
TRUE COPY

(188)

SAHARA HOSPITALITY LIMITED

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 LEASES:

Ind AS 116 "Leases" replaces Ind AS 17 "Leases" with effect from April 1, 2019.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the right-of-use asset recognised at an amount equal to the present value of lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected not to carry forward the definition of leases as per Ind AS 17 and has therefore, applied the definition of a lease as per Ind AS 116 to all such arrangements.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of use assets but to account for the lease expense on a straight-line basis over the remaining lease term.



TRUE COPY

487

SAHARA HOSPITALITY LIMITED

The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements.

v) 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.

vi) 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:

Revenue is recognized at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring the good or services to a customer i.e. on transfer of control of the goods or services to the customers. Revenue from Sales of goods or rendering of services is net of indirect Taxes, returns and discounts.

Income from Operations:

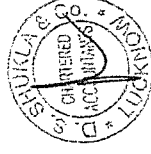
Rooms, Food and Beverage & Banquets: Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals:

Rentals basically consist of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other allied services:

In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.



TRUE COPY

588

SAHARA HOSPITALITY LIMITED

Contract Balances:

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

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.

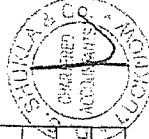
Other Income:

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. Expenditure / subsequent costs included in Capital work- in -Progress, which could not be reliably measured while the particular asset is put to use, are recognized as and when they are reliably ascertained in accordance with Ind AS 16.
- 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



A TRUE COPY

489

SAHARA HOSPITALITY LIMITED

- 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.



TRUE COPY

6910

SAHARA HOSPITALITY LIMITED

THE COMPANY AS LESSEE

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

The Company accounts for sale and lease back transaction, recognizing right-of-use assets and lease liability, measured in the same way as other right-of-use assets and lease liability. Gain or loss on the sale transaction is recognised in statement of profit and loss.



TRUE COPY

(19)

SAHARA HOSPITALITY LIMITED

THE COMPANY AS LESSOR

Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

Finance lease – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

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.

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.



TRUE COPY

SAHARA HOSPITALITY LIMITED

492

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



TRUE COPY

163

SAHARA HOSPITALITY LIMITED

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.



TRUE COPY

1994

SAHARA HOSPITALITY LIMITED

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:

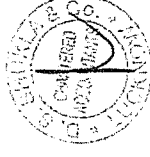
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized, and during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



TRADE COPY

1915

SAHARA HOSPITALITY LIMITED

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.

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.



TRUE COPY

496

SAHARA HOSPITALITY LIMITED

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.

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.



TRUE COPY

497

SAHARA HOSPITALITY LIMITED

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 PRONOUNCEMENTS

Amendment to Ind AS 12 "Income Tax" - Insertion of Appendix C, "Uncertainty over Income tax treatments"

The amendment intends to bring clarity to the accounting for uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect it in the measurement of current and deferred taxes.

The Company has applied the amendments prospectively for annual reporting periods beginning on or after April 1, 2019. There is no material impact on the Company due to the application of the above amendment.

Amendment to Ind AS 23 "Borrowing Costs"

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

The Company has applied the amendments prospectively for annual reporting periods beginning on or after April 1, 2019. There is no material impact on the Company due to the application of the above amendment.

There is no new standard or amendment to the existing standards which would have been applicable from April 1, 2020.



A COPY

2. PROPERTY, PLANT AND EQUIPMENT:

Nature of Assets	Gross Blocks (At Cost)		Accumulated Depreciation		Carrying Value	
	As at April 1, 2019	Adjustments/ Additions/ Retirements during the period	As at April 1, 2019	Adjustments/ Deductions during the period	Balance as at March 31, 2020	Balance as at March 31, 2019
	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)
Tangible Assets:						
Buildings (On Leasehold Land)**	116,552.03	3,523.42	120,075.45	2,138.98	12,791.97	107,283.54
Ownership Flats (Freehold)	154.40	-	154.40	2.43	44.48	109.92
Plant and Equipment	23,188.01	70.85	23,258.86	1,562.62	10,868.04	12,390.82
Furniture, Fixtures and Office Equipments	25,461.76	5.83	25,467.59	2,453.61	12,572.34	12,895.25
Vehicles	70.89	-	70.89	0.13	67.02	3.87
Computers	214.43	8.14	222.57	20.78	168.61	53.95
Total (A)	165,641.52	3,608.23	169,249.75	6,178.55	36,512.46	132,737.35
Intangible Assets:						
Trademarks	0.76	-	0.76	0.05	0.46	0.30
Computer Software	256.74	0.60	257.34	20.12	165.07	92.27
Total (B)	257.50	0.60	258.10	20.17	165.53	92.57
Capital Work In Progress (C)	-	-	-	-	-	-
Total (A+B+C)	165,899.02	3,608.83	169,507.85	6,198.72	36,677.99	132,829.92
Previous Year	165,721.55	177.47	165,899.02	24,558.13	5,921.14	30,479.27
						135,419.75
						141,163.42

** Buildings (On Leasehold Land) include Right to use assets created as per Ind AS 116. The increase in depreciation charge for the year was mainly due to amortization of Right-of-Use assets ₹ 293.62 lakhs consequent to the adoption of Ind AS 116 on "Leases" effective April 1, 2019.



8664

TRADE COPY

Copy

SAHARA HOSPITALITY LIMITED

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

3 OTHER FINANCIAL ASSETS:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Claim Receivable - Dome	8.39	8.39
Accounts Receivable - Others	245.12	245.12
Fixed Deposit with Maturity after twelve months	9.86	11.86
TOTAL	263.37	265.37

4 DEFERRED TAX ASSETS (NET):

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Deferred Tax Assets		
Unabsorbed Depreciation	14,847.23	19,081.37
Disallowance U/s 43 B of the Income Tax Act, 1961	90.49	58.63
	14,937.72	19,140.00
Less:		
Deferred Tax Liability	12,001.75	13,617.62
Fixed Assets	12,001.75	13,617.62
Total	2,935.97	5,522.38

5 OTHER NON-CURRENT ASSETS:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Capital Advances		
Considered Good	244.92	320.33
Considered Doubtful	207.32	4.83
Less: Allowance for Doubtful Advances	(207.32)	(4.83)
	244.92	320.33
Other Advances and Receivables		
Considered Good	961.20	382.14
Considered Doubtful	478.63	24.51
Less: Allowance for Doubtful Advances	(478.63)	(24.51)
	961.20	382.14
Advance Taxes	1,057.88	698.63
MAT Credit Entitlement	504.56	504.56
TOTAL	2,768.56	1,905.66

6 INVENTORIES:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Food and Beverages	123.51	112.01
Stores and Operating Supplies	802.89	1,482.09
Petrol and Allied Products	43.19	30.60
TOTAL	969.59	1,624.70



TRADE COPY

500

SAHARA HOSPITALITY LIMITED

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

7 TRADE RECEIVABLES:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Unsecured: Considered Good	1,797.80	2,542.68
Considered Doubtful Less : Allowance for Doubtful Receivables (Refer Footnote)	807.51 (807.51)	287.55 (287.55)
TOTAL	1,797.80	2,542.68

Footnote:

Allowance for Doubtful Receivables:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Opening Balance	287.54	127.40
Add: Allowance during the year	541.77	176.55
Less: Reversal of allowances no longer required	21.80	16.41
TOTAL	807.51	287.54

8 CASH AND CASH EQUIVALENTS:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Balances with bank in current account**	59.01	54.36
Cash on Hand	22.85	2.41
Others - Union Bank Rewards Points	2.68	3.37
TOTAL	84.54	60.14

** The above balance includes Rs. 0.69 lakhs of UCO Bank which is subject to confirmation and reconciliation (if any).

9 OTHER BANK BALANCE:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Fixed Deposit with Banks Maturity within less than twelve months (held by Bank as margin money for Guarantees & Letter of Credit given)	65.07	209.58
TOTAL	65.07	209.58

10 OTHER FINANCIAL ASSETS:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Security Deposit:		
a. With Related Party	-	-
b. With Others	297.89	175.54
Considered Good	13.85	13.85
Considered Doubtful	(13.85)	(13.85)
Less: Allowance for Doubtful Advances	297.89	175.54
Loan to Staff		
Considered Good	9.76	2.95
Considered Doubtful	4.40	4.40
Less: Allowance for Doubtful Advances	9.76	2.95
Claims receivable insurance Interest Accrued but not Due	27.38 3.95	- 3.39
TOTAL	338.98	181.88



TRIPLE COPY

501

SAHARA HOSPITALITY LIMITED

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

11 OTHER CURRENT ASSETS:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Prepaid Expenses	90.20	148.42
Deposit with SEBI under "SEBI Sahara Refund Account" (Refer Note no. 37)	99.00	99.00
Staff Advances	35.69	11.29
Considered Good	15.37	11.73
Considered Doubtful	(15.37)	(11.73)
Less: Allowance for Doubtful Advances	35.69	11.29
TOTAL	224.89	258.71



PHOTOCOPY
NOT PERMITTED

502

SAHARA HOSPITALITY LIMITED

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

12 EQUITY SHARE CAPITAL:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
<u>Authorised Share Capital</u>				
Equity Shares of ₹ 10/- each	70,000,000	7,000.00	70,000,000	7,000.00
	<u>70,000,000</u>	<u>7,000.00</u>	<u>70,000,000</u>	<u>7,000.00</u>
<u>Issued, Subscribed & Paid up Capital</u>				
Equity Shares of ₹ 10/- each fully paid up (Refer Footnote (i to v))	57,112,047	5,711.20	57,112,047	5,711.20
Total	57,112,047	5,711.20	57,112,047	5,711.20

Footnote:

(i) ₹ 10/- 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, 2020		As at March 31, 2019	
	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

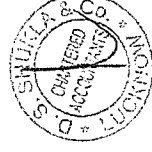
(iv) Rights, preferences and restrictions attached to equity shares:

(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, 2020		As at March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Sahara Prime City Limited including Nominees	57,112,047	100.00%	57,112,047	100.00%



TRUE COPY

2020

SAHARA HOSPITALITY LIMITED

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

13 OTHER EQUITY:

Particulars	As at March 31, 2020 (₹ Lakhs)	As at March 31, 2019 (₹ 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
Equity Capital Reserve	2,858.45	1,005.73
Retained Earnings		
As per last balance sheet	(47,674.57)	(38,010.87)
Add: Profit/(Loss) for the year from Statement of Profit and Loss	(19,045.60)	(9,663.70)
Closing Balance	(67,520.17)	(47,674.57)
Other Comprehensive Income (OCI)		
As per last balance sheet	(10,942.17)	(10,967.27)
Add: Actuarial Gain/(Loss)	7.78	25.10
Closing Balance	(10,934.39)	(10,942.17)
Total	(45,523.69)	(27,530.60)

14 BORROWINGS:

Particulars	As at March 31, 2020 (₹ Lakhs)		As at March 31, 2019 (₹ Lakhs)	
	No. of shares	Amount	No. of shares	Amount
Preference Share Capital				
Authorized				
Preference Shares of ₹10/- each	680,000,000	68,000.00	680,000,000	68,000.00
	680,000,000	68,000.00	680,000,000	68,000.00
Issued, Subscribed & Paid up Capital				
0.05% Non-Cumulative, Optionally Convertible, Redeemable Preference Shares of ₹10/- each fully paid up	506,500,000	102,934.98	586,500,000	95,130.71
Secured				
Term Loan From Bank- I		1,221.64		1,367.47
Term Loan From Bank- II		23,905.48		25,665.52
Term Loan From Bank- III		18,419.66		19,829.97
		43,546.77		46,862.97
(Refer Footnote 1 to 4)				
Total		146,481.75		141,993.68



TRUE COPY

504

SAHARA HOSPITALITY LIMITED

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

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 Saharayan 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, 2020		As at March 31, 2019	
	No. of shares	Amount (₹ Lakhs)	No. of shares	Amount (₹ Lakhs)
Preference Shares at the beginning of the year	506,500,000	95,130.71	586,500,000	87,918.14
Add: Shares issued during the year of the face value of ₹ 10 each	-	-	-	-
Add: Interest Expense on Preference Shares	-	7,804.27	-	7,212.57
Add: Fair Value of Preference Shares	-	-	-	-
Less: Shares Redeemed during the year	-	-	-	-
Preference Shares at the end of the year	506,500,000	102,934.98	586,500,000	95,130.71

(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, 2020		As at March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Sahara Prime City Limited	468,500,000	79.88%	468,500,000	79.88%
Sahara Q Shop Unique Products Range Limited	74,000,000	12.61%	74,000,000	12.61%
Sahara Credit Co-Operative Society Limited	30,000,000	5.11%	30,000,000	5.11%



TRUE COPY

505

SAHARA HOSPITALITY LIMITED

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

(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 2005 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 2026

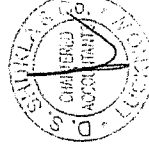
(ix) Default Period and Amount:

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 Delay (In days)
	Borrowings	Interest	Total	
Term Loan From Bank - I				
For Nov-2019	6.82	19.11	25.93	123
For Dec-2019	6.82	19.11	25.93	92
For Jan-2020	6.82	19.11	25.93	61
For Feb-2020	6.82	19.11	25.93	32
For Mar-2020	6.82	19.11	25.93	1
Term Loan From Bank - II				
For Sep-2019	-	119.00	119.00	104
For Oct-2019	-	257.00	257.00	153
For Nov-2019	128.24	299.40	427.64	123
For Dec-2019	138.24	299.40	437.64	92
For Jan-2020	138.24	299.40	437.64	61
For Feb-2020	138.24	299.40	437.64	32
For Mar-2020	138.24	299.40	437.64	1
Term Loan From Bank - III				
For Oct-2019	57.00	-	57.00	153
For Nov-2019	106.30	222.41	328.71	123
For Dec-2019	106.30	222.41	328.71	92
For Jan-2020	106.30	222.41	328.71	61
For Feb-2020	106.30	222.41	328.71	32
For Mar-2020	106.30	222.41	328.71	1

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

Particulars	F.Y.2020-21	F.Y.2021-22	F.Y.2022-23 and Onwards
	(₹ Lakhs)	(₹ Lakhs)	(₹ Lakhs)
Term Loan From Bank - I	103.74	103.74	1,120.39
Term Loan From Bank - II	1,924.82	1,924.82	20,788.67
Term Loan From Bank - III	1,487.45	1,487.45	16,054.94



TRADE COPY

506

SAHARA HOSPITALITY LIMITED

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

16 OTHER FINANCIAL LIABILITIES:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Security and Other Deposits	1,001.43	555.34
Deferred Income (Security Deposit)	628.24	671.96
Payable to Contractors	5,257.89	6,482.56
Retention Money	1,517.75	1,517.75
Others	31.09	31.33
TOTAL	8,436.40	9,258.93

16 PROVISIONS:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Provision for Employee Benefits		
Provision for Leave Encashment	11.82	15.37
Provision for Gratuity	65.31	39.98
Provision for Incentives		3.74
Provision for Bonus	43.22	20.61
Total	122.35	60.90

17 OTHER NON-CURRENT LIABILITIES:

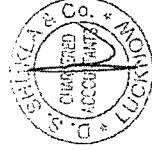
Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Security Deposit From Others	1,126.95	1,784.83
Total	1,126.95	1,784.83

18 BORROWINGS:

Particulars	As at March 31, 2020 (₹. Lakhs)	As at March 31, 2019 (₹. Lakhs)
Current Portion of Long-Term Borrowings	3,516.01	3,013.82
Short-term borrowings		
Secured		
Loans Repayable on Demand	2,731.47	2,563.64
Rupee Loan (refer footnote (i))		
Unsecured		
Loans Repayable on Demand		
Rupee Loan	214.85	618.09
From Others	1,256.18	1,470.83
From Holding company (Sahara Prime City Limited)		
Total	7,718.31	6,215.55

Footnotes :

(i) Rupee Loan from Banks consists of Working Capital facilities including Credit Card 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 guarantees from M/s Sahara Prime City Limited. In addition, Credit card of union Bank of India of Rs. 737.07 lakhs is subject to confirmation & reconciliation (if any)



TRUE COPY

507

SAHARA HOSPITALITY LIMITED

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

19 TRADE PAYABLES:

Particulars	As at March 31, 2020 (₹ Lakhs)	As at March 31, 2019 (₹ Lakhs)
Trade Payables		
Micro and Small Enterprises (Refer Footnotes i & ii)	454.45	337.12
Others for Goods and Services	4,605.61	4,170.16
Total	5,140.06	4,607.28

Footnotes :

(i) 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 available with the Company.

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

Particulars	As at March 31, 2020 (₹ Lakhs)	As at March 31, 2019 (₹ Lakhs)
(a) The Principal amount remaining unpaid to supplier as at the end of the accounting year.	454.45	337.12
(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:

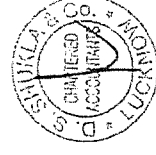
Particulars	As at March 31, 2020 (₹ Lakhs)	As at March 31, 2019 (₹ Lakhs)
Current Financial Liabilities - Others	3,276.89	1,707.79
TOTAL	3,276.89	1,707.79

21 SHORT TERM PROVISIONS:

Particulars	As at March 31, 2020 (₹ Lakhs)	As at March 31, 2019 (₹ Lakhs)
Provision for Employees Benefits (refer note 31)	2.36	20.93
Provision for Gratuity	0.63	5.75
Provision for Leave Encashment	2.99	26.68
Total		

22 OTHER CURRENT LIABILITIES:

Particulars	As at March 31, 2020 (₹ Lakhs)	As at March 31, 2019 (₹ Lakhs)
Statutory Dues and Other Accruals	6,166.63	4,090.20
Other Advances		
From Related Parties	26.21	
AAAMBY VALLEY LTD.	95.26	122.47
Qing Ambay City Developer Corporation Limited		
From Others	130.94	147.42
Total	6,305.57	4,237.62



TRUE COPY

508

SAHARA HOSPITALITY LIMITED

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

23 REVENUE FROM OPERATIONS:

Particulars	March 31, 2020 (₹. Lakhs)	March 31, 2019 (₹. Lakhs)
Room Income	7,600.86	7,900.95
Food and Beverages	11,337.79	10,831.15
Banquet Rentals	1,686.50	1,821.13
Other Rentals	413.46	1,191.62
Sale of Petrol and Allied Products	3,855.64	4,574.84
Other Services	574.10	758.60
Total	25,470.35	27,078.29

24 OTHER INCOME:

Particulars	March 31, 2020 (₹. Lakhs)	March 31, 2019 (₹. Lakhs)
Interest Income (Gross) On Deposit with Banks and Post office On Others	7.36	9.14
	-	0.11
	7.36	9.25
Net Gain On Foreign Currency Transaction	1.33	1.92
Other Non-Operating Income	165.50	143.89
Unwinding of deferred income on security deposits accepted	138.74	108.98
Total	312.93	264.04

25 COST OF MATERIALS CONSUMED:

Particulars	March 31, 2020 (₹. Lakhs)	March 31, 2019 (₹. Lakhs)
Consumption of Food, Beverages and Smokes	3,006.61	2,786.13
Consumption of Stores and Supplies	537.54	491.78
Consumption of Petrol and Allied Products	3,648.22	4,432.47
Total	7,192.37	7,710.38

26 EMPLOYEE BENEFIT EXPENSES:

Particulars	March 31, 2020 (₹. Lakhs)	March 31, 2019 (₹. Lakhs)
Salaries and Wages	1,800.47	1,742.64
Contribution to Provident and Other Funds	69.48	79.15
Staff Welfare Expenses	291.09	234.93
Total	2,161.04	2,056.72

27 FINANCE COSTS:

Particulars	March 31, 2020 (₹. Lakhs)	March 31, 2019 (₹. Lakhs)
Interest Expense on Borrowings	7,189.69	6,573.27
Interest Expense on Preference Shares	7,804.27	7,212.57
Other Borrowing Costs	166.27	38.92
Interest on Lease liability	281.87	-
Interest cost on fair valuation of security deposit	134.14	192.00
Total	15,576.24	14,016.76



TRUE COPY

509

SAHARA HOSPITALITY LIMITED

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

28 OTHER EXPENSES:

Particulars	March 31, 2020 (₹ Lakhs)	March 31, 2019 (₹ Lakhs)
Operating Expenses		
Fuel, Power, Light and Water Charges	2,388.60	2,114.56
Soft Furnishings and Laundry Charges	404.59	366.43
Payment for Outsourced Services	1,829.47	1,260.30
Repairs to Buildings	378.72	437.52
Repairs to Plant and Machinery	1,163.75	542.82
Repairs to Others	103.89	79.88
Commission on Sales	570.06	577.38
Guest Transportation	168.29	107.95
Advertisement, Publicity and Marketing	115.24	72.40
Other Operating Expenses	2,225.16	1,685.83
	9,357.77	7,245.07
General Expenses		
Printing and Stationery	83.26	91.40
Lease Rent	487.25	792.64
Licence Fees	126.44	174.05
Rates and Taxes	330.31	320.74
Insurance	67.58	72.05
Auditors' Remuneration (Refer Footnote)	7.00	7.00
Professional and Retainership Fees	281.41	209.33
Doubtful Debts Provision	1,193.06	169.39
	2,556.31	1,836.60
Total	11,914.07	9,081.67

Footnote:

Auditors Remuneration:

Particulars	March 31, 2020 (₹ Lakhs)	March 31, 2019 (₹ Lakhs)
Audit Fees	6.00	6.00
Tax Audit Fees	1.00	1.00
Total	7.00	7.00



TRUE COPY

SAHARA HOSPITALITY LIMITED

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

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

a) In respect of claims against the Company:

	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Bank Guarantees issued on behalf of the Company	455.00	1105.00

Other Money for which the company is
Contingently liable -Letter of Credit

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.

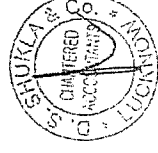
30. Capital Commitments:

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

31. Employee Benefits:

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

	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Employer's Contribution to Provident Fund	15.34	16.84
Employer's Contribution to Pension Scheme	29.26	29.94



TRUE COPY
A

SAHARA HOSPITALITY LIMITED

511

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.

a) Gratuity Disclosure Statement as per Indian Accounting Standard 19 (Ind-AS 19) for the period 01/04/2019 – 31/03/2020:

	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	01-04-2019	01-04-2018
Date of Reporting	31-03-2020	31-03-2019
Period of Reporting	12 Months	12 Months

	Assumptions (Current Period)
Expected Return on Plan Assets	N.A.
Rate of Discounting	6.80%
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.



A
COPY
FILE

512

SAHARA HOSPITALITY LIMITED

	Gratuity (Unfunded)	
	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
a)		
Change in the Present Value of Projected Benefit Obligation:		
Present Value of Benefit obligation at the beginning of the year.	60.91	83.64
Current Service Cost	12.54	13.67
Interest Cost	4.14	6.45
Past Service Cost	-	-
Benefit Paid from the fund	-	-
Benefit Paid Directly by the Employer	(2.15)	(17.74)
Actuarial Gains/(Losses) on Obligations – Due to change in Demographic Assumptions	-	-
Actuarial Gains/(Losses) on Obligations – Due to change in Financial Assumptions	6.61	(Nil)
Actuarial Gains/(Losses) on Obligations – Due to Experience	(14.38)	(25.10)
Present Value of Benefit obligation at the end of the period	67.67	60.91
b)		
Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the period	-	-
Expected Return on Plan Assets	-	-
Contributions by the Employer	-	-
Benefits Paid from the fund	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan assets at year end of the period	-	-
c)		
Reconciliation of fair value of assets and Obligations		
Fair value of plan assets at the end of the Period	-	-
Present value of obligation at the end of the Period	(67.67)	(60.91)
Funded Status (Surplus/(Deficit))	(67.67)	(60.91)
Net Asset / (Liability) recognized in Balance Sheet	(67.67)	(60.91)



TRUE COPY

SAHARA HOSPITALITY LIMITED

	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
d) Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	60.91	83.64
Fair Value of Plan Assets at the beginning of the Period	-	-
Net Asset/(Liability) at the Beginning	60.91	83.64
Interest Cost	4.14	6.45
(Interest Income)	-	-
Net Interest Cost for the Current Period	4.14	6.45
e) Expenses recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	16.68	13.67
Net Interest Cost	4.14	6.45
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognized	16.68	20.12
f) Expenses recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation for the Period	(7.78)	(25.10)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net Income/(Expense) for the period recognized in OCI	(7.78)	(25.10)



A
TRUE COPY

514

SAHARA HOSPITALITY LIMITED

- 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 2019-20	21.11	(1.47)	(1.90)	(5.29)	12.45
FY 2018-19	15.13	9.54	(3.56)	-	21.11

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. Disclosure in respect of Indian Accounting Standard (Ind AS) 116 "Leases"

Company as lessee

- a) The Company is situated on a leasehold land, held by Airport Authority of India. The lease rent agreement includes fixed rent + variable (2% of turnover). While calculating the figure according to Ind AS 116, the variable rent part has not been restated.
- b) Lease Liability are presented in the statement of Financial position as follows:

Particulars	As at March 31,2020 (₹ Lakhs)
Non-Current	3367.82
Current	112.08
Total	3479.90

- c) Future minimum lease payments as on 31st Mar 2020 are as follows:

Particulars	As on 31 st March 2020	
	Lease Payments (₹ Lakhs)	Net Present Values (₹ Lakhs)
Minimum lease payments due		
Within 1 year	325.39	43.52
1-2 years	390.47	112.08
2-3 years	390.47	121.05
3-4 years	390.47	130.73
4-5 years	468.57	219.28
After 5 years	3,973.44	2,853.25
Total	5,938.81	3,479.90



TRUE COPY

SAHARA HOSPITALITY LIMITED

d) Lease payments not recognized as a liability

The lease rent agreement includes fixed rent + variable (2% of turnover). While calculating the figure according to Ind AS 116, the variable rent part has not been restated.

Particulars	As at March 31,2020 (₹ Lakhs)
Short Term Leases	-
Leases of Low value assets	-
Variable Lease Payments	467.25
Total	467.25

e) Additional information on right-of-use assets by class of assets is as follows:

Particulars	Carrying Amount (Net block) (₹ Lakhs)	Depreciation Expense (₹ Lakhs)
As on 31 st March 2020		
Buildings (On Leasehold Land)	3523.42	293.62
Total right-of-use assets	3523.42	293.62

f) Following are the amounts disclosed in cash flow statement:

Particulars	As at March 31,2020 (₹ Lakhs)
Cash Outflow from Leases	281.87
Total	281.87

Company as Lessor:

Not calculated according to Ind AS 116 as all Leases are of very Low value.

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

	2019-20 (in Litres)	2018-19 (in Litres)
Opening Stock	39,122	31,099
Purchases	53,80,000	61,04,000
Turnover *	53,38,988	60,82,652
Closing Stock	56,395	39,122

* After adjusting evaporation loss of 23,739 Liters (Previous year 13,325 Liters)



TRADE COPY

SAHARA HOSPITALITY LIMITED

516

34. CIF Value of Imports:

	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Inventory	6.74	35.52
Capital Goods	3.67	6.54

35. Expenditure in Foreign Exchange:

	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Travelling	Nil	Nil
Professional Consultancy Fees & other matters	1.73	1.61
Commission	134.30	132.42

36. Earnings in Foreign Exchange:

Revenue Receipts	1369.83	1587.87
------------------	---------	---------

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 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:

- a) Holding Company: Sahara Prime City Limited.
- b) Key Management Personnel: Mr. Muneesh Sodhi (Chief Executive Officer), Mr. Mahipal Jain (Chief Financial Officer), and Chandra Jugani (Company Secretary).



TRUE COPY
A

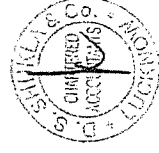
517

SAHARA HOSPITALITY LIMITED

Details of related parties and transactions during the year ended March 31, 2020:

1. Enterprises over which persons specified in (a) and (b) 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



TRUE COPY
A

518

SAHARA HOSPITALITY LIMITED

2. DETAILS OF KEY MANAGERIAL PERSONNEL OF HOLDING COMPANY - 'SAHARA PRIME CITY LIMITED' FOR FINANCIAL YEAR 2019-20:

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 Manoj Kumar Srivastav	Manager
Shri Rudra Nath Yadav	Chief Financial Officer

3. Details of related party transactions during the year ended March 31, 2020.

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	-	-	-	726.47
Income (including taxes)	(-)	(-)	(-)	(1466.16)
Current liability	-	-	-	(-)
Loans Taken	2533.01 (1375.00)	(-)	(-)	(91.13)
Remuneration	-	-	103.72	-
Paid/Payable (Gross)	(-)	(-)	(217.62)	(-)



Note: Figures in bracket represent previous year amounts.

A
TRUE COPY

500

SAHARA HOSPITALITY LIMITED**39. Segmental Reporting:****A. Primary Segment Report****Information about Business Segment****Segment Revenue:**

	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
a. Hotel	21927.64	22767.49
b. Income from Petrol Pump	3855.64	4574.84
Total Revenue	25,783.28	27,342.33

Segment Results:

Profit before tax:		
a. Hotel	(17329.72)	(11530.03)
b. Petrol Pump	70.53	85.72
Total Profit	(17,259.19)	(11,444.31)

Other Information:**Segment Assets**

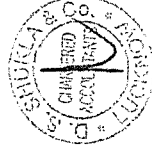
a. Hotel	1,42,140.67	1,47,847.20
b. Petrol Pump	138.01	143.65
Total	1,42,278.68	1,47,990.85

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:

	2019-2020 (₹ Lakhs)	2018-2019 (₹ Lakhs)
a. Depreciation	6,198.74	5,921.11
	6,198.74	5,921.11



TRUE COPY

SAHARA HOSPITALITY LIMITED

40. Earnings Per Share:

Particulars	2019-20	2018-19
Profit / (Loss) after Tax (₹ Lakhs)	(19845.61)	(9663.70)
Weighted No. of Equity shares:		
Basic	57,112,047	57,112,047
Diluted	57,112,047	57,112,047
Earnings / (Loss) Per Share		
Basic (₹)	(34.75)	(16.92)
Diluted (₹)	(34.75)	(16.92)
Face Value per Equity Share (₹)	10.00	10.00

41. Financial Instruments:

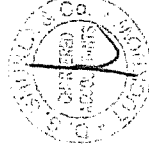
i. Credit Risk

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, 2020 and 2019 is the carrying value of each class of financial assets.



A
TRUE COPY

521

SAHARA HOSPITALITY LIMITED

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 2020

Particulars	Carrying Amount	Contractual Cash Flow		Total
		0-12 Months	1-3 Years	
Non-Derivative Liabilities				
Borrowings	1,54,200.06	7,718.31	1,46,481.75	1,54,200.06
Trade Payables	5,140.06	5,140.06	-	5,140.06
Other Financial Liabilities	11,713.29	3,276.89	8436.40	11,713.29

Maturity Profile of Loans and Derivative financial Liabilities as on 31st March 2019

Particulars	Carrying Amount	Contractual Cash Flow		Total
		0-12 Months	1-3 Years	
Non-Derivative Liabilities				
Borrowings	1,48,209.21	3201.73	1,45,007.48	1,48,209.21
Trade Payables	4,507.28	4,507.28	-	4,507.28
Other Financial Liabilities	10,966.13	1,707.79	9,258.34	10,966.13

42. 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.

43. 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.

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



A
TRUE COPY

592

SAHARA HOSPITALITY LIMITED

45. a) Assessment completed up to Assessment Year 16-17 and Assessment Year 17-18 is in process, no demand was raised by Department.

b) Deferred Tax Balance:-

Particulars	As at 31-03-2020	As at 31-03-2019
Deferred Tax Assets	14,937.72	19,140.00
Deferred Tax Liability	(12,001.75)	(13,617.62)
Total	2,935.97	5,522.38

Movement of Deferred Tax-2019-20

Particulars	Opening balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing balance
Property, Plant & Equipment	(13,617.62)	1615.87	-	(12,001.75)
Retirement Benefit Plans	2.58	2.48	-	5.06
Bonus to employees	3.71	0.97	-	4.68
Unabsorbed Depreciation carried forward under Income Tax	19,081.37	(4234.14)	-	14,847.23
Doubtful Debt & Advances	52.34	(52.34)	-	-
Property & NA Tax	-	81.21	-	81.21
Service Tax & Professional Tax	-	(0.46)	-	(0.46)
TOTAL	5,522.38	(2,586.41)	-	2,935.97

Movement of Deferred Tax-2018-19

Particulars	Opening balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing balance
Property, Plant & Equipment	(12,047.08)	(1,570.54)	-	(13,617.62)
Retirement Benefit Plans	(1.05)	3.63	-	2.58
Bonus to employees	3.22	0.49	-	3.71
Unabsorbed Depreciation carried forward under Income Tax	15,672.66	3,408.71	-	19,081.37
Doubtful Debt & Advances	19.09	33.25	-	52.34
Property Tax	94.94	(94.94)	-	-
TOTAL	3,741.78	1,780.60	-	5,522.38



DUPLICATE COPY

524

SAHARA HOSPITALITY LIMITED**46. Fair Value Measurements**

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

Classification of financial assets and liabilities

Particulars	31-Mar-20			31-Mar-19		
	F V P L	F V O C I	Amortized cost	F V P L	FVO CI	Amortized cost
<u>Non-current financial assets</u>						
Loans			0.00			0.00
Other financial assets			263.37			265.37
<u>Current financial assets</u>						
Other financial assets			338.98			181.88
Trade receivables			1797.80			2,542.68
Cash and cash equivalents			84.54			60.14
Total Financial Asset			2484.69			3,050.07
<u>Current Financial Liabilities</u>						
Trade payables			5140.06			4,507.28
Employee benefits payable		7.78			25.1	-
Total Financial Liabilities		7.78	5140.06		25.1	4,507.28

Financial assets and liabilities measured at. amortized cost for which fair values are disclosed at March 31, 2020	Level 1	Level 2	Level 3	Total
	Non-current financial assets			263.37
Loans			0.00	0.00
Other financial assets			338.98	338.98
Total Financial Asset			602.35	602.35
<u>Current Financial Liabilities</u>				
Trade payables		5140.06		5140.06
Employee benefits payable		7.78		7.78
Total Financial Liabilities		5147.84		5147.84

A
TRUE COPY.

525

SAHARA HOSPITALITY LIMITED

Financial assets and liabilities measured at amortized cost for which fair values are disclosed at March 31, 2019	Level 1	Level 2	Level 3	Total
Non-current financial assets			265.37	265.37
Loan			0.00	0.00
Other financial assets			181.88	181.88
Total Financial Asset			447.25	447.25
Current Financial Liabilities				
Trade payables		4,507.28		4,507.28
Employee benefits payable		25.10		25.10
Total Financial Liabilities		4,532.38		4,532.38

The carrying value of current trade receivables, current trade payables, cash and cash equivalents, current loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

- Level-1: Hierarchy includes financial instruments measured using quoted price.
- Level-2: The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximizes the use.
- Level -3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



TRUE COPY

526

SAHARA HOSPITALITY LIMITED

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

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

Muneesh Sodhi

Muneesh Sodhi
Chief Executive
Officer

Mahipal Jain

Mahipal Jain
Chief Financial
Officer

Rachana Mehrotra

Rachana Mehrotra
Director
DIN-08359787

Chandrag Jugani

Chandrag Jugani
Company
Secretary

Place: Lucknow
Date: 28/12/2020

Praveen Kumar Agarwal
TRUE COPY

SAHARA HOSPITALITY LIMITED

Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note No.	March 31, 2021 (₹. Lakhs)	March 31, 2020 (₹. Lakhs)
Income:			
Revenue from Operations	23	4,494.82	25,470.34
Other Income	24	430.13	312.93
Total Income		4,924.95	25,783.28
Expenses:			
Cost of Materials Consumed	25	2,299.33	7,192.37
Employee Benefits Expense	26	1,276.29	2,161.04
Finance Costs	27	15,976.62	15,576.24
Depreciation and Amortization	2	5,929.97	6,198.74
Other Expenses	28	3,868.60	11,914.07
Total Expenses		29,350.81	43,042.46
Profit / (Loss) Before Tax		(24,425.85)	(17,259.18)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	2,586.42
Profit / (Loss) for the year		(24,425.85)	(19,845.60)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (Gains) and Losses		(11.58)	(7.78)
Total Comprehensive Income for the year		(24,414.27)	(19,837.82)
Earnings / (Loss) Per Equity Share:	40		
Basic (in ₹ per share)		(34.75)	(34.75)
Diluted (in ₹ per share)		(34.75)	(34.75)
Face value per Equity Share (in ₹)		10.00	10.00
Significant Accounting Policies	1		
Notes to Accounts	2-48		

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

Rachana Mehrotra
Director
DIN-08359787

Praveen Kumar Agarwal
Partner
Membership No. : 416717

Muneesh Sodhi
Chief Executive Officer

Chandra Jugani
Company Secretary

Place: Lucknow
Dated: 06-09-2021

TRUE COPY

528

SAHARA HOSPITALITY LIMITED
Balance Sheet as at March 31, 2021

Particulars	Note No.	As at March 31, 2021 (₹. Lakhs)	As at March 31, 2020 (₹. Lakhs)
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		126,911.61	132,737.35
Capital Work-In-Progress	2	84.22	92.57
Intangible Assets			
Financial Assets:			
Other financial assets		263.37	263.37
Deferred Tax Assets (Net)	3	2,935.96	2,935.97
Other Non-Current Assets	4	1,811.94	2,768.56
Total Non-Current Assets (I)	5	132,007.09	138,797.82
CURRENT ASSETS			
Inventories	6	881.14	969.59
Financial Assets:			
Trade Receivables	7	1,376.70	1,797.80
Cash and cash equivalents	8	509.76	84.54
Other Bank Balance	9	92.08	65.07
Other financial assets	10	1,004.73	338.98
Other Current Assets	11	214.36	224.89
Total Current Assets (II)		4,078.76	3,480.87
TOTAL ASSETS (I+II)		136,085.86	142,278.67
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	5,711.20	5,711.20
Other Equity	13	(68,613.93)	(45,523.69)
Total Equity (A)		(62,902.72)	(39,812.49)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	153,960.46	146,481.74
Lease liabilities	32	3,311.78	3,367.82
Other Financial Liabilities	15	8,493.11	8,436.39
Provisions	16	143.90	122.35
Other Non-Current Liabilities	17	1,548.20	1,126.95
Total Non-Current Liabilities (B)		167,457.44	159,535.25
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	18	8,450.09	7,718.32
Lease liabilities	32	112.08	112.08
Trade Payables	19	5,325.80	5,140.06
Other Current Financial Liabilities	20	3,284.18	3,276.89
Provisions	21	2.99	2.99
Other Current Liabilities	22	14,356.00	6,305.57
Total Current Liabilities (C)		31,531.15	22,555.90
TOTAL LIABILITIES (D=B+C)		198,988.59	182,091.15
TOTAL EQUITY AND LIABILITIES (A+D)		136,085.86	142,278.67
Significant Accounting Policies	1		
Notes to Accounts	2-48		
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	Muneesh Sodhi Chief Executive Officer	Mahipal Jain Chief Financial Officer	Chandra Jugani Company Secretary
Place: Lucknow Dated: 06-09-2021	O.P.Srivastava Director DIN-00144000	Rachana Mehrotra Director DIN-08359787	

For and on behalf of the Board

TRUE COPY

ANNEXURE 'A' - I2

529

SAHARA HOSPITALITY LIMITED

Provisional Statement of Profit and Loss for the year ended August 31, 2021

Particulars	Note No.	August 31, 2021 (₹. Lakhs)
Income:		
Revenue from Operations	23	4,068.97
Other Income	24	1.28
Total Income		4,070.25
Expenses:		
Cost of Materials Consumed	25	1,536.54
Employee Benefits Expense	26	638.37
Finance Costs	27	2,176.59
Depreciation and Amortization	2	2,890.06
Other Expenses	28	1,642.18
Total Expenses		8,883.74
Profit / (Loss) Before Tax		(4,813.48)
Tax Expense:		
Current Tax		-
Deferred Tax		-
Profit / (Loss) for the year		(4,813.48)
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial (Gains) and Losses		
Total Comprehensive Income for the year		(4,813.48)
Earnings / (Loss) Per Equity Share:		
Basic (in ₹ per share)	40	(34.75)
Diluted (in ₹ per share)		(34.75)
Face value per Equity Share (in ₹)		10.00
Significant Accounting Policies		
Notes to Accounts		
	1	
	2-48	

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

Rachana Mehrotra
Director
DIN-08359787

Praveen Kumar Agarwal
Partner
Membership No. : 416717

Muneesh Sodhi
Chief Executive Officer

Mahipal Jain
Chief Financial Officer

Place: Lucknow
Dated: 06-09-2021

A
TRUE COPY

530

SAHARA HOSPITALITY LIMITED
Provisional Balance Sheet as at August 31, 2021

Particulars	Note No.	As at August 31, 2021 (₹ Lakhs)
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	2	123,884.14
Capital Work-In-Progress		-
Intangible Assets		74.89
Financial Assets:		
Other financial assets		
Deferred Tax Assets (Net)	3	263.37
Other Non-Current Assets	4	2,935.96
Total Non-Current Assets (I)	5	1,770.68
CURRENT ASSETS		128,929.04
Inventories	6	1,106.41
Financial Assets:		
Trade Receivables	7	570.26
Cash and cash equivalents	8	407.94
Other Bank Balance	9	92.07
Other financial assets	10	991.54
Other Current Assets	11	226.91
Total Current Assets (II)		3,395.12
TOTAL ASSETS (I+II)		132,324.16
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	12	5,711.20
Other Equity	13	(74,768.71)
Total Equity (A)		(69,057.50)
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
Borrowings	14	153,957.95
Lease liabilities	32	3,255.74
Other Financial Liabilities	15	7,298.16
Provisions	16	143.90
Other Non-Current Liabilities	17	1,407.11
Total Non-Current Liabilities (B)		166,062.85
CURRENT LIABILITIES		
Financial Liabilities		
Borrowings	18	9,806.10
Lease liabilities	32	112.08
Trade Payables	19	4,635.87
Other Current Financial Liabilities	20	4,139.86
Provisions	21	2.99
Other Current Liabilities	22	16,621.92
Total Current Liabilities (C)		35,318.82
TOTAL LIABILITIES (D=B+C)		201,381.68
TOTAL EQUITY AND LIABILITIES (A+D)		132,324.16
Significant Accounting Policies	1	
Notes to Accounts	2-48	

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

Praveen Kumar Agarwal
Partner
Membership No. : 416717

Muneesh Sodhi
Chief Executive Officer

Mahipal Jain
Chief Financial Officer

Sweety Bajpai
Company Secretary

Place: Lucknow
Dated: 06-09-2021


TRUE COPY

ANNEXURE - 'A' - 13

4
531

LOAN AGREEMENT
HOTEL SAHARA STAR

BETWEEN

SAHAR HOSPITALITY LIMITED
As Borrower

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
BANK OF BARODA
UNION BANK OF INDIA
UCO BANK
As Lenders

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
As Lender Agent
&
As Security Agent

DATED 14th DAY OF February 2005

A
TRUE COPY

532

ARTICLE I.....8
DEFINITIONS.....8
1.1 DEFINITIONS.....8
1.2 PRINCIPLES OF CONSTRUCTION.....20
ARTICLE II.....22
AGREEMENT AND TERMS OF LOAN.....22
2.1 Amount and Terms of Loan.....22
2.2 Upfront Fees/Processing Charges.....22
2.3 Interest etc.....22
2.4 AVAILABILITY PERIOD OF LOAN.....23
2.5 DRAWDOWN.....23
2.6 ADJUSTMENT OF OVERDUES.....30
2.7 REPAYMENT.....31
2.8 (i) ADDITIONAL INTEREST.....32
2.9 APPROPRIATION OF PAYMENTS.....33
2.10 INCREASED COSTS.....33
2.11 IMPOSTS COSTS SERVICE TAX AND CHARGES.....34
2.12 COMPUTATION OF INTEREST AND OTHER CHARGES.....34
2.13 PLACE AND MODE OF PAYMENT BY THE BORROWER.....35
2.14 REIMBURSEMENT OF EXPENSES.....35
2.15 LEGAL CHARGES.....35
2.16 APPOINTMENT OF NOMINEE DIRECTORS.....36
2.17 REVIEW OF THE PROGRESS.....37
2.18 REVIEW OF PROJECT COST.....37
2.19 OTHER TERMS.....38
ARTICLE III.....41
SECURITY.....41
3.1 SECURITY.....41
3.2 CREATION OF ADDITIONAL SECURITY.....42
3.3 ADDITIONAL PROJECT DOCUMENTS.....43
3.4 RETENTION ACCOUNTS.....43
ARTICLE IV.....44
BORROWER'S REPRESENTATIONS AND WARRANTIES.....44
4.1 EXISTENCE.....44
4.2 PROCEEDINGS.....44
4.3 NO BREACH, NO CONFLICT.....45
4.4 ACTION.....45
4.5 GOVERNMENT APPROVALS, COMPLIANCE WITH LAWS.....46
4.6 IMMUNITY.....46
4.7 REGISTRATION AND FILING.....47
4.8 TITLE AND SECURITY DOCUMENTS.....47
4.9 LICENSES AND OTHER RIGHTS.....48
4.10 PROJECT DOCUMENTS.....48
4.11 SUBSIDIARIES.....48
4.12 NATURE OF BUSINESS.....48
4.13 PROJECT BUDGETS: CONSTRUCTION BUDGET.....49
4.14 NO BREACH.....49
4.15 INTELLECTUAL PROPERTY.....49
4.16 FEES AND ENFORCEMENT.....50

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

533

4.17 MATERIAL ADVERSE EFFECT.....50

ARTICLE V51

EFFECTIVENESS OF THE AGREEMENT AND
PRE-DISBURSEMENT CONDITIONS51

ARTICLE VI51

CONDITIONS APPLICABLE DURING
CURRENCY OF THIS AGREEMENT.....59

6.1 Positive Covenants.....59

6.2 NEGATIVE COVENANTS.....79

ARTICLE VII.....85

EVENTS OF DEFAULT AND REMEDIES.....85

7.1 EVENTS OF DEFAULTS.....85

7.2 CONSEQUENCES OF DEFAULT.....91

7.3 OTHER CONSEQUENCES OF DEFAULT.....92

7.4 EXPENSES OF PRESERVATION OF ASSETS OF BORROWER AND
OF COLLECTION.....93

ARTICLE VIII94

SUSPENSION AND TERMINATION94

8.1 SUSPENSION.....94

8.2 SUSPENSION TO CONTINUE TILL DEFAULT REMEDIED.....94

8.3 TERMINATION94

ARTICLE IX.....95

TAXES.....95

9.1 TAXES AND NET PAYMENTS.....95

9.2 TAX INDEMNITY.....95

9.3 NOTIFICATION BY LENDERS.....96

9.4 NOTIFICATION BY BORROWER.....96

9.5 RECEIPT.....96

ARTICLE X.....97

MISCELLANEOUS.....97

10.1 EFFECTIVE DATE OF AGREEMENT.....97

10.2 BENEFIT OF AGREEMENT.....97

10.3 AUTHORIZATION.....97

10.4 RIGHTS OF LENDERS AGENT AS LENDER.....98

10.5 GOVERNING LAW.....98

10.6 INDEMNITY.....98

10.7 ACCOUNTS, CALCULATIONS AND EVIDENCE OF DEBT.....99

10.8 AMENDMENTS.....99

10.9 SEVERABILITY.....100

10.10 SURVIVAL.....100

10.11 DELAY ETC. NOT TO IMPAIR THE RIGHTS OF THE LENDERS.....100

10.12 NOTICES.....101

10.13 DISCLOSURE OF INFORMATION.....101

10.14 NO FORCE OR EFFECT.....102

10.15 COUNTERPARTS.....102

SCHEDULE I.....103

PARTICULARS OF LENDERS & LOANS.....103

SCHEDULE II.....104

BRIEF DESCRIPTION OF PROJECT.....104

SCHEDULE III.....105

FINANCING PLAN.....105

SCHEDULE IV.....106

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

534

SCHEDULE V 108
SCHEDULE VI 119
SCHEDULE VII 120
SCHEDULE VIII 123

SIIL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent



TRUE COPY

535
100RS.



महाराष्ट्र MAHARASHTRA

Central Stamp Office, Mumbai
Date: 11 FEB 2005
L. S. V. No. 222

B 105702
श्री. कांचन हरीद बोंगळे
एशियन कॉन्सल्टंट सर्विस, बॉम्बे कोर्टलमोर,
बॉम्बे (ए) एन-५१. क्र. SAHARA
श्री/श्रीमती/श्रीमान्
चांगल

11 FEB 2005
009810
SAHARA HOSPITALITY LTD.
परधानी धारक वृद्ध संस्थान

per Officer

LOAN AGREEMENT

THIS AGREEMENT made at Mumbai this 14th day of February Two Thousand and Five among:

SAHARA HOSPITALITY LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at Sahara India Point, CTS. 40 & 44. S. V. Road. Goregaon (West), Mumbai-400104 in the State of Maharashtra (hereinafter referred to as the "Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) of the FIRST PART,

SHL	HUDCO		
UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

536

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

BANK OF BARODA, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at Mandvi, Baroda- and having a branch office at Corporate Financial Service Branch, 10/12 Mumbai Samachar Marg, Fort, Mumbai-400001 (hereinafter referred to as "BOB", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

UNION BANK OF INDIA, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its Head Office & its Industrial Finance Branch, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021 (hereinafter referred to as "UBI", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

UCO BANK, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 10, B.T.M. Sarani, Kolkata-700001 and having a branch office at Santacruz (W), Mumbai-400054. (hereinafter referred to as "UCO", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

(Each of HUDCO, BOB, UBI and UCO are individually referred to as "Lender" and are collectively referred to as the "Lenders", which expression shall include all or any one or more of them as the context may require or admit) of the

SECOND PART.

SHL	HUDCO	BOB	Lenders Agent
UBI	UCO	Security Agent	Lenders Agent

[Handwritten signatures and initials over the table]

TRUE COPY

537

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHA WAN", India Habitat Centre Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns); as confirming party in its capacity as the Lenders Agent of the **THIRD PART**.

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHA WAN", India Habitat Centre Complex, Lodhi Road, New Delhi 110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns); as confirming party in its capacity as the Security Agent of the **FOURTH PART**.

NOW, **THEREFORE**, in view of the foregoing and in consideration of the mutual covenants and agreements hereinafter set forth, the Borrower and the Lenders agree as follows:

<i>And</i>	SHL	HUDCO		
	UBI	UCO		
<i>AS</i>			Security Agent	Lenders Agent

A
TRUE COPY

538

ARTICLE I
DEFINITIONS

1.1 DEFINITIONS

The following capitalized terms wherever used in this Agreement and in any other Finance Document, unless otherwise defined in any other Finance Document in their application to such other Finance Document shall have the meanings given hereunder:

"Abandonment" shall mean giving up of the Project by the Borrower and to include all or any of the events or situations set forth in Section 7.1(m). The term "Abandon" and "Abandoned" shall be construed to mean accordingly.

"Accounts" shall mean, collectively, the Retention Accounts and the Other Bank Accounts and any replacement or substitute accounts for any thereof as may be opened by or among others for the benefit of the Borrower for the Project and an "Account" shall mean any of them.

"Achieving Commercial Operations" shall mean the certificate issued by the Lenders Engineer upon completion of the Project.

"Account Bank" shall mean UCO Bank having its address at Station Road, Santacruz (W), Mumbai-400054 appointed by the Lenders in consultation with the Borrower to maintain the Retention Accounts under the Trust and Retention Account Agreement and its successors and substitute appointees.

"Additional Project Documents" shall have the meaning assigned to it under Section 3.3.

"Agreement" shall mean this agreement as of the date hereof entered into among the Borrower, the Lender, the Lender Agent and the Security Agent in connection with the Loans as may be amended or supplemented from time to time.

"Airports Authority of India" Or "AAI" shall mean a body corporate constituted under the Airports Authority of India Act, 1994 (55 of 1994) and

SHIL	HUDCO	BOB	L
LIBI	UCO	Security Agent	Lenders Agent

Handwritten signatures and initials over the table.

TRUE COPY

539

having its corporate office at Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi-110003.

"Amortisation Schedule" shall mean the schedules of repayment of the Loans as set forth in Schedule V of this Agreement and as may be modified from time to time.

"Applicable Rate" means at any relevant time, and in relation to Lenders Loans, the interest rate (s) as set out in Schedule IV.

"Applicable Law" shall mean any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, by-law, Government Approval, directive, guideline, requirement or other governmental restriction or any decision or determination by, or any interpretation, policy or administration of any of the foregoing, by any Government Authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or thereafter.




"BOB" shall mean Bank of Baroda, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970

"BOB - Prime Term Lending Rate" or "BOBPTLR" shall mean the rate of interest for rupee term loans of BOB as fixed and notified by BOB as such or by any other substitute name from time to time.

"Board" shall mean the Board of Directors of the Borrower.

"Borrower" shall mean Sahara Hospitality Limited

"Budget" shall mean, the forecasts of the expenditure including the expenditure relating to the petroleum business & Reimbursement of expenditure incurred before Disbursement during the Construction Period and the Operational Period, operating and maintenance expenditure including the expenditure relating to the petroleum business and other expenditure during the Operational Period and revenue and cash flows as the Borrower may be required to furnish to the Lenders

	SHL	HUDCO		
	UBI	UCO	Security Agent	Lenders Agent

 TRUE COPY

540

in accordance with the provisions of this Agreement or as may from time to time or at any time be called for by the Lenders Agent.

“Business Day” shall mean a day which is not a Saturday or Sunday or a bank holiday.



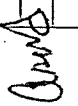
“Commercial Operation Date” or “COD” shall mean the date on which the Achieving Commercial Operations of the Project occurs.

“Construction Budget” shall have the meaning specified in Section 6.1 (xxiv) (f).

“Construction Period” shall mean the period from the date of Financial Close till COD.

“Construction Contracts” shall mean an agreement dated 17th April 2004, 07th January 2004, 21st August 2003, 5th March 2004, 8th April 2004, & 2nd March 2004 entered into with M/S Della Technica, Della Technica Interior Design & Project Management Pvt. Ltd, Larsen & Toubro Ltd respectively or any other agreements/arrangements entered/to be entered into between the Borrower and the Contractors in respect of designing, renovation & reconstruction of hotel rooms by way of civil, interior, electrical, plumbing & sanitary, finishing and wood work and erection & construction of structural steel frame along with steel cables for fabric glass combination roof system and for providing any other services & materials, plant & machinery and equipments required for completion of the Project.

“Construction Contractors” shall mean parties to Contracts who have agreed to design, execute renovate & reconstruct the hotel rooms and to erect & construct the structural steel frame along with steel-cables for fabric glass combination roof system and to provide plant and machinery, equipments and other material required for renovation and reconstruction of the Project and other services for the Project on the terms set forth in the Contracts.

	SHL	HUDCO	
	UBI	UCO	Security Agent
			Lenders Agent

TRUE COPY

541

"Credit Card Receivables" shall mean all monies received or to be received by the Borrower from bank(s) who are members of Master Card International and/or Visa Card International or any other credit card agencies.

"Credit Card Agreement" shall mean the merchant establishment agreements entered/to be entered into between the Borrower and the member's banks of Master Card International and/or Visa Card International or any other credit agencies recording their understanding for payment of Credit Card Receivables.

"Commercial Complex Rents/License Fees" shall mean all rentals income received/to be received from the shops & business/convention complexes of the Project.

"Debt Service Reserve" or "DSR" shall mean the reserve required to be created by the Borrower under the Trust and Retention Account Agreement, which shall be equivalent to a minimum of two quarters interest and principal payment obligations of the Borrower to the Lenders under this Agreement.

"Debt Service Reserve Account" shall have the meaning ascribed to it in the Trust and Retention Account Agreement.

"Default" shall mean any event, act, omission or condition, which with the giving of notice, making of a determination, or lapse of time, or any of them, or the fulfillment of any other requirement, would become an Event of Default.

"Disbursement" shall mean such amounts of the Loans, as the Lenders make available to the Borrower for meeting cost of the Project pursuant to Notice of Drawl. The terms 'Disburse' and 'Disbursed' shall be construed to mean accordingly.

"Disbursement Procedure" shall mean the disbursement procedure prescribed under Section 2.5 as may from time to time be modified by the Lenders by way of intimation in writing to the Borrower.

"Drawstop Notice" shall have the meaning provided in Section 2.5 (iv) (a).

SHL	HUDCO	
UBI	UCO	Security Agent
		Lenders Agent

TRUE COPY

542
"EIA" shall mean Environment Impact Assessment

"Equity Contributions" shall mean, at any time, that aggregate amount actually paid by the shareholders of the Borrower in respect of the outstanding equity of the Borrower and any sums received by the Borrower as an advance against equity for part financing the Project Cost, at such time.

"Events of Default" shall mean all or any of the events specified in Section 7.1.

"Final Settlement Date" shall mean the date on which all the obligations of the Borrower under this Agreement and other Finance Documents or arising out of the commitments and agreements made by the Borrower under or pursuant to any of this Agreement and other Finance Documents shall have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Lenders.

"Financial Close" shall mean the date on which the Finance Documents have been executed and delivered, all conditions precedent provided in Sections 5.2 and 5.3 have been fulfilled to the satisfaction of the Lenders, and the Borrower has become eligible to avail the Loans granted by the Lenders.

"Finance Documents" shall mean the this Agreement, the Trust and Retention Account Agreement and the Security Documents and such documents as may be required to be executed or obtained under this Agreement and any other Finance Document or to perfect and validate this Agreement and other Finance Documents and to protect rights of the Lenders hereunder and thereunder.

"Financing Plan" means the financing plan as described in Schedule III.

"Fiscal Quarter" shall mean, in any Fiscal Year, any of the following three-month periods:

- (a) April 1 to June 30
- (b) July 1 to September 30
- (c) October 1 to December 31
- (d) January 1 to March 31. *h*

Amud

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

h

A
TRUE COPY

543

"Fiscal Year" shall mean the accounting period commencing from April 1st of each year till March 31st of next year.

"FSI" shall mean floor space index, which is the ratio of the combined gross floor area of the entire building to the total area of the plot on which the building stands and such FSI as may required by the Borrower for the Project implementation and permitted by Brihanmumbai Municipal Corporation under the Applicable Law.

"GAAP" shall mean the generally accepted accounting principles consistently applied and as in effect from time to time in India.

"Government" shall mean to include Government of India and the Government of State of Maharashtra.

"Government Approvals" shall mean the approvals, clearances, licenses, actions, authorisations, consents, rulings, permits, certifications and exemptions in relation to the Project, Project Site, environmental compliances and creation of Security issued by the Government, and Government Authority.

"Government Authority" shall mean any government department including Airports Authority of India, local authorities (such as corporation, municipality, panchayat), commission, board, agency, regulatory authority, instrumentality, court or other judicial or administrative body having jurisdiction over the matter or matters in question.

"Gross Cash Accruals" shall mean net profit after tax plus non-cash adjustments like depreciation and amortisation, which do not result in any cash out go.

"HUDCO" shall mean Housing and Urban Development Corporation limited, a company incorporated under the Companies Act, 1956 (1 of 1956).

"HUDCO Floating Base Lending Rate" or "HUDCOFLBLR" shall mean the rate of interest for rupee term loans of HUDCO as fixed and notified by HUDCO as such or by any other substitute name from time to time.

SHL	HUDCO		
UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

544

"Inter Creditor Agreement" shall mean the agreement dated 14th day of February 2005 entered into among the Lenders recording their understandings, *inter-alia*, as to ranking / sharing of Security, enforcement action and administration of the provisions of the Finance Documents by the Lenders.

"Interest Payment Date" shall mean the dates as set out in Schedule IV.

"Last Date of Drawl" shall have the meaning provided in Section 2.4.

"Lease Agreement" shall mean Lease Agreement dated 5th June 2002 entered into between AAI and the Borrower whereby AAI transferred the Leased Premises to the Borrower for a period of 29 years i.e upto 4th June 2031 for the purpose of maintaining and running the Hotel.

"Leased Premises" shall have the meaning assigned under the Lease Agreement.

"Lenders" shall mean the Lenders listed in Schedule I hereto and shall mean to include any one or more of them or their respective successors and assigns as the context may admit or require.

"Lenders Agent" shall mean Housing and Urban Development Corporation Limited, appointed as such by the Lenders and the Borrower under the Lenders Agent Agreement and its successors and substitute appointees.

"Lenders Agent Agreement" shall mean the agreement dated 14th day of February 2005 entered into among the Lenders, the Lenders Agent and the Borrower with respect to appointment of the Lenders Agent, terms and conditions thereof and other matters connected therewith, as may be amended or supplemented from time to time.

"Lender Auditor" shall mean any person appointed/to be appointed or any replacement thereof by the Lenders in consultation with the Borrower

SHL	HUDCO	
UBI	UCO	Security Agent
		Lenders Agent

TRUE COPY

545

"Lenders Engineer" shall mean any person appointed/to be appointed or any replacement thereof by the Lenders in consultation with the Borrower.

"Lending Confirmation Notice" shall have the meaning provided in Section 2.5.iii (b).

"Loan" shall mean with reference to each of the Lender the amount agreed to be provided not exceeding the amount setout against its name in Schedule-I under the this Agreement.

"Loans" shall mean the aggregate of Loans agreed to be provided by the Lenders to the Borrower not exceeding in aggregate Rupees 300.00 Crores (Rupees Three Hundred Crores only) under this Agreement.




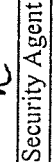
"Material Adverse Effect" shall mean any material change having adverse effect on (i) the Security provided to the Lenders under the Security Documents, (ii) the business or financial condition of the Borrower or renovation and reconstruction or operation of the Project, (iii) the ability of the Borrower to observe or perform any of its obligations under the Finance Documents, (iv) the legality, validity and enforceability of any Finance Document and (v) the realisation of the rights and remedies of the Lenders.


"Notice of Drawl" shall have the meaning provided in Section 2.5 (ii).

"Operational Period" shall mean the period from the Commercial Operation Date on wards.

"Other Bank Accounts" shall mean the accounts; other than the Retention Accounts, opened or established by or for the benefit of the Borrower with any bank including the Account Bank.

"Parties" shall mean the parties to this Agreement.

	SHL	HUDCO		POB
	UBI	UCO		Security Agent
				Lenders Agent

 TRUE COPY

546

"Potential Event of Default" shall mean happening or occurrence of any event, which with the lapse of time as specified in Section 7.1 would become an Event of Default.

"Project" shall mean designing, renovation & reconstruction of Hotel Sahara Star by way of civil, interior, electrical, plumbing & sanitary, finishing and wood work and erection & construction of structural steel frame along with steel cables for fabric glass combination roof system as described in the Schedule II.

"Project Assets" shall mean to include (a) all movable and immovable properties, present and future, forming part of the Project; (b) all rights and interests in the land needed for and/or occupied by the Project in the form of ownership, lease, license, right of way or otherwise, (c) all assets such as civil works including the foundations, equipments, plant & machinery, screw water chilling machines, pumps, inverters, air handling units, fans, air conditioners, coil units, cooling towers, piping, air distribution system, power generators insulation, installations, storage facilities, machinery spares, tools and accessories, furniture, fixtures, crockery, vehicles; (d) financial assets; (e) all the rights, title, interests, benefits, claims and demands of the Borrower under any Project Documents; (f) all the Borrower's book debts, receivables, commissions, revenues of whatsoever nature and wheresoever arising; (g) all intangibles, goodwill, uncalled capital; (h) all the rights, title, interest, benefits, claims and demands of the Borrower in the Government Approvals, clearances and claims or proceeds arising in relation to or out of insurance policies obtained by the Borrower pertaining to any assets of the Borrower; and (i) all the Accounts including but not limited to the Retention Accounts and Other Bank Accounts of the Borrower.

"Project Cost" shall mean the estimated cost for completion of the Project as specified in Financing Plan.

"Project Documents" shall mean (a) all the contracts, agreements and writings entered into or obtained by the Borrower in connection with (i) supply of plant & machinery, equipment, other material, engineering and specialised services for renovation & reconstruction of the Project and related facilities; (ii) supply of plant & machinery, equipments, material and technical and specialised services

SHL	HUDCO	
UBI	UCO	Security Agent

And

153 RL

[Signature]

TRUE COPY

547

for operating and maintaining the Project; (iii) raising Project Equity Capital; and Promoter support to the Project; (iv) control and management of the Borrower; (b) all performance bonds and other security documents and arrangements furnished by any of the parties under the documents above referred to in favour of or for the benefit of the Borrower, and (c) all the agreements and arrangements entered/to be entered by the Borrower for Credit Card Receivables. An indicative list of the Project Documents is given as Schedule V.

“Project Equity Capital” shall mean the Promoters’ equity contribution, preference share capital, deposit and unsecured loan to be raised by the Borrower under the Financing Plan for financing the Project Cost.

“Project Proceeds” shall mean all Disbursements by the Lenders and all monies due and to become due to the Borrower at any time including without limitation, subscriptions to shares in the share capital of the Borrower, contingent equity, / subordinated debt contributions of the promoters, working capital, cash credit, Credit Card Receivables, Commercial Complex Rents / License Fees, club membership fees and any other monies due or to become due to the Borrower under the Project Documents, and under all performance bonds, letters of credit, insurance policies and instruments of a similar nature issued in its favour in respect of the Project.

“Project Implementation Schedule” shall mean the time line not exceeding 12 months with the date of Financial Close as zero date for completing the renovation & reconstruction and installation of all the facilities of the Project and for Achieving Commercial Operations.

“Project Site” shall mean Hotel Sahara Star (formerly known as Hotel Centaur), Santacruz, near domestic airport, Mumbai-400099 in the State of Maharashtra.

“Promoters” shall mean S/Shri Subrata Roy Sahara, Om Prakash Srivastava & J. B. Roy, as the context requires or admits.

“Receivables” shall mean all Project Proceeds other than Disbursements to be made by the Lenders, working capital and cash credit.

SHL	HUDCO	BOI	
UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

548

"Reimbursement" shall mean the fund arranged by the Borrower for implementation of the Project before Financial Close, in addition to the Project Equity Capital, from its Promoters and/or its group companies and such fund has been utilized before Financial Close and duly certified by the Lenders Engineer/Lenders Auditor.

"Restricted Payments" shall mean all dividends and other distributions of the Borrower (in cash, property or obligations) on, or other payments or distributions on account of the purchase, redemption, retirement or other acquisition of, any share capital of the Borrower or any warrants or options therefore or any payment by the Borrower of interest, principal or other sum in relation to any subordinated debt.




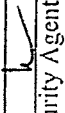
"Retention Account" means the account to be opened with the Account Bank pursuant to the Trust and Retention Account Agreement into which the monies would be credited for meeting various payment and DSR maintenance requirements.

"Rupees" and the sign of "Rs." shall mean the lawful currency of India.

"Secured Property" shall mean all the assets (whether tangible or intangible or movable or immovable) of the Borrower and of the Promoters over which Security is created under the Security Documents in favour of the Lenders.

"Security" shall mean any mortgage, hypothecation, guarantee, charge, pledge, assignment, lien of any kind, and any interest including any preferential arrangement required to be created by the Borrower and/or the Promoters and others in favour of the Lenders as required under Article III or under any other provision this Agreement.

"Security Agent" shall mean Housing and Urban Development Corporation Limited appointed as such by the Lenders and the Borrower under the Security Agent Agreement and its successors and substitute appointees.

	SHL	HUDCO		UOB
	UBI	UCO		Security Agent
				Lenders Agent

 TRUE COPY

549

“UCO” shall mean UCO Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.

“UCO – Prime Term Lending Rate” or “UCOPTLR” shall mean the rate of interest for rupee term loans of UCO as fixed and notified by UCO as such or by any other substitute name from time to time.

“UBI” shall mean UNION Bank of India, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.

“UBI-Prime Term Lending Rate” or “UBIPTLR” shall mean the rate of interest for rupee term loans of UBI as fixed and notified by UBI as such or by any other substitute name from time to time.

“Unsatisfied CP Notice” shall have the meaning provided in Section 2.5 (II) (a) (iii).

1.2 PRINCIPLES OF CONSTRUCTION

In this Agreement unless the context otherwise requires:

- i) the singular includes the plural and vice versa;
- ii) headings and the use of bold typeface shall be ignored in its construction;
- iii) a reference to a Section, or Schedule is, unless indicated to the contrary, a reference to a section in, or schedule to, this Agreement;
- iv) references to this Agreement shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- v) the words "other", "or otherwise" and "whatsoever" shall not be construed *eiusdem generis* or as any limitation upon the generality of any preceding words or matters specifically referred to;
- vi) references to the word "includes" or "including" are to be construed without limitation;

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

550

"Security Agent Agreement" shall mean the agreement dated 14th day of February 2005 entered into among the Lenders, the Lenders Agent, the Security Agent and the Borrower with respect to appointment of the Security Agent, terms and conditions thereof and other matters connected therewith, as may be amended or supplemented from time to time.

"Security Documents" shall mean to include all the documents executed or obtained in favour of the Lenders and/or delivered or deposited with the Lenders for creation or effecting creation of Security and for perfecting and maintaining the Security.

"Security Interest" shall mean any mortgage, pledge, lien, hypothecation, charge, assignment, security interest or interest in the nature of security, deed of trust or other encumbrance of any kind, or any other type of preferential arrangement, including without limitation, any agreement to give same effect as any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof and any designation of loss payees or beneficiaries or any similar arrangement under any insurance policies.

"Secured Obligations" shall mean all the payment obligations of the Borrower under this Agreement including, to repay the Loans, and to pay interest, additional interest, further interest, premium on prepayment, costs, expenses and other monies payable to the Lenders the Lenders Agent, the Security Agent and the Account Bank under or pursuant to or arising out of or in connection with the Loans in accordance with the terms of this Agreement and other Finance Documents; and

"Scheduled Commercial Operations Date" shall mean the date on which the expiration of 12 months period occurs reckoning from the date of Financial Close.

"Transaction Agreements" shall mean the Finance Documents and the Project Documents.

"Trust and Retention Account Agreement" shall mean the agreement entered into on 14.2.2005 among the Borrower, the Lenders, the Lenders Agent the Security Agent and the Account Bank.

SHL	HUDCO	BBS	Lenders Agent
UBI	UCO		Lender's Agent

TRUE COPY

551

- vii) references to a Party to this Agreement or a person shall include their respective successors, assignees or transferees (to the extent assignment or transfer is permitted under the relevant agreement);
- viii) all references to agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreement, document or instrument as amended, supplemented, substituted, novated or assigned from time to time;
- ix) the words "herein", "hereto" and "hereunder" refer to this Agreement as a whole and not to the particular section in which such word may be used;
- x) words importing a particular gender shall include all genders;
- xi) "person" includes any individual, partnership, firm, trust, body corporate, government, governmental body; authority, agency, and unincorporated body of persons or association; and
- xii) references to any law shall include references to such law as it may, after the date of this Agreement, from time to time be amended, supplemented or re-enacted.

<i>And</i>	SHL	HUDCO	<i>[Signature]</i>	
	UBI	UCO	Security Agent	Lenders Agent

52/10

(A)
TRUE COPY

ARTICLE II
AGREEMENT AND TERMS OF LOAN

2.1 Amount and Terms of Loan

The Borrower agrees to borrow from the Lenders and the Lenders agree to lend to the Borrower, on the terms and conditions contained herein. The sums to the maximum extent set out against their respective names in Schedule I aggregating Rs.300 Crores (Rupees Three Hundred Crores only).

The obligations of Lenders hereunder are several. No Lender shall be responsible for the obligations of any other Lender(s).

The rights of each Lender under the Finance Documents are separate and independent. Any Lender may separately enforce any of its rights arising out of any of the Finance Documents.

2.2 Upfront Fees/Processing Charges

The Borrower shall pay to each of the Lenders an up-front fee / processing charges on or before the execution of this Agreement in such amounts as stipulated in their respective letters communicating sanction of their respective Loans.

In case there is any reduction in the Loans amount such front end fees shall not be refunded to the Borrower.

2.3 Interest etc.

(i) Interest:

The Borrower shall pay to the Lenders interest at the Applicable Rate on the principal amounts of their respective Loans outstanding from time to time, and on all monies accruing due under this Agreement and not paid on due dates in each year on the dates set out in Schedule IV. The payment of interest shall

SHL	IIUDCO	
UBI	UCO	Lenders Agent

commence on the first Interest Payment Date falling immediately after the date of first Disbursement.

(ii) Additional Interest

The Borrower shall pay to the Lenders an additional interest at the rate of 3 % per annum over and above the Applicable Rate (a) on the defaulted amount of installment of principal, interest and other monies for the period of default; (b) non-submission or delayed in submission of monthly progress report & data on the amount collected and expenses incurred and (c) breach of any other covenant or condition of this Agreement.

2.4 AVAILABILITY PERIOD OF LOAN

Unless the Lenders otherwise agree, the right to make draws from the Loans shall cease on expiry of twelve month from the date of COD, which date may be extended by the Lenders at their absolute discretion on such terms and conditions as they may deem appropriate.

2.5 DRAWDOWN


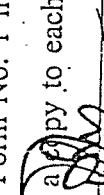

(i) Drawdown Schedule

The Borrower shall forthwith provide to the Lenders an indicative draw down schedule in writing for the Loans. The Lenders may, however, allow changes in the dates of drawl indicated in the said draw down schedule provided that the Borrower approaches for such change(s) adequately in advance and the attending circumstances, in the opinion of the Lenders, justify such change.

(ii) Procedure for Requesting Disbursements

(a) The Borrower shall request Disbursements against the Loans by delivering a Notice of Drawl substantially in the form attached hereto as Form No. 1 in Schedule [VII], to the Lenders Agent with a copy to each of the Lenders, no

And

	SHL	HUDCO	
	UBI	UCO	Security Agent
			Lenders Agent

TRUE COPY

554

later than ten (10) Business Days prior to the expected drawdown date in the Notice of Drawl ("Drawdown Date"). Subject to the proviso set out below, the Borrower shall request Disbursements no more frequently than one disbursement per Fiscal Quarter excluding (A) Disbursements made to fund interest during construction; and (B) as may be necessary to permit any Disbursement.

Provided that in any month in which the Borrower is required to make an interest payment to the Lenders, the Borrower shall, to make such interest payment, be obliged to request an additional Disbursement to the extent of such interest payment (hereinafter referred to as "Additional Disbursement"). The Notice of Drawl in respect of an Additional Disbursement shall be delivered to the Lenders Agent with a copy to each Lender at least ten (10) Business Days before the relevant Interest Payment Date (such interest payment date shall be deemed to be the Drawdown Date in respect of Additional Disbursement).

(b) Each Notice of Drawl shall contain a certification by an authorised person of the Borrower as to the following, in addition to such other information as may be required by the Lenders:

- i. the aggregate amount of the proposed Disbursement and the amount to be disbursed by each of the Lenders (if any);
- ii. the Drawdown Date for the proposed Disbursement, which shall be a Business Day and shall be the same date for Disbursement by each of the Lenders;

iii. outstanding amount due from out of each of the Lenders including the amounts of the proposed Disbursement on such Drawdown Date;

<i>Am A</i>	SHL	HUDCO	<i>[Signature]</i> BOB
<i>Am B</i>	UBI	UCO	<i>[Signature]</i> Security Agent
			Lenders Agent

[Signature]
TRUE COPY

555

iv. that all proceeds of the Project Equity Capital then required to have been funded and applied or allocated, as the case may be, to pay for Project Cost;

v. both before and after giving effect to proposed Disbursement and taking into account, the Equity Contributions then required to have been funded concurrently therewith, the ratio of 'the sum of the principal amount outstanding in respect of the Loans and other borrowings, if any, of the Borrower' over 'the sum of Project Equity Capital is no greater than 1.61:1

vi. That the proceeds of the earlier Disbursements have been applied only to pay for the Project Cost and the proceeds of the proposed Disbursement shall be applied to only such estimated Project Cost as are permitted under this Agreement;

vii. each representation and warranty of the Borrower made in Article IV shall be true, complete and correct in all respects, in each case, with the same force and effect as though each such representation and warranty were made in and as of the date of such Notice of Drawl, except for any representation and warranty which expressly related to earlier date and is not surviving; and

viii. no Potential Event of Default or Event of Default has occurred or is continuing.

(c) The Notice of Drawl shall include as attachments (a) all certificates and documentation required thereby, (b) a Drawdown Certificate substantially in the form contained in Form No. 1 in Schedule [VIII], to be correct as of the corresponding Drawdown Date and signed by an authorised

<i>AmA</i>	SHL	HUDCO	BOB	<i>[Signature]</i>
<i>53-12</i>	UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

person of the Borrower and (c) a certificate from the Lenders Engineer and the Lenders Auditor in the form attached hereto as Form No. 2 in Schedule [VIII]; provided, however, that those certificates and documentation required under Section 5.2 in connection with the initial Disbursement shall not be required to be attached to any subsequent Notice of Drawl delivered in connection with any subsequent Disbursement, unless this Agreement specifically contemplates otherwise pursuant to Section 5.3.

(iii) Disbursements

(a) Procedure for Disbursement

i. The Loans will be Disbursed in one or more installment(s) or in such other manner as may be decided by the Lenders subject to the Borrower complying with the provisions of this Agreement generally and this Section 2.5, Sections 5.2 and 5.3 of this Agreement specifically. Promptly after each receipt of a Notice of Drawl (and in any event no later than ten (10) days prior to the Drawdown Date), the Lenders Agent shall (A) review such Notice of Drawl and attachments thereto to determine whether all required documentation has been provided and whether all applicable conditions precedent pursuant to this Agreement have been satisfied and (B) notify each of the Lenders of their determination; provided that in the case of an Additional Drawdown, the Lenders Agent shall inform the Lenders of their determination not later than five (5) days prior to the Drawdown Date. In making such determination, the Lenders Agent shall be entitled to assume that each condition precedent under this Agreement shall have been satisfied if no Unsatisfied CP Notice (as defined in subparagraph (iii) below) shall have been received by it

<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i>	BOB
<i>[Signature]</i>	UBI	UCO	<i>[Signature]</i>	Security Agent
				Lenders Agent

[Signature]




TRUE COPY

with respect to such conditions prior to the time required therefore pursuant to such subparagraph (iii).

ii. Subject to Section 2.4 and the other subparagraphs of this Section 2.5(iii) and satisfaction or waiver of all applicable conditions precedent and any other applicable provisions under this Agreement, at such time as the Lenders Agent has determined that all applicable conditions precedent set forth in Article V have been satisfied or waived, Disbursements may occur; *provided*, however, that there is nothing to the contrary contained in any Finance Document (it being understood that in the event of any conflict between this Agreement and any other Financing Document in respect of the matters set forth in Section 2.5, this Agreement shall prevail.)

iii. If in connection with any Disbursement, any Lender determines that any applicable condition precedent under Article V has not been satisfied, such Lender shall notify the Borrower and the Lenders Agent no later than five (5) Business Days prior to the Drawdown Date that the Disbursement may not be made and shall give the reasons therefore (any such notice, is hereinafter referred to as an "Unsatisfied CP Notice"). Any such notice received less than five (5) Business Days (in the case of an Additional Disbursement, at least three (3) Business Days) prior to the Disbursement date shall not be effective as an Unsatisfied CP Notice.

iv. If the Lenders Agent (A) on or prior to the Drawdown Date determines pursuant to point (i) of Section 2.5 (iii) (a) that the conditions precedent to a Disbursement have not been satisfied or (B) at least four (5) Business Days (in the case of an Additional Disbursement, at least three (3) Business Days) prior to the Drawdown Date receives an Unsatisfied

	SHIL	HUDCO		
	UBI	UCO	Security Agent	Lenders Agent

132/122

TRUE COPY

558

CP Notice, then the Lenders Agent shall notify the Borrower thereof in writing within two (2) Business Days of such determination or receipt, as the case may be. The notice from the Lenders Agent shall specify the conditions precedent, which have not been satisfied and/or attach a copy of the Unsatisfied CP Notice received by the Lenders Agent with respect to such Disbursement. Upon such written notice from the Lenders Agent, none of the Lenders shall have any obligation to make the proposed Disbursement under the Notice of Drawl.

v. At such time, if ever, as (A) the Lenders Agent determines that the condition precedent to the Disbursement which had not been satisfied/ has been satisfied or (B) those Lender (s) which gave an Unsatisfied CP Notice to the Lenders Agent with respect to such Disbursement inform the Lenders Agent in writing that the event giving rise to such Unsatisfied CP Notice no longer exists, the Lenders Agent shall notify the Borrower thereof. *Provided* that where the Borrower provides the Lenders Agent and the Lenders information as to the satisfaction of the condition precedent, which is the subject of such Unsatisfied CP Notice, the Unsatisfied CP Notice shall be deemed to be revoked if, within eight (8) Business Days of receipt of such information from the Borrower, none of the Lenders issue a fresh Unsatisfied CP Notice.

vi. No Lender or the Lenders Agent shall have any liability to the Borrower or the other Lender or any other person claiming any interest through the Borrower arising from the issuance of an Unsatisfied CP Notice, if the Unsatisfied CP Notice is issued in good faith.

(b) If the Lenders Agent has not received an Unsatisfied CP Notice pursuant to Para iii of Section 2.1(iii) (a) and is satisfied that the

SHL	HUDCO		
UBI	UCC	Security Agent	Lenders Agent

15/12/12

TRUE COPY

conditions precedent to a Disbursement have been satisfied, or at such time as the Lenders Agent has issued a notice to the Borrower under Para v of Section 2.5 (iii) (a) and is otherwise satisfied that the conditions precedent to a Disbursement are satisfied or an Unsatisfied CP Notice is deemed revoked pursuant to Para v of Section 2.5 (iii) (a) and the Lenders Agent is satisfied that the conditions precedent have been fulfilled, the Lenders Agent shall issue a notice confirming the Disbursement, (hereinafter referred to as the "Lending Confirmation Notice") substantially in the form attached hereto as Form No. 3 in Schedule VIII to the Borrower no later than two (2) Business Days prior to the Drawdown Date to which the Drawdown Certificate relates or, in the event of the issuance by the Lenders Agent of any notice pursuant to Para iv of Section 2.5 (iii) (a) above, promptly upon the issuance of the related notice under Para v of Section 2.5 (iii) (a), approving such proposed Disbursement.

(c) On the proposed Drawdown Date following the issue of a Lending Confirmation Notice, each of the Lenders, from whom each relevant Disbursement respectively had been requested, if any, shall, on the Drawdown Date make the proceeds of Disbursement being made to the Borrower by depositing such proceeds into the relevant Retention Account under the Trust and Retention Account Agreement.

(d) Subject to the foregoing provisions of this Section 2.5, so long as no Drawstop Notice is in effect, the failure of any Lender to make a Disbursement shall not relieve the other Lender of its obligation hereunder in respect of its Loan (provided no Event of Default or Potential Event of Default has occurred) to make the proposed Disbursement, but no Lender shall be responsible for the failure of the other Lender to make any Disbursement or any portion thereof.

<i>And</i>	SHL	HUDCO	
<i>154</i>	UBI	UCO	Lenders Agent
		Security Agent	

TRUE COPY

(iv) Drawstop Notices

(a) In addition to the ability to issue an Unsatisfied CP Notice pursuant to Section 2.5 (iii) and notwithstanding the issuance of any Lending Confirmation Notice by the Lenders Agent pursuant to Section 2.5 (iii) (b) in connection with any Disbursement, any Lender or the Lenders Agent upon the occurrence of an Event of Default or a Potential Event of Default may issue a notice (a "Drawstop Notice") to the Borrower with a copy to each of the Lenders, the Security Agent and the Account Bank, notifying the Borrower that no Disbursements shall be made under any Notice of Drawl.

(b) A Drawstop Notice issued pursuant to Section 2.5 (iv) (a) shall remain in full force and effect until the Potential Event of Default or Event of Default which led to the issuance of such Drawstop Notice has been remedied by the Borrower or waived by the Lenders. Upon the Potential Event of Default or Event of Default which led to the issuance of such Drawstop Notice being remedied, such Drawstop Notice shall be deemed to be revoked and the Lender who issued the Drawstop Notice or the Lenders Agent, as the case may be, shall promptly notify the Borrower and the Lenders, whereupon the Lenders shall make the proposed Disbursement as soon as practicable thereafter (and in any event no later than five (5) Business Days thereafter).

2.6 ADJUSTMENT OF OVERDUES

The Lenders may deduct from sums to be lent to the Borrower any monies then remaining due and payable by the Borrower to the Lenders. The sums so deducted or adjusted shall be deemed to be Disbursements made by the Lenders notwithstanding anything contained in Sections 2.5.

And

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

K2 10

TRUE COPY

561

2.7 REPAYMENT

(i) The Borrower undertakes to repay the principal amounts of the Loans to each of the Lenders in One Hundred Eight (108) monthly installments commencing from August 2006 in accordance with the Amortization Schedules set forth in Schedule IV. In case the Achieving Commercial Operations of the Project occurred before the schedule time the date of repayment may be preponed at the absolute discretion of the Lenders.

(ii) The Lenders may, in suitable circumstances and with the prior consent of the Borrower, revise, vary or postpone the repayment of the principal amounts of the Loans or the balance outstanding for the time being or any installment (s) of the principal amounts of the Loans or any part thereof.

(iii) In the event of any default in the payment of installments of the principal, any interest and additional interest, postponement, if any, allowed by the Lenders shall be at the rate of interest as may be stipulated by the Lenders at the time of postponement.

(iv) If, for any reason, the amount finally disbursed by the Lenders out of the Loans is less than the amount of the Loans, the installment (s) of repayment of the Loans shall stand reduced proportionately but shall be payable on the due dates as specified in the Amortization Schedule(s).

(v) If the due date in respect of any installment of principal, interest and additional interest and all other monies payable under the this Agreement and other Finance Documents falls on a day which is not a Business Day at the place where the payment is to be made, the immediately preceding Business Day shall be the due date for such payment.

And

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

12/10/06

TRUE COPY

562

2.8 (i) ADDITIONAL INTEREST

(A) WITH RESPECT TO HUDCO

The Borrower may prepay the outstanding principal amounts of the Loan to HUDCO in full or in part, before the due dates subject to payment of additional interest on the prepaid amount at the differential interest rate calculated (without compounding) for one year subject to minimum of 2% of the amount to be prepaid. Differential interest rate shall be the difference of weighted rate of interest in accordance with the prevailing financing pattern of HUDCO

(B) WITH RESPECT TO BOB & UBI

The Borrower may prepay the outstanding principal amounts of the Loans to BOB & UBI in full or in part, before the due dates subject to payment of additional interest at the rate of 1% p.a. on the amount to be prepaid for; the residual tenure of the Loans.

(C) WITH RESPECT TO UCO

The Borrower may prepay the outstanding principal amounts of the Loan to UCO in full or in part, before the due dates subject to payment of additional interest the rate of 2% on the amount to be prepaid.

(ii) Notwithstanding anything contained in Section 2.7 or Section 2.8(i), A, B&C the Lenders reserve the right to call for early repayment of the Loans in the event the cash flows of the Borrower are adequate for such repayment. In such case no additional interest shall be payable on the prepayment.

(iii) Any amount prepaid will be applied to the repayment installments in the inverse order of their maturity.

<i>And</i>	SHL	HUDCO	<i>Bob</i>	BOB
<i>W2 W</i>	UBI	UCO	<i>W</i>	Security Agent
				Lenders Agent

TRUE COPY

563

2.9 APPROPRIATION OF PAYMENTS

Unless otherwise agreed to by the Lenders, any payments due and payable under this Agreement and made by the Borrower shall be appropriated towards such dues in the following order, viz.,

- (i) Expenses incurred by Lenders and recoverable under the provisions of this Agreement.
- (iii) Interest tax/Service tax (if applicable).
- (iv) Additional Interest (prepayment)
- (v) Additional/Penal interest.
- (vi) Interest including compound interest.
- (vii) Repayment of instalments of principal due and payable under this Agreement.

2.10 INCREASED COSTS

If any Lender incurs any increased cost as a result of

- (a) the introduction of, or change in interpretation or application of any law or regulation by any court of law or competent authority; or
- (b) compliance with any regulation made after the date of this Agreement including any law or regulation relating to taxation, monetary union, or reserve asset, special deposit cash ratio, or capital asset requirements or any other form of banking or monetary control.

<i>[Signature]</i>	SHL	HUDCO	BOB	<i>[Signature]</i>
<i>[Signature]</i>	UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

564

the Lenders shall notify the Borrower of the circumstances leading to increase in costs and the amount of such increase. The Borrower shall within three business days from the date of receipt of such notification from any Lender discuss with such Lender regarding the possible mitigation in the increase and shall pay to the Lender the amount so claimed as increase in cost.

2.11 IMPOSTS COSTS SERVICE TAX AND CHARGES

(a) The Borrower shall, during the currency of the Loans bear all such imposts, duties and Taxes (interest tax, service tax and other taxes, if any) as may be levied from time to time by any Government Authority pertaining to or in respect of the Loans.

(b) The Borrower shall pay all the other costs, charges, expenses (including cost for the protection of the Lenders interest including for enforcement of Security and recovery of dues) and expenses in anyway incurred by the Lenders in connection with the making and protection of the Loans and such additional stamp duty, other duties, Taxes, charges and other penalties if and when the Borrower is required to pay according to the laws for the time being in force.

(c) In the event of the Borrower failing to pay the monies referred to in (a) and (b) above, the Lenders will be at liberty (but shall not be obliged) to pay the same. The Borrower shall reimburse all sums paid by the Lenders in accordance with the provisions contained herein.

2.12 COMPUTATION OF INTEREST AND OTHER CHARGES

Interest and all other charges shall accrue from day to day and shall be computed on the basis of a [365 days] year and the actual number of days elapsed.

And	SHL	HUDCO	
	UBI	UCO	
		Security Agent	Lenders Agent

[Handwritten signatures and initials: "R/R", "SJB", "K"]

TRUE COPY

565

2.13 PLACE AND MODE OF PAYMENT BY THE BORROWER

All monies payable by the Borrower to the Lenders shall be paid to them at such office(s) as may be specified by them by telegraphic, telex or mail transfer to the account of such office(s) or by cheque or by bank draft drawn in favour of the Lenders on a scheduled bank at Mumbai or such other place or to such other account as the Lenders may notify to the Borrower and shall be so paid to enable the Lenders to realise, at par, the amount on or before the due date. Credit for payments by local cheque/bank draft will be given on the date of realisation or the due date, whichever is later.

2.14 REIMBURSEMENT OF EXPENSES

(i) The Borrower shall reimburse all expenses incurred or paid by the Lenders including Security Agent, Lenders Agent and Account Bank under the provisions of this Agreement and other Finance Documents within 30 days from the date of notice of demand. All such sums shall be debited to the Borrower's loan account and shall carry interest from the date of payment till such reimbursement at the Applicable Rate or the maximum lending rate of the relevant Lender for rupee term loans whichever is higher.

(ii) In case of default in making such reimbursement within 30 days from the date of notice of demand, the Borrower shall also pay on the defaulted amounts, liquidated damages at the rate of 3% per annum (plus interest tax if applicable) from the expiry of 30 days from the date of notice of demand till reimbursement thereof and such liquidated damages shall be payable on Interest Payment Date(s).

2.15 LEGAL CHARGES

The Borrower shall pay to the Lenders legal fees and the expenses incurred in connection with the filing of registration of charges, documentation and due diligence of Project contracts and/or investigation

SHL	HUDCO	
UBI	UCO	
Security Agent		Lenders Agent

TRUE COPY

566

of title and/or carrying out searches in respect of the Borrower's properties and the Project undertaken and/ or to be undertaken or arranged by the Lenders.

2.16 APPOINTMENT OF NOMINEE DIRECTORS

- i) The Lenders together shall have the right to appoint and remove from time to time nominee directors on the Board of Directors of the Borrower at any time during the currency of this Agreement (such directors are hereinafter referred to as "Nominee Directors").
- ii) The Nominee Directors shall not be required to hold qualification shares and not be liable to retire by rotation.
- iii) The Nominee Directors shall be entitled to all the rights and privileges of other directors including the sitting fees and expenses as payable to other directors but, if any other fees, commission, monies or remuneration in any form are payable to the directors, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Lender and the same shall accordingly be paid by the Borrower directly to the Lenders.

Provided that if any such Nominee Directors are an officer of the Lenders the sitting fees in relation to such Nominee Director shall also accrue to the Lenders and the same shall accordingly be paid by the Borrower directly to the Lenders.

Any expenditure reasonably incurred by the Lenders or the Nominee Directors in connection with the appointment or directorship shall be borne by the Borrower.

- iv) The Nominee Directors so appointed shall be a member of the Project management committee, audit subcommittee and other committees of the Board, if so desired by the Lenders.

<i>[Signature]</i>	SHL	<i>[Signature]</i>	IBOB	
<i>[Signature]</i>	UBI	UDCO	UCO	Lenders Agent

[Signature]
TRUE COPY

567

v) The Nominee Directors shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

vi) If at anytime, the Nominee Directors are not able to attend a meeting of Board or any of its committees, of which he is members, the Lenders may depute an observer to attend the meeting. The expenses incurred by the Lenders in this connection shall be borne by the Borrower.

vii) The appointment/removal of the Nominee Directors shall be by a notice in writing by the Lenders addressed to the Borrower and shall (unless otherwise indicated by the Lenders) take effect forthwith upon such a notice being delivered to the Borrower.

2.17 REVIEW OF THE PROGRESS

The Lenders have right to review the Project Cost, means of finance, physical progress of implementation and expenditure incurred on the Project at any time and from time to time as the Lenders may deem fit and the Borrower shall furnish such information and reports as may be required for the purpose.

2.18 REVIEW OF PROJECT COST

The Lender shall have right to review the cost of the Project before the final Disbursement of the Loans. The preliminary and preoperative expenses prior to the Financial Close shall be allowed as part of the Project Cost only to the extent that are certified by the Lenders Auditor that they have been actually incurred and relate to the Project and are found reasonable.

<i>h</i>	SHL	HUDCO	BOB	<i>[Signature]</i>
<i>And</i>	UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

568

2.19 OTHER TERMS

- (i) The Borrower shall arrange (a) the Equity Contribution of Rs. 60.00 Crores; (b) Rs. 86 Crores cumulative redeemable preference shares of 15 years with not more than 9.25% dividend and such preferential shares shall not be redeemed during the currency of the Loans; and (c) also substitute Rs.12.00 Crores by interest free deposit in the means of financing.
- (ii) The Borrower shall maintain Debt Service Reserve ("DSR") equivalent to a minimum of two Fiscal Quarters debt service obligations, i.e., the repayment of the principal amounts of the Loans and payment of interest on the Loans of the Lenders.
- (iii) The Borrower agrees that all Credit Card Receivables and Commercial Complex Rents/ license Fees and Flight Kitchen receivables shall be routed through the Retention Accounts.
- (iv) The Borrower agrees that the Lenders shall have a right to examine the Project Documents including the lease agreement executed between the Borrower and other parties through the lender legal counsel at the cost of the Borrower before creation of the Security.
- (v) The Borrower agrees to submit the list of its group companies and/or any other companies to whom the Borrower has advanced any monies or loans, which are outstanding and recoverable from such company and/or companies.
- (vi) The Borrower agrees that the additional funds, if any, required due to cost overrun during the Project implementation or due to shortfall in resources envisaged under the Financing Plan shall be arranged from or through the Promoters / Promoters' relatives & friends and group companies and the funds so brought in or arranged shall be in the form of equity or unsecured debt or preference capital subordinated to the Loans and shall not make

<i>[Signature]</i>	SHIL	HUDCO	<i>[Signature]</i>	Lenders Agent
<i>[Signature]</i>	UBI	UCO	<i>[Signature]</i>	Security Agent
			<i>[Signature]</i>	Lenders Agent

TRUE COPY

5109
any payment during the currency of the Loans without prior permission of the Lenders to such person who brought the funds.

(vii) The Borrower agrees that the Lenders shall have right to stipulate the additional conditions or modify the terms and conditions, if advised by the legal counsel on examination of Project Documents or any other documents relating the Project.

(viii) The Borrower shall file the returns with the concerned Registrar of Companies (ROC) in connection with the charges to be created in favour of the Lenders within a period of 30 days from the date of creation of charges.

(ix) The Borrower shall abide by directives issued from time to time in respect of the rate of interest, margin and other terms and conditions by the Lenders and Reserve Bank of India.

(x) The Borrower agrees to keep all the Project Assets charged to Lenders fully insured against all risks at its cost and such insurance shall be taken in the joint names of the Borrower and the Lenders.

(xi) The Borrower shall provide post dated cheques for repayment of its installment of principal and payment of interest as may be advised by the Lenders.

(xii) Any other terms and conditions stipulated by other lenders or other banks and financial institutions shall apply mutatis mutandis to the loan or loans sanctioned by the Lenders provided that such terms and conditions shall not be prejudicial to the interest of the Lenders.

SHL	HUDCO	BOB	Lenders Agent
UBI	UCO		Security Agent
Be RJ			

571

ARTICLE III
SECURITY


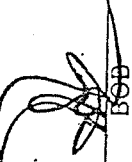

3.1 SECURITY


(A) The Loans together with all the interest, liquidated damages, additional interest, costs, expenses and other monies whatsoever stipulated in the Finance Documents shall be secured by-

- (a) a first mortgage and charge in a form satisfactory to the Lenders of the Borrower's all immovable properties, both present and future;
- (b) a first charge by way of hypothecation of the Borrower's all moveable properties including equipments, plant & machinery, screw water chilling machines, pumps, inverters, air handling units, fans, air conditioners, coil units, cooling towers, piping, air distribution system, power generators insulation, installations, storage facilities, machinery spares, tools and accessories, furniture, fixtures, crockery, vehicles, both present and future;

(c) an assignment by the Borrower of:

- i) all the Borrower's Receivables, Accounts and book debts, present and future,
- ii) the right, title and interest of the Borrower by way of first charge into and under all (a) of the Project Documents, and (b) the guarantees, other performance warranties, indemnities and securities that may be furnished in favour of the Borrower by the various Contractors under the Project Documents. after obtaining the written consent of the parties thereto, if necessary,
- iii) the right, title and interest of the Borrower by way of first charge in the Accounts, and

	SHL	HUDCO		BOB
	UBI	UCO	Security Agent	Lenders Agent

Re RV 


TRUE COPY

572

iv) the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals, insurance policies and uncalled capital of the Borrower;

(d) a first charge on all intangible assets of the Borrower including but not limited to goodwill, undertaking and uncalled capital of the

Borrower;

(e) pledge of 51% of the equity shares issued or to be issued by the Borrower during the currency of the Loans;

f) irrevocable and unconditional personal guarantees from S/Shri Subrata Roy Sahara, O. P. Srivastava and J. B. Roy;

g) irrevocable and unconditional corporate guarantee from M/s Sahara India Mass Communication Ltd.

Provided that the aforesaid mortgages, charges and assignments shall in all respects rank pari passu interse.

(B) The Borrower shall make out a good and marketable title to the Secured Property and its other properties to the satisfaction of the Lenders and comply with all such formalities as may be necessary or required for the said purpose

3.2 CREATION OF ADDITIONAL SECURITY

(i) So long as the Loans are outstanding, the Borrower undertakes to notify the Lenders in writing of all its acquisitions of immovable properties as soon as practicable thereafter to make out a marketable title to the satisfaction of the Lenders and charge the same in favour of the Lenders in such form and manner as may be required by the Lenders.

(ii) If, at any time during the subsistence of this Agreement, the Lenders are of the opinion that the security provided by the Borrower has become inadequate to cover the amounts outstanding under the Finance Documents, then, on the Lenders advising the

<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i>	Lenders Agent
<i>[Signature]</i>	UBI	UCO	<i>[Signature]</i>	Security Agent

TRUE COPY

Borrower to that effect, the Borrower shall provide and furnish to the Lenders to their satisfaction such additional security as may be acceptable to the Lenders or advised the Lenders and/Lenders Agent to cover such deficiency.

3.3 ADDITIONAL PROJECT DOCUMENTS

So long as any monies remain due and outstanding to the Lenders, the Borrower undertakes to notify the Lenders in writing and furnish a copy each of all the Project Documents the Borrower may enter into or obtain at any time subsequent to the Financial Close (Additional Project Documents) and as soon as practicable thereafter to assign its rights and interest in such Additional Project Documents in favour of or for the benefit of the Lenders as the case may be by way of a first charge in such form and manner as may be decided by the Lenders Agent.

3.4 RETENTION ACCOUNTS

The Borrower shall enter into the Trust and Retention Account Agreement to establish special purpose no-lien accounts viz. Retention Accounts with the Account Bank and make firm arrangements (i) for prompt deposit of all Project Proceeds to the credit of the said Retention Accounts and (ii) for transfer by the Account Bank of the proceeds among various Retention Accounts and utilization thereof in the manner and priority as may be specified/prescribed by the Lenders Agent in a form to be agreed to between the Lenders and the Borrower, which shall, *inter alia*, provide for maintenance at all times of DSR equivalent to two Fiscal Quarters repayment of principal and payment of interest obligations of the Borrower in respect of the Loans.

SHL	HUDCO		
UBI	IICO	Security Agent	Lenders Agent

[Handwritten signatures and initials: SHL, UBI, HUDCO, IICO, Security Agent, Lenders Agent]
[Handwritten initials: k, BOB]
[Handwritten initials: k, 10/2]

TRUE COPY

ARTICLE IV
BORROWER'S REPRESENTATIONS AND WARRANTIES


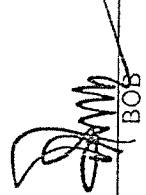

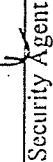
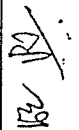
Except to the extent already disclosed in writing by the Borrower to each of the Lenders and the Lenders Agent, the Borrower shall be deemed to have assured, confirmed and undertaken as follows in order to urge and make each of the Lenders to enter into this Agreement and the other Finance Documents. Each of the following representations, warranties and undertakings shall be deemed to have been made as of the date hereof, as of the each drawdown date, as of each Interest Payment Date and as of each repayment date other than those made as of a particular date. These representations and warranties shall survive the execution and delivery of as also termination of this Agreement and other Finance Documents.

4.1 EXISTENCE

The Borrower (i) is a limited company duly organised, validly existing under the laws of India, (ii) has all requisite corporate or other power to own its assets and carry on its business as now being conducted or as proposed to be conducted by it as contemplated under the Finance Documents and the Project Documents.

4.2 PROCEEDINGS

There is no action, suit or proceeding before any Government Authority, arbitral tribunal, court of law or other body, to the best of the Borrower's knowledge, initiated and pending or threatened against the Borrower or any of the Secured Property. There are no facts, circumstances, conditions or occurrences that are reasonably likely to form the basis of an environmental claim against the Project or the Borrower or to cause the Project to be subject to any restrictions on its ownership, occupancy, use or transferability under any Applicable Law.

	SHIL	TIUDCO		BOB
	UBI	UCO		Security Agent
				Lenders Agent

4.3 NO BREACH, NO CONFLICT

The execution, delivery and performance by the Borrower of each of the Finance Documents and Project Documents to which it is a party and the consummation of the transactions contemplated thereby do not and will not (i) require any consent or approval of any of its shareholders or any other person (other than Government Approvals and shareholders' consents which have been obtained and are in full force and effect), (ii) violate or conflict with any provision of any Applicable Law or Government Approval applicable to the Borrower or the Project, as the case may be, or of the Memorandum of Association and Articles of Association of the Borrower, (iii) conflict with, result in a breach of or constitute a default under any Project Document or any other indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Borrower is a party or by which it or its properties may be bound.

4.4 ACTION

The Borrower has all necessary power and authority to execute, deliver and perform its obligations under each of the Finance Documents and the Project Documents; and each of the Finance Documents and the Project Documents to which the Borrower is a party has been duly and validly executed and delivered by person(s) duly authorised to do so acting on behalf of the Borrower. Each of the Finance Documents and Project Documents constitutes the legal, valid and binding obligations enforceable against the Borrower in accordance with its terms. All acts and conditions required to be performed and fulfilled under the Applicable Law have been performed and fulfilled in order (i) to enable the Borrower to lawfully enter into, exercise its rights and perform its obligations under the Finance Documents and the Project Documents, (ii) to ensure that the obligations of the Borrower under the Finance Documents and the Project Documents to which the Borrower is a party are legal, valid, binding and enforceable and (iii) to make the Finance Documents and the Project Documents admissible in evidence.

And

<i>SHL</i>	SHL	HUDCO	BOB
<i>UBI</i>	UBI	UCO	Security Agent
			Lenders Agent

13/10

4.5 GOVERNMENT APPROVALS, COMPLIANCE WITH LAWS

- (a) All Government Approvals relating to the operation of the Project under the Applicable Law including environmental laws that are necessary for the renovation and reconstruction of the Project and delivery of and performance by the Borrower of its obligations under the Finance Documents and the Project Documents and for the exercise by the Borrower of its rights under the Finance Documents and Project Documents have been duly obtained.
- (b) There is no proceeding pending or, to the best of the Borrower's knowledge, threatened that seeks or may reasonably be expected to seek, to rescind, terminate, modify or suspend the Lease Agreement or any Government Approval including various permits and license. To the best knowledge of the Borrower, there exists no basis for the suspension, amendment, revocation or termination of the Lease Agreement or any such Government Approval.
- (c) The information set forth in each application and other written material submitted by the Borrower to the applicable Government Authority is accurate and complete in all material respects.
- (d) The Project conforms to and complies in all material respects with all covenants, conditions, restrictions and reservations in the Government Approvals and the Project Documents applicable thereto.
- (e) The Borrower is not in arrears of any taxes, levies and other charges payable to any Government Authority.

4.6 IMMUNITY

In any legal proceedings undertaken with respect to this Agreement and the other Finance Documents and the transactions contemplated by the Finance Documents, the Borrower will not claim for itself or any of its

SHL	HUDCO		
UBI	UCO	Security Agent	Lenders Agent

And
152-102

TRUE COPY

577

assets or revenues immunity from suit, execution, attachment or other legal process. The execution of the Finance Documents and the performance by the Borrower of its obligations thereunder, will each constitute private and commercial acts performed for private and commercial purposes.

4.7 REGISTRATION AND FILING

Except for filing and registration of the appropriate Security Documents relating to the creation of the mortgage with the Registrar/Sub-Registrar of Assurances, and filing of Forms 8 and 13 for registration of charges under Section 125 of the Companies Act 1956 in relation to the Security created, it is not required that any Finance Document be filed, registered, recorded or enrolled with any Government Authority.

4.8 TITLE AND SECURITY DOCUMENTS

(a) The Borrower owns and has good and marketable title to its property free and clear of any Security Interest, encumbrance or lien or charge or third party interest other than the Security Interest created in favour of the Lenders

(b) The provisions of the Security Documents are effective to create in favour of the Lenders, in accordance with Applicable Law, a legal, valid and enforceable Security on or in all of the Secured Property, and all necessary and appropriate recordings and filings have been made in all necessary and appropriate public offices, and all other necessary and appropriate action such as payment of stamp duty on the Security Documents has been taken, so that the Security created by each Security Document constitutes first priority and perfected Security on and in all right, title and interest of the Borrower and on the Secured Property

<i>And</i>	SHL	HUDCO	<i>[Signature]</i> BOB	
<i>[Signature]</i>	UBI	UCCO	Security Agent	Lenders Agent

[Signature]
TRUE COPY

4.9 LICENSES AND OTHER RIGHTS

The Borrower has all licenses, permits, trademarks, trade names, brand names, service marks, copyrights, patents, approval of 5-star category of the Project or agreements with respect to the usage of technology or other permits that are necessary for the renovation & reconstruction, establishment, operation or maintenance of the Project.

4.10 PROJECT DOCUMENTS

The Borrower has delivered to the Lenders a true and complete certified copy of each Project Document. All of the Project Documents (other than Additional Project Documents) are or will be, by the or prior to the Financial Close, in full force and effect and all conditions precedent thereunder have been satisfied in full or waived pursuant to the terms thereof. The Borrower is not in default under or with respect to any Project Document. To the best of the Borrower's knowledge, no other party to any Project Document is in default under any material covenant or obligation set forth therein.

The Borrower confirms that all representations and warranties of the Borrower set forth in the Project Documents are true, complete and correct in all respects at the time as of which such representations and warranties were made and deemed made.

4.11 SUBSIDIARIES

The Borrower has no subsidiaries.

4.12 NATURE OF BUSINESS

The Borrower has not engaged and has no intention to engage in any business other than the operation and maintenance of the Project and is not a party to any material agreement other than the Transaction Agreements

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

(A)

TRUE COPY

4.13 PROJECT BUDGETS: CONSTRUCTION BUDGET

- (a) The Budgets for the Project are based on assumptions which are reasonable in the light of prudent operating practices and is in accordance in all material respects with the terms and conditions contained in the Project Documents.
- (b) Construction Budget accurately specifies all costs and expenses incurred and the Borrower's best reasonable estimate of all costs and expenses anticipated by the Borrower to be incurred under the Contracts prior to the date on which Project completion is then anticipated, as confirmed by the Lenders Engineer.
- (c) All projections and Budgets furnished or to be furnished to the Lenders Agent by or on behalf of the Borrower and the summaries of significant assumptions related thereto (i) have been and will be prepared with due care, (ii) fairly present, and will fairly present, the Borrower's expectation as to the matters covered thereby as of such date, (iii) are based on, and will be based on, reasonable assumptions as to all factual and legal matters material to the estimates therein (including interest rates and costs) and (iv) are and will be in all material respects consistent with the provisions of the Transaction Agreements.

4.14 NO BREACH

The Borrower is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets, Project Assets or Receivables.

4.15 INTELLECTUAL PROPERTY

The Borrower has lawful and valid right to use free and clear of any pending or threatened Security Interest, all patents, patent applications, trademarks, permits, service marks, trade names, trade secrets, proprietary information and knowledge, technology, computer programs, databases,

<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i>	
<i>[Signature]</i>	UBI	UCO	Security Agent	Lenders Agent

[Signature]
TRUE COPY

582

copy rights, licenses, franchises and formulas, or rights with respect thereto necessary for renovation & reconstruction and operation of the Project.

4.16 FEES AND ENFORCEMENT

No fees or taxes, including without limitation stamp, transaction, registration or similar taxes, are required to be paid (other than the stamp duty already paid) for the legality, validity, or enforceability of the Project Documents. The Project Documents are in proper legal form for the enforcement thereof without any further action on the part of any person party thereto or successor to such person by way of assignment or otherwise.

4.17 MATERIAL ADVERSE EFFECT

There are no facts or circumstances, conditions or occurrences in any case or collectively that could reasonably be expected to result in a Material Adverse Effect.

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

Amend
 SHL
 UBI
 BOB
 HUDCO
 UCO
 Security Agent
 Lenders Agent

TRUE COPY

581

ARTICLE V
EFFECTIVENESS OF THE AGREEMENT AND
PRE-DISBURSEMENT CONDITIONS

5.1. This Agreement shall become effective and binding on the date first hereinabove written and shall remain in full force till the Final Settlement Date.

5.2 Conditions Precedent to INITIAL Disbursement

The obligation of the Lenders to make the initial Disbursement under this Agreement shall be subject to the satisfaction (in form and substance) or waiver or relaxation by the Lenders of the following conditions besides the Borrower performing all its obligations and undertakings under this Agreement and other Finance Documents and compliance by the Borrower with the conditions specified in Section 5.3 and the Disbursement Procedure on or prior to the proposed initial Disbursement date for the Loans.

a) Project Equity Capital and Unsecured Loans

The Borrower has confirmed that the Promoters have brought up the Project Equity Capital contribution as envisaged in the Financing Plan.

b) Tie-up of Entire Debt Funding

The Borrower has provided evidence and confirmation that it has tied up the entire debt component as envisaged under the Financing Plan to meet the Project Cost.[8(9)]

c) Permission of FSI

The Borrower has provided evidence and confirmation that it has obtained the FSI for the renovation and reconstruction of the Project from

<i>And</i>	SHL	HUDCO	BOB	
<i>15/11/17</i>	UIBI	UCO	Security Agent	Lenders Agent

TRUE COPY

Brihanmumbai Municipal Corporation, Greater Mumbai (BMC) or any other authority and agrees that it will further approach BMC or any other authority for getting the permission for any additional FSI for the Project.

(d) **Trust and Retention Account Arrangement**

The Borrower has provided evidence that it has entered into Trust and Retention Account Agreement and that the Retention Accounts have been established.

(e) **Contracts**

The Borrower has entered into the Contracts and other Project Documents, which shall be in form and substance satisfactory to the Lenders and a copy each thereof and the notices to proceed issued thereunder have been provided to the Lenders.

f) **Fulfillment of Conditions Precedent**

The Borrower has provided evidence of the fulfillment by all the contracting parties of all the conditions precedent in the Contracts, Financing Documents and any other contracts and such other agreements as may be deemed essential by the Lenders Agent.

g) **Statutory Approvals**

The Borrower has obtained all necessary statutory and other Government Approvals including all necessary environmental clearances, permits, licenses from the appropriate authorities and fulfilled the conditions stipulated in such approvals.

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

TRUE COPY

583

h) Execution of Finance Documents

All the Finance Documents in a form acceptable to the Lenders have been duly executed by the Borrower and/or the Promoters as the case may be and the same are in full force and effect.

i) Constitutional Documents

The Borrower has provided (i) copies of the constitutional documents of the Borrower and its Promoters; (ii) evidence of the corporate power, authority and required corporate action to enter into, and signature authority of the persons executing the Finance Documents and Project Documents on behalf of the Borrower and Promoters; and (iii) evidence that the authorised share capital of the Borrower as it stands is sufficient to raise the Project Equity Capital.

j) Financial statements of Guarantors

The Borrower has provided the duly audited balance sheets and other financial statements, reports and income tax returns of the guarantors and all the outstanding opinion reports on the accounts maintained by the Promoters confirming satisfactory conduct thereof.

k) Security

The Borrower has appointed the Security Agent and the Security created in favour of the Lenders, represented by the Security Agent under the Security Documents is first priority Security and is in full force and effect.

l) Authorisation to Borrow

The Borrower has available with it the borrowing power. Its Memorandum of Association and Articles of Association, any provision contained in any document, by which the Borrower is bound, or any law, rule or regulation

<i>And</i>	SHL	HUDCO	<i>[Signature]</i> (ROB)	
<i>Be</i>	UBI	UCO	<i>[Signature]</i>	Lenders Agent

TRUE COPY

584

directly or indirectly shall not restrict the Borrower's borrowing power or authority or ability to borrow the Loans from the Lenders.

m) **Appointment of Legal Counsel and Lenders Engineer etc.**


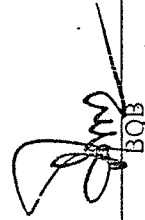
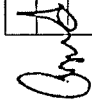
The Lender's legal counsel, the Lenders Engineer, insurance consultant and the Lenders Auditor of credentials have been appointed satisfactory to the Lenders with such scope of work satisfactory to the Lenders and the Borrower has resolved the issues raised by them relating to Project Documents and other aspects of the Project to the satisfaction of the Lenders and wherever necessary has got the Project Documents duly amended. The Borrower has agreed that the Lenders shall have a right to replace the existing Lenders Engineer, insurance consultant, Legal Counsel and Auditor by appointing another Lenders Engineer, insurance consultant, Legal Counsel and Auditor if the Lender is found necessary, if the performance of existing Lenders Engineer, insurance consultant, Legal Counsel and Auditor is found to be unsatisfactory by the Lenders.

n) **Expert Opinions on Project Documents**

The Borrower has provided expert opinions/reports of Lenders Engineer, auditor, safety auditors, insurance consultant, legal counsel on the legal, financing, insurance and technical issues relating to the Project and the Project Documents and the Borrower has satisfactorily resolved the issues raised by each or any of them.

o) **Other Documents**

Such other statements, certificates, opinions, documents and information with respect to the Project or any other matters contemplated by this Agreement and as the Lenders may reasonably request have been obtained, executed or delivered.

	SHL	HUDCO		
	UBI	UCO	Security Agent	Lenders Agent

 TRUE COPY

p) Insurances

The Borrower has provided evidence to the effect that it has finalised the insurance package (including reinsurance, if any) and assigned the insurance policies in favour of the Lenders to the satisfaction of the Lenders Agent.

q) Appointment of Auditors

The Borrower has provided evidence that it has appointed a firm of independent chartered accountants acceptable to the Lenders Agent as auditors of the Borrower.

r) Budgets and Project Implementation Schedule

The Borrower has provided a Budget for the Project and Project implementation schedule, in form and substance satisfactory to the Lenders Agent and the Lenders Engineer.

s) Amendment to Memorandum and Articles

The Borrower has amended its Memorandum of Association and Articles of Association as may be necessary to give effect to the provisions contained in this Agreement, other Finance Documents and Project Documents.

t) Third Party Approvals

The Borrower has obtained all necessary third party consents, waivers and other approvals in relation to renovation and reconstruction of the Project.

u) AAI Undertaking

The Borrower has obtained no objection certificate from AAI for creation of mortgage in favour of the Lenders and a letter of undertaking to give 12

<i>On</i>	SHL	HUDCO	<i>[Signature]</i> BOB	<i>[Signature]</i>
<i>By</i>	UBI	UCO	Security Agent	Lenders Agent

[Signature]
TRUE COPY

596
months notice to the Lenders before exercising its rights under the Lease Agreement including re-entry into Project Site.

5.3 CONDITIONS PRECEDENT TO EACH DISBURSEMENT

The obligation of the Lenders to make the initial and subsequent Disbursements under this Agreement shall be subject to the satisfaction (in form and substance) or waiver by the Lenders of the following conditions (and the conditions contained in Section 5.2, with respect to the initial disbursement) besides the Borrower performing all its obligations and undertakings under Loan Agreements and other Finance Documents on or prior to the proposed Disbursement dates for the Loans.

a) Request for Disbursement

The Lenders shall have received the Notice of Drawl along with confirmations duly signed by an authorised officer of the Borrower that the representations and warranties of the Borrower made in accordance with Article IV and in each of the other Agreements are true and correct on and as of such date as if made on and as of such date; no Default or Event of Default has occurred and is continuing on such date; it has paid all fees and any other amounts due on or prior to the proposed Disbursement date; and the Disbursement requested in the Notice of Drawl is required for prompt utilisation for the Project Costs in accordance with the Construction Period Budget; and it has sufficient available financing and funds (supported by such information as the Lenders may reasonably request) to meet the Project Cost and to complete the Project.

b) Default; Event of Defaults; Representation and Warranties

No Event of Default and no Potential Event of Default shall have occurred and be continuing and the representations and warranties

<i>Am</i>	SHL	HUDCO	<i>SBQB</i>	
<i>RE RJ</i>	UBI	UCO	Security Agent	Lenders Agent


TRUE COPY

587

made or deemed to be made pursuant to Article IV herein or under other Finance Documents shall be true and correct both before and immediately after the proposed Disbursement is made.

c) Project Equity Capital

The Lenders shall have received written confirmation from the Borrower that the entire Project Equity Capital including unsecured loan have been received by the Borrower as stipulated by the Lenders

d) Fees

The Borrower shall have paid all fees, expenses and other charges then payable by it under the terms of this Agreement and other Finance Documents including the fees and costs payable to, the Lenders Counsel, Lenders Engineer, Account Bank and other consultants or experts as may have been retained by or for the Lenders.

e) No Other Obligations

No loans or debt shall be raised or no liabilities shall be incurred or no charges or liens shall be created on any of its assets and the Project Assets by the Borrower except the Loans, debts, obligations and liabilities envisaged under this Agreement

f) Absence of Litigation

The Lenders shall have been satisfied that there exists no litigation in India or in any other jurisdiction regarding the effectiveness or validity of any of the Transaction Agreements or the Project or the Security.

And	SHL	HUDCO	B&B	Lenders Agent
	UIBI	UCO		
132-120				

TRUE COPY

588

g) Compliance/Fulfillment of Waived or Deferred Pre Initial Disbursement or other Conditions




The Lenders shall have been satisfied that the Borrower has complied with or fulfilled all the pre initial disbursement conditions or other conditions the compliance / fulfillment of which had been waived or deferred by the Lenders, if any, at the time of / for the purpose of making preceding Disbursements.

h) Satisfactory Progress

The Borrower shall have to satisfy the Lenders that the physical progress of the Project and the expenditure incurred thus far are in accordance with the Project implementation schedule and expenditure forecasts approved by the Lenders.

i) Approvals

The Borrower shall have obtained and delivered to the Lenders copies of all Government Approvals, permits, clearances including approval of 5-star category of the Project and other statutory approvals as required for the implementation and operation of the Project and same shall have been in full force and effect.

	SHL	HUDCO	BOB	
	UBI	UCO	Security Agent	Lenders Agent
15/2/12				

TRUE COPY

589

ARTICLE VI
CONDITIONS APPLICABLE DURING
CURRENCY OF THIS AGREEMENT

6.1 Positive Covenants

During the currency of the Facilities the Borrower agrees to abide by and ensure continued compliance of the following:

(i) Project Changes

The Borrower shall promptly notify the Lenders of any proposed change in the nature or scope of the Project and of any event or condition which might materially and adversely affect the Project or result in substantial overrun in the original estimate of Project Cost. Any such proposed change in the nature or scope of the Project shall not be implemented and no funds shall be committed therefore without the prior approval of the Lenders.

(ii) Contract Changes

The Borrower shall obtain prior concurrence of the Lenders to any material modification or cancellation of the Project Documents.

(iii) Delay in Completing Project

The Borrower shall promptly inform the Lenders of the circumstances and conditions which are likely to disable the Borrower from implementing the Project or which are likely to delay its completion or compel the Borrower to abandon the same.

iv) Inspection

The Borrower shall permit representatives of the Lenders (at the expense of the Borrower including travel costs and expenses) to visit and inspect its offices, properties and the Project to carry out technical, financial and

And

SHL	HUDCO		
UBI	UCO	Security Agent	Lenders Agent

Bob

TRUE COPY

590

legal inspections; to examine the Borrower's books of records, accounts and documents; to make copies therefrom; and to discuss the Borrower's affairs, finances and accounts with the Borrower's principal officers, engineers and auditors (and by this provision the Borrower authorizes such auditors to discuss its affairs, finances and accounts), at all times during the currency of the Loan as such representative may desire. The Borrower shall at all times cause a complete set of the original Project plans and Project specifications and drawings (and all supplements thereto) to be maintained and available for inspection by such representatives.

(v) Maintenance of Existence; Books and Records

The Borrower shall preserve and maintain its legal existence as a company engaged only in the implementation of the Project and activities related and incidental thereto, and shall maintain the Government Approvals and other rights, franchises, privileges and consents necessary for the maintenance of its existence and the conduct of its affairs. The Borrower shall maintain proper books of record in accordance with GAAP as are necessary to truly, accurately and fairly reflect the financial condition and results of operations of the Borrower and copies of all Project Documents and all records relating to the Secured Property.

(vi) Compliance with Laws and Approvals

(a) The Borrower shall comply in all respects with all Applicable Laws (including environmental laws) in relation to the conduct of its business and the development, operation and ownership of the Project.

(b) The Borrower shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all Government Approvals (including those as shall hereafter be required under Applicable Laws) and any approval required to be obtained by the Lenders in connection with (i) the acquisition and the operation and maintenance of the Project as contemplated by

<i>Ant</i>	SHL	HUDCO	<i>SHOB</i>	
<i>RSB</i>	UBI	UCO	Security Agent	Lenders Agent

TRUE COPY





the Project Documents, (ii) the raising of share capital and issue of shares, (iii) the ownership, renovation and reconstruction and operation of the Project or any facilities or services ancillary thereto. (iv) the execution, delivery and performance by the Borrower under any of the Finance Documents or the Project Documents to which it is a party, (v) creation of the Security under the Security Documents and for the validity and enforceability and the perfection and ranking thereof (as contemplated therein or herein) and for the exercise by the Lenders of their rights and remedies thereunder, and (vi) the admissibility as evidence in India of the Project Documents and the Finance Documents.

(c) The Borrower shall comply with the applicable environmental, social, health and safety guidelines including those set out by the World Bank in this regard and submit status reports confirming the compliance thereof regularly to the satisfaction of the Lenders

(vii) Insurance by the Borrower

(a) The Borrower shall at all times obtain and maintain at its own expense the insurance during renovation and reconstruction and operation phase covering various risks, *inter alia*, contractor's all risk, professional indemnity, labour and employees, transit, advanced loss of profit, civil engineering completed risk, third party liability, fire-insurance, money insurance on the terms as may be stipulated by the Lenders. The Borrower shall keep its present and future properties and business insured with financially sound and reputable insurers in each case satisfactory to the Lenders..

(b) The Borrower shall maintain and ensure maintenance of the insurance coverage required under the terms of each of the Project Documents.





	SIHL	IIUDCO		BOB
	UBI	UCO		Security Agent
				Lenders Agent

TRUE COPY

(c) If the Borrower fails to obtain or maintain the full insurance, the Lenders upon 15 days prior notice (unless such insurance coverage would lapse within such period, in which event notice should be given as soon as reasonably possible or need not be given at all if the time for the lapse of coverage does not permit it) to the Borrower of any such failure, may (but shall not be obligated to) take out the required policies of insurance and pay the premiums for the same. All amounts so advanced therefore by the Lenders shall be reimbursed by the Borrower and the Borrower shall pay such amounts to the Lenders together with interest thereon from the date so advanced in accordance with the provisions of Section 2.14.

(d) Without the prior approval of the Lenders, which approval not to be unreasonably withheld or delayed, the Borrower shall not make any compromise, adjustment or settlement in connection with any loss or any other event entitling the Borrower to claim under any policy or policies of insurance and shall not do, or omit to do or permit to be done or not done any other thing that might prejudice any right to claim or recover under any such policy or policies. The Borrower shall promptly notify the relevant insurer of any claim by the Borrower under each policy written by that insurer and shall diligently pursue that claim.

(e) The Borrower shall promptly notify the Lenders of any loss or other event entitling the Borrower to make a claim under any one or more insurance policies. The Borrower shall promptly notify the Lender of each written notice received by it with respect to the cancellation of, adverse change in, or default under, any insurance policy required to be maintained in accordance with this Section 6.1 (viii). The Borrower shall not vary, rescind, terminate or cancel any insurance policy.

	SHL	HUDCO		BOB	
	UBI	UCO	Security Agent	Security Agent	Lenders Agent

TRUE COPY

593

(f) The Borrower shall provide written instructions to all insurers to pay and deposit any and all insurance proceeds and payments directly into the Retention Account.

(viii) Taxes on Borrower

The Borrower shall pay and discharge all taxes imposed on it or on its income or profits or on any of its property and all taxes that it has agreed to pay pursuant to any Project Document and all lawful claims relating thereto prior to the date on which penalties attach thereto, and shall file all returns relating thereto, except to the extent that any such tax is subject to a contest in good faith unless such contest would result in a breach of a Finance Document or a Project Document.

(ix) Project Operation and Maintenance

(a) The Borrower shall maintain, preserve and operate the Project and all of its other properties necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and in accordance with prudent operating practices and its business plan and replace or rebuild the Project equipment or any of its material property, or any part thereof now or hereafter damaged or destroyed by any event (whether or not insured against or insurable) except any such property that the Borrower determines in good faith not to be necessary or desirable to conduct its business with the prior written approval of the Lenders.

(b) Without limiting the generality of the preceding clause (a), the Borrower will cause the renovation and reconstruction of the Project to be implemented and completed with due diligence and continuity (except for interruptions due to events of Force Majeure as defined in the applicable contract, which the Borrower will use commercially reasonable efforts to mitigate) in a good and work man like manner and in accordance with sound and generally accepted building and construction practices, Applicable Laws to

<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i>	Lenders Agent
<i>[Signature]</i>	UBI	UCO	<i>[Signature]</i>	Security Agent

152 102 *[Signature]*

[Signature]
TRUE COPY

594

the Project, the renovation and reconstruction contracts, Construction Budget, the construction schedules and other guidelines. No payments shall be made to any contractor unless such payments have been approved by the Lenders Engineer in accordance with the procedure set forth in the Trust and Retention Account Agreement.

(c) The Borrower shall take or cause to be taken all action required to maintain and preserve the Security under the Security Documents and the first ranking priority thereof and shall ensure at all times that the claims of the Lenders rank at least pari passu interse. The Borrower shall from time to time execute or cause to be executed any and all further instruments and register and record such instruments in all public and other offices in order to create and maintain valid, perfected and enforceable Security of first priority and ranking over the Secured Property pursuant to the Security Documents.

(d) The Borrower shall take, or cause to be taken, all action necessary to cause the Project Documents and the renewal or replacement agreements and each other Additional Project Document to be or become part of the Security under the Security Documents (whether by amendment to the Security Documents or otherwise). The Borrower shall use its reasonable endeavors to cause each person (other than itself) party to each Additional Project Document entered into by the Borrower to execute and deliver to the Lenders a consent to such Security Interest in writing, which consent shall be in form reasonably acceptable to the Lenders.

(x) Performance of Project Documents

(a) The Borrower shall perform and observe in all material respects all of its covenants and agreements contained in any of the Project Documents and take all reasonable and necessary action to prevent the termination of any such Project Document in accordance with

SHL	HUDCO		
UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

595

the terms thereof; and enforce each material covenant or material obligation of each such document in accordance with its terms.

(b) Following the occurrence and during the continuance of an Event of Default, the Borrower shall instruct all Promoters and other shareholders of the Borrower and the other parties to each Project Document assigned to the Lenders to make any payments due and payable by such persons under such Project Documents to the Lenders.

(xi) Use of Proceeds

The Borrower shall use the proceeds of the Loans and the Equity Contribution solely to meet:


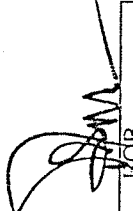

- (i) Project Costs,
- (ii) Interest payments on the Loan; and
- (iii) Fees and other amounts payable under the Finance Documents.

(xii) Property Rights

The Borrower shall take all actions necessary to maintain the Borrower's good and marketable title/interest to the Secured Property and to the Project Documents free and clear of all charges, liens and other security interests other than the interests created in favour of the Lenders under the Security Documents.

(xiii) Further Assurances, Additional Documents, Filings and Recordings

(a) The Borrower shall execute and deliver, from time to time as reasonably requested by the Lenders at the Borrower's expense, such other documents as shall be necessary or that the Lenders may reasonably request in connection with the rights and remedies

	SHL	HUDCO		BOB
	UBI	UCO	Security Agent	Lenders Agent

16/11/11

TRUE COPY

of the Lenders granted or provided for by the Finance Documents, and to consummate the transactions contemplated therein.




(b) The Borrower will do everything necessary in the reasonable judgment of the Lenders to (i) create and perfect the Security with respect to future assets (including, without limitation, any further registration of any of the Security Documents in accordance with the requirements of Indian law), (ii) maintain the Security or trusts created by the Security Documents in full force and effect at all times (including the priority thereof), and (iii) preserve and protect the Security and protect and enforce its rights and title, and the rights and title of the Lenders to the Security or trusts created by the Security Documents. Furthermore the Borrower shall cause to be delivered to the Lenders such opinions of counsel and other related documents as may be reasonably requested by the Lenders in connection with this Section 6.1(xiv).

(c) If the Borrower shall open such other accounts in addition or replacement of the Trust and Retention Accounts, it shall execute and deliver such additional or modified documents as required by the Lenders to perfect the Security of the Lenders over the additional or replaced accounts.

(d) Without limiting the foregoing, the Borrower will cooperate and do everything reasonably necessary to assist the Lenders obtaining any approvals that are, in the opinion of the Lenders necessary to be obtained by them in connection with the transactions contemplated hereby and by the Security Documents.

(xiv) Completion of Project

(a) The physical progress of the Project as well as expenditure incurred on the Project shall be as per the original schedules approved by the Lenders. The Borrower shall complete the Project with in the Project Cost and in accordance with the Project

	SHL	HUDCO	BOB	
	UBI	UCO	Security Agent	Lenders Agent

TRUE COPY

597

implementation schedule approved by the Lenders. The Borrower shall furnish such information and data as may be required by the Lender.

(h) The Borrower shall rectify and correct any technical deficiency advised or implement any technical improvement advised by the Lenders Engineer.

(xv) Working Capital Debt

The Borrower shall enter into working capital funding arrangements which shall be in form and substance satisfactory to the Lenders, if and when necessary.

(xvi) Additional Project Documents

The Borrower shall provide the Lenders a copy of each Additional Project Document promptly after the execution thereof certified by an authorised person of the Borrower as being true, correct and complete and in full force and effect.

(xvii) Management Systems, Safety Audit

(a) The Borrower shall establish arrangements for its accounting and management information and cost control systems to the satisfaction of the Lenders.

(b) The Borrower shall establish safety protections and procedures relating to the Project and shall review such safety protections and procedures upon request of the Lenders. If considered necessary by the Lenders, the Borrower shall arrange for carrying out safety audit through a competent firm to be finalized in consultation with the Lenders Agent and shall comply with the recommendations set out in their report.

<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i>	BOB	
<i>[Signature]</i>	UBI	UCO		Security Agent.	Lenders Agent

152 10

TRUE COPY

598

(xviii) Utilisation of the Loans

The Borrower shall furnish to the Lenders at the end of each month following the month in which the Loan monies are disbursed, a statement showing the manner in which the said monies have been utilised.

(xix) Notice of Winding up or other Legal Process

The Borrower shall promptly inform the Lenders if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Companies Act, 1956, or any other notice, order, action issued by any court, tribunal under any other law or statute, or of any suit or other legal process intended to be filed or initiated against the Borrower and affecting the Project or title to the Secured Properties, or if a receiver is appointed of any of the Secured Properties or its business and/or undertaking.

(xx) Adverse Changes in Profits and Operation and Maintenance

The Borrower shall promptly inform the Lenders of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Borrower's profits or business and of any material changes in the Operation and Maintenance of the Project affecting the functioning of the Project and with an explanation of the reasons therefore.

(xxi) Loss or Damage

The Borrower shall promptly inform the Lenders of any loss or damage which the Borrower may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc.

(xxii) Memorandum and Articles of Association

The Borrower shall carry out such alterations to its Memorandum of Association and Articles of Association for suitably increasing its

And

SHL	HUDCO		
UBI	UCO	Security Agent	Lenders Agent

R- R- /

TRUE COPY

599



authorised equity capital and for making such changes as may be deemed necessary in the opinion of the Lenders to safeguard the interests of the Lenders arising out of this Agreement and the other Finance Documents.

(xxiii) Management

a) The Borrower shall, as and when required by the Lenders appoint and change to the satisfaction of the Lenders, suitable technical, financial and executive staff of proper qualifications and experience for the key posts. The terms of such appointments, including any changes therein, shall be subject to prior approval of the Lenders. Provided that the right under this Section shall be exercised only if the Lenders have reason to believe that the business and operations of the Borrower are not diligently or efficiently carried out.

b) The Lenders through Lenders Agent shall have the right to appoint, whenever they consider necessary, any person, firm, company or association of persons engaged in technical, management or any other consultancy business to inspect and examine the working of the Borrower and the Project and to report to the Lenders. The Lenders shall have the right to appoint, whenever they consider necessary, any Chartered Accountants/Cost Accountants as auditors, in consultation with the Borrower only as to selection, for carrying out any specific assignment(s) or to examine the financial or cost accounting system and procedures adopted by the Borrower for its working or for conducting concurrent audit or special audit of the Borrower. The costs, charges and expenses including professional fees and travel and other expenses of such consultants or auditors shall be payable by the Borrower.

c) The Borrower shall constitute (a) a Project Management Committee of its Directors to the satisfaction of the Lenders for the purpose of supervising and monitoring the progress in the renovation and reconstruction of the Project. The said committee

	SIHL	HUDCO	BOB	
	UBI	UCO	Security Agent	Lenders Agent

12-10

TRUE COPY

(600)

shall be responsible for the management of the Project during construction period and monitoring the implementation of the Project and (b) constitute an Audit sub-committee of its Directors comprising directors other than the directors representing the Promoters within a period of 90 days from the date of first Disbursement subject to the satisfaction of the Lenders and (c) such other committees of the Board with such composition and functions as may be required by the Lenders for close monitoring of different aspects of its working.

(xxiv) Information

The Borrower shall furnish to the Lenders the following reports, statements and information and such other reports and information the Lenders may require at any time or from time to time.

(a) Annual Audited Financial Statements

As soon as available and in any event within 90 days (or such shorter period as is required by Applicable Law) after the end of each fiscal year of the Borrower, the Borrower shall furnish to each of the Lenders three copies each of the audited statements of income, retained earnings and cash flow of the Borrower for such year and the related audited balance sheet as at the end of such year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, and accompanied by (i) an opinion thereon of its auditor who shall be a reputed firm of accountants and auditors reasonably acceptable to the Lenders, which opinion shall state that such financial statements fairly present the financial condition and results of operations of the Borrower at the end of, and for, such fiscal year in accordance with GAAP and (ii) a certificate of such auditors stating that, in making the examination necessary for their opinion, they obtained no knowledge, except as specifically stated, of any failure by the Borrower to meet the covenants set out in this Section 6.1.

SHL	HUDCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

[Signature]
[Signature]

TRUE COPY