

ASIAN HOTELS (EAST) LIMITED

CIN : L15122WB2007PLC162762

Regd. Office : Hyatt Regency Kolkata Hotel, JA-1, Sector - III, Salt Lake City, Kolkata - 700 106, W.B., India
Tel: 033 6820 1344 / 1346, Fax : 033 2335 8246, E-mail : cloos@sarahotels.com, Website : www.ahleast.com

2nd September 2021

The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Tel: (022 2272 8013) Fax: (022 2272 3121)	The Manager Listing Department National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block, Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 Tel: (022) 2659 8235/36 Fax: (022) 2659 8237/38
Type of Security : Equity shares Scrip Code : 533227	Type of Security : Equity shares NSE Symbol : AHLEAST

Madam/ Sir,

Sub: Corrigendum to the Annual Report for FY 2020-21.

Re.: Regulation 34(1) of the SEBI Listing Regulations, 2015.

This is in furtherance to our letter dated 27th August, 2021 wherein the Company had submitted its Annual Report along with the Notice of the 14th AGM to be held on Wednesday, 22nd September, 2021 at 03:00 p.m. via Video Conference / Other Audio-Visual Means.

With reference to the captioned subject, this is to inform you that subsequent to the circulation of the 14th Annual Report vide e-mail dated 27th August, 2021, certain inadvertent errors were noticed in the Annual Report for FY 2020-21.

Inadvertent errors are in page no. 71-73 and 125-127 of the Annual Report, which contains the Report on the Audit of Standalone Financial Results and Report on the Audit of Consolidated Financial Results instead of the **Report on the Audit of Standalone Financial Statements and Report on the Audit of Consolidated Financial Statements** respectively.

You are requested to read the Report on the Audit of Standalone Financial Statements in place of page no. 71-73 of the Annual Report and Report on the Audit of Consolidated Financial Statements in place of page no. 125-127 of the Annual Report. The copies of both the Audit Reports are attached herewith.

This corrigendum to the Annual Report circulated to the members of the Company on even date i.e., Thursday, 2nd September, 2021 shall form an integral part of the Annual Report 2020-21. Accordingly, all the Shareholders, Stock Exchanges, Depositories, Registrar and Share Transfer Agents, Agencies appointed for E-Voting, other Authorities, Regulators and all other persons concerned are requested to take note of the above rectification.

This corrigendum shall be available on the website of the Company at www.ahleast.com besides being communicated to NSE and BSE where the shares of the Company are listed and to NSDL, e-voting service provider.

OWNER OF



HYATT
REGENCY™
KOLKATA HOTEL

ASIAN HOTELS (EAST) LIMITED

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The aforesaid errors happened inadvertently at the time of designing the final version of the Annual Report. All other contents of the Annual Report as emailed remain same. We regret the inconvenience caused to the shareholders of the Company.

Thanking you.

Yours truly,

For Asian Hotels (East) Limited

Saumen Chatterjee
Chief Legal Officer &
Company Secretary

Encl: as above

Cc to:-

- 1. National Securities Depository Limited**
Trade World, A wing, 4th Floor,
Kamala Mills Compound, Lower Parel,
Mumbai- 400013
- 2. Central Depository Services (India) Limited**
Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg, Lower Parel,
Mumbai- 400013
- 3. Kfin Technologies Private Limited**
Selenium Tower B,
Plot No. 31 and 32,
Finance District, Nanakramguda,
Serilingampally Mandal, Hyderabad-500032
Telengana, India

OWNER OF



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KOLKATA HOTEL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Asian Hotels (East) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the 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 effects of the matter described in the Basis for Qualified Opinion 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for qualified opinion

The Company has investment in Robust Hotels Private Limited (subsidiary) amounting Rs 56,736 lakhs and loan receivable of Rs 4,230 lakhs as on March 31, 2021. The financial performance of the subsidiary company and adverse impact of the pandemic Covid-19 on the operation of the subsidiary indicate a need for impairment testing of investment and loan receivable in the subsidiary. However, management has not carried out any impairment testing as required under IND AS 36 (Impairment of Assets) of the above investment and loans for reasons explained in Note No 49. The management is confident that the recoverable amount of the investment and loan receivable in RHPL will not be less than the amount at which they have been stated in the balance sheet.

Hence, we are unable to comment on the impacts of such impairment if any, on the standalone financial statements of the Company.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 on the financial statements.

Emphasis of Matter

We draw attention to Note No. 47 to the standalone financial statements which describes the impact of COVID-19, a global pandemic, on the operations and financial matters of the company.

Our opinion is not modified in respect of this matter

Key Audit Matters

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

opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.no	Key Audit Matter	Auditor's Response
1.	<p><u>Impact of COVID-19 pandemic on estimation uncertainty</u></p> <p>On 11 March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government had imposed lock-downs across the country from 22 March 2020 up to 30 June 2020. These lockdowns and restrictions due to COVID-19 pandemic had posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.</p> <p>The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements. In view of the above, we have identified impact of COVID-19 on going concern as a key audit matter.</p> <p>Refer Note 1.6 & 47 to the standalone financial statement</p>	<p><u>Principal Audit Procedures</u></p> <ul style="list-style-type: none"> • Obtained an understanding of the key controls relating to the Company's forecasting process • Assessed the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company and compared them with the Company's business plan approved by the board of directors • Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business. • Performed the following procedures as mitigating factors: <ol style="list-style-type: none"> 1. Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner. • Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 1.6 & 47 to the standalone financial statements
2.	<p><u>Evaluation of uncertain tax positions</u></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 41 to the Standalone Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>We have obtained details of completed tax assessments and demands as on March 31, 2021 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information etc., 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.

Responsibilities of Management and those charged with Governance

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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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.

The Board of Directors are 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of 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.
- 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Indian Accounting standard of the Companies (Accounts) Rules, 2015 (as amended).
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to the standalone financial statement 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:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 financial statements. **Refer Note 41**
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for Rs.18,599/- of F.Y. 2012-13 being restrained shares could not be transferred due to pending legal cases. Refer **Note 46** to the Financial Statements.

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.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Rajiv Singhi)
Partner
Membership No. 053518
UDIN No: 21053518AAAAAG2542

Place: Kolkata
Date : June 23,2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **ASIAN HOTELS (EAST) LIMITED** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **ASIAN HOTELS (EAST) LIMITED** (“the Company”) as of March 31, 2021 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 Board of Directors of the Company 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. 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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, to the best of our information and according to the explanations given to us, 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 March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi &Co.
Chartered Accountants
Firm's Registration No. 302049E

(Rajiv Singhi)
Partner
Membership No. 053518
UDIN No: 21053518AAAAAG2542

Place: Kolkata
Date : June 23, 2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2021, we report that:

- i. In respect of Company's Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in systematic order. In accordance with this program, no fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at regular intervals by the management. No material discrepancies were noticed on such physical verification;
- iii. The Company has complied with the provisions with respect to unsecured loans/advances to parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act to the extent applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods & Service Tax or cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, the dues outstanding in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax, on account of disputes are as follows:

Nature of the Statute	Nature of Dues	Amount (In Rs)	Forum where dispute is pending	Period to which the amount relates
Finance Act,1994	Service Tax	6,836,585	Service Tax Appellate Tribunal	FY 2008-09 to FY 2012-13
Finance Act,1994	Service Tax	7,644,193	Service Tax Appellate Tribunal	FY 2013-14
West Bengal Sales Tax Act, 1994	Sales Tax	5,683,418	Commissioner (Appeals)	FY 2012-13
Foreign Trade Development Regulation Act,1992	SFIS	39,636,944	Office of the Additional Director General of Foreign Trade	FY 2010-11, FY 2012-13, FY 2013-14
West Bengal Value Added Tax Act,2003	VAT	3,69,75,792	Commissioner (Appeals)	FY 2011-12

Luxury Tax	Luxury Tax	45,785	Assistant Commissioner Amusement Tax Section	FY 2016-17
Entertainment Tax	Entertainment Tax	69,896	-	-
Finance Act,1994	Service Tax	69,20,396	Joint Commissioner, CGST and CX	FY 2014-15 to FY 2016-17
West Bengal Value Added Tax Act,2003	VAT	8,15,40,454	WB Taxation Tribunal	FY 2009-10
West Bengal Value Added Tax Act,2003	VAT	13,420	Joint Commissioner	FY 2012-13

- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to any financial institution or bank or dues to debenture holders as at the Balance sheet date. The Company does not have any loans or borrowings from Government as at Balance sheet date.
- ix. The company has not raised any money by way of initial public offer or further public offer including debt instruments during the year. Further, according to the information and explanations given to us the Company has applied term loans for the purpose for which they were obtained.
- 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. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act
- xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Rajiv Singhi)
Partner
Membership No. 053518
UDIN No: 21053518AAAAAG2542

Place: Kolkata
Date : June 23 , 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying consolidated financial statements of **ASIAN HOTELS (EAST) LIMITED** (**'the Holding Company'**) and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of changes in equity for the year then ended, the notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information (herein referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements except for the effects of the matter described in the Basis for Qualified Opinion section of our report, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

The Company is carrying a goodwill on consolidation amounting to Rs. 9,991.03 lakhs for the investment in subsidiaries of the company as on March 31, 2021. The financial performance of the subsidiary company and adverse impact of the pandemic Covid-19 on the operation of the subsidiaries indicate a need for impairment testing of the goodwill. However, management has not carried out any impairment testing of goodwill along with carrying value of net assets of subsidiary company to assess if there is any impairment charge to be recognised on goodwill for reasons mentioned in Note No 50 to the consolidated financial statements. The management is confident that the recoverable amount of the goodwill on consolidation will not be less than the amount at which they have been stated in the balance sheet.

Hence, we are unable to comment on the impacts of such impairment if any, on the Consolidated financial statements of the Company.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to **Note 48 & 1.5.t** of the consolidated financial statements, which describes the impact of COVID 19, a global pandemic on the operations and financial matters of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S.no	Key Audit Matter	Auditor’s Response
1.	<p><u>Evaluation of uncertain tax positions</u></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 43 to the Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to examine the management’s underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management’s position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1,2021 to evaluate whether any change was required to management’s position on these uncertainties.</p>

2. **Impact of COVID-19 pandemic on estimation uncertainty** **Principal Audit Procedures**

On 11 March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government had imposed lock-downs across the country from 22 March 2020 up to 30 June 2020. These lockdowns and restrictions due to COVID-19 pandemic had posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.

The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements. In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.

Refer **Note 1.5.(t)** to the consolidated financial statements

- Obtained an understanding of the key controls relating to the Company's forecasting process

- Assessed the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company and compared them with the Company's business plan approved by the board of directors

- Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business.

- Performed the following procedures as mitigating factors:

1. Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner.

- Assessed disclosures made in the consolidated financial statements with regard to the above. Refer to **note 1(t)** to the consolidated financial statements

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information etc., but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

That respective Board of Directors of the companies included in the are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs 54,486.32 lacs and net assets of Rs 34,466.56 lacs as at March 31, 2021 total revenues of Rs 2,809.00 Lacs and net cash inflow amounting to Rs 12.48 lacs for the year ended on that date, as considered in these consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Financial Statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and our report on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of other auditors and financial statements certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion proper books of account as required by law relating to the aforesaid consolidated financial statements have been kept so far as it appears from examination of those books and reports of other Auditors;
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of the preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Indian Accounting standard of the Companies (Accounts) Rules, 2015 (as amended);
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31stMarch 2021 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its Subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31stMarch 2021 from being appointed as a director of that company in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting with reference to the consolidated financial statement of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A', and

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also other financial information of the subsidiaries as noted in the "Other matter" paragraph:
- i. The Consolidated Financial Statements has disclosed the impact of pending litigation on its Consolidated financial position in its financial statement. Refer **Note 43** to the Consolidated financial statements;
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except Rs 18,599/- of F.Y. 2012-13 being restrained shares could not be transferred due to pending legal cases. Refer **Note 47** to the Financial Statements.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Rajiv Singhi)
Partner
Membership No. 053518
UDIN: 21053518AAAAAH4276

Place: Kolkata
Date : June 23, 2021

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **ASIAN HOTELS (EAST) LIMITED ('the Holding Company')** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as on 31st March 2021 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are 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.

AUDITOR'S 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, issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 holding Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, 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 2021, 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.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of such companies incorporated in India.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Rajiv Singhi)
Partner
Membership No. 053518
UDIN: 21053518AAAAAH4276

Place: Kolkata
Date : June 23, 2021