


## INFORMATION MEMORANDUM

### ROBUST HOTELS LIMITED

**Date: 11.04.2023**

Robust Hotels Limited having CIN: U55101TN2007PLC062085 was incorporated on 19<sup>th</sup> January, 2007 as a private limited company under the provisions of the Companies Act, 1956, with the Registrar of Companies, Tamil Nadu, Chennai. The Company was converted into a public limited company on 11.10.2022 and subsequently the name was changed to Robust Hotels Limited (the Company) on 11.10.2022.

<b>Registered Office and Corporate Office</b>	365, Anna Salai, Teynampet Chennai -600018
<b>Contact Person</b>	Ms. Yasotha Benazir N, Company Secretary
<b>E-mail</b>	<a href="mailto:yasothanatarajan@sarafhotels.com">yasothanatarajan@sarafhotels.com</a>
<b>Telephone</b>	044 6100 1251
<b>Website</b>	<a href="http://www.robusthotels.in">www.robusthotels.in</a>
<b>PROMOTERS AND PROMOTER GROUP</b>	
Promoters of the Company are Late Radhe Shyam Saraf, Mrs. Ratna Saraf, Mr. Arun Kumar Saraf, Mr. Umesh Saraf, Mr Varun Saraf, Mr Devesh Saraf and Saraf Industries Limited, Mauritius.	
<b>INFORMATION MEMORANDUM FOR LISTING OF 1,72,91,696 FULLY PAID UP EQUITY SHARES OF RS. 10/- EACH ISSUED PURSUANT TO THE SCHEME OF ARRANGEMENT</b>	
<b>NO EQUITY SHARES ARE PROPOSED TO BE SOLD PURSUANT TO THIS INFORMATION MEMORANDUM</b>	
<b>GENERAL RISKS</b>	
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity shares of the Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking a decision to invest in the Equity Shares of the Company. For taking an investment decision investor must rely on their own examinations of the Company and the offer, including the risks involved.	
<b>COMPANY'S ABSOLUTE RESPONSIBILITY</b>	
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
<b>LISTING</b>	
The equity shares of the Company are proposed to be listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). For the purposes of listing of the equity shares of the Company pursuant to the Scheme of Arrangement, Demerger and Reduction of Capital u/s 230 to 232 of the Companies Act, 2013, between Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders and creditors (Scheme), the Designated Stock Exchange shall be BSE.	
The Company has received exemption from SEBI in compliance with Rules 19(2)(b) & 19(7) of Securities Contracts (Regulation) Rules, 1957.	
The Company is hereby submitting this Information Memorandum with BSE and NSE. The same would be made available on their respective websites <a href="http://www.bseindia.com">www.bseindia.com</a> , <a href="http://www.nseindia.com">www.nseindia.com</a> . This would also be available on the Company's website <a href="http://www.robusthotels.in">www.robusthotels.in</a> .	
<b>REGISTRAR &amp; TRANSFER AGENT</b>	
 Corporate Solutions Simplified	<b>Integrated Registry Management Services Private Limited</b> Registered Office: 2nd Floor Kences Towers, 1, Ramakrishna Street, North Usman Road T Nagar, Chennai, Tamil Nadu – 600017. Email: <a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below and references to any legislation, act, regulation, rule, guideline, policy, circular, notification, clarification will include any amendments or re-enactments thereto, from time to time, shall have the same meaning as stated in this section.

#### Conventional and general terms

<b>Term/ abbreviations</b>	<b>Description</b>
‘RHL’, or ‘The Company’ or “we” or “us” – ‘the ‘Resulting Company’	Unless the context otherwise requires, refers to Robust Hotels Limited (formerly known as Robust Hotels Private Limited), a Public Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 365, Anna Salai, Teynampet, Chennai 600018.
AHEL or ‘Demerged Company’	Unless the context otherwise requires, refers to, Asian Hotels (East) Limited , a Public Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at JA-1 Sector III, Salt Lake City, Kolkata, India 700 106.
Promoters	Shall mean Late Radha Shyam Saraf, Mrs. Ratna Saraf, Mr. Arun Kumar Saraf, Mr. Umesh Saraf, Mr. Varun Saraf, Mr Devesh Saraf and Saraf Industries Limited, Mauritius

#### Abbreviations

<b>Term</b>	<b>Description</b>
The Act/Companies Act	The erstwhile Companies Act, 1956 and/or Companies Act, 2013, as applicable read with rules made thereunder
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
Financial Year/ F.Y.	Period of 12 Months ended 31 <sup>st</sup> March of that particular year, unless otherwise stated
BSE	BSE Limited
CFO	Chief Financial Officer
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
PAT	Profit after Tax
NP	Net Profit
EPS	Earnings per Share

FDI	Foreign Direct Investment
HRACC	Hotel Restaurant Approval and Classification Committee
FEMA	Foreign Exchange Management Act, 1999 including the regulations framed thereunder
FIPB	Foreign Investment Promotion Board, Ministry of Finance, GoI
GAAP	Generally Accepted Accounting Principles
GDR	Global Depository Receipt
GoI	Government of India
ICAI	Institute of Chartered Accountants of India
IT Act	Income Tax Act, 1961
Indian GAAP	Generally accepted accounting principles followed in India
AHEL or Demerged Company	Asian Hotels (East) Limited
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
RTA	Registrar & Share Transfer Agent
CDSL	Central Securities Depository Limited
OCB	Overseas Corporate Body
PAN	Permanent Account Number under the IT Act
RBI	The Reserve Bank of India
Rs. / Rupees / INR / ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contract (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Circular	Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 and SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020

### **Company Related and Industry Related Terms**

<b>Term</b>	<b>Description</b>
Appointed Date for Demerger	21.09.2022
Capital / Share capital	Equity share capital of Robust Hotels Limited.
CFO	Thenampet Natarajan Thanikachalam, The Chief Financial Officer of RHL
Corporate Office	365, Anna Salai, Teynampet, Chennai -600018
Director(s)	Director(s) of the Company, unless otherwise specified
Demerged Company	Asian Hotels (East) Limited

Resulting Company	Robust Hotels Limited
Demerged Undertaking	Means the undertaking, business, activities and operations of AHEL pertaining to Securities Trading Unit and specifically including any and all Assets and Liabilities of the Demerged Undertaking;
Designated Stock Exchange	BSE Limited
Effective Date	21.09.2022
Eligible Shareholder (s)	Shall mean eligible holder(s) of the Equity Shares of Asian Hotels (East) Limited as on the Record Date.
Equity share(s) or Share(s)	Equity shares of Robust Hotels Limited having a face value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholder / Shareholder	A holder of the Equity Shares
Financial Year/ Fiscal/ Fiscal Year/FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated.
GDR	Global Depository Receipts
IT Act	The Income Tax Act, 1961 and amendments thereto
Key Managerial Personnel	Key management personnel of Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations and disclosed in “Management”
Information Memorandum	This document filed with the Stock Exchanges known as and referred to as the Information Memorandum or IM
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendments thereto.
Promoter	The promoter(s) of the Company, as identified and described in “Promoters, Promoter Group”.
Promoter Group	Unless the context requires otherwise, the entities forming part of the promoter group in accordance with SEBI ICDR Regulations
Scheme/Scheme of Arrangement / Scheme of Arrangement for Demerger	Scheme of Arrangement, Demerger and Reduction of Capital u/s 230 to 232 of the Companies Act, 2013, between Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders and creditors was sanctioned by National Company Law Tribunal, Chennai and Kolkata Benches vide their certified order issued on 24 <sup>th</sup> January,2022 and 05 <sup>th</sup> September,2022 respectively.
ROC	Registrar of Companies, Chennai
Record Date	07.10.2022
Registrar and Transfer Agent	Integrated Registry Management Services Private Limited, Chennai.
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Stock Exchanges	BSE and NSE where equity shares are proposed to be listed.
Share Entitlement Ratio	1:1 i.e. 1 (one) Equity Share of RHL having a face value of Rs. 10/- each shall be issued and allotted to shareholders of AHEL for every 1 (one) Equity Share of AHEL having a face value of Rs. 10/- each, held by shareholders of AHEL as on the Record Date.
Investment Division	Means the separate ‘Investments including investment in Hotel (South)’ division of AHEL consisting of:  i) the Strategic Investments Unit

	ii) the Securities Trading Unit
Articles/ Articles of Association / AoA	The articles of association of the Company, as amended from time to time.
Board/ Board of Directors	Board of Directors of the Company as described in “General Information”.
Memorandum/ Memorandum of Association	The Memorandum of Association of the Company, as amended from time to time.
CSR	Corporate Social Responsibility
FDI	Foreign Direct Investment
AHEL/Asian East	Asian Hotels (East) Limited, a company incorporated under the Companies Act, 1956, having registered office at JA-1, Sector-III, Salt Lake City, Kolkata: 700106.
Statutory Auditor	The Statutory Auditors of Robust Hotels Limited.
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended time to time and notified by MCA.
GST	Goods and Services Tax
TDS	Tax Deduction at Source

## **FORWARD LOOKING STATEMENTS**

We have included statements in this Information Memorandum which contain words or phrases such as “will”, “aim”, “will likely result”, “is/are likely”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “may”, “shall”, “project”, “should”, “can”, “could”, “will pursue” and similar expressions or variations of such expressions, that are “forward- looking statements”.

We have based the forward-looking statements on the current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with the Company’s expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which the Company has its businesses or proposes to have its business, and the Company’s ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, its exposure to market risks, competitive landscape, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated fluctuations in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the Company’s industries.

Important factors that could cause actual results to differ materially from the Company’s expectations include, among others:

1. General political, economic and business conditions;
2. Company’s ability to successfully implement its strategy, its growth and expansion plans, and technology initiatives;
3. Factors affecting the Hotel industry;
4. Increasing competition in the Hotel industry;
5. Increase in labour cost, raw materials price, cost of equipment and insurance premia;
6. Ability to retain management team and skilled personnel;
7. Changes in the value of the Indian Rupee and other currencies;
8. Cyclical or seasonal fluctuations in the operating results;
9. Amount that the Company is able to realize from the clients;
10. Potential mergers, acquisitions or restructurings;
11. Changes in laws and regulations that apply to the Hotel industry;
12. Changes in fiscal, economic or political conditions in India;
13. Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
14. Changes in the foreign exchange control regulations, interest rates and tax laws in India.
15. Travel Restrictions and Lockdown on account of Pandemic

For further discussion of factors that could cause the Company’s actual results to differ, please refer to the section titled “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis” beginning on page nos. 12,63 and 96 respectively, of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company, its Directors and Officers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

## **SECTION – II: INFORMATION MEMORANDUM SUMMARY**

*This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarized below, please refer to the relevant sections of this Information Memorandum.*

### **Summary of the industry**

A touch of tenderness, a helping hand, a welcoming visage, the Indian hospitality sector is certainly the most apt replication of the belief ‘Atithi devo bhava’. Good quality products and services at affordable prices should be the USP of any successful venture - and hotels in the country boast of exactly this.

According to the Indian Tourism and Hospitality Industry Analysis, India’s tourism sector is expected to grow 6.7% to reach Rs. 35 trillion (US\$ 488 billion), and accounting for 2.9% of the total economy by 2029. International tourist arrival in India is expected to reach 30.50 million by 2028. However, domestic tourism is expected to drive the growth, post the pandemic.

A focus on quality, behavior-based evaluation, market choice and market response has predominantly shaped the State's hospitality industry. Increased competition and increase in demand have consolidated the hospitality segment, whilst opening up a plethora of opportunities. Fierce competition has led to innovative ideas by hotel majors, thereby delivering impressive hospitality products and services. Also, the entry of multinationals and Indian hotel chains expanding internationally only reinforces the segment's untapped business potential.

### **Summary of the Business**

The Company is the owner and operator of a luxury 5-star category hotel Hyatt Regency Chennai, located at 365, Anna Salai, Teynampet, Chennai – 600018 and built on a 72-ground land. It is the first Hyatt hotel in South India and has 325 rooms, banquet space about 30,000 sq ft approx., Specialty F & B outlets, world class spa, Gym and swimming pool.

The Company classifies its business divisions by the quality of the property, the range of services, and the guests it targets. The Company derives its revenue from the Hyatt Regency Chennai. The Company is focused on the high end (five-star deluxe) hotel market.

Hyatt International Corporation is a renowned Hotel operator in India and across the globe and operating luxury Star Hotels with different Brands.

### **\*Promoters along with the pre-issue shareholding**

<b>Sl. No.</b>	<b>Name of Promoter Shareholder</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
1.	Asian Hotels (East) Limited (100% Holding Company)	22,41,83,829	100
<b>TOTAL</b>		<b>22,41,83,829</b>	<b>100</b>

*\* Pre- issue Promoter name is not included in the promoter definition.*



## Financial Information

Following are the details as per the audited financial statements of the Company:

**(Figures in INR)**

<b>Particulars</b>	<b>Nine months ended 31<sup>st</sup> December, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Equity Share Capital	17,29,16,960	2,241,838,290	2,241,838,290
Net worth	7,20,38,36,697	3,046,087,234	3,395,426,255
Reserve & Surplus	7,03,09,19,737	804,248,944	1,153,587,965
Profit After Tax/Loss	70,12,26,013	(350,024,000)	(335,546,693)
Earnings per share (basic and diluted) (in Rs.)	40.55	(1.56)	(1.50)
Net Asset Value per equity share	416.66	13.58	15.15
Borrowings	1,27,09,16,417	1,90,65,13,532	1,67,84,00,698

For further details, please see section titled “Financial Statements” given on page 90 of the Information Memorandum.

## Audit Qualification

There have been no qualifications or adverse remarks by the Auditors in the audited financial statements of the Company for the periods mentioned above.

## Outstanding Litigations

The summary of outstanding or pending litigations involving Company, Directors and Promoters, as applicable, on the date of this Information Memorandum is set out below:

i) Outstanding litigations:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Criminal Proceedings</b>	<b>Tax Proceedings</b>	<b>Civil Litigations</b>	<b>Statutory/ regulatory proceedings</b>
<b>i.</b>	<b>COMPANY</b>				
	By the Company	0	1	1	0
	Against the Company	0	3	2	0
<b>ii</b>	<b>DIRECTORS and PROMOTERS</b>				
	By the Directors or Promoters	0	0	0	0
	Against the Directors or Promoters	0	0	0	0

For details of detailed outstanding litigations of the Company, please see section titled “Outstanding Litigations and Material Developments” given on page 99 of the Information Memorandum

## Risk Factors

For details of the risks applicable to the Company, please see section titled “Risk Factors” given on page 12 of the Information Memorandum.

## Contingent Liabilities

Following are summary of contingent liabilities of the Company as per restated audited financial statements of the Company for the two preceding financial years are as follows:

	(Figures in INR)	
	As at 31 <sup>st</sup> March, 2022 Rs.	As at 31 <sup>st</sup> March, 2021 Rs.
i) Commitments Estimated amount of Capital Contracts pending to be executed (Net of Advances)	28,63,653	2,19,45,465
ii) Claims against the Company not acknowledged as debt	- -	40,440
iii) Pending claims from IOC Limited for non-submission of ‘C’ forms for purchase of diesel	4,00,000	4,00,000

## Related Party Transactions

Name of Person	Nature of Transactions	(Figures in INR)	
		For the Year Ended 31 <sup>st</sup> March, 2022	For the Year Ended 31 <sup>st</sup> March, 2021
AHEL	Interest on Unsecured Loan (TDS deducted Rs. Nil (Previous Year-Rs.13,79,749))	-	1,83,96,645
	Interest on advance from STU unit (TDS deducted Rs.25,62,296/-) (Previous Year - Rs.46,936)	2,56,22,959	6,25,809
	Receipt of service	-	6,31,242
	Loan taken	7,70,00,000	5,15,00,000
JHPL (Juniper Hotels Pvt Ltd)	Reimbursement of Expenses	15,76,215	3,73,970
	Receipt of Services		3,10,598
	Sale of Services	8,054	4,21,771
	Sales Promotion		58,388
*Mr. Rama Shankar Jhawar Ms. Rita Bhimani	Sitting Fee	-	15,000
	Sitting Fee	30,000	30,000

Name of Person	Nature of Transactions	For the Year Ended	For the Year Ended
		31st March, 2022	31st March, 2021
Mr.T.N.Thanika chalam	Remuneration as CFO	37,57,668	22,77,957
			-
*Ms.Annu Tiwari	Remuneration as Company Secretary	2,16,678	
*Ms. Manisha Sharma	Remuneration as Company Secretary	3,01,221	4,01,203

\* Mr. Rama Shankar Jhavar ceased to be director of the Company w.e.f 14.10.2020 due to death.

\* Ms Manisha Sharma resigned as company secretary w.e.f 02.11.2021

\* Ms Anu Tiwari resigned as company secretary w.e.f 15.07.2022

### **SECTION – III: RISK FACTORS**

An investment in securities involves a high degree of risk. Investors should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the securities could decline, and all or part of the investment may be lost.

The risks described below are not the only ones relevant to us or the Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair the business, results of operations and financial condition. To obtain a more detailed understanding of the Company and the industry in which we operate, please read this section in conjunction with the sections “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Industry Overview” on pages 63, 96 and 60 respectively, as well as the other financial and statistical information contained in this Information Memorandum.

#### **INTERNAL RISK FACTORS:**

##### **1. ABILITY TO ANTICIPATE AND RESPOND TO CLIENT REQUIREMENTS**

The company is in the hospitality sector and is driven by client’s expectations of the service quality. We strive to keep up with evolving client requirements to enhance the existing business and level of customer service. In the event that we are unable to identify and understand contemporary and evolving customer tastes or to deliver quality service as compared to the competitors, it could adversely affect the business.

##### **2. COMPLY WITH VARIOUS STANDARDS AS PRESCRIBED BY THE HRACC**

In order to obtain and maintain a star classification for the hotel properties, Company is required to fulfill and continually comply with certain standards as prescribed by the HRACC. Such standards may relate to the quality of facilities and services provided. Failure to adhere to such requirements may result in the declassification of any of the hotels and consequently, adversely affect the business.

##### **3. LITIGATION RELATED RISKS**

The Company may be involved in legal proceedings including dispute, litigations or other proceedings and which may be resulting in costs and diversion of efforts. In the ordinary course of the business, the Company uses ethical business practices to ensure minimum possible litigation including public interest litigation. The outcome of such proceedings is beyond the control of the Company and this is therefore a risk factor that could adversely affect the business, operations and financial conditions. For the list of litigations involving the Company, please refer to page no 99.

##### **4. DEPARTURE OF THE SENIOR MANAGEMENT AND KEY PERSONNEL.**

The Hospitality industry requires quality of Key Managerial Personnel’s to render world class guest experience in order to sustain and compete with Hotels in the city. Hence the continuity of service by a Key Managerial Personnel plays a vital role in achieving this objective.

The company's senior management is particularly important to its business because of their experience and knowledge of the industry. The loss or non-availability of any of its senior management could have a significant adverse effect on the company.

In addition, the success in expanding the business will also depend on the ability to attract, retain and motivate appropriately qualified management personnel. The failure to successfully manage the need for personnel could adversely affect the business prospects and the resulting operations. These risks could be heightened to the extent in which we invest in businesses or geographical regions wherein we have limited experience. If we are not able to address these risks, the business, results of operations and financial condition could be adversely affected.

## **5. CERTAIN OPERATING HAZARDS**

The Operation of the Hotel depends on the successful functioning and maintenance of the various machineries such as air conditioners, heaters and boilers in the back of the house. The hotel in general faces various challenges while operating and maintaining these equipments.

Operating and managing hotels involves many risks that may adversely affect the operations, and the availing of insurance is therefore important to the operations. For example, there is a risk of work accidents and equipment failure. Fire or other perils may cause injury and loss of life and damage to and destruction of property and equipment. We maintain general liability insurance coverage in relation to the assets, stocks, and properties. We believe that the insurance coverage is generally consistent with industry practice.

## **6. DEMAND AND GROWTH**

The rate of growth of India's economy and consequently the demand for services may fluctuate. During periods of strong growth, demand for services may grow. Conversely, during periods of slow GDP growth, such demand may exhibit slow or even negative growth. There can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have a material adverse effect on the business and results of operations.

Due to COVID-19, a global pandemic, Travel and Tourism industry, which includes hospitality industry, has taken a frontal impact. The government's response to the situation, which includes nation wise lockdown, social distancing norms, global travel advisories, suspension of visas, prohibition against mass gatherings, cancellation of sporting and cultural events, halting of interstate transport, railways, etc. has deeply impacted the hospitality industry. The industry has witnessed sign of recovery and normalcy is expected soon.

## **7. FAILURE TO MAINTAIN AND/OR IMPROVE THE HOTELS OCCUPANCY AND RATE**

Occupancy and rates are considered of utmost importance for the hotel's management in general, and for sales department in particular. Improving occupancy and rates at the hotel owned by the Company is highly dependent on brand recognition, liability to provide world class service, wider acceptance in the communities in which we operate, the ability to attract and retain guests, and the ability to compete effectively with other hotels.

Any failure by us to maintain and /or improve the occupancy rates could adversely affect the operating efficiencies and the profitability.

## **8. CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

Details of Contingent Liabilities are mentioned in page number 10

## **9. ABILITY TO BUILD BRAND IMAGE**

Company believes that there is a need to continue to build the brand, which will be critical for achieving widespread recognition of services. Promoting and positioning the brand will depend largely on the success of marketing efforts and ability to provide high quality services. The Brand promotion activities we may undertake may not yield increased revenues, and even if they do, any increase revenue may not offset the expenses we incur in building the brand.

## **10. RELATED PARTY TRANSACTIONS**

We may enter into transactions with the Promoter, Promoter Group, parties having significant influence and associate companies. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on the financial condition and results of operations. While we believe that all such transactions will be conducted on an arm's length basis, such related party transactions may potentially involve conflicts of interest and we may obtain more favourable terms if such transactions are entered into with unrelated parties. Further, we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of the minority shareholders and will not have an adverse effect on the business, result of operations, cash flows and financial condition. The details of the related party transactions are given in page no 10

## **11. RISKS ASSOCIATED WITH PROPERTY MARKETS**

We are subject to risks associated with the domestic and regional property markets. The operations involve participation in the hotel property market. As a participant in such market, we may be unfavourably affected by factors such as a change in the domestic and regional economic situation in the place where a hotel property is located, such as a surplus of hotel rooms, a reduction in local demand for rooms as well as the related services, or increased competition in the sector. In addition, we may be adversely affected by factors specific to property markets, such as changes in interest rates, availability of financing sources, the general cost of land and buildings, legislation in the construction industry and hotel location requirements.

Some of the Promoters and Directors are also on the board of other companies engaged in the same line of business as the Company which could lead to potential conflict of interest. However, we are working towards synergizing the operations of the Companies to avoid such conflicts in the future.

## **EXTERNAL RISK FACTORS:**

### **1. SLOWDOWN IN ECONOMIC GROWTH**

A slowdown in economic growth in India could cause the business to suffer. Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect the Company's economy and consequently affect the results of operations.

### **2. REGULATORY OBLIGATIONS**

The Company may require approvals, licenses, registrations and permits for its business(s). Any delay in getting these approvals may adversely affect the business operations and financial condition of the Company. Furthermore, such approvals and licenses are generally subject to various conditions. If the Company fails to comply, or an authority contends that the Company has not complied with these conditions, its business, financial position and operations would be materially adversely affected.

### **3. INCREASED COMPETITION**

The success of a company in the hospitality industry is dependent on its ability to compete in various areas, quality of service levels, brand recognition and goodwill. There can be no assurance that competitors will not lower their rates or offer greater convenience, services or amenities than those which we will be able to provide, or expand or improve facilities in the markets in which we operate or propose to operate. Such developments would affect the Company's ability to compete and may have a negative impact on its profitability and financial condition.

### **4. DISRUPTIONS OR LACK OF BASIC INFRASTRUCTURE**

Being a Service industry, the hotel needs continuous supply of power and water and any disruption in these utilities may affect the operations of the hotel and the services to the guests and hence could have an adverse effect on the business, results of operations and financial condition of the Company.

### **5. DEPENDENCE ON TAX BENEFITS AND INCENTIVES**

Discontinuance or non-availability of fiscal benefits that may be enjoyed by us or the inability to comply with related requirements may have an adverse effect on the business and results of operations.

### **6. ACTS OF TERRORISM, RIOTS OR WAR**

Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and or other countries may adversely affect the financial markets and the business. Such occurrences affect the Indian markets on which the Equity Shares trade and also adversely affect the worldwide financial markets. These incidents may also lead to loss of business confidence, and adversely affect the business.

In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which may adversely affect the price of the Equity Shares. India has also witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events may have a negative impact on us. Such incidents may also create a perception that investment in Indian companies involves a higher degree of risk and may have a detrimental impact on the business and the price of the Equity Shares.

## **7. DRASTIC CHANGES IN POLITICAL SITUATION**

The Company's performance is linked to the stability of Government policies and the political situation in India. The Government of Tamil Nadu and India, for more than two decades has relentlessly pursued pro-reform policies, thus encouraging privatization and public-private partnerships.

Protests and anti-reform agitations could slow the pace of liberalization and deregulation. This could have an impact on policies related to hospitality industry, foreign investment, currency exchange rates, etc.

## **8. NATURAL CALAMITIES**

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic diseases and man-made disasters, including acts of terrorism and military actions, may adversely affect the financial condition or results of operations.

We cannot assure prospective investors that such events will not occur in the future or that the business, results of operations and financial condition will not be adversely affected.

## **9. VOLATILITY IN THE PRICE OF THE EQUITY SHARES**

The price of Equity Shares on the stock exchange may fluctuate as a result of several factors, including volatility in the Indian and global securities markets, the operations and performance, performance of the competitors and the perception in the market about investments in negative media reports on us or the Indian industry, changes in estimates of the performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market in the future.

## **10. PAYMENT OF DIVIDEND**

The payment of dividend will depend upon number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position. We may decide to retain all of the earnings to finance the development and expansion of the business and therefore, we may choose not to declare dividends on the Equity Shares.



## **SECTION IV – INTRODUCTION**

### **ISSUE DETAILS IN BRIEF**

The National Company Law Tribunal, Chennai and Kolkata Bench, vide their certified orders issued on 24th January, 2022 and 05<sup>th</sup> September, 2022 respectively has sanctioned the Scheme of Arrangement, Demerger and Reduction of Capital u/s 230 to 232 of the Companies Act, 2013, between Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders and creditors. Pursuant to the Scheme, the Demerged Undertaking of AHEL is transferred to and vested with RHL. In accordance with the said Scheme, the Equity Shares of RHL issued to the shareholders of AHEL pursuant to the Scheme, shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfillment by the Company of the listing criteria of BSE and NSE and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing.

This Issue is for listing of 1,72,91,696 Equity Shares of Rs.10/- each by the Company. No Equity Shares are proposed to be sold or offered pursuant to this Information Memorandum.

### **Eligibility criteria**

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter II, III and IV of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable. Pursuant to SEBI circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Company had applied for exemption from strict enforcement of provisions of Regulation 19(2)(b) of the Securities Contract (Regulations) Rules, 1957 and received the approval from SEBI for the same.

The Company will be submitting this Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for the public issues, as applicable, to BSE and NSE for making the said Information Memorandum available to public through their websites [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The Company will also make this Information Memorandum available to the public on its website, [www.robusthotels.in](http://www.robusthotels.in)

### **SUMMARY OF FINANCIAL INFORMATION**

The following tables set forth summary of financial information derived from the Financial Statements of the Company, prepared in accordance with Ind AS and the Companies Act, 2013 as on and for:

1. Financial year ended March 31, 2021
2. Financial year ended March 31, 2022
3. Nine months period ended December 31, 2022.

**ROBUST HOTELS LIMITED – AUDITED STATEMENT OF BALANCE SHEET**

*(Figures in INR)*

Particulars		As at 31st December 2022	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>				
<b>Non - current Assets</b>				
(a)	Property, Plant and Equipment	6,68,57,02,299	4,937,528,752	5,016,633,545
(b)	Capital work-in-progress	-	-	796,714
(c)	Other Intangible Assets	71,19,419	5,850,230	5,774,168
(d)	Financial Assets	-	-	-
	(i) Investments	3,52,28,896	26,557,365	10,176,137
	(ii) Other Financial Assets	-	18,392,677	19,173,105
(e)	Other Non-Current Assets	17,96,66,724	159,850,763	152,700,000
	<b>Total Non-Current Assets</b>	<b>6,90,77,17,068</b>	<b>5,148,179,787</b>	<b>5,205,253,669</b>
<b>Current Assets</b>				
(a)	Current Investments	92,51,90,137	-	-
(b)	Inventories	87,60,569	20,062,241	12,749,785
(c)	Financial Assets			
	(i) Trade Receivables	7,89,06,060	59,938,484	59,691,089
	(ii) Cash and Cash Equivalents	7,61,91,808	8,117,918	6,006,437
	(iv) Loans	1,11,000	4,499	6,333
	(v) Other Financial Assets	51,61,766	573,953	771,216
(d)	Current Tax Assets	74,85,84,582	16,248,305	43,840,732
(e)	Other Current Assets	3,60,92,783	16,162,222	26,490,510
	<b>Total Current Assets</b>	<b>1,87,89,98,703</b>	<b>121,107,621</b>	<b>149,556,102</b>
	<b>Total Assets</b>	<b>8,78,67,15,772</b>	<b>5,269,287,407</b>	<b>5,354,809,771</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a)	Equity Share Capital	17,29,16,960	2,241,838,290	2,241,838,290
(b)	Other Equity	7,03,09,19,737	804,248,944	1,153,587,965

	<b>Total Equity</b>	<b>7,20,38,36,697</b>	<b>3,046,087,234</b>	<b>3,395,426,255</b>
<b>Liabilities</b>				
<b>Non - current Liabilities</b>				
(a)	Financial Liabilities			
	Borrowings	88,34,70,211	1,139,604,872	1,017,447,279
(b)	Provisions	1,32,89,949	9,046,385	7,746,347
	<b>Total Non-current Liabilities</b>	<b>90,17,60,160</b>	<b>1,148,651,257</b>	<b>1,025,193,626</b>
<b>Current Liabilities</b>				
(a)	Financial Liabilities			
	(i) Borrowings	38,24,46,206	766,908,660	660,953,419
	(ii) Trade Payables	-	-	-
	Total outstanding dues of micro, small & medium enterprises	57,47,376	9,281,287	14,971,257
	Total outstanding dues of creditors other than micro, small & medium enterprises	1,16,00,388	14,069,383	47,908,625
	(iii) Other Financial Liabilities	25,79,70,320	268,129,689	190,162,556
(b)	Other Current Liabilities	2,33,54,626	16,105,598	20,145,997
(c)	Provisions	-	54,300	48,036
	<b>Total Current Liabilities</b>	<b>68,11,18,915</b>	<b>1,074,548,917</b>	<b>934,189,890</b>
	<b>Total Equity and Liabilities</b>	<b>8,78,67,15,772</b>	<b>5,269,287,407</b>	<b>5,354,809,771</b>

**ROBUST HOTELS LIMITED – AUDITED STATEMENT OF PROFIT AND LOSS**

		<b>(Figures in INR)</b>		
<b>Particulars</b>		<b>For the Nine Months ended 31st December, 2022</b>	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
<b>Income</b>				
(a)	Revenue from Operations	76,22,99,481	405,059,163	249,559,011
(b)	Other Income	3,61,25,908	32,520,335	31,340,642
	<b>Total</b>	<b>79,84,25,390</b>	<b>437,579,498</b>	<b>280,899,653</b>

<b>Expenditure</b>				
(a)	Consumption of Provisions, Beverages, Smokes & Others	9,58,96,723	54,727,989	29,073,519
(b)	Employee Benefits Expense	11,56,13,910	107,400,053	84,205,168
(c)	Finance Costs	13,56,84,637	174,154,564	160,667,341
(d)	Depreciation and Amortization Expense	12,51,01,094	159,573,503	162,810,247
(e)	Other Expenses	36,27,90,522	291,747,390	179,690,071
	<b>Total</b>	<b>83,50,86,886</b>	<b>787,603,498</b>	<b>616,446,346</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>(3,66,61,496)</b>	<b>(350,024,000)</b>	<b>(335,546,693)</b>
Exceptional Items		-	-	-
<b>Profit/(Loss) Before Tax</b>		<b>(3,66,61,946)</b>	<b>(350,024,000)</b>	<b>(335,546,693)</b>
<b>Tax Expense</b>				
	Current Tax	-	-	-
	Deferred tax	73,78,87,510	-	-
	For Earlier Years	-	-	-
<b>Profit/(Loss) for the year</b>		<b>70,12,26,013</b>	<b>(350,024,000)</b>	<b>(335,546,693)</b>
Other Comprehensive Income				
	Items that will not be reclassified to profit or loss	-	-	-
	Remeasurement of defined benefit liability	-	684,979	1,583,773
<b>Total Comprehensive Income for the year</b>		<b>70,12,26,013</b>	<b>(349,339,021)</b>	<b>(333,962,920)</b>
<b>Earnings per Equity Share (Nominal value per Equity Share Rs. 10/-)</b>				
	(a) Basic	40.55	(1.56)	(1.50)
	(b) Diluted	40.55	(1.56)	(1.50)

**ROBUST HOTELS LIMITED – AUDITED CASH FLOW STATEMENT**

		(Figures in INR)		
Particulars		For the Period ended 31st December, 2022	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Profit/(loss) before tax	(3,66,61,496)	(350,024,000)	(335,546,693)
	Adjustment for :			
	Loss (Profit) on Sale of non-current Investment	1,11,05,865	-	31,632,597
	Interest on Income Tax Refund	(6,21,496)	(10,130,519)	(5,282,303)
	Loss (Profit) on Foreign Currency transaction or Translation	1,22,89,438	4,162,365	(2,720,579)
	Depreciation/amortization	12,51,01,094	159,573,503	162,810,247
	Loss/(profit) on sale of fixed assets	27,65,054	3,400,589	-
	Interest Expense on Borrowings	13,48,92,344	173,202,242	160,190,241
	Provision for Gratuity	5,16,260	328,942	(37,816)
	Provision for Leave Encashment	29,97,656	108,819	375,699
	Interest income	(62,98,999)	(420,368)	(825,805)
	Interest on Debentures	-	-	-
	Sundry balances written back (net)	(26,585)	(164,854)	(1,557,973)
	Fair Value Loss(Gain) on non-current Investment (net)	(1,98,47,396)	(12,631,228)	(7,157,097)
	<b>Operating profit before working capital changes</b>	<b>22,62,11,289</b>	<b>(32,594,509)</b>	<b>1,880,519</b>
	Movements in working capital :			
	Increase/(decrease) in trade payables in Financial Liabilities	(1,82,65,790)	(43,526,723)	(21,607,138)
	Increase/(decrease) in other current liabilities	72,49,028	(4,040,399)	(11,966,542)
	Increase/(decrease) in other current financial liabilities	1,36,22,856	66,058,297	(22,591,396)

	Increase/(decrease) in non current provisions	7,29,648	1,547,256	(913,516)
	Increase/(decrease) in current provisions	(54,300)	6,264	(11,924)
	Increase/(decrease) in current Investments	-	-	-
	Decrease/(increase) in trade receivables in Financial Assets	(1,89,67,576)	(247,395)	24,765,546
	Decrease/(increase) in inventories in Current Assets	1,13,01,672	(7,312,456)	(374,696)
	Decrease / (increase) in other Financial Assets	(44,59,684)	780,428	6,233,955
	Decrease / (increase) in loans in Financial Assets	(1,06,501)	1,834	(6,333)
	Decrease / (increase) in other Current Assets	(1,99,30,561)	10,328,288	1,671,183
	Decrease / (increase) in other Non current asset	(14,23,284)	(7,150,763)	(1,500,000)
	<b>Cash generated from /(used in) operations</b>	<b>19,59,06,827</b>	<b>(16,149,877)</b>	<b>(24,420,343)</b>
	Less: Direct taxes paid (net of refunds)	(61,73,719)	(37,722,946)	(31,902,090)
	<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>20,20,80,006</b>	<b>21,573,069</b>	<b>7,481,747</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets	(3,42,64,365)	(83,952,542)	(9,698,437)
	Increase in current Investments	(92,51,90,137)		
	Proceeds from sale of fixed assets	4,82,504	803,894	-
	Purchase of non-current investments	(38,00,000)	(3,750,000)	(2,000,000)
	Sale of non-current Investments	38,70,000		9,220,000
	Interest	(61,70,870)	617,631	1,019,064
	<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>(95,27,31,128)</b>	<b>(86,281,017)</b>	<b>(1,459,373)</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Funds Received through scheme of Demerger	1,61,29,96,695	-	-
	Repayment of Long Term Borrowings	(16,02,41,964)	(205,198,957)	(61,800,000)
	Proceeds from Long Term Borrowings	-	354,500,000	80,000,000
	Proceeds from Short Term Borrowings – CC	2,46,44,849	1,811,791	25,701,496

	Proceeds from Short Term Borrowings - Unsecured Loan	(50,00,00,000)	77,000,000	51,500,000
	Interest paid on borrowings	(15,86,74,569)	(161,293,406)	(100,093,825)
	<b>Net cash flow from/(used in) in Financing Activities (C)</b>	<b>81,87,25,011</b>	<b>66,819,428</b>	<b>(4,692,329)</b>
	<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>6,80,73,889</b>	<b>2,111,480</b>	<b>1,330,045</b>
	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>81,17,918</b>	<b>6,006,437</b>	<b>4,676,392</b>
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>7,61,91,807</b>	<b>8,117,918</b>	<b>6,006,437</b>

### **GENERAL INFORMATION**

Company was incorporated as Robust Hotels Private Limited on January 19, 2007, under the Companies Act, 1956, with the Registrar of Companies, Tamil Nadu, Chennai. The Company was converted into a public limited company and subsequently the name was changed to Robust Hotels Limited w.e.f. 11.10.2022 For further details, see “History and certain Corporate Matters” on page no 69.

#### **Registered and Corporate Office of the Company**

365, Anna Salai, Teynampet, Chennai -600018

Tel.: (044) 6100 1250

#### **Corporate Identity Number**

U55101TN2007PLC062085

#### **Registration Number**

062085

#### **The Registrar of Companies**

The Company is registered at the office of the Registrar of Companies, Chennai, Tamil Nadu situated at the following address:

<b>Address</b>	Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600034
<b>Phone</b>	044-28270071
<b>Fax</b>	044-28234298
<b>Email</b>	roc.chennai@mca.gov.in

#### **Board of Directors**

The following table sets out the brief details of the Board as on date of the filing of this Information Memorandum:

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
1	Arun Kumar Saraf	Non-Executive Promoter Director	00339772	Grand Hyatt Residencies Juniper Hotel, Vakola Pipeline, Santacruz (E) Mumbai 400055 MH IN
2.	Umesh Saraf	Non-Executive Promoter Director	00017985	House No. 27-A, Green Avenue Lane, Vasant Kunj South West Delhi, Delhi 110070
3.	Varun Saraf	Non-Executive Promoter Director	01074417	Grand Hyatt Residences, Vakola Pipeline Road, Santacruz East Mumbai 400055 MH IN
4	Devesh Saraf	Non-Executive Promoter Director	07778585	House No. 27A, Green Avenue Lane, Vasant Kunj, Delhi – 110070
5.	Avali Srinivasan	Non-Executive Independent Director	00339628	45, Sapthagiri Colony Jafarkhanpet Chennai 600083 Tamil Nadu.



6.	Rita Bhimani	Non-Executive Independent Director	07106069	12/4, Sunny Park Apartments 6, Sunny Park Kolkata 700019 WB IN
7.	Ramesh Kumar Chokhani	Non-Executive Independent Director	00582700	Active acres, Tower 5, Flat 16A, 54/10, D.C Dey Road, Near JW Marriot, Tangra, Kolkata, West Bengal 700015
8.	Ajaykumar Ramnayan Vishwakarma	Non-Executive Independent Director	06991167	Flat No 6, Kavita Apartments, Prasanna Lane, Behidn Vishwakarma Bhavan, Vadawali Section, Ambernath East, Thane, Maharastra - 421501

*For further details of the Board of Directors, kindly refer to page 72*

**Company Secretary and Compliance Officer**

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<b>Name</b>	Ms. Yasotha Benazir N
<b>Address</b>	365, Anna Salai, Teynampet, Chennai 600018
<b>Telephone</b>	044- 6100 1251
<b>Email</b>	<a href="mailto:yasothanatarajan@sarafhotels.com">yasothanatarajan@sarafhotels.com</a>

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**Registrar and Share Transfer Agent**

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<b>Name</b>	Integrated Registry Management Services Private Limited
<b>Address</b>	2nd Floor Kences Towers, 1, Ramakrishna Street, North Usman Road T Nagar Chennai, Tamil Nadu – 600017
<b>Telephone</b>	044-2814 0801
<b>Email</b>	<a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>

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**Statutory Auditors**

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<b>Name</b>	V Singhi & Associates
<b>Address</b>	Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata; 700001
<b>Telephone</b>	033-22101125/26/27
<b>Email</b>	<a href="mailto:vsinghiandco@gmail.com">vsinghiandco@gmail.com</a>
<b>Peer Review No.:</b>	012848
<b>Firm Registration No.:</b>	311017E

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**Bankers to the Company**

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**Name** IDBI Bank Limited  
**Address** 115, Anna Salai, P.B.No. 805, Saidapet, Chennai – 600 015  
**Telephone** 044-2220 2259  
**Fax** [sivaram.urukutla@idbi.co.in](mailto:sivaram.urukutla@idbi.co.in)

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**Name** HDFC Limited (Lender)  
**Address** The Capital Court Munirka Outer Ring Road, Olof Palme Marg, New Delhi- 110067  
**Telephone** 01141596570  
**Email** [amanpreeta@hdfc.com](mailto:amanpreeta@hdfc.com)

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## CAPITAL STRUCTURE

Upon issue and allotment of Shares pursuant to the scheme, the share capital of the company as on the date of filing of this Information Memorandum is as follows:

Particulars as on March 31, 2021	Aggregate nominal value (in ₹)
(A) Authorized Share Capital 22,50,00,000 Equity Shares of Rs.10/- each	2,25,00,00,000/-
(B) Issued, Subscribed and Paid-Up Capital (before the Scheme) 22,41,83,829 Equity Shares of Rs.10/- each fully paid up	2,24,18,38,290/-
(C) Issue in terms of the Scheme Upon the Scheme becoming effective, the Equity Shares of RHL held by Asian got reduced and cancelled and new Equity Shares of RHL were allotted to the shareholders of Asian Hotels (East) Limited	17,29,16,960/-
(D) Issued, Subscribed and Paid-Up Capital (after the Scheme) 1,72,91,696 Equity Shares of Rs.10/- each fully paid up	

## AUTHORISED CAPITAL

The details of increase and change in authorized share capital of the Company after the date of incorporation till filing of the Information Memorandum is as follows:

Date of change	Nature of change	Number of Shares	Type of Share	Number of Shares after Change	Face Value (in ₹)	Cumulative authorized Share Capital (in ₹)
19.01.2007	Incorporation	50,000	Equity	-	10/-	5,00,000
25.10.2007	Increase	3,00,00,000	Equity	3,50,00,000	10/-	90,00,00,000
		47,00,000	Preference	47,00,000	100/-	
		80,00,000	Preference	80,00,000	10/-	
11.11.2010	Reclassification	-	Equity	3,50,00,000	10/-	90,00,00,000
		(4,00,000)	Preference	43,00,000	100/-	
		40,00,000	Preference	1,20,00,000	10/-	
28.09.2011	Increase	-	Equity	3,50,00,000	10/-	92,00,00,000
		-	Preference	43,00,000	100/-	
		20,00,000	Preference	1,40,00,000	10/-	

02.07.2012	Increase	6,00,00,000	Equity	9,50,00,000	10/-	1,52,00,00,000
		-	Preference	43,00,000	100/-	
		-	Preference	1,40,00,000	10/-	
06.03.2017	Increase	6,00,00,000	Equity	15,50,00,000	10/-	2,12,00,00,000
		-	Preference	43,00,000	100/-	
		-	Preference	1,40,00,000	10/-	
24.06.2019	Increase and Reclassification	7,00,00,000	Equity	22,50,00,000	10/-	2,25,00,00,000
		(43,00,000)	Preference	-	-	
		(1,40,00,000)	Preference	-	-	

## NOTES TO THE CAPITAL STRUCTURE

### i. Equity Share Capital History of the Company

Sl. No.	Date of Issue/ Allotment	No. of shares issued/ Allotted/ (Cancelled)	Face Value (FV) and Issue Price (IP)	Type of Issue	Cumulative capital (No. of shares)	Form of consideration (CROCPs- cumulative redeemable and optionally convertible preference shares)
1.	19/01/2007	10,000	FV -Rs.10/-	Equity Shares	10,000	Cash
2.	24/01/2007	3,00,00,000	FV -Rs.10/-	Equity Shares	3,00,10,000	Cash
3.	26/07/2012	6,39,32,769	FV -Rs.10/- IP – Rs.32/-	Equity Shares	9,39,42,769	Pursuant to conversion of CROCPs into Equity Shares
4.	06/03/2017	6,02,31,060	FV -Rs.10/- IP- Rs.32/-	Equity Shares	15,41,73,829	Pursuant to conversion of CROCPs into Equity Shares
5.	24/07/2019	32,035,000	FV Rs.10/- IP – NA	Equity Shares	18,62,08,829	Pursuant to the Scheme of Arrangement involving the Company, Asian Hotels (East) Limited and GJS Hotels Limited.
6.	17/09/2019	3,79,75,000	FV -Rs.10/- IP – NA	Equity Shares	22,41,83,829	Pursuant to the Scheme of Arrangement involving the Company, Asian Hotels (East) Limited and GJS Hotels Limited.

7.	21.09.2022	(22,41,83,829)	-	Equity Shares	1,72,91,696	Pursuant to the Scheme of Arrangement, Demerger and Reduction of Capital between the Company and Asian Hotels (East) Limited (Refer page 37 for details related to the Scheme)
8.	21.09.2022	1,72,91,696	FV -Rs.10/- IP – NA	Equity Shares		

## ii. Preference Share Capital History of the Company

Sl. No.	Date of Issue/ Allotment	No. of Shares Issued	Face Value	Type of Issue	Redemption/ Conversion
1	25/01/2007	43,00,000	100/-	Redeemable Preference Shares	Redeemed on 04.09.2008
2.	4/09/2008	43,00,000	100/-	12% Cumulative Redeemable Preference Shares	Converted into 3,20,35,000 equity shares of Rs.10/- each on 17.09.2019. Pursuant to scheme of arrangement involving the Company, Asian Hotels (East) Limited and GJS Hotels Limited
3.	2/12/2008	6,27,900	10/-	0.001% Cumulative Redeemable and Optionally Convertible Preference Shares	Converted into 42,18,703 Equity Shares of Rs.10/- each on 26.07.2012
4.	13/12/2008	74,91,675	10/-		Converted into 5,03,34,691 Equity Shares of Rs.10/- each on 26.07.2012
5.	27/10/2009	13,96,000	10/-	1% Cumulative Redeemable and Optionally Convertible Preference Shares	Converted into 93,79,375 Equity Shares of Rs.10/- each on 26.07.2012
6.	21/03/2014	77,94,850	10/-		Converted into 5,23,71,648 Equity Shares of Rs.10/- each on 06.03.2017
7.	29/03/2014	1,06,977	10/-		Converted into 7,18,752 Equity Shares of Rs.10/- each on 06.03.2017
8.	21/05/2014	1,67,442	10/-		Converted into 11,25,001 Equity Shares of Rs.10/- each on 06.03.2017
9.	18/08/2014	1,11,629	10/-		Converted into 7,50,007 Equity Shares of Rs.10/- each on 06.03.2017

				1% Cumulative Redeemable Optional Convertible Preference Shares	
10.	10/10/2014	2,18,606	10/-		Converted into 14,68,759 Equity Shares of Rs.10/- each on 06.03.2017
11.	18/12/2014	1,90,699	10/-		Converted into 12,81,259 Equity Shares of Rs.10/- each on 06.03.2017
12.	18/12/2014	23,256	10/-		Converted into 1,56,251 Equity Shares of Rs.10/- each on 06.03.2017
13.	24/02/2015	2,81,396	10/-		Converted into 18,90,629 Equity Shares of Rs.10/- each on 06.03.2017
14.	31/03/2015	69,768	10/-		Converted into 4,68,754 Equity Shares of Rs.10/- each on 06.03.2017

### iii. No Lock-In of shares –

In terms of SEBI Circular Number CFD/DIL3/CIR/2017/21 dated 10th March 2017 as amended by SEBI Circular Number CFD/DIL3/CIR/2018/2 dated 3<sup>rd</sup> January 2018, no shares shall be subject to lock-in as much as the pre-scheme share capital of the Company are being cancelled under the Scheme and the post scheme shareholding pattern of the Company shall be exactly same as the shareholding pattern of Asian Hotels (East) Limited.

### iv. The details of the Scheme and share entitlement ratio are given in the Section titled “Scheme of Arrangement” of this Information Memorandum. Kindly refer to page 37

### v. Shareholding Pattern of the Company before and after the Scheme of Arrangement

(a) The shareholding pattern of the Company prior to the allotment of shares under the Scheme is as under:

Category Code	Category of Shareholder	No. of Share Holder	Total No. of Shares	No. of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
<b>A.</b>	<b>Promoter and Promoter Group</b>							
(1)	<b>Indian</b>							
(a)	Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Bodies Corp.	1	22,41,83,829	22,41,83,829	100%	100%	NIL	NIL
(e)	Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Sub-total (A1)</b>	1	22,41,83,829	22,41,83,829	100%	100%	NIL	NIL
(2)	<b>Foreign</b>							
(a)	NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(c)	Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Sub-total (A2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total shareholding of Promoter (A) = (A1)+(A2)</b>	<b>1</b>	<b>22,41,83,829</b>	<b>22,41,83,829</b>	<b>100%</b>	<b>100%</b>	<b>NIL</b>	<b>NIL</b>
	<b>B. Public Shareholding</b>							
<b>1.</b>	<b>Institutions</b>							
(a)	Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(g)	FII's	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(h)	Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(i)	Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Sub-total (B)(1):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>2.</b>	<b>Non- Institutions</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(a)	Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	i) Individual shareholders holding nominal share capital upto Rs.2 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Sub-total (B2):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total Public Shareholding (B)=(B1)+ (B2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Grand Total (A+B+C)</b>	<b>1</b>	<b>22,41,83,829</b>	<b>22,41,83,829</b>	<b>100%</b>	<b>100%</b>	<b>NIL</b>	<b>NIL</b>

## (b) Shareholding pattern post allotment of shares under the Scheme

Category Code	Category of Shareholder	No. of Share Holder	Total No. of Shares	No. of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VII I)/(IV)*10
<b>A.</b>	<b>Promoter and Promoter Group</b>							
(1)	<b>Indian</b>							
(a)	Individual/ HUF	2	50,194	50,194	0.29	0.29	0	0
(b)	Central Govt.	-	-	-	-	-	-	-
(c)	State Govt.(s)	-	-	-	-	-	-	-
(d)	Bodies Corp.	-	-	-	-	-	-	-
(e)	Banks / FI	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-
	<b>Sub-total (A1)</b>	2	50,194	50,194	0.29	0.29	0	0
(2)	<b>Foreign</b>							
(a)	NRIs Individuals	2	40,53,040	40,53,040	23.44	23.44	0	0
(b)	Other Individuals	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-
(e)	Any Other....	1	72,45,945	72,45,945	41.90	41.90	0	0
	<b>Sub-total (A2)</b>	2	1,12,98,985	1,12,98,985	65	65	0	0
	<b>Total shareholding of Promoter (A) = (A1)+(A2)</b>	4	1,13,49,179	1,13,49,179	65.63	65.63	0	0
	<b>B. Public Shareholding</b>							
<b>1.</b>	<b>Institutions</b>							
(a)	Mutual Funds	6	486	292	0	0	0	0
(b)	Banks / FI	5	324	119	0	0	0	0
(c)	Central Govt.	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-
(f)	Insurance Companies	4	38,114	37,507	0.22	0.22	0	0
(g)	NBFC registered with RBI	2	225	225	0	0	0	0
(h)	Other financial	2	232	0	0	0	0	0



	Institution							
	Bodies Corporate	1	397	397	0	0	0	0
(i)	Others (Specify) Foreign Institutions	4	34,814	34,814	0.20	0.20	0	0
	<b>Sub-total (B)(1):-</b>	19	39,381	38,143	0.23	0.23	0	0
<b>2.</b>	<b>Non- Institutions</b>							
(a)	Bodies Corp.	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-
(i)	Individual shareholders holding nominal share capital upto Rs.2 lakh	9,940	15,15,234	13,53,836	8.76	8.76	0	0
(ii)	Individual shareholders holding nominal share capital in excess of Rs.2 lakh	10	7,10,338	7,10,338	4.11	4.11	0	0
(c)	Others	-	-	-	-	-	-	-
	NBFCs registered with RBI	-	-	-	-	-	-	-
	Bodies Corporate	269	32,69,057	32,60,600	18.91	18.91	0	0
	Foreign Corporate Bodies (FCB)	1	19,401	19,401	0.11	0.11	0	0
	Non-Resident Indians	274	1,26,365	86,117	0.73	0.73	0	0
	Clearing Members	11	8,837	8,837				
	IEPF	1	2,27,530	2,27,530	1.32	1.32	0	0
	Fractional Shares	1	2,892	2,892	0.02	0.02	0	0
	<b>Sub-total (B2):-</b>		58,67,925	56,57,822	33.93	33.93	0	0
	Total Public Shareholding (B)=(B1)+ (B2)	10,518	59,42,517	57,31,176	34.37	34.37	0	0
	<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>10,536</b>	<b>1,72,91,696</b>	<b>*1,70,80,355</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

\* 99% of the total paid up share capital are held in dematerialized format.

vi. A List of top ten (10) Shareholders of the Company and the number of Equity Shares held by them is as under

a. Two years prior to the date of this Information Memorandum

Sl. No.	Name of Shareholder	Shareholding	% of total Capital
1.	GJS Hotels Limited	12,41,63,829	81%
2.	Asian Hotels (East) Limited	3,00,10,000	19%

b. One year prior to the date of this Information Memorandum (pre-scheme)

Sl. No.	Name of Shareholder	No. of Shares	% of total Capital
1.	Asian Hotels (East) Limited	22,41,83,823	99.99999732
2.	Mr. TN Thanikachalam (being the nominee of AHEL)	1	0.00000045
3.	Mr. Avali Srinivasan (being the nominee of AHEL)	1	0.00000045
4.	Mr. Bimal K Jhunjhunwala (being the nominee of AHEL)	1	0.00000045
5.	Mr. Saumen Chatterjee (being the nominee of AHEL)	1	0.00000045
6.	Mrs. Priti Saraf (being the nominee of AHEL)	1	0.00000044
7.	Mr. Amit Saraf (being the nominee of AHEL)	1	0.00000044

c. Ten days prior to the date of this Information Memorandum (post-scheme)

Sl. No.	Name of Shareholder	No. of Shares	% of total Capital
1.	Saraf Industries Limited	72,45,945	41.90
2.	Late Radhe Shyam Saraf	31,27,020	18.08
3.	Sachdeva Stocks Private Limited	10,50,000	6.07
4.	Ratna Saraf	9,26,020	5.36
5.	Lok Prakashan Ltd	8,02,494	4.64
6.	Whitepin Tie Up Limited	7,23,097	4.18
7.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	2,27,530	1.32
8.	Kapil Ahuja	1,92,282	1.38
9.	Surender Kumar Gupta	1,83,000	1.06
10.	Samra Importex Private Limited	1,57,380	0.91

d. As on the date of this Information Memorandum

Sl. No.	Name of Shareholder	No. of Shares	% of total Capital
1.	Saraf Industries Limited	72,45,945	41.90
2.	Late Radhe Shyam Saraf	31,27,020	18.08

3.	Sachdeva Stocks Private Limited	10,50,000	6.07
4.	Ratna Saraf	9,26,020	5.36
5.	Lok Prakashan Ltd	8,02,494	4.64
6.	Whitepin Tie Up Limited	7,23,097	4.18
7.	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	2,27,530	1.32
8.	Kapil Ahuja	1,92,282	1.38
9.	Surender Kumar Gupta	1,83,000	1.06
10.	Samra Importex Private Limited	1,57,380	0.91

**vii. Details of Shareholders holding more than one percent of the share capital of Robust Hotels Limited other than Promoter and Promoter group (Post Demerger)**

Sl. No.	Name of Shareholder	No. of Shares	% of total Capital
1.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	2,27,530	1.32
2.	Surender Kumar Gupta	1,83,000	1.06
3.	Kapil Ahuja	2,39,034	1.38
4.	Lok Prakashan Ltd	8,02,494	4.64
5.	Whitepin Tie Up Limited	7,23,097	4.18
6.	Sachdeva Stocks Private Limited	10,50,000	6.07

**viii. Details of Shareholding of Promoter and Promoter Group as on date if this Information Memorandum**

Sl. No.	Name of Promoter Shareholder	No. of Shares	% of Shareholding	Pledged Shares
1.	Saraf Industries Limited	7,245,945	41.90	-
2.	Umesh Saraf	37,096	0.21	-
3.	Arun Kumar Saraf	13,098	0.08	-
4.	Ratna Saraf	926,020	5.36	-
5.	Late Radhe Shyam Saraf	3,127,020	18.08	-
<b>TOTAL</b>		<b>11,349,179</b>	<b>65.63</b>	<b>-</b>

**ix. Equity Capital Built up of Promoter and Promoter Group in the Company:**

Sl. No.	Date of Allotment	No. of Shares Allotted	Face Value (FV) and Issue Price (IP)	Nature of Allotment and Consideration
1.	13.10.2022	11,349,179	FV – 10/- IP – NA	Pursuant to the Scheme, each Shareholder of AHEL was allotted fully paid up Equity Share of Face Value Rs.10/- each of RHL in the ratio 1:1.

- x. Details of the aggregate number of Equity Shares purchased or sold by the Promoters and/or by the Directors of the Company which is a Promoter of Asian Hotels (East) Limited and/or by its Directors and their immediate relatives within six months immediately preceding the date of filing Information Memorandum – Nil.

- xi. Details of the maximum and minimum price at which purchases and sales referred to above were made, along with the relevant dates. – Not Applicable.
- xii. Details of transfers among the Promoters during the period from date of approval of Scheme till the date of Information Memorandum - Nil, However Late Radhe Shyam Saraf's shares are pending to be transferred.
- xiii. Details of all financing arrangements whereby the Promoter Group, the Directors of the Company which is a Promoter of Asian Hotels (East) Limited, the Directors of Asian Hotels (East) Limited and their relatives have financed the purchase by any other person of securities of Asian Hotels (East) Limited other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing the Information Memorandum. - Nil
- xiv. Details of Lock-in of shares of Promoters (Pre and Post Demerger) - Nil
- xv. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.
- xvi. The Company has not instituted any employee stock option scheme as on the date of this Information Memorandum.
- xvii. As on the date of filing the Information Memorandum, there are no outstanding financial instruments or any other right, which would entitle the Promoters or shareholders or any other person any option to receive equity shares after the Issue. The Company does not have any shares to be allotted, which are outstanding under ESOPs.
- xviii. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
- xix. We have not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
- xx. At any given time, there shall be only one denomination of the Equity Shares of the Company and the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time. The Equity Shareholders of the Company do not hold any warrant, option or convertible loan or debenture, which would entitle them to acquire further shares in the Company.
- xxi. The Company has 10536 shareholders as on the date of filing the Information Memorandum.
- xxii. The Equity Shares held by the Promoters are not subject to any pledge.
- xxiii. As on date of this Information Memorandum, there are no partly paid up shares.
- xxiv. There have been no financial arrangements whereby the Promoter, Promoter Group, the Directors and their relatives have financed the purchase by any other person of securities of the Company.

## **SCHEME OF ARRANGEMENT**

The Hon'ble National Company Law Tribunal, Chennai and Kolkata Benches vide their certified order issued on 24<sup>th</sup> January, 2022 and 05<sup>th</sup> September, 2022 respectively, has sanctioned the Scheme of Arrangement, Demerger and Reduction of Capital u/s 230 to 232 of the Companies Act, 2013, between Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective shareholders and creditors, whereby the Demerged Undertaking of Asian Hotels (East) Limited have been transferred to and vested in Resulting Company with effect from 21.09.2022 (i.e. the Appointed Date under the Scheme) under Sections 230 to 232 of the Companies Act, 2013. The Scheme is operative and effective from the Appointed Date i.e., 21.09.2022.

Pursuant to the Scheme of Arrangement taking effect from the appointed date, (i) all assets and liabilities of the Securities Trading Unit of Asian Hotels (East) Limited were transferred to and were vested in the Company, (ii) all legal or other proceedings by or against Asian Hotels (East) Limited relating to the Securities Trading Unit were transferred to the Company, (iii) Asian Hotels (East) Limited was substituted by the Company in all contracts and legal proceedings pertaining to the Securities Trading Unit; and (iv) employees of Asian Hotels (East) Limited engaged in activities pertaining to the Securities Trading Unit became the employees of the Company.

### **1. OVERVIEW, OBJECTS AND BENEFITS OF THE SCHEME**

#### **OVERVIEW OF THE SCHEME OF ARRANGEMENT**

This Scheme contemplates *inter alia* the demerger and transfer of the Demerged Undertaking from AHEL into and with RHPL as a going concern, in accordance with Sections 230-232 of the 2013 Act and in compliance with Section 2(19AA) of IT Act, and reduction and cancellation of equity shares of RHPL held by AHEL (without payment of consideration), in terms of Section 66 of the 2013 Act and used for *inter alia* wiping out its losses. In addition, as an integral part of the Scheme, AHEL shall make a bonus issue in accordance with Sections 63 of the 2013 Act of fully paid-up equity shares to its equity shareholders (as of the Record Date) in 1:2 ratio, that is, 1 (one) new bonus fully paid-up equity share having face value of Rs. 10 (Indian Rupees ten) for every 2 (two) Equity Shares of the AHEL having face value of Rs. 10 (Indian Rupees ten) each held by a shareholder of AHEL as of the Record Date.

After the effectiveness of this Scheme, the Share Capital of RHPL consisting of the fully paid-up New Equity Shares of RHPL issued as consideration in terms of Part IV of this Scheme to the shareholders of AHEL shall be listed on the Stock Exchanges in accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time. Further, as an integral part of the Scheme, Equity Shares of RHPL (presently held by AHEL) shall stand cancelled and reduced (without payment of consideration) without any further act and deed, and hence this Scheme contemplates approval of the Tribunal(s) in terms of Section 66 of the 2013 Act, in addition to Sections 230-232 of the 2013 Act.

#### **OBJECTS AND RATIONALE OF THIS SCHEME**

AHEL primarily operates in two business segments through separate business divisions: (i) its Hotel Division is engaged in the operation and management of the Hyatt Regency, Kolkata; and (ii) its Investment Division comprising of: (a) Strategic Investments Unit, b) Securities Trading Unit.

Each of the businesses carried on by AHEL by itself and along with its subsidiaries have significant potential for growth and profitability, however, the nature of risk, competition, challenges, opportunities and business methods for AHEL and RHPL are very different. The proposed demerger would result in segregation and transfer of the Securities Trading Unit into RHPL / Resulting Company and continued housing of the Hotel Division in AHEL/ Demerged Company.

**BENEFITS OF THE SCHEME:**

- (i) Unlocking the value of AHEL shares to its shareholders, which is presently getting subdued on account of subdued performance and balance sheet of RHPL;
- (ii) Possible release of guarantee(s) presently given by AHEL to the lenders of RHPL. This would clear the contingent liability as appearing in the financial statements of AHEL, and will potentially improve the credit rating of AHEL, thereby enabling reduction in cost of finance for AHEL and better price discovery on the stock market;
- (iii) Pursuant to the Scheme, the Equity Shares of RHPL shall also be entitled to the benefit of getting listed on the Stock Exchanges pursuant to the SEBI Circular. Therefore, shareholders of AHEL (as of the Record Date) shall, as a result of the Scheme, hold Equity Shares of 2 (two) listed entities, AHEL and RHPL. Such shareholders would then be able to choose to remain invested in both or either of AHEL and RHPL, giving them greater flexibility in managing / dealing with their investments in different companies, being AHEL and RHPL in view of their respective businesses, and individual risk profiles;
- (iv) Improving the balance sheet of RHPL and its credit rating by providing liquid assets and resources that would enable enhancement in future profitability without any sacrifice of value by the shareholders of AHEL, enabling potential turn-around and/or expansion programs for RHPL, and assist RHPL in supporting and potentially reducing its debt burden and cost of borrowing;
- (v) Enable unlocking of the true value of the RHPL for the shareholders of AHEL (in a separate entity, being RHPL), which does not appear to be reflecting fully and accurately in the present consolidated market valuation of AHEL on account of there being a holding company discount;
- (vi) Provide scope for attracting and accessing targeted funding and investors for each of AHEL and RHPL and provide better flexibility in pursuing long term growth plans and strategies for the separate companies AHEL and RHPL, instead of RHPL continuing to use AHEL's credit rating and guarantees and equity funds;
- (vii) Enable the management of AHEL to evaluate the performance of the Hotel Division on an independent basis and keep its risks (if any) ring-fenced; and
- (viii) Enable enhanced strategic flexibility and focus of the respective managements of AHEL and RHPL, thereby facilitating the separate managements to efficiently exploit opportunities for each of the said businesses.

The Scheme Entities believe that this Scheme is in the best interests of the Scheme Entities and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility and better access to funds to both AHEL and RHPL.

## 2. IMPORTANT DEFINITIONS

“**Appointed Date**” means the Effective Date (beginning of business hours) or such other date as may be directed / approved by the Tribunal(s), being the date with effect from which this Scheme shall, post effectiveness of this Scheme, be operative;

“**Demerged Undertaking**” means the undertaking, business, activities and operations of the AHEL pertaining to Securities Trading Unit, and specifically including any and all:(i) Assets of the Demerged Undertaking; and (ii) Liabilities of the Demerged Undertaking;

“**Effective Date**” has the meaning assigned to such term in Clause 0; Any references in this Scheme to “upon this Scheme becoming effective” or “upon the effectiveness of this Scheme” or “post effectiveness of this Scheme” means and refers to the Effective Date;

“**Investment Division**” means the separate ‘Investments including investment in Hotel (South)’ division of AHEL consisting of (A) the Strategic Investments Unit and (B) the Securities Trading Unit.

“**Investments of the Demerged Undertaking**” means investments of all kinds (including shares whether in dematerialised or physical form, scrips, stocks, bonds, debenture stock, units, units of mutual fund schemes, pass through certificates or security receipts) pertaining to the Securities Trading Unit, including all investments made out of shareholders’ funds, all cash balances with banks, money at call and short notice, loans, advances, contingent rights or benefits, securitized assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, buildings, structures and offices held for the benefit of, or enjoyed by, or to which, AHEL may be entitled and the depository participant accounts;

“**Record Date**” means the date to be fixed by the Board of Directors of AHEL in consultation with the Board of Directors of RHPL in terms of Clause 6.9 of or the purpose of (i) issue of Bonus Shares in terms of Part III of this Scheme; and (ii) issue of fully paid-up New Equity Shares of RHPL by RHPL to the shareholders of AHEL in terms of Part IV of this Scheme;

## 3. REORGANISATION OF CAPITAL

### Issue of Bonus Equity Shares

Upon the Scheme becoming effective, AHEL shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Registrar of Members of the Company and/or the records of the depository(ies) as equity shareholder of AHEL on the Record Date, in the ratio of 1:2, that is, 1 (one) new bonus fully paid-up equity share having face value of Rs. 10 (Indian Rupees ten) (“Bonus Shares”) for every 2 (two) Equity Shares of the AHEL having face value of Rs. 10 (Indian Rupees ten) each held by a shareholder of AHEL as of the Record Date.

The Bonus Shares to be issued and allotted by AHEL shall be subject to the provisions of the Memorandum of Association and Articles of Association of AHEL and shall rank *pari passu* with the Equity Shares of AHEL in every respect.

As soon as practicable after the issuance of Bonus Shares, AHEL shall take necessary steps towards listing of the Bonus Shares on the Stock Exchanges, subject to all regulatory approvals and Applicable Law.

#### Issuance mechanics and other relevant provisions

The issuance and allotment of Bonus Shares to the shareholders of AHEL in terms of Part III of this Scheme is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under the 2013 Act, including Section 63, as well as all applicable SEBI regulations have been complied with.

Subject to Applicable Laws, the Bonus Shares shall be issued in dematerialised form, unless a shareholder of AHEL gives a notice to AHEL on or before the Record Date, requesting for issuance of Bonus Shares in physical form. The shareholders of AHEL shall provide such confirmation, information and details as may be required by AHEL to issue the Bonus Shares.

For the purpose of the allotment of Bonus Shares, in case any member's holding in AHEL is such that the member becomes entitled to a fraction of a Bonus Share, AHEL shall not issue fractional Bonus Shares to such members, but shall consolidate all such fractions and issue such consolidated number of Bonus Shares (any further fractions being ignored) to a person, who shall act as a trustee of such Bonus Shares for the limited purpose mentioned herein, nominated by the Board of AHEL in that behalf, who shall sell such shares as and when he deems fit, but within a period of one year from the Effective Date, and shall distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion to the respective fractional entitlements in the Bonus Shares.

No Bonus Shares will be issued under this Scheme in respect of any equity shares of AHEL that have been forfeited or partly paid. The issuance of Bonus Shares pursuant to this Scheme in respect of any equity shares of AHEL which are held in abeyance shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by AHEL. The Equity Shares lying in 'Unclaimed Suspense Account' (if any) and the Equity Shares held in the Investor Education and Protection Fund (if any) shall also be eligible for issuance of Bonus Shares and such Bonus Shares shall be dealt with in the same manner as Equity Shares lying in the said Unclaimed Suspense Account and/or the Investor Education and Protection Fund (as the case may be).

Bonus Shares shall be granted exclusively to the equity shareholders of AHEL as on the Record Date. This Scheme or Part III hereon does not, in any manner, constitute an offer or an invitation to the public to subscribe to the Bonus Shares / Equity Shares of AHEL. Neither the Scheme nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.

In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of AHEL, the Board of Directors of AHEL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in AHEL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in AHEL and in relation to the issuance of Bonus Shares. The Board of Directors of AHEL shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme in regard to issuance of Bonus Shares.



#### Accounting Treatment

The Bonus Shares shall be issued by utilizing (capitalising) the entire amount in the Capital Redemption Reserve Account of AHEL pursuant to which the Capital Redemption Reserve Account shall be left with nil balance; and thereafter to the extent required from the General Reserves of AHEL.

#### **4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

Upon this Scheme becoming effective and with effect from the Appointed Date, all the present and future assets and liabilities of the Demerged Undertaking as on the Appointed Date, whether known or unknown, and the entire business of the Demerged Undertaking shall stand transferred to and vested in RHPL, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, in accordance with Sections 230 to 232 of the 2013 Act and other provisions of Applicable Laws, if any, and the provisions contained herein.

Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) all Assets of the Demerged Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recording, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in RHPL, wherever located, and shall become the property and an integral part of RHPL in terms of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recorded, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) all Assets of the Demerged Undertaking that are movable properties, other than those described under sub-clause (i) above, including investments in shares and any other securities, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities, customers and other Persons shall, without any further act or deed, become the property of RHPL and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. For the avoidance of doubt, it is clarified that investments of the Demerged Undertaking shall, pursuant to Sections 230 to 232 of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in RHPL with effect from the Appointed Date.
- (iii) all Assets of the Demerged Undertaking that are immovable properties (whether owned, or leased / licensed), including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in and, or, be deemed to have been transferred to and vested in RHPL, without any further act or deed, pursuant to applicable provisions of the 2013 Act and the provisions of this Scheme. RHPL shall be entitled to exercise all

rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to RHPL.

- (iv) all Liabilities of the Demerged Undertaking shall, pursuant to Sections 230 to 232 of the 2013 Act and the provisions of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of RHPL, without any further act or deed, and RHPL shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (v) all Contracts of the Demerged Undertaking shall be and remain in full force and effect on, against or in favour of RHPL and may be enforced as fully and effectually as if, instead of AHEL, RHPL had been a party or beneficiary or obligor thereto. All Contracts of the Demerged Undertaking shall stand transferred and vested in favour of RHPL on the same terms and conditions. RHPL and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (vi) any notices, disputes, pending suits / appeals, legal, taxation, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to Demerged Undertaking, whether pending on the Appointed Date or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of demerger and vesting of the Demerged Undertaking in RHPL or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against RHPL in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against Demerged Undertaking, as if this Scheme had not been implemented.
- (vii) all the property, assets and liabilities of the Demerged Undertaking shall be transferred by AHEL to RHPL at the values appearing in the books of account of AHEL on the Appointed Date. The accounts of AHEL and RHPL shall be reconstructed in accordance with Applicable Laws and the relevant provisions of this Scheme. Upon the Scheme becoming effective, the accounts of AHEL and RHPL shall be restated with effect from the Appointed Date, as specified in the Scheme and as per directions of the Tribunal in this regard (if any). The income-tax returns, GST returns and other returns of each of AHEL and RHPL (as filed for any period after the Appointed Date) may be revised and re-filed accordingly.
- (viii) all Employees of the Demerged Undertaking shall become employees of RHPL with effect from the Effective Date, on such terms and conditions as are no less favourable in aggregate than those on which they are currently engaged by the Demerged Undertaking, without any interruption of service as a result of this demerger and transfer. With regard

to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such Employees of the Demerged Undertaking, upon this Scheme becoming effective, RHPL shall stand substituted for AHEL for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by AHEL, in accordance with the provisions of Applicable Laws or otherwise. RHPL undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the Employees of the Demerged Undertaking, the past services of such Employees of the Demerged Undertaking shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Demerged Undertaking will transfer / handover to RHPL, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its employees and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause. RHPL shall continue to abide by any agreement(s) / settlement(s) entered into / by AHEL with any of the Employees of the Demerged Undertaking prior to the Appointed Date and from the Appointed Date till Effective Date. In case of conflict of any positions / designations between the current employees of RHPL and the employees transferred from AHEL as a consequence of this Scheme, the Board of Directors of RHPL shall be entitled to re-classify the designation of any relevant employee to resolve such conflict.

- (ix) All IPR of the Demerged Undertaking shall stand transferred to and vested in RHPL.
- (x) All Deposits and Balances of the Demerged Undertaking shall stand transferred to and vested in RHPL.
- (xi) All Books and Records of the Demerged Undertaking shall stand transferred to and vested in RHPL.
- (xii) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, stamp duty etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of AHEL in connection with the Demerged Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds / credits / claims, as the case may be, of RHPL and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, tax losses, including brought forward business loss, unabsorbed depreciation, etc., as would have been available to AHEL in connection with the Demerged Undertaking, shall pursuant to this Scheme becoming effective, be available to RHPL.
- (xiii) all Licenses of the Demerged Undertaking shall be in full force and effect in favour of RHPL and may be enforced as fully and effectually as if, instead of AHEL, RHPL had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that

if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of RHPL pursuant to the sanction of this Scheme by the Tribunal and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, RHPL shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.

- (xiv) benefits of any and all corporate approvals as may have already been taken by AHEL in connection with the Demerged Undertaking, including approvals under Sections 42, 62(1A), 180, 185, 186 and 188 of the 2013 Act shall stand transferred to RHPL and the said corporate approvals and compliances shall be deemed to have been taken / complied with by RHPL.
- (xv) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by AHEL in regard to the Demerged Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of RHPL and shall, upon this Scheme becoming effective, pursuant to the provisions of Sections 230 to 232 of the 2013 Act and this Scheme, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in RHPL to that extent and shall become the estates, assets, right, title, interests and authorities of RHPL.
- (xvi) all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of AHEL (insofar as the same pertains to the Demerged Undertaking) after the Effective Date, shall be accepted by the bankers of RHPL and credited to the accounts of RHPL, if presented by RHPL.

It is clarified that no assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licences, employees and books and records of AHEL, except those pertaining to the Demerged Undertaking (which are transferred to Resulting Company in terms of the Clause 0), shall be transferred to, or vested in, RHPL in terms of the provisions of Part IV of this Scheme.

Upon this Scheme becoming effective and the consequent demerger and vesting of the Demerged Undertaking into and with RHPL, the secured creditors of AHEL, if any, shall not be entitled to any encumbrance over any of the assets of the Demerged Undertaking. It is clarified that all the assets of the Demerged Undertaking shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by RHPL in accordance with the provisions of Applicable Laws. For this purpose, no further consent from the existing secured creditors of AHEL, if any, shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors, if any.

RHPL shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of AHEL, in relation to the Demerged Undertaking, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. RHPL shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of AHEL in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on

the part of AHEL *inter alia* in its capacity as the successor-in-interest of AHEL in relation to the Demerged Undertaking.

RHPL shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by AHEL in connection with the Demerged Undertaking. It is clarified that if the consent of any third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of RHPL pursuant to the sanction of this Scheme by the Tribunals, and upon this Scheme becoming effective. RHPL shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and RHPL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of AHEL insofar as the same are in connection with the Demerged Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

## **5. PAYMENT OF CONSIDERATION FOR DEMERGED UNDERTAKING**

Upon this Scheme coming into effect, the shareholders of AHEL as of Record Date shall be entitled to receive Equity Shares of RHPL as detailed in this Clause 4.2 of this Scheme.

AHEL and RHPL have engaged Mr. Mahim S. Mehta, a Registered Valuer (as defined in the Companies (Registered Valuers and Valuation) Rules, 2017), to provide a Capital Allocation Report / Share Entitlement Report. In connection with such engagement, Mr. Mahim S. Mehta has issued a Capital Allocation Report / Share Entitlement Report dated January 13, 2020. AHEL and RHPL had engaged D&A Financial Services (P) Limited, Merchant Bankers, to provide a fairness opinion on Share Entitlement Ratio adopted under this Scheme. In connection with such engagement, D&A Financial Services (P) Limited, Merchant Banker has issued a fairness opinion dated January 13, 2020 (“Fairness Opinion”). The Board of Directors of each of AHEL and RHPL have determined the Share Entitlement Ratio as 1:1, based on their independent judgment and after taking into consideration the aforesaid Capital Allocation Report / Share Entitlement Report and Fairness Opinion (“Share Entitlement Ratio”). Therefore, 1 (one) Equity Share of RHPL having a face value of Rs. 10 (Indian rupees ten) each shall be issued and allotted to shareholders of AHEL for every 1 (one) Equity Share of AHEL having a face value of Rs. 10 (Indian rupees ten) each, held by shareholders of AHEL as of the Record Date.

In aggregate RHPL shall issue and allot 17,291,696 (one crore seventy-two lac ninety-one thousand six hundred ninety six) New Equity Shares having a face value of Rs. 10 (Indian rupees ten) each, fully paid-up, to the shareholders of AHEL as on Record Date, in a manner and proportion such that pursuant to such issuance and allotment (and reduction of capital in terms of Part V) on the Effective Date, the shareholding pattern (in terms of number of equity shares) and *inter-se* shareholding percentage of shareholders of RHPL shall mirror the shareholding pattern (in terms of number of equity shares) and *inter-se* shareholding percentage of the shareholders of AHEL, as on the Record Date.

### Issuance mechanics and other relevant provisions

There shall be no change in the shareholding pattern of RHPL between the Record Date and the date on which the New Equity Shares are listed in terms of the SEBI Circular, which may affect the status of the observation / no-objection letter issued by the Stock Exchanges in respect of the Scheme (in terms of Regulations 37 of SEBI LODR). Subject to the above, in the event that AHEL and, or, RHPL, as the case may be, change their capital structures prior to the Effective Date, either by way of any increase (by issue of Equity Shares, bonus shares, convertible securities or otherwise), decrease, reduction, reclassification, sub-division, consolidation, or re-organisation in any other manner except as specifically provided in this Scheme itself, which would have the effect of bringing some change to the capital structures of such company(ies), subject to the approval of the Scheme Entities, the Share Entitlement Ratio and / or number consideration shares to be issued (as applicable) shall stand modified / adjusted accordingly to take into account the effect of such corporate actions.

Subject to Applicable Laws, the fully paid-up New Equity Shares of RHPL that are to be issued in terms of Clause 4.2 shall be issued in dematerialised form, unless a shareholder of AHEL gives a notice to AHEL and RHPL on or before the Record Date, requesting for issuance of such Equity Shares in physical form. The shareholders of AHEL shall provide such confirmation, information and details as may be required by RHPL to enable it to issue the aforementioned Equity Shares. However, if as of the date of allotment by RHPL, AHEL is unable to provide the details of the demat account of any particular shareholder, subject to applicable law, RHPL shall allot the appropriate number of New Shares to such shareholder in physical form. Notwithstanding the above, if as per Applicable Laws, RHPL is not permitted to issue and allot the New Equity Shares in physical form, and it has still not received the demat account details of certain shareholders of AHEL, it shall issue and allot such shares in lieu of the New Equity Share entitlement of such shareholders, into a demat suspense account, which shall be operated by one of the directors of RHPL, duly authorised in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlement, will transfer from such demat suspense account into the individual demat accounts of such claimant shareholders, such number of shares as may be required in terms of this Scheme.

Equity shares to be issued by RHPL pursuant to Clause 4.2 in respect of Equity Shares of the shareholders of AHEL which are held in abeyance shall also be kept in abeyance.

In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of AHEL, the Board of Directors of AHEL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in AHEL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in AHEL and in relation to the Equity Shares issued by RHPL upon the effectiveness of this Scheme. The Board of Directors of AHEL and RHPL shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in RHPL on account of difficulties faced in the transition period.

The New Equity Shares to be issued and allotted by RHPL in terms of Clause 4.2 shall be subject to the provisions of the Memorandum of Association and Articles of Association of RHPL, and shall rank *pari passu* with the Equity Shares of RHPL.

The issuance and allotment of Equity Shares by RHPL to the shareholders of AHEL in terms of Part IV of this Scheme is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62 and other applicable provisions of the 2013 Act, as well as all applicable SEBI regulations have been complied with.

RHPL shall apply to the Stock Exchanges and SEBI for listing and admission of all the Equity Shares of RHPL (including the New Equity Shares of RHPL) to trading in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, read with Applicable Laws. RHPL shall enter into such arrangements, complete such formalities and give such confirmations and/or undertakings to the Stock Exchanges as may be necessary in accordance with the Applicable Laws for the listing of Equity Shares of RHPL.

The New Equity Shares of RHPL issued and allotted pursuant to the Scheme shall remain frozen in the depository system until listing/trading permission is given by the designated Stock Exchange for such New Equity Shares of RHPL.

RHPL shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of RHPL by RHPL to non-resident equity shareholders of AHEL, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment.

## **6. ACCOUNTING TREATMENT**

### Accounting treatment in the books of AHEL:

- (i) Upon this Scheme becoming effective, the book value of assets and liabilities of the Demerged Undertaking as appearing in the books of account of AHEL and transferred to RHPL shall be reduced from the book value of assets and liabilities of AHEL as on the close of business on the day immediately preceding the Appointed Date.
- (ii) The difference between the book value of assets and liabilities of the Demerged Undertaking, shall be accounted for under 'Demerger Adjustment Account', which shall be specifically created to account for this balance; and thereafter the same shall be adjusted/set-off first against the amount lying to the credit of the Capital Reserve Account, and thereafter against the amount lying to the credit of the General Reserve Account of AHEL.
- (iii) Notwithstanding the above, the Board of Directors of AHEL, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate and is authorized by the Accounting Standards and/or Generally Accepted Accounting Principles.

### Accounting treatment in the books of RHPL:

- (i) Upon coming into effect of this Scheme, Transferee Company shall record the assets and liabilities transferred to and vested in it pursuant to this Scheme, at the same book values as appearing in the books of AHEL as on the close of business on the day immediately prior to the Appointed Date.

- (ii) RHPL shall credit its Share Capital Account in its books of account with the aggregate face value of the New Equity Shares issued to the shareholders of AHEL by it in terms of Clause 4.2, and reduce its Share Capital Account to the extent of Equity Shares of RHPL held by AHEL which are reduced and cancelled in terms of Part V of this Scheme.
- (iii) The intangible assets and goodwill transferred or arising as a result of the demerger, if any, shall be amortized in the books of accounts of RHPL in accordance with the Accounting Standards.
- (iv) The surplus or deficit, if any, of the value of the assets over the value of the liabilities of the Demerged Undertaking acquired pursuant to this Scheme by RHPL, shall, after adjusting for the value of the New Equity Shares issued by RHPL to the shareholders of AHEL pursuant to this Scheme, shall be: (a) in case of a surplus, recorded as and credited to the Capital Reserve Account, in the books of RHPL, and (b) in case of a deficit, recorded as and debited to the Goodwill Account in the books of RHPL.

Notwithstanding the above, the Board of Directors of AHEL and/or RHPL, in consultation with its respective statutory auditor(s), is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate and in accordance with the Generally Accepted Accounting Principles (GAAP).

## **7. REDUCTION OF CAPITAL IN RHPL**

### **Reduction of Capital in RHPL**

The Existing Equity Shares of RHPL held by AHEL shall be reduced and cancelled (without payment of any consideration) as an integral part of the Scheme in order to present a true and fair picture of the capital structure, business, assets and financials of RHPL, in particular, the profits/losses in RHPL. The reduction does not involve either a diminution of liability in respect of share capital not paid-up or payment of paid-up share capital of RHPL to any person.

No prejudice will be caused to shareholders and/or creditors of RHPL by the aforesaid reduction of capital. The creditors of RHPL shall not be adversely affected by the proposed reduction of the share capital as there will be no reduction in the amounts payable to any of them, and no payment is involved to any shareholder as well. Further, the reduction of capital would not adversely affect the business or operations of RHPL or its ability to honour its commitments or pay the debts in the ordinary course of business. The Scheme does not in any manner alter, vary or affect the rights of the creditors. The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

The consent of the shareholders and creditors of the RHPL to this Scheme shall be deemed to be their consent under the provisions of Section 66 of the 2013 Act as well. RHPL shall not be required to (i) convene separate meeting to seek approval for cancellation of shares; or (ii) add “*And Reduced*” as suffix to its name, or (iii) otherwise separately comply with the procedure specified in Section 66 of the 2013 Act, and its compliance with applicable provisions of Sections 230-232 of the 2013 Act shall be deemed as adequate compliance with the procedure specified in Section 66 of the 2013 Act. The Tribunal(s)’ sanction for this Scheme shall be deemed to be the Tribunal’s approval under Section 66 of the 2013 Act, for reduction and re organization of capital by RHPL, as contemplated as an integral part of this Scheme.



Upon this Scheme becoming effective and after the allotment of the New Equity Shares by RHPL in terms of Clause 4.2, and reduction of Equity Shares of RHPL held by AHEL in terms of this Clause 4.4, the issued, subscribed and paid-up capital of RHPL shall be Rs.17,29,16,960 (Indian rupees seventeen crore twenty-nine lac sixteen thousand nine hundred sixty only) consisting of 17,291,696 fully paid-up New Equity Shares having a face value of Rs. 10 (Indian rupees ten) each.

#### Accounting Treatment in the books of AHEL

Pursuant to such reduction of capital, the investment amount of Rs. 567,00,00,000 (Indian rupees five hundred sixty-seven crore) as appearing in the books of AHEL under the head 'Investments', being shares held in RHPL, shall stand cancelled, and the same shall be adjusted against the amount lying to the credit of the General Reserve Account of AHEL, pursuant to which the General Reserve Account of AHEL shall be left with nil balance; and thereafter shall be adjusted against the amount lying to the credit of the Profit And Loss Account of AHEL, to the extent required.

#### Accounting Treatment in the books of RHPL

Pursuant to such reduction of capital in RHPL, an amount equivalent to the face value of the Existing Equity Shares (of RHPL held by AHEL) which are being reduced shall first be credited to the Capital Reconstruction Reserve Account of RHPL. Thereafter, the debit balance of the Profit And Loss Account of RHPL to the extent of INR 110 Crore consisting of unabsorbed book losses and unabsorbed book depreciation (in equal proportion) shall be adjusted against the amount lying to the credit of the Capital Reconstruction Reserve Account.

### **8. GENERAL TERMS AND CONDITIONS**

The Appointed Date shall be deemed to be the 'acquisition date' for all purposes, including for the purposes of accounts of AHEL and RHPL.

Conduct of business till Effective Date

With effect from the Appointed Date and up to and including the Effective Date:

- (i) *the business pertaining to the Demerged Undertaking shall be deemed to have been carried on account of, and the properties and assets of Demerged Undertaking shall be deemed to have been held for and in trust for, RHPL; and*
- (ii) *all profits or income arising or accruing to or received in regard to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax etc.) or losses arising in or incurred in regard to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of RHPL.*

## Alteration of the Memorandum and Articles of Association of RHPL

### Amendment of Main Objects

Upon this Scheme becoming effective and with effect from Appointed Date, the main objects clause of the Memorandum of Association of RHPL shall be amended to include the following main objects. Accordingly, the Memorandum of Association of RHPL shall stand modified by inclusion of the following additional paragraph in the main objects as paragraph 4 in Clause III(A) of the Memorandum of Association of RHPL after the existing paragraph 3:

*“4. To deal with or to act as an investor by the way of acquiring, holding, selling, buying, transferring, subscribing to any shares, bonds, stocks, debentures or any other securities, of any kind, issued by or guaranteed by any government, public body, incorporated entity, authority, state, sovereign, commissioners, trusts, provincial, municipal body, or otherwise, whether in India or elsewhere, or units issued by mutual funds, and to act as guarantors, financiers, underwriters, and to lend money or deal with money, either with or without interest to such individuals, firms, body corporates and institutions and upon such terms and conditions as the Company may deem expedient but not amounting to banking business as defined under the Banking Regulations Act, 1949.”*

### Conversion into Public Company

As of the Appointed Date, RHPL / Resulting Company is a ‘deemed public company’ in terms of the 2013 Act. Upon this Scheme becoming effective, and as an integral part and consequence thereof, RHPL shall stand converted into a ‘public company’ in terms of the 2013 Act. As the conversion of RHPL into a ‘public company’ is an integral part and consequence of the Scheme, the consent of shareholders of the RHPL to this Scheme shall be deemed to be their consent for such conversion as required under the 2013 Act, including in terms of Section 13, Section 14 and Section 18 of the 2013 Act read with Rule 29 and Rule 33 of the Companies (Incorporation) Rules, 2014; *provided that* the Memorandum of Association and Articles of Association of RHPL shall be amended (to the extent) required reflect such conversion, including the name clause, as required in terms of the 2013 Act, and accordingly upon the Scheme becoming effective: (i) Clause I of the Memorandum of Association of RHPL shall stand replaced by inclusion of the following clause: *“The name of the Company is Robust Hotel Limited”* (or such other name as may be approved by Registrar of Companies, Chennai and be acceptable to RHPL) and consequent changes shall be carried out in the Articles of Association of RHPL; (ii) the word “Private” appearing in the name of the RHPL in the Articles of Association and Memorandum of Association of the RHPL shall stand deleted; and (iii) provisions in the Articles of Association of RHPL: (a) restricting the right to transfer shares; (b) limiting the number of members to 200 (two hundred); and (c) prohibiting any invitation to the public to subscribe for any securities shall stand deleted. Further, provisions regarding minimum number of directors and minimum number of shareholders shall stand modified as per applicable law.

### Deemed Approval of Shareholders for Amendments

The consent of the shareholders of RHPL to this Scheme shall be sufficient for the purposes of effecting each of the amendments contemplated in this Clause 0, and no further resolutions or approval, whether under Sections 13, Section 14, Section 18 of the 2013 Act, any other applicable provisions of the 2013 Act or under the Articles of Association of RHPL, shall be required to be separately passed, nor shall RHPL be required to pay any additional registration fees, stamp duty, etc.

### Filing of Applications / Petitions with Tribunal(s)

The Scheme entities shall, with all reasonable dispatch, make their respective applications or a joint application to the jurisdictional Tribunals under Sections 230 and 232 read with Section 66 of the 2013 Act and other applicable provisions thereof, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of such classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the Tribunal(s).

Upon this Scheme being approved by the requisite majority of the shareholders and creditors of each of the Scheme Entities (wherever required), each of the Scheme Entities shall, with all reasonable dispatch, file respective petitions before the jurisdictional Tribunal(s) for sanction of this Scheme under Sections 230 to 232 of the 2013 Act, and other applicable provisions thereof, and for such other order or orders, as Tribunal(s) may deem fit for sanctioning/giving effect to this Scheme. Upon this Scheme becoming effective, the shareholders of each of the Scheme Entities, shall be deemed to have also accorded their approval under all relevant provisions of the 2013 Act, as applicable, for giving effect to the provisions contained in this Scheme.

### Effectiveness of the Scheme

This Scheme is conditional upon, and shall become effective on the happening of the last of the following (“Effective Date”):

- (iii) *this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors (if required) of each of the Scheme Entities as required under the 2013 Act;*
- (iv) *the Scheme being sanctioned by the jurisdictional Tribunal(s) and appropriate orders being passed by the Tribunal(s) pursuant to Sections 230 and 232 of the 2013 Act and other relevant provisions thereof, as applicable; and*
- (v) *certified copies of the relevant Orders of the Tribunal(s) being filed with the Registrar of Companies, West Bengal by AHEL, and Registrar of Companies, Chennai by RHPL.*

This Scheme shall become effective from the Effective Date, and the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

### Sequence of Events

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative on Effective Date, only in the sequence and in the order mentioned hereunder:

- (vi) *issue and allotment of Bonus Shares by AHEL;*
- (vii) *amendment to the memorandum and articles of association of RHPL as provided in this Scheme;*

- (viii) *demerger and vesting of the Demerged Undertaking from AHEL into and with RHPL in accordance with Part IV of this Scheme;*
- (ix) *issue and allotment of fully paid-up New Equity Shares of RHPL to the shareholders of AHEL as of Record Date in accordance with Part IV of this Scheme; and*
- (x) *reduction and cancellation of Existing Equity Shares of RHPL held by AHEL in accordance with Part V of this Scheme.*

#### Record Date

After this Scheme is sanctioned but before it becomes effective, the Board of Directors of AHEL shall, in consultation with the Board of Directors of RHPL, determine the record date (“Record Date”) for (i) issuance of Bonus Shares; and (ii) the issuance and allotment of Equity Shares of RHPL to the shareholders of AHEL in terms of the Scheme and the direction of the Tribunal in this regard (if any). On determination of Record Date, AHEL shall provide to RHPL, the list of its shareholders as on such Record Date, who are entitled to receive the Equity Shares in RHPL in terms of this Scheme in order to enable RHPL to issue and allot such Equity Shares to such shareholders of AHEL.

#### Binding Effect

Upon this Scheme becoming effective it shall be binding on the Scheme Entities, their respective shareholders, creditors and all other stakeholders.

#### Miscellaneous

AHEL shall comply with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time, while inter alia procuring the approval of its public shareholders and shall provide for voting by such public shareholders through postal ballot and e-voting. For the purposes of this Clause 6.11.1, the term ‘public’ shall have the meaning ascribed to such term under rule 2 of Securities Contracts (Regulation) Rules, 1957. The Scheme is conditional upon being approved by the public shareholders of AHEL through e-voting in terms of Para 9(a) of Part I of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017 (as amended from time to time) and the Scheme shall be acted upon only if votes cast by the public shareholders of AHEL in favour of the proposal are more than the number of votes cast by the public shareholders of AHEL against it.

As an integral part of the Scheme, all rights and liabilities of the Demerged Company in / to a bid presently submitted by the Demerged Company to Mumbai International Airport Limited shall stand transferred to RHPL.

The transfer of properties and liabilities to, and the continuance of proceedings in terms of the Scheme, including as envisaged in Part IV of this Scheme shall not affect any transaction or proceedings already concluded by any of the Scheme Entities on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that RHPL accepts and adopts all acts, deeds and things done and executed by AHEL in respect thereto as done and executed on behalf of itself.

Nothing contained in this Scheme shall affect the business and operations of AHEL other than the Demerged Undertaking, and the residual business(es) of AHEL shall continue to belong to, and be vested in and be managed by, AHEL.

Each of the Scheme Entities shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date. The shareholders of Scheme Entities shall not be entitled to dividend (whether interim and/or final), if any, declared and paid by any of the other Scheme Entities prior to the Effective Date. The holders of the shares of each of the Scheme Entities, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends. It is clarified that the aforesaid provision in respect of declaration of dividend is only an enabling provision and shall not be deemed to confer any right on any shareholder of any of the Scheme Entities to demand or claim any dividend.

Each of the Scheme Entities (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the Tribunal(s), SEBI, Stock Exchange(s) and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of the Scheme Entities (acting through their respective Boards of Directors), are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Tribunal(s) or SEBI or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

Notwithstanding anything else to the contrary in this Scheme, the Scheme Entities (acting through their respective Boards of Directors), shall be at liberty to withdraw from this Scheme in case (i) any condition or alteration imposed by the Tribunal(s) or any other authority; or (ii) any deemed modifications to the Scheme resulting from the Scheme (or any part thereof) being or becoming inconsistent with applicable laws (including resulting from an amendment of law or for any other reason whatsoever) is not acceptable to the Scheme Entities; or (iii) prior to the Effective Date, the Scheme Entities (acting through their respective Board of Directors) mutually agree at any time to withdraw the Scheme for any reason.

If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Scheme Entities (acting through their respective Board of Directors), shall attempt to bring about appropriate modifications to this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, in equitable manner as per the intent and spirit of the Scheme, including but not limited to such part.

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto upto the Effective Date, shall be borne and paid by AHEL (unless mutually agreed otherwise by the Scheme Entities acting through their respective Board of Directors), and such expenses shall be entitled to be amortised in terms of Applicable Law

## STATEMENT OF TAX BENEFITS

Date: 9<sup>th</sup> November,2022

To,

The Board of Directors  
Robust Hotels Limited  
365, Anna Salai Teynampet  
Chennai 600018  
Tamil Nadu, India  
(the “Company”)

Re: Proposed Listing of equity shares of face value of Rs. 10 each ( the “Equity Shares” ) of the “ Company “ and such offer, the “offer”.

We, V Singhi & Associates., Chartered Accountants (Firm Registration Number: 311017E), Statutory Auditor of the Company, have been requested by the Company to report that the enclosed statement in the Annexure, states the possible special tax benefits, available to the Company and its shareholders, under the Income Tax Act, 1961, Income tax Rules, 1962 including amendments made by the Finance Act, 2020 and the Taxation Laws (Amendment) Act, 2020 (“Direct tax laws”) and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and Customs Tariff Act, 1975, as amended from time to time, the rules and regulations, circulars and notifications issued there under presently in force in India (“Indirect tax laws”), as on the date of this certificate.

Several of these benefits are dependent on the Company and its shareholders, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company or its shareholders may face in the future, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor advising the investor to invest in the Offer based on this statement.

We do not express any opinion or provide any assurance as to whether:

- the Company and its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of special tax benefits in the draft red herring prospectus Red Herring Prospectus and Prospectus of the Company (collectively, “Offer Documents”), and in any other material used in connection with the Offer.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

We have conducted our examination in accordance with the ‘Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)’ issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

This certificate is for information and for inclusion (in part or full) in the Offer Documents or any other Offer-related material, and may be relied upon by the Company,. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Tamil Nadu at Chennai (“RoC”), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Robust Hotels Private Limited and in accordance with applicable law.

We hereby consent to this certificate being disclosed by the Robust Hotels Private Limited, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority in connection with the contents of the Offer Document, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation in connection with the contents of the Offer Document.

We confirm that we will immediately communicate any changes in writing in the above information to the Robust Hotels Private Limited until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any such communication from us until the Equity Shares commence trading on the relevant stock exchanges, the Robust Hotels Private Limited and the legal advisors, can assume that there is no change to the above information pursuant to the Offer.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

### **Limitations**

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the statement. This statement has been prepared solely in connection with the proposed Offer by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

For V Singhi & Associates  
Chartered Accountants  
Firm No. 311017E

### **Vinod Kumar Singhi**

Partner  
Membership. No. 050051  
UDIN: 22050051BCRZGM2004



## ANNEXURE

### I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the IT Act')

#### 1. Special tax benefits available to the Company under the IT Act

For the purpose of the Offer, there are no special tax benefits available to the Company.

#### 2. General benefits available to the Company under the IT Act

As per Section 35DD expenditure on amalgamation or demerger of any undertaking is allowed to be amortised over a period of five successive accounting years beginning with the year in which the amalgamation / demerger takes place.

#### 3. Special tax benefits available to the Shareholders under the IT Act

For the purpose of the Offer, there are no special tax benefits available to the shareholders of the Company.

#### 4. General benefits available to the Shareholders under the IT Act

##### 4.1 a) Long Term Capital Gain (LTCG)

LTCG means capital gain arising from the transfer of a capital asset being Share held in a company or any other security listed in a recognized stock exchange in India held by an assessee for more than 12 months.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

##### b) Short Term Capital Gain (STCG)

STCG means gain arising out of transfer of capital asset held in a company or any other security listed in a recognized stock exchange in India held by an assessee for twelve months or less.

In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.

**4.2** LTCG arising on transfer of equity shares of a company are taxed @10% provided the transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that Act.

**4.3** As per second proviso to section 48, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by Government), is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration provided the transaction is not chargeable to STT and subject to conditions specified in the Act.

As per section 112, LTCG is taxed @ 20% plus applicable surcharge thereon and 3% education cess on tax plus Surcharge (if any) (hereinafter referred to as applicable SC + EC).

**4.4** As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined) under Section 10(23D), on a recognized stock exchange are subject to tax at the rate of 15 per cent (plus applicable SC + EC), provided the transaction is

chargeable to STT. Transactions not eligible to STT are taxable @ 30 per cent (plus applicable SC + EC).

**Notes:**

a. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)**

**1. Special indirect tax benefits available to the Company.**

For the purpose of the Offer, there are no special indirect tax benefits available to the Company.

**2. Special indirect tax benefits available to the shareholders**

For the purpose of the Offer, there are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

**Notes:**

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information presented in this section has been extracted from industry reports and publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries. Neither we, nor any other person connected with the listing of Equity Shares has independently verified this information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Such industry publications contain information in summary form and are therefore intended for general guidance only. You should read the following summary together with the “Risk Factors” on page 12. and the more detailed information about us and our financial results included elsewhere in this Information Memorandum.*

### **INDIAN ECONOMY OVERVIEW**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

India has been one of the best performers in the world economy in recent years, but rapidly rising inflation and the complexities of running the world’s biggest democracy are proving challenging.

*(Source: <https://www.ibef.org/economy/indian-economy-overview>)*

### **IMPACT OF COVID – 19**

The Slowdown seen in India’s GDP growth to a four-quarter low of 4.1 percent in January – March period of 2021-22 was mainly on account of impact of third Covid wave and high commodity prices, opined experts.

Indian economy grew at its slowest pace in a year during January – March, pulling down the gross domestic product growth in the full year to March to 8.7 percent before Russia’s invasion of Ukraine added a new inflation hurdle to the recovery.

The GDP expanded to 4.1 percent in the final quarter of the 2021-22 fiscal year, according to data released by the National Statistical office.

Provisional estimates of the real GDP in financial year 2021-22 exceeds the pre-pandemic 2019-20 level to now establish full economic recovery – said Chief Economic Advisor – Anantha Nageswaran.

The Service sector was the main driver of 3.9 percent GVA growth in the fourth quarter of FY 2022: said Aditi Nayar, chief Economist, ICRA.

Momentum in the service sector will be one of the key drivers apart from the government's focus on enhancing public capital expenditure.

India's GDP grew by 8.7 percent in 2021-22, staging a major comeback after a declaration of 6.6 percent in the previous fiscal, this clearly indicate that the economy is out of the woods from the effects of the pandemic and is on its path to recovery.

Government's Chief Economic Advisor ruled out the risk of stagflation in India as the Country is better placed than other countries.

(Source: <https://timesofindia.indiatimes.com/business/india-business/gdp-slowdown-in-q4-due-to-impact-of-pandemic-high-commodity-prices-say-experts/articleshow/91926123.cms>)

## **INDIAN HOSPITALITY INDUSTRY**

The hospitality sector in India primarily thrives on tourism, which is an important source of foreign exchange and employment. The government has taken several initiatives which play a major role in the growth of the hotel industry.

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

The Indian tourism and hospitality industry have emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is an important source of foreign exchange in India similar to many other countries. The foreign exchange earnings from 2016 to 2019 grew at a CAGR of 7% but dipped in 2020 due to the COVID-19 pandemic.

### ***Market Insight***

The hotel industry in India is a part of the travel and tourism industry. Business travellers are gradually increasing in number due to the rapid growth of the IT sector and the emergence of several global companies. Travel and lodging traditionally form a significant portion of the discretionary expenses of individuals. GenX and millennials across the globe are showing an increasing fondness for travelling to unexplored and drivable destinations. There is a rising trend of destination events like weddings and anniversary celebrations. The reflection of these trends is evident in the contribution of the Tourism and Hospitality industry to the national GDP.

According to World Travel and Tourism Council, the contribution of Tourism and Hospitality to the national GDP has increased significantly. The key performance indicators (KPIs) used by the industry to measure business expansion and manage hotels are average room rate (ARR) and revenue per available room (RevPAR). The ARR stood at INR 5,458.68 in FY 2020 as against INR 5,671.00 in FY 2017. It is expected to reach INR 6,292.85 by FY 2025 while expanding at a compound annual growth rate (CAGR) of ~2.49% between FY 2021 and FY 2025.

In FY 2020, the RevPAR was ~INR 1,951.34 and is expected to reach INR 3,336.28 by FY 2025. It is

expected that the hotel industry will expand at a promising rate since India will be hosting the ICC Men's World Cup in 2023. It has been assumed that this event would increase foreign tourists' footfall in the country.

### ***Government Initiatives***

The Indian Government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives planned by the Government of India to boost the tourism and hospitality sector of India are as follows:

- **In the Union Budget 2022-23:**

- Rs. 2,400 crore (US\$ 309.13 million) has been allocated to the Ministry of Tourism which is 18.42 %higher than the allocation for FY 2021-22.
- Rs. 1,181.30 crore (US\$ 152.16 million) is allocated for the Swadesh Darshan Scheme.
- Rs. 235 crore (US\$ 30.27 million) for the Pilgrimage Rejuvenation and Spiritual and Heritage Augmentation Drive (PRASHAD) Scheme.
- The Ministry of Tourism has launched the National Strategy for Sustainable Tourism and Responsible Traveller Campaign in June 2022.
- From November 15, 2021, India allowed fully vaccinated foreign tourists to visit India, which in turn will help revive the Indian travel and hospitality sector.
- In November 2021, the Ministry of Tourism signed a Memorandum of Understanding (MoU) with Indian Railway Catering and Tourism Corporation to strengthen hospitality and tourism industry. The ministry has also signed an MoU with Easy My Trip, Cleartrip, Yatra.com, Make My Trip and Goibibo.
- In November 2021, the Indian government planned a conference to boost film tourism in the country with an aim to establish domestic spots as preferred filming destinations. This move is expected to create jobs and boost tourism in the country.
- In September 2021, the government launched NIDHI 2.0 (National Integrated Database of Hospitality Industry) scheme which will maintain a database of hospitality sector components such as accommodation units, travel agents, tour operators, & others. NIDHI 2.0 will facilitate the digitalization of the tourism sector by encouraging all hotels to register themselves on the platform.
- Government is planning to boost the tourism in India by leveraging on the lighthouses in the country. 71 lighthouses have been identified for development as tourist spots.
- The Ministry of Road Transport and Highways has introduced a new scheme called 'All India Tourist Vehicles Authorisation and Permit Rules, 2021', in which a tourist vehicle operator can register online for All India Tourist Authorisation/Permit. This permit will be issued within 30 days of submitting the application.
- The Indian Railway Catering and Tourism Corporation (IRCTC) runs a series of Bharat Darshan tourist trains aimed at taking people to various pilgrimages across the country.

### ***Contribution to the economy***

According to WTTC, India is ranked 10th among 185 countries in terms of travel & tourism's total contribution to GDP in 2019. During 2019, contribution of travel & tourism to GDP was 6.8% of the total economy, ~ Rs. 1,368,100 crore (US\$ 194.30 billion). In 2020, the Indian tourism sector accounted for 39 million jobs, which was 8% of the total employment in the country. By 2028, Indian tourism and hospitality is expected to earn US\$ 50.9 billion as visitor exports compared with US\$ 28.9 billion in 2018.

The travel market in India is projected to reach US\$ 125 billion by FY27 from an estimated US\$ 75 billion in FY20. The Indian airline travel market was estimated at ~US\$ 20 billion and is projected to double in size by FY27 due to improving airport infrastructure and growing access to passports. The Indian hotel market including domestic, inbound and outbound was estimated at ~US\$ 32 billion in FY20 and is expected to reach ~US\$ 52 billion by FY27, driven by the surging demand from travelers and sustained efforts of travel agents to boost the market.

By 2028, international tourist arrivals are expected to reach 30.5 billion and generate revenue over US\$ 59 billion. However, domestic tourists are expected to drive the growth, post pandemic. International hotel chains are increasing their presence in the country, and it will account for around 47% share in the tourism and hospitality sector of India by 2020 and 50% by 2022. FTAs during the period January- March, 2022 were 784,750 as compared to 306,641 in March, 2021 registering a positive growth of 155.9%. The percentage share of Foreign Tourist Arrivals in India during March 2022 among the top 15 source countries USA (24.58%) followed by UK (14.01%), Bangladesh (11.78%), Canada (6.86%), Australia (5.68%), Sri Lanka (4.30%), Nepal (3.10%), Germany (1.94%), Singapore (1.79%), France (1.69%), Maldives (1.51%), Portugal (1.27%), Russian Federation (1.00%), Oman (0.95%) and Italy (0.93%)

*(Source: <https://www.ibef.org/industry/tourism-hospitality-india#>)*

### **BUSINESS OVERVIEW**

The Company was originally incorporated as Robust Hotels Private Limited on January 19, 2007, under the Companies Act, 1956, with the Registrar of Companies, Tamil Nadu, Chennai. The Company was converted into a public limited company and subsequently the name was changed to Robust Hotels Limited w.e.f.

The Company owns and manages Hyatt Regency Chennai, a luxury 5 star hotel located on Anna Salai at Teynampet in Chennai, India and built on an 72-ground (199,200 sq. ft.) land, it is the first Hyatt hotel in South India and has 325 rooms.

The Company classifies its business divisions by the quality of the property, the range of services, and the guests it targets. The Company derives the majority of its revenue from the Hyatt Regency Chennai. The Company is focused on the high end (five-star deluxe) hotel market.

The domestic hospitality industry, which has been severely affected by the COVID-19 related disruptions, has witnessed a deep decline in FY 2020-21 & 2021-22 according to a report. But the industry has recovered and shown a sign of recovery since July 2022.

The key elements of the Company's strategy are to strengthen its position as a leading hotel group in India, to migrate up the value chain by entering into joint ventures and management contracts, to expand selectively in international markets, to focus on shareholder value enhancement and to reorganize and rationalize its assets so as to improve returns.

The Company aims to achieve the following:

- a) *Strengthen its position among the competition set hotels;*
- b) *Improve the Guest Experience*
- c) *A strong brand image backed by service excellence;*
- d) *Strength in the food and beverage sector;*
- e) *A sales force with extensive reach and penetration in the market;*
- f) *Maintaining, renovation and repositioning of properties to maintain market leadership*

**Material Property of the Company**

The Company presently has the following hotel in operation:

Sr. No.	Address of the Hotel	Brief detail of the Hotel
1.	Hyatt Regency Chennai 365, Anna Salai, Teynampet, Chennai – 600018	5-star Deluxe hotel with 327 rooms.

**Collaborations, any performance guarantee or assistance in marketing by the collaborators:**

The Hotel is operated by Hyatt International under the brand Hyatt Regency Chennai via the following three agreements:

1. Strategic Operating Agreement with Hyatt International South West Asia Ltd to provide strategic plans, Policies, Processes, Guidelines and parameters to in the operation of hotel.
2. Hotel operations Service Agreement with Hyatt India Consultancy Private Limited under which Hyatt will be will be overseeing the daily operations of the hotel and the property.
3. Trademarks License Agreement with Hyatt International Corporation under which Hyatt grants license to use its brand name in relation to the operations of the hotel.



## **KEY INDUSTRY REGULATIONS**

The following description is a summary of the relevant regulations and policies, as prescribed by the Central or certain State Governments in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to investors and are not intended to be a substitute for professional legal advice.

### **A. Labour Related Legislation**

#### ***Payment of Gratuity Act, 1972***

Under the Payment of Gratuity Act, 1972 (Gratuity Act), an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his resignation, retirement, superannuation, death or disablement.

#### ***The Employees State Insurance Act, 1948***

The Employees State Insurance Act of 1948 has been enacted with the objective of securing financial relief in cases of sickness, maternity, disablement and for providing medical benefits to employees of factories and establishments, and their dependents.

#### ***The Employees Provident Fund and Miscellaneous Provisions Act, 1952***

This Act provides for the institution of Provident Funds, Pension Fund and deposit-linked insurance fund for employees in factories and other establishments. The act applies to (a) every establishment which is a factory, engaged in any industry specified in Schedule of the Act and in which 20 or more persons are employed and (b) any other establishment which the Central Government by Notification specify giving not less than two months' notice of its intention to do so in the Official Gazette.

#### ***The Contract Labour (Regulation and Abolition) Act, 1970***

This Act regulates the employment of contract labor in certain establishments and to provide for its abolition in certain circumstances and for matters connected therewith. It applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. It does not apply to establishments where the work performed is of intermittent or casual nature. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. It provides for registration requirements of the principal employer, who has the responsibility for inadequate wage payments by the contractor to the labour.

#### ***The Payment of Wages Act, 1936***

It regulates payment of wages to certain classes of employed persons. It makes every employer responsible for the payment of wages to person employed by him. No deductions can be made from the wages nor can any fine be levied on wages earned by a person employed except as provided under this Act.

#### ***The Minimum Wages Act, 1948***

It came into force with an objective to provide for the fixation of a minimum wage by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including outworkers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act

### ***The Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 provides for the payment of bonus to persons employed in certain establishments, employing 20 or more persons, on the basis of profits or on the basis of production or productivity and matters connected there with. The minimum bonus of 8.33% is payable by every industry and establishment under section 10 of the Act. The maximum bonus including productivity linked bonus that can be paid in any accounting year shall not exceed 20% of the salary/wage of an employee under the section 31 A of the Act.

### ***The Workmen's Compensation Act, 1923***

It has been enacted with the objective to provide for the payment by certain classes of employers to their workmen or their survivors, compensation for industrial accidents and occupational diseases resulting in death or disablement. In case the employer fails to pay compensation due under the Act within one month from the date it falls due the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### ***The Tamil Nadu Catering Establishments Act, 1958***

This act intends to provide for the regulation of conditions of work in Catering Establishments, Hotels and Restaurants in Tamil Nadu. This Act provides relevant provision for daily and weekly hours of work, extra wages for Over time interval for rest, Spread over, Holiday, Notice of Period of work, Leave with wages, Prohibition of employment of Children, engagement of women during night, Notice of discharge or dismissal etc.

### ***Goods and Service Tax (Central Goods and Services Tax Act, 2017, Tamil Nadu Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 etc)***

**Goods and Services Tax (GST)** is an indirect tax (or consumption tax) used in India on the supply of goods and services. It is a comprehensive, multistage, destination-based tax: comprehensive because it has subsumed almost all the indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but is meant to be refunded to all parties in the various stages of production other than the final consumer and as a destination-based tax, it is collected from point of consumption and not point of origin like previous taxes.

## **B. Hotel Industry Related Legislation**

### ***Tourism Policy of the Government of India***

Under the Tourism Policy of the Government of India, hotels may, at their option, obtain classification in a star category by applying to the Ministry of Tourism, Government of India.

The HRACC assesses the hotel based on various criteria including the quality of facilities provided at the hotel. Upon the hotel obtaining the qualifying mark prescribed for a particular status of star classification, and based on a recommendation of the HRACC, the hotel is given the relevant star classification by the Ministry of Tourism, Government of India.

The Government of India, Department of Tourism has a voluntary scheme for classification of fully operational hotels in the following categories:

**1. Star Hotels:** 5 Star Deluxe

5 Star

4 Star

3 Star

2 Star and,

1 Star

**2. Heritage Hotels:** Heritage Grand  
Heritage Classic and,  
Heritage

The Hotel & Restaurant Approval & Classification Committee (HRACC) inspects and assesses the hotels based on facilities and services offered. Project approvals are also given in all the above mentioned categories at the project implementation stage.

Classified hotels/approved projects are eligible for various concessions and facilities that are announced by the Government from time to time besides, getting worldwide publicity through the India Tourism Offices located in India and abroad.

The Government of India, Department of Tourism approves projects of two types: (i) approvals for starting a Star hotel without apartment facilities and (ii) approval for starting a Star Apartment Hotel. Both these types of approvals involve the same procedure in the following 2 stages: (i) the approval of the Project Report and (ii) the classification of the hotel as a star hotel.

***Prevention of Food Adulteration Act, 1954***

The Prevention of Food Adulteration Act is a Central legislation and provides provisions for the prevention of adulteration of food. There may be a separate food adulteration law in separate states.

***Food Safety and Standards Act, 2006***

It is an Act to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India for laying down science-based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto.

***Environmental Laws, Rules & Regulations***

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Environment Protection Act, 1986, the Water (Prevention and Control of Pollution) Act 1974 and the Air (Prevention and Control of Pollution) Act, 1981. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards, or PCBs, which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution.

All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. These are required to be renewed annually.

The issue of management, storage and disposal of hazardous waste is regulated by the Hazardous Waste Management Rules, 1989 made under the Environment Protection Act. Under these rules, the PCBs are empowered to grant authorization for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility.

In addition, the Ministry of Environment and Forests looks into Environment Impact Assessment (EIA). The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before granting clearances for the proposed projects.

## HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND MAJOR EVENTS

The Company was originally incorporated as Robust Hotels Private Limited on January 19, 2007, under the provisions of the Companies Act, 1956, with the Registrar of Companies Tamil Nadu, Chennai. The Company was converted into a Public Limited Company and subsequently the name was changed to Robust Hotels Limited w.e.f 11.10.2022 vide new Certificate of Incorporation.

#### 1. Major Events

<b>Date/Period</b>	<b>Activities</b>
January 19, 2007	Incorporated as Private Limited Company under the Companies Act, 1956
January 24, 2007	The Company became a subsidiary of Forex Finance Private Limited
July 26, 2012	The Company became a subsidiary of GJS Hotels Limited and a step down subsidiary of Asian Hotels (East) Limited by virtue of 100% holding of Equity Shares of Asian in M/s. GJS Hotels Limited.
July 24, 2019	Pursuant to the Scheme of Arrangement between the Company, Asian Hotels (East) Limited and GJS Limited, upon the scheme becoming effective, all the securities held by GJS in the Company stood transferred to AHEL and accordingly the Company became a wholly owned Subsidiary of Asian Hotels (East) Limited
Sep 05,2022 & Jan 24,2022	The Hon'ble NCLT, Kolkata and Chennai benches sanctioned the Scheme of Arrangement between the Company and Asian Hotels (East) Limited.
Sep 21,2022	The above scheme came into effect on filing of Form INC – 28 whereby the Demerged Undertaking i.e. the Securities Trading Unit of Asian Hotels (East) Limited has been transferred and vested in the Company with effect from Sep 21,2022  Pursuant to the effectiveness of the Scheme, the equity shares of the Company held by Asian stands cancelled and accordingly, the Company ceased to become wholly owned subsidiary of Asian.
Oct 11,,2022	The Company was converted into a Public Limited Company
Oct,11,2022	The Company name was further changed to Robust Hotels Limited
Oct,13,2022	Equity Shares of Robust was issued and allotted 13.10.2022 to the Shareholders of Asian as on the record date 07.10.2022 in the ratio 1:1

## 2. Main Objects of the Company as set out in MOA:

1. To construct, build, erect, acquire, purchase, establish, administrate, manage, run or in any manner and in all respects deal in hotels and lodging houses of every kind and description, including all conveniences, amenities and facilities relating or adjunct thereto and to carry on the business of hotel, restaurant, refreshment rooms, beauty parlor, souvenir shop, cafe, coffee pubs, roadhouse, motel, holiday camp, holiday resorts, Country clubs, caravan site, and apartment house keepers, entertainment malls, multiplexes and to let out on contract conference halls, dancing halls, Marriage halls, convention centres.
2. To carry on the business as proprietors of restaurants, hotel refreshment and tea rooms, cafes and milk and snack bars, tavern, beer house and lodging-house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, malsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, and as caterers and as contractors in all their respective branches and to buy, sell, import, export, and produce or deal/trade in groceries, confectionaries, food products, wines, spirits, and beverages of all kinds.
3. To promote and develop tourism and develop sports and other allied activities specially to cater to the taste of foreign national and to act as business consultants and advisors for technical, engineering, marketing, financing and management assignments in relation to hospitality industry for tourists both for residents and foreign nationals.
4. To deal with or to act as an investor by the way of acquiring, holding, selling, buying, transferring, subscribing to any shares, bonds, stocks, debentures or any other securities, of any kind, issued by or guaranteed by any government, public body, incorporated entity, authority, state, sovereign, commissioners, trust, provincial, municipal body or otherwise, whether in India or elsewhere, or units issued by mutual fund, and to act as guarantors, financiers, underwriters, and to lend money or deal with money, either with or without interest to such individuals, firms, body corporates, and institutions and upon such terms and conditions as the Company may deem expedient but not amounting to banking business as defined under the Banking Regulations Act,1949

## Changes in Memorandum of Association of Company

Sr. No.	Date	Change pursuant to	Brief Particulars of Change
1.	25 <sup>th</sup> October, 2007	Resolution passed at the Annual General Meeting	Increase in the authorised share capital from 80 crores to 90 crores.
2.	28 <sup>th</sup> September, 2011	Resolution passed at the Annual General Meeting	Increase in the authorised capital from 90 crores to 90.20 crores
3.	02 <sup>nd</sup> July, 2012	Resolution passed at the Extra Ordinary General Meeting	Increased in the authorised share capital from 90.20 to 152 crores
4.	06 <sup>th</sup> March, 2017	Resolution passed at the Extra Ordinary General Meeting	Increase in the authorised share capital from 152 crores to 212 crores.
5	24 <sup>th</sup> June,2019	Order of the Hon'ble NCLT, Chennai	Increase in the authorised share capital from 212 crores to 225 crores.

6	21 <sup>st</sup> September,2022	Scheme of Arrangement	Change in Main Objects of the MOA
7.	11 <sup>th</sup> October,2022	Scheme of Arrangement	Conversion of Company to a Public Limited Company
8.	11 <sup>th</sup> October,2022	Scheme of Arrangement	Name of the Company changed from Robust Hotels Private Limited to Robust Hotels Limited

**Shareholders Agreement and Other Agreements**

There are no shareholder agreements as on date of filing this Information Memorandum.

**Strategic Partners**

Hyatt International Inc, is the Strategic partner of the Company

**Financial Partners**

There are no financial partners of the Company.

## MANAGEMENT

Robust Hotels Limited is a professionally managed Company. The Company functions under the control of Board of Directors. The day to day matters are looked after by Key Managerial Personnel, under the supervision of the Managing Director/Manager.

Presently, the Company has eight (8) directors out of which four (4) are Independent Directors. The following table sets forth details of the Board of Directors as of the date of filing this Information Memorandum with the Stock Exchanges:

<b>Name, Designation, Status, Experience, Occupation, Address</b>	<b>Age</b>	<b>Qualification</b>	<b>DIN</b>	<b>Details of Managing Directorship/Directorship in Indian Companies</b>
<b>Mr. Arun Kumar Saraf</b> <b>Designation:</b> Non-Executive Director <b>Period of Directorship:</b> since January 2007 <b>Status:</b> Promoter Director <b>Experience:</b> 43 years <b>Occupation:</b> Business <b>Address:</b> Grand Hyatt Residencies Juniper Hotel, Vakola Pipeline, Santacruz (E) Mumbai 400055.	62 years	Major in Economics and Business Administration from University of California, Los Angeles (UCLA) in 1981  Lansdown College, London 'A' Levels in 1977	00339772	1. Juniper Hotels Private Limited 2. Asian Hotels (East) Limited 3. Chartered Hotels Pvt. Ltd 4. Blue Energy Private Limited 5. Juniper Investments Limited 6. Chartered Hampi Hotels Private Limited
<b>Mr. Umesh Saraf</b> <b>Designation:</b> Non-Executive Director <b>Status:</b> Promoter Director <b>Period of Directorship:</b> since January 2007 <b>Experience:</b>	58 Years	Graduate, B.Sc., MBA from University of California	00017985	1. GJS Hotels Limited 2. Vedic Hotels Ltd. 3. Ratnalaya Niwas Ltd (Erstwhile: Unison Power Ltd) 4. Asian Hotels (East) Limited 5. Himalaya Pinnacle Pvt Ltd (Erstwhile: Unison Hotels South Pvt. Ltd) 6. Juniper Hotels Pvt. Ltd 7. Triumph Realty Private



<p>38 years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> House No. 27-A, Green Avenue Lane, Vasant Kunj South West Delhi, Delhi 110070</p>				<p>Limited</p> <p>8. Unison Hotels Private Ltd</p>
<p><b>Mr. Varun Saraf</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Status:</b> Promoter Director</p> <p><b>Period of Directorship:</b> since August 2013</p> <p><b>Experience:</b> 18 years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> 'Grand Hyatt Residencies, Vakola Pipe line road, Santacruz East, Mumbai - 400 055</p>	37 years	BA from Tufts University, USA	01074417	<ol style="list-style-type: none"> <li>1. Chartered hotels Pvt Ltd</li> <li>2. Chartered Hampi Hotels Pvt Ltd.</li> <li>3. Juniper Investments Ltd</li> <li>4. Samra Importex Pvt Ltd.</li> <li>5. Blue Energy Private Limited</li> <li>6. Bodhgaya Guest House Pvt Ltd</li> <li>7. Natty Design Concepts Pvt Ltd</li> <li>8. Footsteps of Buddha Hotels Pvt Ltd.</li> </ol>
<p><b>Mr Devesh Saraf</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Status:</b> Promoter Director</p> <p><b>Period of Directorship:</b> Since July 2022</p> <p><b>Experience:</b> 9 years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> House No. 27A, Green Avenue Lane, Vasant Kunj, Delhi – 110070</p>	29 years	Graduate from Georgia Institute of Technology, USA, Industrial and System Engineering along with Economics from Emory University	07778585	<ol style="list-style-type: none"> <li>1. Unison Hotels Private Limited</li> <li>2. Vedic Hotels Ltd</li> <li>3. Ratnalaya Niwas Limited</li> <li>4. Himalayan Pinnacle Pvt Ltd</li> <li>5. Triumph Reality Pvt Ltd</li> </ol>

<p><b>Mr. Avali Srinivasan</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Status:</b> Independent Director</p> <p><b>Period of Directorship:</b> Since September 2022</p> <p><b>Experience:</b> 40 years</p> <p><b>Occupation:</b> Retired Professional</p> <p><b>Address:</b> 45, Saphagiri Colony Jafarkhanpet Chennai 600083.</p>	74 years	Member of the Institute of Company Secretaries of India, New Delhi	00339628	<ol style="list-style-type: none"> <li>1. Mahima Holding Private Limited</li> <li>2. Central Linen Park Private Limited</li> <li>3. Vanaprastha Ashram</li> </ol>
<p><b>Mrs. Rita Bhimani</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Status:</b> Independent Director</p> <p><b>Period of Directorship:</b> since January 2020</p> <p><b>Experience:</b> 50 years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> 12/4, Sunny Park Apartments 6, Sunny Park Kolkata 700019 WB</p>	75 years	Master's degree in Journalism from the University of Georgia, USA	07106069	<ol style="list-style-type: none"> <li>1. Hindusthan National Glass &amp; Industries Limited</li> <li>2. Asian Hotels (East) Limited</li> </ol>
<p><b>Mr Ramesh Kumar Chokhani</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Status:</b> Independent Director</p>	47 years	Chartered Accountant	00582700	<ol style="list-style-type: none"> <li>1. Disha Developers Private Limited</li> </ol>

<p><b>Period of Directorship:</b> Since September 2022</p> <p><b>Experience:</b> 20 years</p> <p><b>Occupation:</b> Chartered Accountant</p> <p><b>Address:</b> Active acres, Tower 5, Flat 16A,54/10,D.C Dey Road, Near JW Marriot, Tangra, Kolkata, West Bengal 700015</p>				
<p><b>Mr Ajay Kumar Ramnayan Vishwakarma</b></p> <p><b>Designation:</b> Director</p> <p><b>Status:</b> Non-Executive Independent Director</p> <p><b>Period of Directorship:</b> Since September 2022</p> <p><b>Experience:</b> 11 years</p> <p><b>Occupation:</b> Practicing Company Secretary</p> <p><b>Address:</b> Flat No 6,Kavita Apartments, Prasanna Lane, Behidn Vishwakarma Bhavan, Vadawali Section, Ambernath East, Thane, Maharastra – 421501</p>	32 years	Member of the Institute of Company Secretaries of India	06991167	<ol style="list-style-type: none"> <li>1. SIS Cash Services Pvt Ltd.</li> <li>2. SIS Prosegur Cash Logistics Pvt Ltd.</li> <li>3. Dara Equipment &amp; Services India Pvt Ltd.</li> <li>4. SIS Prosegur Holdings Private Limited.</li> <li>5. Gescheit Trade Services Pvt Ltd.</li> <li>6. Inatech India Pvt Ltd</li> <li>7. Webonise Lab Pvt Ltd.</li> <li>8. Universal Services India Ptv Ltd.</li> <li>9. Control 4 India Private Limited</li> <li>10. Rika global impex limited</li> <li>11. Shiva shakti capital private limited</li> <li>12. Veridaas private limited</li> <li>13. Bravia capital services india private limited</li> <li>14. Shiva capital peddar consulting privatelimited</li> <li>15. Erschreckend private limited</li> </ol>

### **Nature of any family relationship between any of the Directors:**

Mr. Arun Kumar Saraf and Mr. Umesh Saraf are brothers and Mr. Varun Saraf is the son of Mr. Arun Kumar Saraf. Mr Devesh Saraf is the son of Mr Umesh Saraf.

There are no service contracts entered into by the directors with the company providing for benefits upon termination of employment

### **Details of Borrowing Powers**

Articles of Association of the Company, subject to the provisions of the Companies Act, 2013, has authorised the Board, to borrow or raise funds from financial institutions, Banks or any other parties and to enter into any contract with any person/body corporate/financial institution for providing financial assistance by way of loan, subscription to debenture providing any guarantee.

### **Shareholding of Director**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of shares held</b>	<b>Percentage (%)</b>
1.	Mr. Arun Kumar Saraf	13,098	0.08%
2.	Mr. Umesh Saraf	37,096	0.21%

### **Interest of Directors**

All the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them, if any, under the Articles of Association & in terms of the relevant provisions of the Companies Act, 2013 and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors have no interest in any property acquired by the Company two years prior to the date of this Information Memorandum.

Except as stated in the section titled "Related Party Transactions" on page 10 and 89 of this Information Memorandum, the Directors do not have any other interest in the business of the Company.

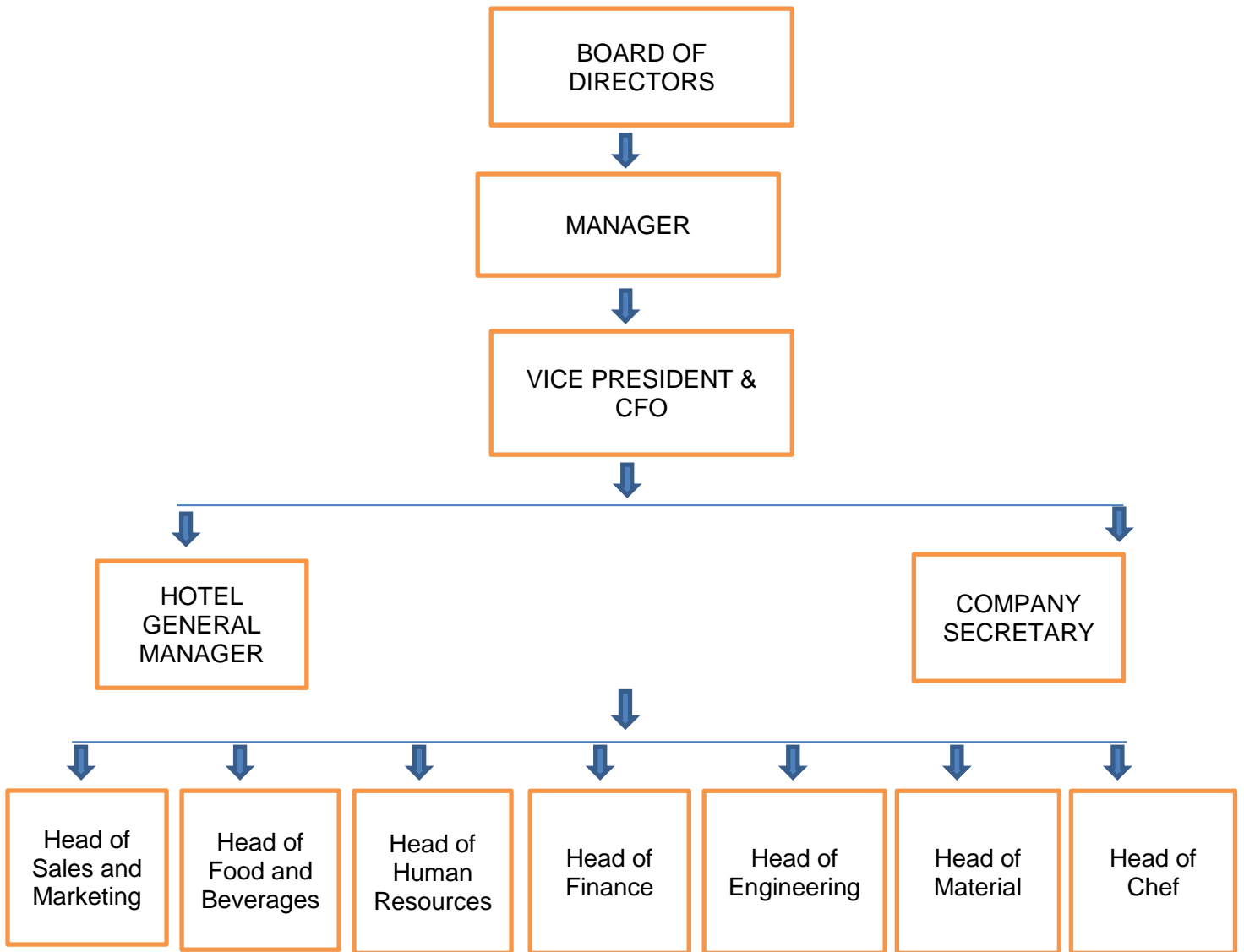
The Company has not entered into any contract, agreements or arrangements during the preceding two years prior to the date of the Information Memorandum in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them other than contracts in the normal course of business and being permitted as per the current rules and regulations governing the same.

### Change in the Board of Directors in last 3 years

The following are the changes in the Board of Directors in the last 3 years. To maintain brevity and to avoid any confusion, this table does not enumerate the instances where the Status or Designation of the Director has been changed or when the appointment of an Additional Director has been regularized.

<b>Sr. No.</b>	<b>Name and DIN</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reason</b>
1.	Mr. Pawan Kumar Kakarania DIN: 00913589	04.02.2016	09.11.2019	Resigned
2.	Mr. Soumya Saha DIN: 02949845	04.02.2016	13.01.2020	Resigned
3.	Mr. Rama Shankar Jhavar DIN: 00023792	13.01.2020	14.10.2020	Cessation due to death
4.	Ms. Rita Bhimani DIN: 07106069	13.01.2020	-	Appointed
5	Ms Natisha Saraogi DIN: 08069912	11.02.2022	28.07.2022	Resigned
6	Mr Devesh Saraf DIN: 07778585	28.07.2022	-	Appointed
7	Mr Ramesh Kumar Chokhani DIN: 00582700	21.09.2022	-	Appointed
8	Mr Ajaykumar Ramnayan Vishwakarma DIN: 06991167	21.09.2022	-	Appointed

**MANAGEMENT ORGANIZATION STRUCTURE**



## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

### BOARD OF DIRECTORS

The Company in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Information Memorandum, we have eight (8) Directors on the Board, of whom four (4) is Independent Directors including a woman Director.

#### *Composition of Board*

Sr. No.	Name	Designation	Type
1.	Mr. Arun Kumar Saraf	Non-Executive Director	Promoter Director
2.	Mr. Umesh Saraf	Non-Executive Director	Promoter Director
3.	Mr. Varun Saraf	Non-Executive Director	Promoter Director
4.	Mr Devesh Saraf	Non-Executive Director	Promoter Director
5.	Mr. Avali Srinivasan	Non-Executive Director	Independent Director
6.	Mrs. Rita Bhimani	Non-Executive Director	Independent Director
7.	Mr Ramesh Kumar Chokhani	Non-Executive Director	Independent Director
8.	Mr Ajaykumar Ramnayan Vishwakarma	Non-Executive Director	Independent Director

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, the Company has constituted the following Board-level committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;

#### **1. Audit Committee**

Audit Committee was constituted, by a resolution of the Board, on 13.10.2022 and in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations.

#### *Composition of the Audit Committee*

Sr. No.	Name	Designation in Committee	Nature of Directorship
1.	Mr Avali Srinivasan	Chairman	Independent Director
2.	Mr Ramesh Kumar Chokhani	Member	Independent Director
3.	Mr Umesh Saraf	Member	Non-Executive Director

The Company Secretary shall act as the Secretary to the Audit Committee.

*The Terms of Reference of Audit Committee are:*

- a. Overseeing the Company's financial reporting process and disclosure of its financial information;
- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c. Reviewing with management the annual financial statements before submission to the board;
- d. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- e. Reviewing with the management, the statement of uses/application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer documents and the report submitted by the monitoring agency monitoring the utilization of proceeds of the issue and making appropriate recommendation to the Board to take up appropriate steps.
- f. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- g. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- h. Discussion with internal auditors on any significant findings and follow up thereon.
- i. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- j. Discussion with external auditors before the audit commences regarding the nature and scope of audit as well have post-audit discussion to ascertain any area of concern.
- k. Reviewing the company's financial and risk management policies.
- l. To look into the reasons for substantial defaults in the payment to the depositor's debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- m. Scrutiny of inter-corporate loans and investments;
- n. Valuation of undertakings or assets of the Company, wherever it is necessary;
- o. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances and monitoring such vigil mechanism
- p. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

The scope and function of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 read with part C of Schedule II of the SEBI Listing Regulations.



## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted, by a resolution of the Board, on 13.10.2022 and in compliance with Section 178 of the Companies Act 2013, Regulation 19 of the SEBI Listing Regulations.

*Composition of the Nomination and Remuneration Committee:*

<b>Sr. No.</b>	<b>Name</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
1.	Mr Avali Srinivasan	Chairman	Independent Director
2.	Mr Ajaykumar Ramnayan Vishwakarma	Member	Independent Director
3.	Mr Arun K Saraf	Member	Non-Executive Director

The Company Secretary shall act as the Secretary to the Nomination and Remuneration Committee.

*The Terms of Reference of Nomination and Remuneration Committee are:*

- (i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- (ii) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (iii) shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (iv) Formulation of criteria for evaluation of independent directors and the Board;
- (v) Devising a policy on Board diversity;
- (vi) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

Determine whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of Independent Directors.

Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The scope and function of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 read with part D of Schedule II of SEBI Listing Regulations.

### 3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted, by a resolution of the Board, on 13.10.2022 and in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations.

*Composition of the Stakeholders Relationship Committee:*

<b>Sr. No.</b>	<b>Name</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
1.	Mr Avali Srinivasan	Chairman	Independent Director
2.	Ms Rita Bhimani	Member	Independent Director
3.	Mr Umesh Saraf	Member	Non-Executive Director

The Company Secretary shall act as the Secretary to the Stakeholders Relationship Committee.

- i. *The Terms of Reference of Stakeholders Relationship Committee are:*
- a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
  - b. Review of measures taken for effective exercise of voting rights by shareholders;
  - c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  - d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The scope and function of the Stakeholders Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 read with part D of Schedule II of SEBI Listing Regulations.

## KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company as on date of this Information Memorandum:

Sr. No.	Name	Designation	Date of Appointment
1.	*Mr Damodar Tiwari	Manager	21.09.2022
2.	Mr. T.N. Thanikachalam	Vice President & Chief Financial Officer	08.10.2018
3.	Mrs. Yasotha Benazir N	Company Secretary	28.07.2022

\* Mr Damodar Tiwari resigned as Manager with effect from 28.02.2023.

### Brief Profile of the Key Managerial Personnel

#### 1. Mr Damodar Tiwari

Mr Damodar Tiwari is working for the group for more than 30 years in different locations & positions. He has very good experience in the hotel industry/liaising& administrative skills

#### 2. Mr. T.N. Thanikachalam

Mr. T.N. Thanikachalam is the Vice President and Chief Financial Officer of the Company. He acted as the Secretary of the Company from 13<sup>th</sup> December, 2008 to 8<sup>th</sup> October,2018. From 08<sup>th</sup> October,2018 assumed as Chief Financial Officer of the Company. He has over 30 years of experience across all facets of finance, secretarial, asset management, legal, liaison etc. Before joining the Company, he was employed with Aditya Birla Group. He is an associate member of the Institute of Chartered Accountants of India, New Delhi.

#### 3. Ms. Yasotha Benazir N

Ms. Yasotha Benazir N is a Company Secretary. She is an Associate Member of the Institute of Company Secretaries of India with 3 years of experience in the Secretarial functions and Compliance Management. Ms. Yasotha Benazir N was previously employed with Kauvery Group of Hospitals, Chennai.

All the Key Managerial Personnel are permanent employees of the Company.

### Relationship between KMPs

None of the Key Managerial Personnel is related to each other.

### Shareholding of KMPs

None of the KMPs holds any Equity Shares in the Company.

### Bonus of profit-sharing plan for the KMP

The Company does not have any performance linked bonus plans for KMPs.

### Employees Stock Option Plan / Employees Stock Purchase Scheme

The Company does not have any Scheme of Employee Stock Option or Employee Stock Purchase.

### Loans taken by Directors or KMPs

The Company has not granted any loan to any Director and/or KMP.

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel, was selected as a director or member of senior management - Nil**

#### **Interest of KMPs**

The key management personnel of the Company do not have any interest in the Company other than to the extent of the remuneration to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **Change in the KMP**

The changes in the key management personnel in the last three years are as follows:

Sr. No.	Name	Date of		Reason
		Joining	Leaving	
1.	Ms. N Muthulakshmi as Chief Financial Officer	14.03.2016	08.10.2018	Resignation
2.	Mr. T N Thanikachalam as Company Secretary	13.12.2008	08.10.2018	Change in Designation
3.	Mr. T N Thanikachalam as Chief Financial Officer	08.10.2018	-	Appointment as CFO
4.	Ms. Ramya Thirumaran as Company Secretary	08.10.2018	26.06.2019	Resignation
5.	Ms. Manisha Sharma as Company Secretary	29.06.2019	03.11.2021	Resignation
6.	Mrs. Annu Tiwari as Company Secretary	10.11.2021	15.07.2022	Resignation
7.	Mrs Yasotha Benazir N as Company Secretary	28.07.2022	-	Appointment
8.	Mr Damodar Tiwari as Manager	21.09.2022	28.02.2023	Resignation

#### **Employees**

##### **Employee Stock Option Scheme and Employee Stock Purchase Scheme**

The Company does not have any Employee Stock Option Scheme and Employee Stock Purchase Scheme.

##### **Other Benefits to the Officers of the Robust Hotels Limited**

Except the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any employee and there is no consideration for payment of giving of the benefit.

## PROMOTERS

### Promoters

The following are the Promoters of the Company:

*Promoters*

- Late. Radhe Shyam Saraf
- Mrs. Ratna Saraf
- Mr. Arun Kumar Saraf
- Mr. Umesh Saraf
- Mr Varun Saraf
- Mr Devesh Saraf

*Promoter Corporate Body* - Saraf Industries Limited

The Promoter and Promoter Group together holds 1,13,49,179 equity shares, equivalent to 65.63% of the paid-up equity share capital of the Company as on date of filing this Information Memorandum.

### **Details of the Promoter are as follows:**

#### *Promoters*

#### **1. Late Radhe Shyam Saraf**

***Date of Birth:*** August 15, 1930.

***Date of Demise:*** March 22, 2022

***Address:*** Flat D 20/F, Caine Mansion, 80-88 Caine Road, Hong Kong

***Permanent Account Number*** - BKNPS0080C

***Aadhaar Card Number*** – 6614 4239 8807

Late Radhe Shyam Saraf, was an Industrialist having enriched business experience of over 55 years. He was a pioneer in the hospitality industry. He was the man who had given India's hospitality industry a new perspective by bringing in the distinguished service and international class of the Hyatt brand of hotels, epitomizes both hospitality and entrepreneurism. He was a veteran hotelier who owned and managed a dozen 5-star properties. He along with his sons and grandsons has built a business empire owning and managing twelve luxury hotels in India and Nepal.

Late Radhe Shyam Saraf holds 31,27,020 equity shares (pending transmission), representing 18.08% of the share capital of the company

2. ***Ms. Ratna Saraf***

***Date of Birth*** 15th November, 1936

***Address:*** Flat D 20/F, Caine Mansion, 80-88 Caine Road, Hong Kong

***Permanent Account Number:*** BKNPS0079K

***Aadhaar Card Number:*** 9435 1266 0234

Mrs. Ratna Saraf, aged 85 years is the wife of Late Radhe Shyam Saraf. Mrs. Ratna Saraf has been associated with the hotel industry since 1998. She is on the Board of various Companies including Foreign Body Corporates namely Saraf Industries Limited, Mauritius, Sara International Ltd., Hong Kong, Sara Hospitality Ltd., Hong Kong and Unison Hotels Private Limited.

Mrs. Ratna Saraf holds 9,26,020 equity shares, representing 5.36% of the share capital of the company

3. ***Mr. Arun Kumar Saraf***

***Date of Birth:*** March 10, 1959

***Address:*** Grand Hyatt Residencies, Vakola Pipeline, Santacruz (E) Mumbai 400055, India

***Permanent Account Number -*** ACTPS6880M

***Aadhaar Card Number –*** 9937 8040 4261

Mr. Arun K Saraf , aged 63 years, is an Industrialist having enriched business experience of over 43 years. He has in-depth knowledge of the hospitality Industry. He was part of the development /management team of Hyatt Regency Kolkata and Mumbai. Thereafter, he successfully led the team for construction and development activities of Grand Hyatt Mumbai which is the largest hotel in the country today. Mr. Arun K Saraf is also considered as one of the founding promoters of Asian Hotels (East) Limited.

Mr. Arun Kumar Saraf holds 13,098 equity shares, representing 0.08% of the share capital of the company

**4. Mr. Umesh Saraf**

**Date of Birth:** December 12, 1963

**Address:** 27-A, Green Avenue Lane Vasant Kunj  
South West Delhi 110070, India

**Permanent Account Number** – ABHPS6562P

**Aadhaar Card Number** – 8483 9549 1101

Mr. Umesh Saraf, aged 58 years, is an MBA from University of California. He is an industrialist having rich business experience of over 38 years on all aspects of hospitality industry. He is one of the founding promoters of Asian Hotels (East) Limited and is engaged in supervision and conduct of business of the Company. He was part of the development of a 114-key ultra-luxury resort in South Goa, which currently operates under the brand, 'Azaya'

Mr. Umesh Saraf holds 37,096 equity shares, representing 0.21% of the share capital of the company.

**5. Mr. Varun Saraf**

**Date of Birth:** May 20, 1984

**Address:** Grand Hyatt Residences, Vakola Pipeline,  
Santacruz East Mumbai 400055.

**Permanent Account Number** –BYZPS5630J

**Aadhaar Card Number** – 3626 5905 7421

Mr. Varun Saraf, aged 38 years, son of Mr. Arun Saraf, joined the family business after graduating from Tufts University in 2006. He is an industrialist having business experience of over 18 years and is responsible for the construction of new projects in the group. He is the founder of Chartered Hotels Private Limited, owning hotels in Tier II cities. He has successfully completed three green-field hotel projects in Hampi (2012), Raipur (FY2014) and Lucknow (FY2018). He also leads the asset management of various other hotels (including food & beverage, and banqueting). Currently leading the development of a 75-room hotel in Bodh Gaya, Bihar.

**6. Mr Devesh Saraf**

**Date of Birth:** October 29, 1993

**Address:** House No. 27A, Green Avenue Lane, Vasant Kunj, Delhi - 110070

**Permanent Account Number** –HTAPS3414N

**Aadhaar Card Number** – 287669854446

Devesh Saraf, aged 29 years, son of Mr Umesh Saraf, graduated with the highest honors from Georgia Institute of Technology and Emory University having studied Industrial & Systems

Engineering along with Economics. He is an industrialist with 9 years of experience. He went on to successfully complete the development of a 114-key ultra-luxury resort in South Goa, which he currently operates under his own brand, 'Azaya'. Devesh also leads the asset management of various other hotels (including food & beverage, and banqueting), such as 'The Grand' Hotel in Delhi and other hotel properties across metro cities in India.

**Corporate Promoters**

***Saraf Industries Limited***

Background	Saraf Industries Limited was incorporated in Mauritius on 2nd May, 1955 as a private company with limited liability by shares. It holds a Global Business License issued by the Financial Services Commission.
Promoters	The Promoters of the Company are Late. Radhe Shyam Saraf and Mrs. Ratna Saraf (non-resident Indians).
Board of Directors	(i) Ratna Saraf (ii) Zakir Hussein Niamut (iii) Arunagirinatha Runghien
Bankers	Afr Asia Bank Ltd. 3 <sup>rd</sup> floor, Near Teracom Tower 3, Ebene Mauritius
Address	Sanne House, Sanne Mauritius, Bank Street, Twenty Eight, Cybercity, Ebene- 72201, Mauritius
Nature of Business	Investment Holding Company

Saraf Industries Limited holds 72,45,945 equity shares, representing to 41.90% of the share capital of the Company.

**Declaration:** It is confirmed that Permanent Account Number, Aadhaar Number of all the individual promoters is being submitted to the Stock Exchanges on which Shares are proposed to be listed, at the time of filing of Information Memorandum with them.



## **DIVIDEND POLICY**

The Company has no Dividend policy. The Board may, at its discretion, recommend dividend to be paid to the members of the Company. The factors that may be considered by the Board before making any recommendations for the dividend, include but are not limited to profits earned during the financial year, liquidity of the Company, obligations towards repayment of debt including maintaining debt service reserves, future expansion plans and capital requirements, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time.

The Board may also, from time to time, pay to the members, interim dividend, as appears to the Board to be justified by the profits of the Company.

The Company has not paid any dividends till date.

## **RELATED PARTY TRANSACTIONS**

All related party transactions entered into by the Company are in the normal course of business and at arm's length basis. The transactions are in compliance with the Companies Act, 2013 read with the Rules made thereunder, and all such related parties transactions entered by the Company are recommended/approved by the Audit Committee and the Board, as applicable, from time to time.

**SECTION VI- FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

**ROBUST HOTELS LIMITED – AUDITED STATEMENT OF BALANCE SHEET**

**Figures in INR**

<b>Particulars</b>	<b>As at 31<sup>st</sup> December, 2022</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
<b>ASSETS</b>			
<b>Non - current Assets</b>			
(a) Property, Plant and Equipment	6,68,57,02,299	4,937,528,752	5,01,66,33,545
(b) Capital work-in-progress	-	-	7,96,714
(c) Other Intangible Assets	71,19,149	5,850,230	57,74,168
(d) Financial Assets			
(i) Investments	3,52,28,896	26,557,365	1,01,76,137
(ii) Other Financial Assets	-	18,392,677	1,91,73,105
(e) Other Non Current Assets	17,96,66,7524	159,850,763	15,27,00,000
<b>Total Non-Current Assets</b>	<b>6,90,77,17,068</b>	<b>5,148,179,787</b>	<b>5,20,52,53,669</b>
<b>Current Assets</b>			
(a) Current Investments	92,51,90,137	-	-
(a) Inventories	87,60,569	20,062,241	1,27,49,785
(b) Financial Assets			
(i) Trade Receivables	7,89,60,060	59,938,484	5,96,91,089
(ii) Cash and Cash Equivalents	7,61,91,808	8,117,918	60,06,437
(iv) Loans	1,11,000	4,499	6,333
(v) Other Financial Assets	51,61,766	573,953	7,71,216
(c) Current Tax Assets	74,85,84,582	16,248,305	4,38,40,732
(d) Other Current Assets	3,60,92,783	16,162,222	2,64,90,510

<b>Total Current Assets</b>	<b>1,87,89,98,703</b>	<b>121,107,621</b>	<b>14,95,56,102</b>
<b>Total Assets</b>	<b>8,78,67,15,772</b>	<b>5,269,287,407</b>	<b>5,35,48,09,771</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share			
(a) Capital	17,29,16,960	2,241,838,290	2,24,18,38,290
(b) Other Equity	7,03,09,19,737	804,248,944	1,15,35,87,965
<b>Total Equity</b>	<b>7,20,38,36,697</b>	<b>3,046,087,234</b>	<b>3,39,54,26,255</b>
<b>Liabilities</b>			
<b>Non - current Liabilities</b>			
Financial			
(a) Liabilities			
Borrowings	88,84,70,211	1,139,604,872	1,01,74,47,279
(b) Provisions	1,32,89,949	9,046,385	77,46,347
<b>Total Non-current Liabilities</b>	<b>90,17,60,160</b>	<b>1,148,651,257</b>	<b>1,02,51,93,626</b>
<b>Current Liabilities</b>			
Financial			
(a) Liabilities			
(i) Borrowings	38,24,46,206	766,908,660	45,02,54,462
(ii) Trade Payables			
Total outstanding dues of micro, small & medium enterprises	57,47,376	9,281,287	1,49,71,257
Total outstanding dues of creditors other than micro, small & medium enterprises	1,16,00,388	14,069,383	4,79,08,625

(iii) Other Financial Liabilities	25,79,70,320	268,129,689	40,08,61,513
(b) Other Current Liabilities	2,3354,626	16,105,598 54,300	2,01,45,997
(c) Provisions			48,036
<b>Total Current Liabilities</b>	<b>68,11,18,915</b>	<b>1,074,548,917</b>	<b>93,41,89,890</b>
<b>Total Equity and Liabilities</b>	<b>8,78,6715,772</b>	<b>5,269,287,407</b>	<b>5,35,48,09,771</b>

**ROBUST HOTELS LIMITED – AUDITED STATEMENT OF PROFIT AND LOSS**

**Figures in INR**

<b>Particulars</b>	<b>Note No.</b>	<b>For the Nine Months ended 31st December, 2022</b>	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
<b>Income</b>				
Revenue from Operations		76,22,99,481	405,059,163	24,95,59,011
Other Income		3,61,25,908	32,520,335	3,13,40,642
<b>Total</b>		<b>79,84,25,390</b>	<b>437,579,498</b>	<b>28,08,99,653</b>
<b>Expenditure</b>				
Consumption of Provisions, Beverages, Smokes & Others		9,58,96,723	54,727,989	2,90,73,519
Employee Benefits Expense		11,56,13,910	107,400,053	8,42,05,168
Finance Costs		13,56,84,637	174,154,564	16,06,67,341
Depreciation and Amortization Expense		12,51,01,094	159,573,503	16,28,10,247
Other Expenses		36,27,90,522	291,747,390	17,96,90,071
<b>Total</b>		<b>83,50,86,886</b>	<b>787,603,498</b>	<b>61,64,46,346</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>(3,66,61,496)</b>	<b>(350,024,000)</b>	<b>(33,55,46,693)</b>

Exceptional Items				-
<b>Profit/(Loss) Before Tax</b>		<b>(3,66,61,496)</b>	<b>(350,024,000)</b>	<b>(33,55,46,693)</b>
<b>Tax Expense</b>				-
Current Tax		-	-	-
Deferred Tax		73,78,87,510	-	-
For Earlier Years		-	-	-
<b>Profit/(Loss) for the year</b>		<b>70,12,26,013</b>	<b>(350,024,000)</b>	<b>(33,55,46,693)</b>
Other Comprehensive Income				
Items that will not be reclassified to profit or loss		-	-	-
Remeasurement of defined benefit liability		-	684,979	15,83,773
<b>Total Comprehensive Income for the year</b>		<b>70,12,26,013</b>	<b>(349,339,021)</b>	<b>(33,39,62,920)</b>
<b>Earnings per Equity Share (Nominal value per Equity Share Rs. 10/-)</b>				
<b>(Refer Note No. 46)</b>				
(a) Basic		40.55	(1.56)	(1.50)
(b) Diluted		40.55	(1.56)	(1.50)

### ROBUST HOTELS LIMITED – AUDITED CASH FLOW STATEMENT

(Figures in INR.)				
Particulars		For the Period ended 31st December, 2022	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Profit/(loss) before tax	(3,66,61,496)	(350,024,000)	(335,546,693)
	Adjustment for :			

	Loss (Profit) on Sale of non-current Investment	1,11,05,865	-	31,632,597
	Interest on Income Tax Refund	(6,21,496)	(10,130,519)	(5,282,303)
	Loss (Profit) on Foreign Currency transaction or Translation	1,22,89,438	4,162,365	(2,720,579)
	Depreciation/amortization	12,51,01,194	159,573,503	162,810,247
	Loss/(profit) on sale of fixed assets	27,65,054	3,400,589	-
	Interest Expense on Borrowings	13,48,92,344	173,202,242	160,190,241
	Provision for Gratuity	5,16,260	328,942	(37,816)
	Provision for Leave Encashment	29,97,656	108,819	375,699
	Interest income	(62,98,999)	(420,368)	(825,805)
	Interest on Debentures	-	-	-
	Sundry balances written back (net)	(26,585)	(164,854)	(1,557,973)
	Fair Value Loss(Gain) on non-current Investment (net)	(1,98,47,396)	(12,631,228)	(7,157,097)
	<b>Operating profit before working capital changes</b>	<b>22,62,11,289</b>	<b>(32,594,509)</b>	<b>1,880,519</b>
	Movements in working capital :			
	Increase/(decrease) in trade payables in Financial Liabilities	(1,82,65,760)	(43,526,723)	(21,607,138)
	Increase/(decrease) in other current liabilities	72,49,028	(4,040,399)	(11,966,542)
	Increase/(decrease) in other current financial liabilities	1,36,22,856	66,058,297	(22,591,396)
	Increase/(decrease) in non current provisions	7,29,648	1,547,256	(913,516)
	Increase/(decrease) in current provisions	(54,300)	6,264	(11,924)
	Increase/(decrease) in current Investments	-	-	-
	Decrease/(increase) in trade receivables in Financial Assets	(1,89,67,576)	(247,395)	24,765,546
	Decrease/(increase) in inventories in Current Assets	1,13,01,672	(7,312,456)	(374,696)
	Decrease / (increase) in other Financial Assets	(44,59,684)	780,428	6,233,955
	Decrease / (increase) in loans in Financial Assets	(1,06,501)	1,834	(6,333)

	Decrease / (increase) in other Current Assets	(1,99,30,561)	10,328,288	1,671,183
	Decrease / (increase) in other Non current asset	(14,23,284)	(7,150,763)	(1,500,000)
	<b>Cash generated from /(used in) operations</b>	<b>19,59,06,827</b>	<b>(16,149,877)</b>	<b>(24,420,343)</b>
	Less: Direct taxes paid (net of refunds)	(61,73,179)	(37,722,946)	(31,902,090)
	<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>20,20,80,006</b>	<b>21,573,069</b>	<b>7,481,747</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets	(3,42,64,365)	(83,952,542)	(9,698,437)
	Decrease in Current Investment	(92,51,90,137)	-	-
	Proceeds from sale of fixed assets	4,82,504	803,894	-
	Purchase of non-current investments	(38,00,000)	(3,750,000)	(2,000,000)
	Sale of non-current Investments	38,70,000	-	9,220,000
	Interest received	61,70,870	617,631	1,019,064
	<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>(95,27,31,128)</b>	<b>(86,281,017)</b>	<b>(1,459,373)</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Funds Received through scheme of Demerger	1,61,29,96,695	-	-
	Repayment of Long Term Borrowings	(16,02,41,964)	(205,198,957)	(61,800,000)
	Proceeds from Long Term Borrowings	-	354,500,000	80,000,000
	Proceeds from Short Term Borrowings – CC	2,46,44,849	1,811,791	25,701,496
	Proceeds from Short Term Borrowings - Unsecured Loan	(50,00,00,000)	77,000,000	51,500,000
	Interest paid on borrowings	(15,86,74,569)	(161,293,406)	(100,093,825)
	<b>Net cash flow from/(used in) in Financing Activities (C)</b>	<b>81,87,25,011</b>	<b>66,819,428</b>	<b>(4,692,329)</b>
	<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>6,80,73,889</b>	<b>2,111,480</b>	<b>1,330,045</b>
	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>81,17,918</b>	<b>6,006,437</b>	<b>4,676,392</b>
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>7,61,91,807</b>	<b>8,117,918</b>	<b>6,006,437</b>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **1. OVERVIEW**

The Company was originally incorporated as Robust Hotels Private Limited on January 19, 2007, under the Companies Act, 1956, with the Registrar of Companies, Tamil Nadu, Chennai. The Corporate Identification Number/Registration Number assigned to the Company was U55101TN2007PTC062085. The Company entered into a Scheme of Arrangement, Demerger and Reduction of Capital with M/s Asian Hotels (East) Limited (AHEL/Transferor Company) and its shareholders and creditors which became effective on 21.09.2022. On the Scheme becoming effective, the Securities Trading Unit (Demerged Undertaking) of the transferor company was demerged and vested into and with the Company as a going concern. Subsequently the Company was converted into a public limited company and the name of the Company was changed to Robust Hotels Limited with effect from 11.10.2022. The new CIN: U55101TN2007PLC062085.

### **2. FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS**

In the current economic scenario, with travel restrictions slowly getting relaxed across the country as well as in most parts of the world, there is a big challenge in the near term for the tourism and hospitality industry. Being a high fixed cost business, the focus is to reduce the fixed costs and transform the operating model into a leaner and more flexible model. FY20 saw a small dip vs FY19 due to the initial impact of COVID-19. FY21 was one of the worst-performing years on record for the industry as India occupancy and ADR's crashed to 33.8% (50% below FY20) and 4013 (33% below FY20) respectively. However, the traditional domestic demand started showing gradual signs of improvement, as soon as the travel restrictions were relaxed across the country. The Company's performance is expected to be at par with pre-pandemic results.

The Company's results of operations are primarily affected by room revenue and food and beverage revenue in its hotels. Room revenue is dependent upon the number of hotel rooms occupied by guests and the rate at which such guests can be charged. Food and beverages revenue is dependent upon number of hotel rooms occupied, number of non-resident guests visiting the hotel, utilization of banquet space and rate at which the guests can be charged. The occupancy rates reflect, as a percentage of overall rooms available, the rooms occupied by guests. Average Room Rate ("ARR") reflects the average rate charged to guests for the rooms occupied by such guests over a given period.

The Company's revenue consists of operating revenue from its hotel activities, and other income.

The Company's results of operations are subject to seasonal fluctuations during the financial year.



### **3. PRINCIPAL COMPONENTS OF INCOME AND EXPENSES**

#### ***Income***

##### *Revenue from operations*

The revenue from operations principally includes:

- i. Sale of Products
  - Soft Beverages, Wines and Liquor
  - Food and Smoke
  
- ii. Sale of Services
  - Room Revenues
  - Banquet Income
  - Health & Spa Revenue
  - Laundry Revenue
  - Others

##### *Other Income*

Other income includes interest income, Fair value gain on investments and miscellaneous income.

#### ***Expenses***

##### *Cost of Consumptions of Provisions, Beverages, Smokes & Others*

This includes the cost relating to the purchases of in regards with the items utilized or sold during the course of the operations.

##### *Employees Benefit Expenses*

Employees benefit expenses includes salaries, wages and bonus, contribution to provident and other funds, staff welfare expenses and recruitment and training expenses.

##### *Finance Cost*

Finance cost includes Interest on Loans, Cash Credit, Debentures and other borrowing cost.

##### *Depreciation and Amortization Expenses*

Depreciation and amortisation includes depreciation of property, plant and equipment and amortization of intangible assets.

##### *Other Expenses*

Other expenses includes contract labour and services, linen, rooms, catering other supplies, operating equipment's consumptions, fuel, power and lights, repairs and maintenance cost, equipment hiring charges, advertisement and publicities, insurance, professional and consultancy fee, directors sitting fee, brokerage and commissions and various other expenses.

### **4. THE RESULTS OF OPERATIONS**

The following table summarizes the results of operations for the financial year ended March 31, 2022, March 31, 2021 and nine months ended December,2022:

(Figures In INR)

Particulars	For Nine Months ended 31st December, 2022	Financial Year ended 31.03.2022	Financial Year ended 31.03.2021
<b>Income</b>			
Revenue from operations	76,22,99,481	40,50,59,163	24,95,59,011
Finance income	3,61,25,908	32,520,335	31,340,642
<b>Total</b>	<b>79,84,25,390</b>	<b>437,579,498</b>	<b>280,899,653</b>
<b>Expenditure</b>			
Consumption of Provisions, Beverages, Smokes & Others	9,58,96,723	54,727,989	29,073,519
Employee Benefit Expenses	11,56,13,910	107,400,053	84,205,168
Finance Cost	13,56,84,637	174,154,564	160,667,341
Depreciation and Amortization Expenses	12,51,01,094	159,573,503	162,810,247
Other expenses	36,27,90,522	291,747,390	179,690,071
<b>Total</b>	<b>83,50,86,886</b>	<b>787,603,498</b>	<b>616,446,346</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>(3,66,61,496)</b>	<b>(350,024,000)</b>	<b>(335,546,693)</b>
Exceptional Items			
<b>Profit/(Loss) Before Tax</b>	<b>(3,66,61,946)</b>	<b>(350,024,000)</b>	<b>(335,546,693)</b>
<b>Tax Expenses</b>			
Current Tax	-	-	-
Deferred Tax	73,78,87,510	-	-
<b>Profit/(Loss) for the year</b>	<b>70,12,26,013</b>	<b>(350,024,000)</b>	<b>(335,546,693)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss	-	-	-
Re measurement of defined benefit liability	-	684,979	1,583,773
<b>Total Comprehensive Income for the year</b>	<b>(70,12,26,013)</b>	<b>(349,339,021)</b>	<b>(333,962,920)</b>
<b>Earnings per Equity Shares (Nominal Value – Rs.10/-)</b>			
Basic	40.55	(1.56)	(1.50)
Diluted	40.55	(1.56)	(1.50)

## 5. SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST BALANCE SHEET DATE

Save as mentioned herein-below in this Information Memorandum, in the opinion of the Board of Directors of the Company, there have not arisen any circumstances since March 31, 2022 which materially and adversely affect, or are likely to materially and adversely affect, the Company's business or the profitability of the Company, or the value of the assets, or the Company's ability to pay its liabilities within the next 12 months.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENT

Except as stated in this Section,:

- i. There are no outstanding litigation suits, criminal or civil, involving economic offences or proceeds or tax liability or of any other nature whatsoever against the Company, its Promoters, Group Companies and Directors that would have material adverse effect on the Business.
- ii. There are no overdue, defaults to the Financial Institutions/Banks, Re-Scheduling of loans to Banks/Financial Institutions by the Company. There are no pending offences of non-payment of statutory dues by the promoters, group companies, Directors of the Company.
- iii. There are no cases of litigation pending against the Company or against any other Company whose outcome could have a materially adverse effect on the position of the Company. There are no pending litigations against the promoters/directors in their personal capacities and also involving violation of statutory regulations or criminal offences. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the promoters.
- iv. There is no outstanding litigation, defaults etc., pertaining to matters likely to affect the operations and Finances of the Company including disputed tax liability, prosecution under any enactment.
- v. There is no litigation outstanding against the promoters/Directors in their personal capacity. The Company, its promoters and other companies with which promoters are associated have neither been suspended by SEBI nor any disciplinary action has been taken by SEBI other than those mentioned above.
- vi. There are no past cases in which penalties were imposed by the concerned authorities on the Company or its directors.

However, the Company has deposited Rs 15.12 crores with Madras High Court, as per the order of Supreme Court in the case filed by East India Hotels Limited against the erstwhile owner M/s Balaji Hotels & enterprises limited as given under the list of litigations. This will be refunded after disposal of case by Madras High Court.

#### **A. Litigations involving the Company:**

##### ***a. Civil Proceedings***

##### ***I. Litigation initiated against the Company***

1. **Ramani Hotels v Balaji Hotels and others** – Ramani Hotels challenging the Sale certificate of ICICI issued in their favour and demanding for certain areas in the Building which belongs to the company.

2. **EIH Ltd Vs Balaji Hotels & others** - Appeal filed by EIH to declare sale by IFCI / TFCI as illegal against the order issued by the Madras High Court.

**II. Litigation initiated by the Company:**

1. **Robust Hotels v Ramani Hotels** – Robust Hotels has filed a Recovery Suit for amount receivable from Ramee

**b. Tax Proceedings**

**I. Litigation initiated against the Company**

**Income Tax**

1. Appeal before the Madras High Court filed against order of ITAT disallowing the Interest of Rs.3,93,87,137/- and Rs.4,67,50,661/- u/s 36(1)(iii) for capitalization along with project cost on account of Diversion of Interest-Bearing funds for the Financial Years 2009-10 & 2010-11 respectively
2. Company is in the process of filing an appeal before the Income Tax Appellate tribunal against the order of commissioner of income tax (appeal) upholding the order of Income Tax officer disallowing Rs.9,00,80,828/- u/s.56(2)(viib) of the IT Act by valuing shares on NAV method instead of DCF (Discounted Cash Flow) method as opted by the company.

**GST**

1. Received Show cause notice from GST Department for Demand of Rs.1,26,01,948 on various issues for the period from Jul'2018-Mar'2020 and the same has been duly replied to.

**II. Litigation initiated by the Company:**

1. **Refund claim:** The company has claimed for refund of excess tax paid of Rs. 3,60,960/- & Rs. 30,31,122/- for the financial years 18-19 and 19-20 respectively on its income and the Claim has been filed within the revised limitation time line prescribed.

## GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS

The Company has all the necessary licenses, permissions and approvals, as may be applicable, from the Central and State Governments and other government agencies/certification bodies required for the business and no further approvals are required by the company, except those mentioned separately hereunder, and those approvals that may be required to be taken from any government or any other authority in the normal course of business from time to time to continue the activities, and those mentioned under the heading Risks Envisaged.

In view of the approvals listed below, the Company can undertake its current and proposed business activities and no further material approvals are required from any Government authority to continue such activities.

### **Material Licenses and approval obtained by the Company**

#### *a. Incorporation Details*

<b>Sr. No.</b>	<b>Name of Registration</b>	<b>Issuing Authority/ Department</b>	<b>License/ Registration Number</b>
1.	Certificate of Incorporation for incorporation of Company as Robust Hotels Private Limited	Registrar of Companies, Tamil Nadu, Chennai	U55101TN2007PTC062085 January 19, 2007
2.	Amended Certificate of Incorporation consequent upon change of name Robust Hotels Limited	Registrar of Companies, Tamil Nadu, Chennai	U55101TN2007PLC062085 October 11, 2022

#### *b. Approval from Tax Authorities*

<b>Sr. No.</b>	<b>Name of Registration</b>	<b>Issuing Authority/ Department</b>	<b>License/ Registration Number</b>
1.	Permanent Account Number	Income Tax Department, Government of India	AADCR5418B
2.	TDS Account Number	Income Tax Department, Government of India	CHER08830D
3.	GST Registration Number	<b>Goods and Services Tax department</b>	33AADCR5418B2ZU

#### *c. Labour/Employment Related Approval*

<b>Sr. No.</b>	<b>Name of Registration</b>	<b>Issuing Authority/ Department</b>	<b>License/ Registration Number</b>
1.	Employees Provident Fund Registration	Employees Provident Fund Organisation	TNMA0054092000
2.	Employees State Insurance Registration	ESIC - Employee's State Insurance Corporation	51001016330001101

***d. Regulatory Approvals***

The Company has got all the regulatory approvals wherever is required.

***e. Technical Approvals***

HRACC: - “5” Star Deluxe Category - Government of India, Ministry of Tourism

***f. Other Approvals***

The Company has got material approvals, permissions and licenses as may be required and are in the process of obtaining approvals, permissions and licenses wherever the Company has to obtain.

It must, however be, distinctly understood that in granting the above-mentioned approvals, the Central Government, State Government, RBI and other authorities do not take any responsibility for the financial soundness of the company or for the correctness of any of the statements.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for Listing:**

The Board of Directors had approved the Scheme at their meeting held on January 13, 2020. The National Company Law Tribunal, Chennai and Kolkata Benches, issued its certified order on 24<sup>th</sup> January 2022 and 05<sup>th</sup> September 2022 sanctioning the Scheme of Arrangement whereby the demerged undertaking that is the Securities Trading Unit of Asian Hotels (East) Limited have been transferred and vested in Robust Hotels Limited with effect from 21.09.2022 (i.e. the Appointed Date/Effective Date under the Scheme)

In accordance with the Scheme, the Equity Shares of the Company, issued pursuant to the Scheme, shall be listed and admitted to trading on BSE and NSE. Such admission and listing is not automatic and will be subject to fulfilment by the Company of the respective listing criteria of the Stock Exchanges and also subject to such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by the Company seeking approval for listing.

### **Prohibition by Securities and Exchange Board of India:**

The Company, Directors, Promoters, Promoter Group and the persons in control are not prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, none of the Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

The Company, its Promoters, Group Companies, the Relatives (as per Companies Act, 2013) of Promoters, Group Companies are not identified as willful defaulters by Reserve Bank of India or other authorities.

The Company and its promoters are in compliance with the Companies (Significant Beneficial Owner) Rules, 2018

### **Eligibility Criteria:**

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters II, III and IV of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable. Therefore, SEBI has vide its letter bearing reference number SEBI/HO/CFD/RAC/DCR-2/P/OW/13317/2023 dated **31.03.2023**, relaxed the applicability of provisions of Regulation 19(2)(b) of the Securities Contract (Regulations) Rules, 1957. The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

### **General Disclaimer from the Company:**

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in relation to this scheme or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**Caution**

Robust Hotels Limited and its Directors accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk. The Company shall make all information available to the equity shareholders and no selective or additional information would be available for a section of the equity shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Information Memorandum.

**Disclaimer with respect to jurisdiction:**

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Chennai, Tamil Nadu, India.

**Disclaimer Clause of BSE**

BSE vide its letter dated 21<sup>st</sup> May, 2020 granted no observation/ NOC for the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the stock exchanges on which the Company's Equity Shares are proposed to be listed.

As required, a copy of this Information Memorandum has been submitted to BSE.

**Disclaimer Clause of NSE**

NSE vide its letter dated 21<sup>st</sup> May, 2020 granted no observation/ NOC for the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name has been included in this Information Memorandum as one of the stock exchanges on which the Company's Equity Shares are proposed to be listed.

As required, a copy of this Information Memorandum has been submitted to NSE.

**Filing**

This Information Memorandum has been filed with BSE, Listing Department, at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, 400001 and with NSE, Listing Department, at Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051. All the legal requirements applicable till the date of filing the Information Memorandum with the Stock Exchanges have been complied with.

**Listing**

Application has been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

**Designated Stock Exchange**

The designated stock exchange is BSE. The shares will also be listed on NSE.

**Demat Credit**

The Company has executed Tripartite Agreements with the Registrar and the Depositories - National Securities Depository Limited and Central Depository Services Limited for admitting its securities in demat form and ISIN allotted to the Company's Equity Shares is INE508K01013



Shares have been allotted to those shareholders who have provided necessary details to the Company and/or who were holding their shares in Asian Hotels (East) Limited in demat form as on the Record Date i.e. 07.10.2022. The demat shares have been credited to the demat accounts of the shareholders by CDSL on 04.11.2022 and NSDL on 04.11.2022.

**No Physical share certificate:**

Pursuant to Clause 4.3.2 of Scheme, the Company has credited the shares into the Demat Suspense Account and upon receipt from claimant shareholders of their entitlement, such shares will be transferred to their individual demat accounts.

**Expert Opinions**

Save and except as indicated elsewhere in this Information Memorandum, no other expert opinion has been obtained by the Company.

**Particulars Regarding Previous Public or Right Issues**

The Company has not made any previous public or rights issue of securities.

**Previous issues of securities otherwise than for cash.**

For details in relation to the allotment of Equity Shares for consideration other than cash, see “Capital Structure” on page 27

**Commission and Brokerage on Previous Issues**

The Company has not issued any shares to the public since its incorporation and no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares.

**Partly paid-up shares**

As of the date of this Information Memorandum, there are no partly paid-up Equity Shares.

**Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by the Company**

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

**Stock Market Data for Equity Shares of the Company**

The Equity Shares of the Company are not listed on any stock exchange. Through this Information Memorandum, the Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

**Disposal of Investor Grievances by the Company**

The Company has appointed M/s Integrated Registry Management Services Private Limited as its Registrar and Transfer Agent (RTA) for handling the share registry work relating to shares held both in physical and electronic form at a single point. As per the Memorandum of Understanding with the RTA, it shall strive to redress the investor complaints within one month of its receipt. The Company has also constituted an Investors' Grievance Committee to deal with the grievances of investors related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, transfer, transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate / Power of Attorney, replacement/split /consolidation of share certificate/demat/remat of shares, issue of duplicate certificates etc.

The Company has the following email/platforms for addressing investors' grievances:

E-mail id: **investors\_rhl@sarafhotels.com**

Shareholders can express their grievances by sending mails to the above e-mail id or raise complaints in SCORES (common portal introduced by SEBI). The Company shall register on the SCORES portal after obtaining the listing/trading approval. Further, the Shareholders can also raise their grievances with the management of the Company. As on the date of this Information Memorandum, the Company has not received any investor complaints since incorporation.

The Company has appointed Ms. Yasotha Benazir N as the Company Secretary and the Compliance Officer of Company and she may be contacted in case of any queries at the following address:

**Tel:** 044 6100 1251

**Email:** yasothanatarajan@sarafhotels.com

**Address:** 365, Anna Salai, Teynampet, Chennai 600 018

#### **Capitalization of Reserves or Profits**

The Company has not capitalised its reserves or profits.

#### **Revaluation of Assets**

The Company has not revalued its assets since its incorporation.

## **SECTION VIII – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company) which are or may be deemed material have been entered or are to be entered into by Company. Copies of the following documents will be available for inspection on the website - [www.robusthotels](http://www.robusthotels) and registered office of the Company between 10.00 A.M to 4.P.M for a period of seven working days from the date of filing of this Information Memorandum with the Stock Exchanges.

#### ***Material Documents for Inspection:***

- Memorandum and Articles of Association of the Company, as amended till date.
- Certificate of Incorporation of Robust Hotels Limited.
- Fresh certificate of Incorporation of the Company issued upon change of the Company name from Robust Hotels Private Limited to Robust Hotels Limited.
- The order of Hon'ble National Company Law Tribunal, Chennai and Kolkata Benches the Scheme of Arrangement
- Copy of Scheme of Arrangement
- Copy of Observation Letters dated May 21, 2020 from National Stock Exchange of India Limited and BSE Limited respectively.
- Copy of the extract of the Board Resolution dated November 14, 2019 and January 13, 2020, of Asian Hotels (East) Limited (Demerged Company) and Robust Hotels Private Limited (Resulting Company) respectively, approving the Scheme.
- BSE Letter dated **20.01.2023**, granting in-principal approval for listing/trading
- NSE Letter dated **23.01.2023**, granting in-principal approval for listing/trading
- Approval letter of SEBI granting exemption from applicability of Rule 19(2)(b) of the Securities Contract Regulations Rule vide letter no. SEBI/HO/CFD/RAC/DCR-2/P/OW/13317/2023 dated **31.03.2023**.
- Certificate of Statutory Auditors to the Statement of Possible Tax Benefit mentioned in this Information Memorandum.
- Audited Financial Statements and the audit reports of the Company for the past three financial years.
- Copies of tripartite agreements dated 06.09.2013 and 06.09.2010 entered into between the Company, RTA and the Depositories (NSDL/ CDSL).
- Return of Allotment of Equity Shares filed by the Company for allotment of Shares pursuant to the Scheme.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the appropriate authorities without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

All the relevant provisions of the Companies Act, 2013, and the Rules made thereunder and/or the Regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contract Regulations Act, 1956 or rules and regulations made there under or guidelines issued, as the case may be. We further certify that to the best of our knowledge and belief, all the disclosures made in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Robust Hotels Limited**

**Yasotha Benazir N**  
**Company Secretary**

**Sd/-**

**Place: Chennai**

**Date:11.04.2023**