Rule 2.33 **Form 2.17B**

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company	Company number
Sahara Grovenor House Hospitality Limited	04216917

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	1567 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

We (a)

Philip Stephen Bowers
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Ian Colin Wormleighton
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

*Delete as applicable

attach a copy of *our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 22 April 2015

Signed PSB
Joint Administrator

Dated 22/4/15

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to researchers of the public record

P S Bowers
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

DX Number LDE DX599

Tel 020 7936 3000
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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COMPANIES HOUSE

Deloitte.

Court Case No 1567 of 2015
Companies Court
Company Number 04216917

Sahara Grovenor House Hospitality Limited (in administration) ("the Company")

Registered Office: c/o Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act").

Philip Stephen Bowers and Ian Colin Wormleighton ("the Joint Administrators") were appointed Joint Administrators of the Company on 2 March 2015. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK.

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

20 April 2015

Contacts

Joint Administrators of the Company

Philip Stephen Bowers

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Contact details

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Deloitte.

Sahara Grovenor House Hospitality Limited (in administration)

This Statement of Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that the Joint Administrators provide creditors with details of their proposals to achieve the purpose of the administrations

The Joint Administrators do not intend to convene a meeting of creditors to consider these proposals Should creditors whose total debts amount to at least 10% of the total debts of the Company wish to request that a meeting be held, they should complete Form 2 21B attached to this report and return it to the Joint Administrators no later than 6 May 2015 A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request per rule 2 37(3) of the Insolvency Rules 1986 (as amended) ("the Rules")

In the event no request for a creditors' meeting is received within the above deadline, the Proposals will be deemed approved and a notice to that effect will be filed at Companies House

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Company,
- the circumstances giving rise to the appointment of the Joint Administrators,
- the progress of the administration to date, and,
- the Joint Administrators' proposals for achieving the objective of the administration (Appendix C)

Yours faithfully
For and on behalf of the Company

Joint Administrators

Executive Summary

Executive Summary
Executive summary

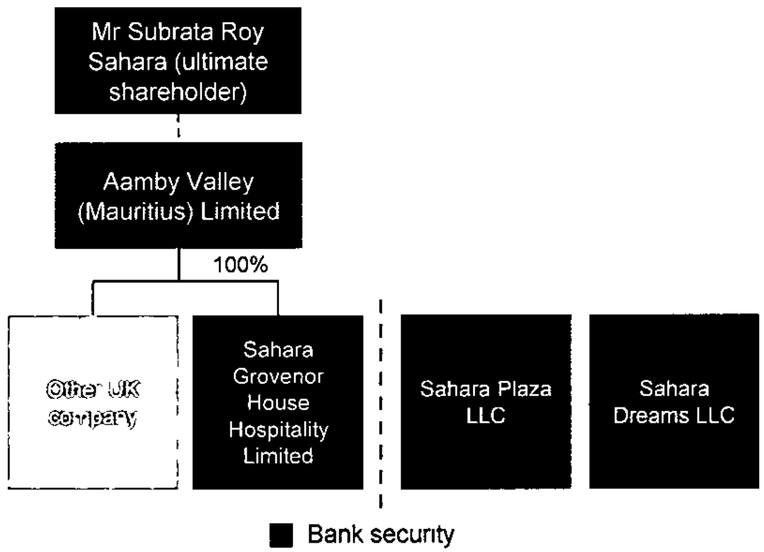
Topic	Summary
Purpose of the administration	• The purpose of the administration is to rescue the Company as a going concern, as the Joint Administrators seek to either (1) repay all third party creditors (secured and unsecured) in full through realising the Grosvenor House Hotel London (the "Hotel") asset and leaving sufficient balance sheet assets to meet the parent company loan note or (2) refinance the secured creditor In both situations this will require the directors to confirm the solvency of the Company prior to returning it to them
Joint Administrators' strategy	• The Company will continue to operate while a purchaser of the assets is sought and then realised
Initial meeting of creditors	• As the Joint Administrators anticipate that the Company will have sufficient property to pay all creditors in full, the Joint Administrators will not be convening a creditors' meeting unless requested to do so by qualifying creditors of the Company whose debts amount to at least 10% of the total debts of the Company
Timescale	• The duration of the administration is not expected to exceed 12 months as a sale process of the main asset is underway The timeframe for the Joint Administrators to complete a sale (or the directors achieving a successful refinancing) is currently anticipated to be within three months from the date of this report

Estimated Outcomes	• The directors' Statement of Affairs is provided at Appendix B
	• Based on current information, the Joint Administrators anticipate the following outcome for each category of creditor
	  • Secured creditor – The secured creditor will be repaid in full
	  • Preferential creditors – There are no known (or anticipated) preferential creditor claims
	  • 3rd party unsecured creditors – The 3rd party unsecured creditors will be repaid in full if this is agreed with the parent company which owns the unsecured loan note
	  • Parent company loan note – Post a sale of the Hotel there will be other assets (cash and receivables) which should be sufficient to repay the amounts in full

Proposals	• The Joint Administrators' proposals for managing the business and affairs of the Company can *be found on page 9*

Background

Background
The Company



Group structure

The Company is a subsidiary of Aamby Valley (Mauritius) Limited, an overseas company which is ultimately majority owned by a single shareholder, Mr Subrata Roy Sahara

As at the date of the Joint Administrators' appointment, the directors of the Company were Subrata Roy Sahara, Swapna Roy, Sushanto Roy, Om Prakash Srivastava, Sandeep Wadhwa and Vijay Singh Dogra

Background

The Bank of China ("the Bank") is lender to the Company which owns the long leasehold interest in the Hotel mortgaged to the Bank

The security granted over the Hotel also secures loans made by the Bank to affiliates of the Borrower, being Sahara Plaza LLC and Sahara Dreams LLC (both incorporated in Delaware in the United States of America)

The ultimate shareholder of the Company is Mr Subrata Roy Sahara who, with the other directors, had explored selling or procuring a refinancing of the Hotel over the last c 18 months

Default

Following financial covenant breaches under the US cross-collateralised Plaza / Dreams facility in each quarter of 2014, as well as other payment and reporting defaults, there was a cross-default under the Hotel facility

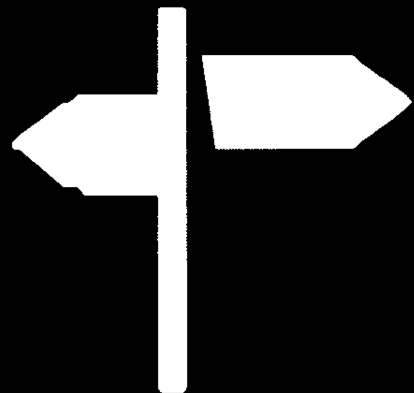
The directors were ultimately unsuccessful in achieving a sale of the Hotel or a refinancing of the Bank's debt

The Bank subsequently accelerated the debt and appointed the Joint Administrators pursuant to a qualifying floating charge on 2 March 2015

Employees

As at appointment of Administrators, the Company had no employees and therefore there are not expected to be any preferential creditors

Post-appointment



Post-appointment
Purpose

Appointment of the Joint Administrators

Philip Stephen Bowers and Ian Colin Wormleighton, of Deloitte LLP ("Deloitte") were appointed Joint Administrators of the Company by the Bank, 1 Lothbury, London, EC2R 7DB as holder of a qualifying floating charge on 2 March 2015 following the filing of a Notice of Appointment of Joint Administrators by the Qualifying Floating Charge Holder

Purpose of the administration

In order to achieve the first purpose of an administration, the Joint Administrators must be able to rescue the Company as a going concern

The Joint Administrators on selling the Hotel expect to be in a position to repay all 3rd party creditors in full, meet the expenses of the administration and have sufficient assets to repay the parent company loan note

Whilst the Joint Administrators seek to realise the Hotel, they understand that the directors continue to work on a refinancing which could repay all creditor classes and the administration costs and liabilities, enabling the administration to be brought to an end and the Company handed back to its directors

Post-appointment
Joint Administrators' strategy

How the affairs and business of the Company have been managed and financed since appointment, and the Joint Administrators' intended strategy if their proposals are approved

Sale of business

Immediately following their appointment, the Joint Administrators concluded it would be in the best interests of creditors to continue to operate the Company whilst seeking a sale of the Hotel

The Company is a property investment vehicle holding the long leasehold interest (89 years remaining) in respect of the Grosvenor House Hotel, Park Lane, London

Prior to the appointment of Administrators, two directors at Jones Lang LaSalle Ltd ("JLL") were appointed as Fixed Charge Receivers over a shorter term lease, the 'Reeves Mews lease', which will be sold together with the long leasehold interest

An operating lease is in place with JW Marriott who continue to trade the hotel, with a material period remaining under that lease term

The Joint Administrators have instructed JLL Hospitality to conduct a full sale and marketing process on their behalf JLL Hospitality are experienced sector experts and have intimate knowledge of the asset

The first round bids in the sale process have been received and the most credible and valuable bids are being invited into a second round, involving further due diligence, before final bids and exchange and completion of contracts

The Joint Administrators' proposals

The Joint Administrators' proposals for the administration include continuing to manage the business, affairs and property of the Company, realise assets, agree claims, distribute funds, establish a creditors' committee (if requested), fix the basis of and the ability to draw their remuneration and expenses and to exit the administration in the most efficient way possible These proposals are detailed in Appendix C

Legal matters

Allen & Overy LLP has been instructed by the Joint Administrators to advise on relevant matters arising during the administration, including advice on the validity of the Joint Administrators' appointment and the secured creditors' security

Post-appointment
Outcome for creditors

Estimated outcome for creditors

Secured creditor

The directors' statement of affairs shows that, at the date of the Joint Administrators' appointment, the Bank as secured creditor was owed £261,156,201

This is secured by way of fixed and floating charges granted by the Company on 20 October 2011 in respect of the Hotel on entering the £305,000,000 UK credit agreement At appointment the amount outstanding was £286,156,201 comprised of £285,175,000 principal plus accrued interest of £981,201 which became immediately due and payable The debt service reserve account balance of £25,000,000 was utilised to partially pay down the amount owed on 2 March 2015

The UK agreement was amended and restated by a supplemental agreement dated 26 November 2012 when an additional credit agreement was entered into in respect of Sahara Plaza LLC and Sahara Dreams LLC which totalled an amount of US $465,850,000

The full amount of the US loan together with default interest will continue to accrue until the full principal balance of the US loan and all other amounts due under that loan are repaid in full

The US loan should also have been included by the directors on the Statement of Affairs as it is repayable by the Company due to the UK and US credit agreements being cross-collateralised

Based on currently available information, the Joint Administrators expect there will be sufficient asset realisations to repay the Bank (as secured creditor) in full

Preferential creditors

There are no preferential creditors

Unsecured creditors

The directors' statement of affairs shows estimated non-preferential unsecured creditors of £191,996,719 of

Unsecured creditors (continued)

which £812,709 relates to 3rd party creditors The remainder comprises £599,400 due to sister company Aamby Hospitality Services (UK) Limited and £190,584,610 in respect of the accrued interest and principal in respect of the loan note in favour of Aamby Valley (Mauritius) Limited

It is expected that all 3rd party unsecured creditors will be paid in full and that there will be sufficient assets to repay the parent company loan note

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, as set out under section 176A of the Act

The Prescribed Part is calculated as a % of net property and is subject to a statutory maximum of £600,000 per company

Based on current information, the Joint Administrators anticipate being in a position to repay all creditors in full

Claims process

Unsecured creditors are invited to submit their claims to the Joint Administrators by completing a proof of debt form which is available on the administration website and which should be sent to the address on page 1, marked for the attention of Rob Woolsey A hard copy will be provided if requested

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors

There are several possible exit routes from administration which are available to the Joint Administrators

Based on current information, the Joint Administrators expect the Company to be solvent following a sale of the hotel, after which it is likely to be handed back to directors

Alternatively, if the directors are successful in recapitalising the Company, it would likely be passed back to the existing directors after all liabilities arising during, or as a result of, the administration were settled, along with all secured and unsecured claims prior to the appointment of administrators

However, the following exit routes may also still be appropriate should the expected outcome change

- *Company Voluntary Arrangement ("CVA")* – The Administrators may seek to exit by CVA as there is the possibility of the Company being handed back to the directors
- *Dissolution* – If the Joint Administrators consider there is no further property which might permit a distribution to the Company's creditors, they may file notice of this with the Registrar of Companies and the Company will be dissolved three months later
- *Creditors' Voluntary Liquidation ("CVL")* If the Joint Administrators consider a distribution to unsecured creditors will be made (including by virtue of the Prescribed Part), they may file a notice to that effect with the Registrar of Companies and the administration will cease on the date that notice is registered and the Company will be wound up
  - Please note that if the Company is placed into CVL, the Joint Administrators propose to be appointed as joint liquidators The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the proposals are approved by creditors i e by 6 May 2015
  - Any creditors' committee appointed in the administration will become a liquidation committee and the basis of the joint liquidators' remuneration fixed during the administration will apply in the CVL
  - For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by meeting) or, in specific circumstances, by the secured (and preferential) creditors

In this case, the Joint Administrators anticipate sufficient property in the Company to enable each creditor of the Company to be paid in full pursuant to Schedule B1, paragraph 51(1)(a) of the Act and therefore the discharge resolution detailed at Appendix C will be deemed approved

Remuneration and expenses

Remuneration and expenses
Remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is available for download at www deloitte com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 1 and this will be provided to you at no cost

Basis of Administrators' remuneration

Pursuant to Rule 2 106 of the Rules, the basis of Joint Administrators' remuneration may be fixed

- as a percentage of the value of the property with which the Joint Administrators have to deal,
- by reference to time costs properly given by the Joint Administrators and their staff in attending to matters arising in the administration,
- as a set amount,
- or, any combination of the above

The Administrators anticipate sufficient property in the Company to enable each creditor of the company to be paid in full pursuant to Schedule B1 paragraph 51(1)(a)

In accordance with Rule 2 33(5A) of the Rules, the basis of the Joint Administrators' remuneration will be deemed approved, where the proposals are deemed under Rule 2 33 (5) to have been approved

Time costs incurred to date

The Joint Administrators' pre-appointment time costs total £18,365 which represents 32 hours at an average rate of £571 23 per hour

Time costs since appointment to 15 April 2015 total £117,228 which represents 163 hours at an average rate of £718 75 per hour

The Joint Administrators' standard time costs are set out in full at Appendix D

Additional information

Additional information
Case specific matters

EU Regulations

As stated in the administration appointment documents, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Company's premises at the date of administration please contact the Joint Administrators as soon as possible

Appendices

Website

In an effort to reduce the costs of the administration, all communications with creditors, including updates and progress reports, will be posted onto a website which has been set up specifically for this purpose The web address is http //www deloitte-insolvencies co uk/sahara

A letter will be issued to all creditors each time the website is updated with a statutory notice or report All statutory notices will be retained on the website until its closure three months from the administration ending

Please therefore ensure that you review the website regularly for updates and further notices and reports

If any person wishes to receive a hard copy of any document uploaded by the Joint Administrators to the above website, they should contact the Joint Administrators via the contact details on page 1 of this report, and hard copies will be provided free of charge

Directors' summary Statement of Affairs

	Note	Book value	Estimated to realise
Assets subject to fixed charge		£	£
Long leasehold investment property		550,000,000	550,000,000
Less Amounts due to fixed charge holders	1	(261,156,201)	(261,156,201)
Estimated surplus to fixed charge holders		288,843,799	288,843,799
Assets subject to floating charge			
Debtors		61,783	51,313
Cash		447,087	447,087
Intercompany receivables		7,838,271	-
Estimated total assets available for preferential creditors		8,347,141	289,342,199
Preferential creditors			-
Estimated surplus to preferential creditors			289,342,199
Estimated prescribed part of net property			(600,000)
Estimated total assets available for floating charge holders			288,742,199
Debt secured by floating charges			-
Estimated deficiency / surplus after floating charges			288,742,199
Estimated prescribed part of net property (brought down)			600,000
Total assets available to unsecured creditors			289,342,199
Unsecured non-preferential claims	2		(191,996,719)
Estimated deficiency / surplus to creditors			97,345,480
Called up share capital			(770,001)
Estimate deficiency / surplus to members			**96,575,479**

Joint Administrators' comments

The directors' statement of affairs is available online at http //www deloitte-insolvencies co uk/sahara, including a full list of creditors' names and addresses In accordance with the standard format of the Statement of Affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees)

Note 1

The Company is party to cross guarantees in respect of additional facility agreements of other entities with the secured lender This indebtedness amounts to c US $466m and has been excluded from the directors' Statement of Affairs

Note 2

This amount represents indebtedness of £160,146,500 and accrued interest of £30,438,110 at 2 March 2015, plus trade payables and accruals totalling £1,412,109

Joint Administrators' proposals

In the absence of a creditors' meeting being requested, the following proposals will be deemed approved on 6 May 2015 Specific attention should be paid to proposals 6, 7, 8 and 11 as these determine the Joint Administrators' basis of remuneration and their discharge from liability

The Joint Administrators' proposals are as follows

1 the Joint Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses,

2 the Joint Administrators continue with their enquiries into the conduct of the directors of the Company and continue to assist any regulatory authorities with any investigation into the affairs of the Company,

3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Joint Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,

4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when their claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the court gives permission following an appropriate application,

5 that, in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors Committee be appointed,

6 that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT,

6 that, the Joint Administrators' direct expenses and category 2 expenses in respect of mileage and statutory websites be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses (plus VAT where applicable) from the administration estate,

7 that the Joint Administrators' pre-administration fees and expenses of £18,365 (plus VAT) be approved and that the Joint Administrators be authorised to draw their pre-administration fees and expenses, plus VAT, from the administration estate,

8 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most appropriate exit route to formally conclude the administration,

9 that, if the Company is to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally,

10 that, if the Joint Administrators consider that the rescue of the Company is achievable under paragraph 3(1)(a) of Schedule B1 of the Act then they may prepare a proposal for a CVA to be considered by the creditors, and

11 that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies

Restructuring Services charge out rates (£/hour)

Grade	From 1 Sept 2014
Partners & Directors	615 - 970
Assistant Directors	475 - 735
Managers	410 - 660
Assistant Managers	310 - 525
Assistants & Support	50 - 310

The above bands are specific to the Restructuring Services department partners and staff In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment has not been recorded or recovered The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

Charge out rates increased on 1 September 2014

Category 1 expenses incurred

£ (net)	Value	Paid	Unpaid
Travel	53	-	53
Postage/Couriers	10	-	10
Total expenses	**63**	**-**	**63**

Category 2 expenses incurred

£ (net)	Value	Paid	Unpaid
Website set up	500	-	500
Total expenses	**500**	**-**	**500**

Expenses and disbursements

Category 1 expenses

The Joint Administrators' direct expenses and disbursements incurred to date (excluding VAT) are set out above

Category 2 expenses

These are expenses and disbursements which may include shared or allocated costs and which require specific approval to be draw from the administration estate

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile)

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment

Important notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals

The Joint Administrators act as agents of the Company and contract without personal liability The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

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