

28th
Annual Report 2008-2009



Asian Hotels Limited

BOARD OF DIRECTORS

Shiv Jatia Chairman and Managing Director
Lalit Bhasin
Gautam R. Diwan
Dinesh C. Kothari
Ramesh Jatia
Adarsh Jatia

COMPANY SECRETARY

Dinesh K. Jain

AUDITORS

Mohinder Puri & Company
Chartered Accountants
1A-D, Vandhna, 11, Tolstoy Marg
New Delhi - 110 001.

BANKERS

DBS Bank Limited
IDBI Bank Ltd.
Punjab National Bank
Bank of Baroda

**REGISTERED OFFICE & INVESTOR
RELATIONS DEPARTMENT**

Bhikaiji Cama Place
M. G. Marg
New Delhi - 110 607
Tel. No. 011-66771225 / 66771226
Fax: 011-26791017
www.asianhotelslimited.in

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.
Karvy House, 46, Avenue - 4, Street No. 1
Banjara Hills, Hyderabad - 500034
Tel. No. 040-23312454 / 23320751
Fax:040-23311968
www.karvy.com

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ASIAN HOTELS LIMITED

Registered Office: Bhikaiji Cama Place, M. G. Marg, New Delhi- 110 607

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of ASIAN HOTELS LIMITED will be held on Friday, the 19th March, 2010, at 11.30 a.m. at Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, M. G. Marg, New Delhi-110 607 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30th September, 2009, and the Profit and Loss Account for the eighteen month period ended on that date along with the Auditors' Report and Directors' Report thereon.
2. To approve and ratify the payment of interim dividend @ 1% to the holders of 1% cumulative redeemable non-convertible preference shares.
3. To declare a final dividend aggregating to Rs. 2,28,03,564/- on the total paid up equity capital of the Company.

The Board of Directors in its meeting held on 25th November, 2009, had recommended a dividend of Re. 1/- per equity share (i.e. 10%), on 22803564 equity shares as were outstanding as on that date. However, since the Scheme of Arrangement and De-merger has already become effective, the said aggregate amount of dividend shall now be distributed amongst the shareholders of the Company at the rate of Rs. 2/- per equity share (i.e. 20%) on reconstructed equity capital comprising of 11401782 shares.

4. To appoint a Director in place of Mr. Ramesh Jatia who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

M/s. Mohinder Puri & Company, Chartered Accountants, the retiring Auditors, are eligible for re-appointment and have confirmed that their appointment, if made, will be within the limits specified in Section 224(1B) of the Companies Act, 1956.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Adarsh Jatia, who was appointed as an Additional Director of the Company and whose term expires under Section 260 of the Companies Act, 1956 (the Act), at the ensuing Annual General Meeting and in respect of whom the Company has received notice from a shareholder under Section 257 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Lalit Bhasin, who was appointed as an Additional Director of the Company and whose term expires under Section 260 of the Companies Act, 1956 (the Act), at the ensuing Annual General Meeting and in respect of whom the Company has received notice from a shareholder under Section 257 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Dinesh C. Kothari, who was appointed as an Additional Director of the Company and whose term expires under Section 260 of the Companies Act, 1956 (the Act), at the ensuing Annual General Meeting and in respect of whom the Company has received notice from a shareholder under Section 257 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Gautam R. Divan, who was appointed as an Additional Director of the Company and whose term expires under Section 260 of the Companies Act, 1956 (the Act), at the ensuing Annual General Meeting and in respect of whom the Company has received notice from a shareholder under Section 257 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board
for ASIAN HOTELS LIMITED



Dinesh K. Jain
Company Secretary

Place : New Delhi
Date : 15th February, 2010

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives u/s 187 of the Companies Act, 1956 (the Act), are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
3. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
4. All documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. and 5.00 p.m on all working days, for a period of twenty one days before the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 26th February, 2010 till 19th March, 2010, inclusive of both days.
6. The final dividend, if declared by the Company in the Annual General Meeting, will be paid to those members or to their mandates whose names stand registered as:
 - a) Beneficial owners as at the end of business on 25th February, 2010, as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form, and

- b) Members whose names stand in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company, as at the end of business on 25th February, 2010.
7. The unclaimed and unpaid amount of Dividend declared for the financial year 2002-2003, which remains unclaimed and unpaid as on 10th August, 2010, would be liable to be transferred by the Company to the credit of Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Act. Therefore, shareholders who have not received and / or encashed the dividend warrant(s) so far are specifically requested to apply for duplicate dividend warrant(s) by writing to the Company providing details of Folio No. / Client ID No., number of shares held etc. No claim shall lie against the Company or the Central Government once the unclaimed / unpaid amount is transferred to the credit of IEPF.
8.
 - a) Members are requested to notify the Company change in their address, if any, with pin code, quoting their folio number.
 - b) Members holding shares in electronic form should notify any change in their residential address or Bank details directly to their respective Depository Participants.
9. Non-Resident Indian Shareholders are requested to inform the Company:
 - a) Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
 - b) Change, if any, in their Residential status.
10. The Securities and Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company prints the bank account details, if available, on the warrant for distribution of dividend. Therefore, to avoid any fraudulent encashment of warrants, the members are requested to furnish, quoting their folio number, following information to the Company so that requisite details could be printed on all future dividend warrants:
 - a) Name of the Sole / First Joint Holder, and
 - b) Particulars of his / her Bank account, viz. account number, name of Bank and complete address of the Branch with Pincode Number.
11. As per the provisions of the Act, facility for making nominations in prescribed Form 2B, is available to individuals holding shares in the Company.
12. **Shareholders are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF SPECIAL BUSINESS:

Item No. 6

Mr. Adarsh Jatia was appointed as an Additional Director of the Company w.e.f. 10th February, 2010. Pursuant to Article 107(a) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 (the Act), he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Act proposing his candidature for the office of Director of the Company.

Mr. Adarsh Jatia is a young and enterprising industrialist / hotelier having rich business experience in operating and managing large hotel properties. Apart from this, he also has work experience as a Technology and Business Risk analyst.

Your Directors feel that it will be in the Company's interest to have his association, and therefore, recommend his appointment as a Director.

None of the Directors is directly or indirectly concerned or interested in this resolution.

Item No. 7

Mr. Lalit Bhasin was appointed as an Additional Director of the Company w.e.f. 12th February, 2010. Pursuant to Article 107(a) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 (the Act), he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Act proposing his candidature for the office of Director of the Company

Mr. Bhasin is a distinguished lawyer with four decades of law practice. He holds several important posts viz Honorary General Secretary of Bar Association of India, President of Indian Society for Afro Asian Studies, President Society of Indian Law firms, Executive President of Indian Law Foundation and is the Chairman of Chartered Institute of Arbitrators (India).

Your Directors feel that it will be in the Company's interest to have his association, and therefore, recommend his appointment as a Director.

None of the Directors is directly or indirectly concerned or interested in this resolution.

Item No. 8

Mr. Dinesh C. Kothari was appointed as an Additional Director of the Company w.e.f. 12th February, 2010. Pursuant to Article 107(a) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 (the Act), he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Act proposing his candidature for the office of Director of the Company

Mr. Kothari is a chartered accountant having over 37 years of experience in financial services, corporate and financial structuring and analysis of projects for financial assistance and initial public offering. He has interest in education sector also.

Your Directors feel that it will be in the Company's interest to have his association, and therefore, recommend his appointment as a Director.

None of the Directors is directly or indirectly concerned or interested in this resolution.

Item No. 9

Mr. Gautam R. Divan was appointed as an Additional Director of the Company w.e.f. 12th February, 2010. Pursuant to Article 107(a) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 (the Act), he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Act proposing his candidature for the office of Director of the Company

Mr. Divan is an imminent chartered accountant with expertise and experience in financial services and accounting and assurance practices.

Your Directors feel that it will be in the Company's interest to have his association, and therefore, recommend his appointment as a Director.

None of the Directors is directly or indirectly concerned or interested in this resolution.

ASIAN HOTELS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to submit their 28th Report together with the Audited Accounts for the extended period of eighteen-month ended 30th September, 2009, for which requisite approvals were taken from the competent authority.

FINANCIAL RESULTS

(Rupees in Crores)

	2008-09 (Eighteen-month period)	2007-08 (Twelve-month period)
Sales Turnover (Net)	641.53	513.52
Profit Before Interest & Depreciation etc.	224.48	248.58
Interest	29.49	21.37
Depreciation	41.35	24.63
Prior Year Adjustments	(0.21)	0.51
Profit Before Tax	153.85	202.07
Provision for Taxation (Net)	59.66	70.04
Net Profit	94.19	132.03
Surplus Brought Forward	238.59	118.92
Profit Available for Appropriation	332.78	250.95
Transfer to Capital Redemption Reserve for NCPS - redeemed / redeemable	41.24	–
Transfer to General Reserve	7.10	9.52
Dividend – Preference Shares	0.22	0.15
Dividend, Proposed/Paid – Equity	2.28	2.28
Dividend Distribution Tax	0.43	0.41
Surplus Carried Forward	281.51	238.59
Earning per share (Rupees)	41.19	57.82

The period under review was a difficult year for the hospitality sector because of global economic downturn and the sad and unfortunate events, which happened in Mumbai on 26th November, 2008. The occupancy levels through out the country, especially in metros, came down drastically affecting the average room rates and the profitability.

In the above backdrop, the Net Sales Turnover for the twelve-month period ended 31st March, 2009, was Rs. 459.12 crores as compared to Rs. 513.53 crores for the same period in the prior year which registered a decline of 10.6% over the previous financial year. Consequently, comparative figures of Net Profit for the twelve-month period ended 31st March, 2009, were Rs. 81.66 crores as compared to Rs. 132.03 crores in the previous year. The recent trends are encouraging and the Board is of the view that the business sentiments would yield better results.

DIVIDEND

Your Directors are pleased to inform that dividend on 1% Cumulative Redeemable Non-convertible Preference Shares of the face value of Rs. 10/- each (NCPS) has been paid/provided for, for the period under review.

Your Directors while approving the accounts in their meeting held on 25th November, 2009, were pleased to recommend, subject to your approval, a final dividend of Re. 1/- per share aggregating to Rs. 2,28,03,564/- on the total then paid up equity capital of the Company, comprising of 22803564 equity shares of Rs. 10/- each as were outstanding as on that date. However, post effectiveness of the Scheme (as detailed under the head "RESTRUCTURING THE COMPANY") the proposed dividend aggregating to Rs. 2,28,03,564/-, if approved by the shareholders, shall be distributed @ Rs. 2/- per share on the reconstructed equity share capital comprising of only 11401782 equity shares of Rs. 10/- each.

FOREIGN EXCHANGE RECEIPTS

The Company's earnings in foreign exchange for the eighteen-month period under review were Rs. 425.76 crores as against Rs. 338.25 crores during the previous year.

SUBSIDIARY COMPANIES

During the period under review, your Company acquired additional interest in Regency Convention Centre and Hotels Limited (RCC), an erstwhile associate company, thus making it a subsidiary. The Company's stake in RCC as at 30th September, 2009 was 58.99%.

Statement pursuant to Section 212 of the Companies Act, 1956 (the Act), detailing the Company's interest in the subsidiaries and other requisite information, is annexed and forms part of the Annual Report. Further, as required under the said Section, the audited Annual Accounts, for the relevant financial years, of the Company's subsidiaries namely GJS Hotels Limited (GJS), Chillwinds Hotels Limited, Vardhman Hotels Limited, Aria Hotels and Consultancy Services Private Limited (Aria) and RCC along with their respective Auditors' Report and Directors' Report thereon, are annexed and form part of the Annual Report.

During the period under review, Aria has secured allotment of a parcel of land admeasuring 4.55 acres from Delhi International Airport Private Limited (DIAL) for a hotel project.

RESTRUCTURING THE COMPANY

Your Directors are pleased to inform that subsequent to obtaining equity shareholders approval in the Court convened meeting held on 11th December, 2009, the amended Scheme of Arrangement and De-merger between Asian Hotels Limited (as Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (as Transferee Company-I) and its shareholders; and Vardhman Hotels Limited (as Transferee Company-II) and its shareholders (the Scheme) in pursuance of Sections 391-394 of the Companies Act, 1956 (the Act), has been approved by the Hon'ble High Court of Delhi at New Delhi vide Order dated 13th January, 2010, and has also become effective on 11th February, 2010, subsequent to filing of the Court's Order with the Registrar of Companies, NCT of Delhi and Haryana.

Accordingly in terms of the Scheme, the Mumbai Undertaking and Kolkata Undertaking have been transferred to and vested in Chillwinds Hotels Limited and Vardhman Hotels Limited respectively, such transfer taking effect as on the "Appointed Date" i.e. 31st October, 2009. Your Company shall continue to retain the Delhi Undertaking comprising primarily of Hyatt Regency Delhi.

Subsidiaries namely GJS and RCC form part of the Kolkata Undertaking while Aria forms parts of the Mumbai Undertaking. Thus at present, after the effectiveness of the Scheme, the Company has no subsidiary.

BOOK CLOSURE AND ENTITLEMENT TO FRESH SHARES

Post-effectiveness of the Scheme, the reconstructed equity paid-up capital of the Company comprise of 1,14,01,782 equity shares of Rs. 10/- each. Your Directors have fixed the Book Closure Dates beginning Friday, the 26th February, 2010 till Friday, the 19th March, 2010 inclusive of both days, for the purpose of ascertaining the shareholders entitled to receive fresh shares of the Company and Transferee Company-I and Transferee Company-II. The said dates shall also serve the purpose of ascertaining the entitlements to receive the proposed dividend.

ISSUE / REDEMPTION OF CAPITAL

Subsequent to the Balance Sheet date, in terms of the Scheme, 6314815 1% Fully Convertible Preference Shares of Rs. 10/- each (FCPS) at a premium of Rs. 530/- per FCPS for an aggregate amount of Rs. 341,00,00,100/- were allotted, taking effect from the Appointed Date to Finline Holdings Limited, a foreign corporate body wholly owned by the Jatia group; and to UDT Enterprises Pty. Ltd., Australia (UDT), nominee of Global Operations Pte Ltd., Singapore. UDT is an independent equity investor and is not promoter or person acting in concert with the promoters, directly or indirectly.

During the period under review, 1 crore 1% Non-Convertible Preference Shares of Rs. 10/- each (NCPS) out of 2 crore NCPS issued earlier to Infrastructure Development Finance Company Limited (IDFC) and Magus Estates and Hotels Limited (Magus) were duly redeemed in two tranches, as per the terms of redemption.

FUTURE PROSPECTS

The restructuring of the Company is ultimately expected to result in enhancement of the shareholder value as the trifurcation would lead to operational efficiencies and synergies, and enable each of the promoter groups to vigorously pursue growth and acquisition opportunities for their respective undertakings.

AUDITORS

M/s. Mohinder Puri & Company, Chartered Accountants, New Delhi the present auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. They have certified that their appointment, if made, will be in accordance with the limits specified under Section 224 (1B) of the Act. The Audit Committee of the Company has recommended their re-appointment.

INTERNAL AUDIT

M/s. S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi acting as the internal auditors, have been conducting periodic audit of the operations of the Company, and the Audit Committee has regularly reviewed their findings.

DIRECTORS

Mr. Adarsh Jatia was appointed as an Additional Director on 10th February, 2010, who holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Act proposing his candidature for the office of director.

Mr. R. K. Jatia resigned from the directorship of the Company effective close of business hours of 10th February, 2010. Mr. R. K. Bhargava, Mr. Lalit Bhasin, Mr. S. K. Chhibber, Mr. S. S. Bhandari, Mr. Sushil Gupta, Mr. Sudhir Gupta, Mr. R. S. Saraf and Mr. Umesh Saraf resigned immediately after the conclusion of the Board meeting held on 11th February, 2010, taking note of the effectiveness of the Scheme.

Mr. Lalit Bhasin, Mr. Dinesh C. Kothari and Mr. Gautam R. Divan were appointed as Additional Directors on 12th February, 2010, who hold office up to the date of the ensuing Annual General Meeting. The Company has received notices under Section 257 of the Act proposing their candidature for the office of director.

Mr. Ramesh Jatia retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to Section 217 (2AA) of the Act, your Directors confirm as under:

- that in the preparation of annual accounts for the period ended 30th September, 2009, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period under review and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

The significant accounting policies followed by the Company, and the required disclosures are detailed in the Schedules to the Accounts.

INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

The information required pursuant to Section 217(1)(e) of the Act, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of

Board of Directors) Rules, 1988, pertaining to the conservation of energy, technology absorption, and foreign exchange earnings and outgo, to the extent possible in the opinion of your Directors, and forming part of this Report, is given in Annexure 'A'.

PARTICULARS OF EMPLOYEES

The information pursuant to Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of this Report, is given in Annexure 'B'.

LISTING

Your Company's equity shares are presently listed with BSE and NSE.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance, together with Auditors' Certificate thereon, are annexed to this Report as Annexure 'C' and 'D' respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is given below:

Industry Structure, Development & Outlook

The hospitality sector as a whole was affected drastically due to global meltdown and the Mumbai terror attack, which adversely impacted the occupancy levels and ARR during the period.

Opportunities, Threats, Risks and Concerns

Looking beyond the current crisis, Indian Economy has strong fundamentals and is hopeful to grow at a steady pace, ensuring increased flow of business visitors. Hence, the outlook for the hospitality industry looks quite positive.

The existing infrastructure in the country needs further improvement to support the requirements of the economy expecting development at a faster pace; upcoming events like the Commonwealth Games and to cater to increasing number of foreign tourists.

Review of Operational and Financial performance

The Company has achieved an aggregate turnover of Rs.641.54 crores for the eighteen-month period ended 30th September, 2009. The turnover in the previous year (12 months) was Rs. 513.52 crores.

Profit after taxes for the period under review was Rs. 94.19 crores, compared with previous year profit amounting to Rs 132.03 crores.

Segment wise performance

During the period under review, your Company was primarily operating an integrated hotel business at three different locations viz. Delhi, Mumbai and Kolkata. Other business segment being pursued by the Company namely, power generation is governed by a different set of risks and returns. In this segment, the Company has two Wind Turbine Generators (WTGs), but the assets as well as revenues generated were not significant enough for reporting.

Internal Control Systems and their adequacy

The Company has standard operating procedures for each operational area. It has in place adequate reporting systems in respect of financial performance, operational efficiencies and reporting with respect to compliance of various statutory and regulatory matters. M/s. S.S. Kothari Mehta & Company, Chartered Accountants, had regularly conducted exhaustive internal audits pertaining to all operational areas and their reports were periodically placed before the Audit Committee for its review and recommendations.

The Company has in place adequate internal controls and systems.

Human Resources and Industrial Relations

The success of any organization depends largely on its human resources, its management and good industrial relations. Your Company has always viewed human resource development as a critical activity for achieving its business goals.

The Company enjoys harmonious relationship with its employees. The employee strength of the Company, as on 30th September, 2009 was 1477.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation and gratitude to the Company's valued customers, the Government of India, respective State Governments of Delhi, Maharashtra and West Bengal, and the Financial Institutions and Banks for their continued support and confidence in the Company.

Your Directors also place on record their sincere gratitude to Hyatt International Asia-Pacific Limited for their co-operation and guidance.

Your Directors also commend the sincere efforts put in by the employees at all levels for the growth of the Company.

For and on behalf of the Board

Place : New Delhi
Dated : 15th February, 2010

Shiv Jatia
Chairman and Managing Director

ANNEXURE "A" FORMING PART OF DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A) CONSERVATION OF ENERGY

S. No.	Energy conservation measure taken during the year 2008-2009	Impact (savings in Lac Rs. per annum)
1.	Installed energy savers in 131 guest rooms, and electronic motion sensors in Public Areas and offices at HRD	5.15
2.	Cove lights upgraded and/or changed in Lobby, Shopping Arcade, Regency Club and The China Kitchen at HRD	10.47
3.	Replacement of I.D. cooling towers with F.D. cooling towers at HRM	50.00
4.	Replacement of corridor lights with IRC lamps and tube lights in plant room with T5 lights at HRM	8.80
5.	Installation of VFD's for secondary chilled water pump and AHU's at HRM	18.00
6.	Upgradation of STP plant to recycle the water for garden and flush water tanks at HRM	4.50
7.	Installed energy efficient lamps in Admin Block, lobby and garden; and timer switches for guest corridor lights at HRK	2.10
8.	RO plant rejected water used for Rear Water fountain and at non-core areas at HRK	2.10

S. No.	Additional investment - proposal for the year 2009-2010	Impact (savings in Lac Rs. per annum)
1.	Cove lights to be upgraded in Business Centre, Pre-function area and Regency Ball Room at HRD	6.00
2.	To install WC cisterns in public areas to reduce flush water consumption	0.75
3.	Replacement of defective VFDs for AHUs; replacement of incandescent lamps with CFL lamps, Energy efficient heat pipes in TFAs, and Halide lamps with T5 lights in car parking areas at HRM	12.50
4.	To install Elconn energy saver unit for Chiller # 1 at HRM	18.00
5.	HBD pump up-gradation at HRM	3.00
6.	To install Solar Panel for Water Heating at HRD	

B) TECHNOLOGY ABSORPTION

In the opinion of the Board, the required particulars, pertaining to technology absorption in terms of Rule 2 of the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 are not applicable as hotels form part of the service industry and the Company does not have any significant manufacturing operations.

C) FOREIGN EXCHANGE EARNINGS

- The Company has a strong commitment to international business and is continuously exploring avenues to increase its foreign exchange earnings.
- Foreign exchange earnings (on receipt basis) have shown a downfall considering the global meltdown and the recession in the economies across the world. Current period earnings amounted to Rs.425.76 crores (Rs. 338.25 crores in previous year) against which the outgo in foreign exchange was equivalent to Rs. 98.84 crores (Rs. 69.30 crores in previous year)
- Details of foreign exchange earnings and outgo are given at Note 29 B to 29 E of Schedule 21.

ASIAN HOTELS LIMITED

ANNEXURE "B" FORMING PART OF DIRECTORS' REPORT PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

S. No.	Name	Age (Yrs)	Designation/ Nature of Duties	Remuneration in (Rs.)	Qualification	Experience in (Yrs)	Date of Commencement of Employment	Last Employment Held/Designation/Period
EMPLOYED THROUGHOUT THE YEAR								
1.	Sushil Gupta	66	Managing Director (West)	4,69,21,343	F.C.S., CHA	46	10.04.1981	Industrialist
2.	Shiv Jaita	55	Managing Director (North)	4,69,01,343	B.COM	37	10.04.1981	Industrialist
3.	Umesh Saraf	45	Managing Director (East)	4,68,65,008	B.Sc	24	07.07.2005	Industrialist
4.	Jyoti Subarwal	56	President-Finance & Operations	2,19,23,018	F.C.A.	31	01.08.1983	Mohinder Puri & Co., Chartered Accountants, New Delhi, Audit Manager (5 Yrs.)
5.	Dinesh K. Jain	50	Company Secretary	44,39,760	A.C.S.	30	27.06.2006	RayBan Optics India Ltd. Company Secretary and Legal Manager (6 Yrs.)
6.	Arun N Tandon	51	Chief Operating Officer-Projects	70,41,300	MOT - I Class (Motor) Bombay DMET (Marine), Bombay, BE (Mech) Ravi Shankar University	-	01.09.2008	DLF Hotel Holdings Ltd. (8 months)
7.	Deepak Gupta	32	General Manager-Treasury	42,39,900	C.A	10	01.09.2007	WEL Intertrade Pvt. Ltd. (CFO)
8.	Vikas Bhakre	46	Director Technical Services (Projects)	48,57,360	MED (CL-I) 1990, MEO (CL-II) BE (Marine) 1983	26	07.04.2008	Champion TKRS (Norway) Chief Engineer (2.5 Yrs.)
9.	Timothy Bruce	48	General Manager, Hyatt Regency, Delhi	2,55,02,655	7GCCE'O Levels City & Guilds 706 17706 2 Diploma of Hotel Management, Canberra	24	07.09.2004	Park Hyatt Canberra, Director of Food & Beverage (2Yrs.)
10.	Wladimiro Gadioli	28	Chef De Cuisine, Hyatt Regency, Delhi	49,05,700	1. Certificate professional Kitchen Operator 2. Certificate professional specialization in techniques of kitchen & pastry shop in complex hotel structure	10	02.04.2007	Alahotel Quark in Milan Italy - Sous Chef (1 year 4 months)
11.	Narottam Sharma	51	Director of Materials	46,15,963	M.Com	27	21.11.1981	-
12.	Anil Virmani	49	Director of Finance	38,89,038	B.Com, MBA	27	04.02.1985	Indian Hotels Co.
13.	Cheng Hui Liu	38	Chef De Cuisine	41,39,372	Diploma in F & B Production	17	01.01.2008	Sous Chef in China
14.	Amit Gupta	36	General Manager, Finance	43,76,090	FCA, ICWA	13	02.01.2008	AVP Finance, City Max Hotels, Landmark Group, Mumbai (1 Yr)
15.	Giuseppe Zanotti	32	Italian Chef, Hyatt Regency, Mumbai	1,00,62,121	Diploma in Hotel Management	4	21.12.2007	Italian Chef, Pasta Fresca da Salvatore, Singapore
EMPLOYED PART OF THE YEAR								
1	Marcus Mathyssek	40	Executive Chef, Hyatt Regency, Delhi	48,46,541	Graduate from hospitality & Hotel Management College, Saarburg	20	08.08.2005	Hyatt Regency, Perth, Australia, Executive Chef (4 Yrs)
2	Prasanjit Singh	41	Resident Manager	11,98,626	Bachelors in Hotel Management & MBA	17	01.12.2003	Indian Hotels Ltd. Kolkata - EAM (9 Months)
3	Harleen Mehta	34	Director of Marketing	24,04,491	English Hons. Delhi University	10	16.07.2007	HVS Consultants, Asst. Director
4	Dieter Lengauer	47	Executive Chef, Hyatt Regency Delhi	82,75,606	Hotel Management from Hotel School in Austria	29	04.10.2008	Executive Chef in Hyatt on the Bund, Shanghai (2 and half Year)
5	Elizabeth Fleming	35	Resident Manager, Hyatt Regency Delhi	53,46,079	Bachelor of Business Admin, Edith Cowan University, Australia	10	10.09.2009	EAM Rooms in Hyatt Regency Melbourne (2 Years)
6	Aseem Kapoor	41	General Manager, Hyatt Regency, Mumbai	1,10,90,531	Diploma in Hotel Management, IHM Mumbai	20	01.06.2008	Resident Manager, Park Hyatt Mumbai
7	Jiri Kobos	51	General Manager, Hyatt Regency, Mumbai	67,03,416	Diploma in Technical Services University of Germany	33	19.09.2004	General Manager, Park Hyatt Moscow (2 Yrs)
8	Vikas Kapal	40	Executive Assistant Manager, Rooms, Hyatt Regency Mumbai	15,57,365	Diploma in Hotel Management, IHM Delhi	19	01.02.2002	Head Sales & Marketing, Leela Kempinski, Mumbai
9	Campbell Shaun	43	General Manager	34,48,577	Business Degree - Marketing	16	08.01.2008	Hyatt Pacific Region / Area Director of Marketing / 8 Months
10	Marchi Thomas	27	Chef Di Cuisine	38,83,200	Graduate	8	14.01.2008	Ristorante Le Machine, Verona (Italy) / Chef / 7 Months
11	Hoffmeyer Sven	45	General Manager	90,14,090	Graduate Hotel Management	16	20.10.2008	Grand Hyatt Dubai / Director of Marketing / 4 Years
12.	Brd. Prakash Ghogale	61	Director-Human Resources	7,29,630	Masters in Personnel Management, Pune Masters in Science & Technology, Madras University and Certificate in National Defense Academy	5	24.09.2004	Indian Army

Notes:

- Total remuneration comprises Basic Salary, HRA, Special Allowance, Company's contribution to provident fund, LTA, monetary value of other perquisites, if any, on the basis of Income Tax Rules, Performance incentive, Ex-gratia payments and Commission to Managing Directors, Performance incentives and ex-gratia payments to the executives and commission to Managing Directors are included on payment basis.
- All the appointments except that of Mr. Jyoti Subarwal, Mr. Dinesh K. Jain, Mr. Deepak Gupta, Mr. Vikas Kapal, Mr. Vikas Bhakre, Mr. Anil Virmani, Mr. Amit Gupta, Ms. Harleen Mehta, Mr. Aseem Kapoor, Mr. Narottam Sharma, Mr. Prasanjit Singh and Mr. Arun Tandon are on contractual basis.
- None of the employees is a relative of any Director of the Company except in the following cases :
Mr. Sushil Gupta is a relative of Mr. Sudhir Gupta, Director; Mr. Shiv Jaita is a relative of Mr. R.K. Jaita and Mr. Ramesh Jaita, Directors; and Mr. Umesh Saraf is a relative of Mr. Radhe Shyam Saraf, Director.

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ANNEXURE "C" FORMING PART OF DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance has been an integral part of the way we work to contribute to long-term performance of the Company. Good corporate governance strengthens investors' trust and ensures long term partnership that helps in fulfilling the Company's quest for higher growth and profits. The four pillars on which corporate governance rests are transparency, integrity, accountability and compliance of laws, which Asian Hotels Limited, as a Company has imbibed and endeavors to follow.

The status of compliance with Clause 49 of the Standard Listing Agreement is enumerated herein below:

BOARD OF DIRECTORS

During the period under review, the Board of the Company comprised of eleven Directors, out of which four were Independent Directors. Mr. R. K. Bhargava, an independent non-executive director, chaired the Board. In terms of the requirements of Clause 49 of the Listing Agreement, the Board constituted of an appropriate mix of executive and non-executive Directors to maintain its independence and exercise effective governance and control over its executive functioning.

1) For the period under review, the Board composition was as follows:

S.No.	Nature of Directorship	Number during the year
1.	Number of executive directors	Three
2.	Number of non-executive directors	Eight, including four independent directors

2) The Company has been following prescribed Board procedures and provided detailed notes in advance on the businesses to be dealt with at the Board Meetings. The Board meets at least once every quarter ensuring that the gap between any two meetings does not exceed four months. During the period under review 17 Meetings of the Board of Directors took place. These meetings were convened on 30th June, 2008; 30th July, 2008; 24th September, 2008; 31st October, 2008; 30th January, 2009; 19th March, 2009; 28th April 2009; 23rd May, 2009; 30th June, 2009; 27th July, 2009; 31st July, 2009; 11th August, 2009; 13th August, 2009; 20th August, 2009; 14th September, 2009; 21st September, 2009 and 30th September, 2009.

Pursuant to the provisions of Clause 49 of the Listing Agreement, the composition of the Board, details of Directorships held, Committee memberships/ Chairmanships held, and attendance of the Director at the Board meetings and previous Annual General Meeting (AGM) are given below:

S. No.	Name of the Director@	Category	No. of Board meetings attended	Last AGM attended	No. of other Directorships held in private companies	No. of other Directorships held in public companies	No. of Committee memberships in public companies	No. of Chairmanship in such Committees
1.	Mr. R.K. Bhargava+	Independent, Non-Executive	17	YES	5	6	5	2
2.	Mr. Sushil Gupta+	Managing Director (West)	16	YES	5	5	1	0
3.	Mr. Shiv Jatia	Managing Director (North)	17	YES	21	8	1	1
4.	Mr. Umesh Saraf+	Executive Director (East)	17	YES	4	6	1	0
5.	Mr. R.S. Saraf+	Non -Executive	5	NO	2	2	0	1
6.	Mr. R.K.Jatia +	Non-Executive	2	YES	3	1	0	0
7.	Mr. Sudhir Gupta+	Non-Executive	16	YES	1	1	0	0
8.	Mr. Ramesh Jatia	Non -Executive	11	YES	2	0	0	0
9.	Mr. S.K. Chhibber+	Independent, Non-Executive	17	YES	1	5	1	1
10.	Mr. Lalit Bhasin+	Independent, Non-Executive	17	YES	3	10	6	0
11.	Mr. S. S. Bhandari+	Independent, Non-Executive	12	YES	1	3	1	2
12.	Mr. Adarsh Jatia#	Alternate to Mr. R.K. Jatia	1	NO	8	1	0	0
13.	Mr. Arun Saraf*	Alternate to Mr. R. S. Saraf	2	NO	4	4	0	0

@ Mr. Sushil Gupta & Mr. Sudhir Gupta; Mr. Shiv Jatia, Mr. R. K. Jatia & Mr. Ramesh Jatia; Mr. R. S. Saraf & Mr. Umesh Saraf are related to each other respectively. # appointed as an Alternate director w.e.f. 30th January, 2009, and ceased to be a director w.e.f. 26th May, 2009; 4 meetings took place during his tenure, including the one in which he was appointed;

* appointed as an Alternate director w.e.f. 27th July, 2009, and ceased to be a director w.e.f. 6th October, 2009; 8 meetings took place during his tenure, including the one in which he was appointed;

+ Mr. R. K. Jatia resigned w.e.f. 10th February, 2010; Mr. R. K. Bhargava, Mr. S. K. Chhibber, Mr. Lalit Bhasin, Mr. S.S. Bhandari, Mr. Sushil Gupta, Mr. Sudhir Gupta, Mr. R. S. Saraf and Mr. Umesh Saraf resigned on 11th February, 2010, post effectiveness of the Scheme.

Mr. Adarsh Jatia was appointed as an Additional Director effective 10th February, 2010. Further, Mr. Lalit Bhasin, Mr. Dinesh C. Kothari and Mr. Gautam R. Divan were also appointed as Additional Directors on 12th February, 2010. All additional directors hold their respective office up to the date of the ensuing AGM. The Company has received notices under Section 257 of the Companies Act, 1956 (the Act), from certain shareholders proposing their candidature for the office of Director.

COMMITTEE OF DIRECTORS

The Company's Board has constituted the following Committees:

a) Audit Committee

During the period under review, the Audit Committee comprised of four Independent Non - Executive Directors, namely Mr. R. K. Bhargava, Mr. S. K. Chhibber, Mr. Lalit Bhasin and Mr. S.S. Bhandari. Mr. R K Bhargava, who chaired the Committee, is a retired IAS Officer who has held various portfolios during his tenure in the Central Government and has adequate knowledge of the Finance & Accounts function. Further, Mr. S.S. Bhandari is a qualified Chartered Accountant with over 36 years of experience in Financial and Accounting matters and is therefore eminently qualified to serve on the Audit Committee of the Company.

The terms of reference and the powers of the Audit Committee are in conformity with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Act.

The Managing Directors and the President- Finance and Operations (CFO) were the permanent invitees to the committee meetings. The Company Secretary acts as Secretary to the Committee.

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Ten meetings of the Committee were held during the year viz. 12th May, 2008, 9th June, 2008, 30th June, 2008, 30th July, 2008, 31st October, 2008 30th January, 2009, 12th February, 2009, 23rd April, 2009 (adjourned; resumed on 28th April, 2009), 27th July, 2009 and 30th September, 2009.

Name of the Director	Category	No. of Meetings Attended
MR. R.K. BHARGAVA	Independent, Non Executive	10
MR. S.K. CHHIBBER	Independent, Non Executive	10
MR. LALIT BHASIN	Independent, Non Executive	09
MR. S.S. BHANDARI	Independent, Non Executive	06

b) Share Transfer & Shareholders Grievances Committee:

The Board of Directors had constituted a Share Transfer and Shareholders Grievances Committee comprising of Mr. S.K. Chhibber, Chairman of the Committee and Mr. R. K. Bhargava, Mr. Sushil Gupta, Mr. Shiv Jatia and Mr. Umesh Saraf who function as Members. Mr. Dinesh K. Jain, Company Secretary is the Compliance Officer of the Company and acts as Secretary to the Committee.

The Committee not only approves and monitors transfers, transmissions, splits and consolidation of shares, but also supervises redressal of shareholders' grievances. The Committee met 8 times in the financial year.

The Company received 47 complaints during the period, which have been resolved and/or replied to. None of the investor complaints is lying unresolved at the financial year-end.

c) Remuneration Committee:

The Remuneration Committee comprised of three Independent Non-Executive Directors viz. Mr. S.K. Chhibber, as Chairman of the Committee, and Mr. R.K. Bhargava and Mr. S. S. Bhandari. The Remuneration Committee determines the Company's policy towards remuneration payable to the whole-time directors. On the recommendation of the Committee, the Board, subject to requisite approvals, decides the remuneration of the whole-time directors. The Remuneration package of the Whole time Directors comprises a fixed component viz. salary, perquisites and allowances and a variable component viz. commission on profits. No meeting of the Committee was held in the period under review.

The Non- Executive Directors were collectively entitled to commission at the rate of 1% of the net profits of the Company (as computed under Section 349 and Section 350 of the Act) subject to a maximum of Rs. 5,00,000/- (Rupees five lacs only) each per year. In addition to the above, Non Executive Directors are entitled to sitting fees for the meetings of the Board and the Committees thereof attended by them. No stock option was offered to the Directors or Executives of the Company.

Details of remuneration paid / payable to the Directors for the year under review are given below:

Amount in Rupees

FEES & REMUNERATION (in Rs.)				
Name of the Directors	Sitting Fees	Salary & Perks (in Rs.)	Commission [^] (in Rs.)	Total (in Rs.)
Mr. Sushil Gupta	N.A.	1,29,63,826	3,39,57,517	4,69,21,343
Mr. Shiv Jatia*	N.A.	1,29,43,826	3,39,57,517	4,69,01,343
Mr. Umesh Saraf	N.A.	1,29,07,491	3,39,57,517	4,68,65,008
Mr. R.S. Saraf	48,000	–	7,50,000	7,98,000
Mr. R.K. Jatia	24,000	–	7,50,000	7,74,000
Mr. Sudhir Gupta	1,92,000	–	7,50,000	9,42,000
Mr. Ramesh Jatia	1,32,000	–	7,50,000	8,82,000
Mr. S.K. Chhibber	4,20,000	–	7,50,000	11,70,000
Mr. R.K. Bhargava	4,56,000	–	7,50,000	12,06,000
Mr. Lalit Bhasin	3,24,000	–	7,50,000	10,74,000
Mr. S S. Bhandari	2,16,000	–	7,50,000	9,66,000
Mr. Adarsh Jatia	12,000	–	–	12,000
Mr. Arun Saraf	24,000	–	–	24,000

*Appointed for a term of five years ending 9th April, 2011

[^]Commission to non-executive directors is prorated for extended accounting period

Details of shares held by the Non-Executive Directors of the Company, as on 30th September, 2009, was as under:

Name of Director	Category	Shareholding as on 30th September, 2009	%age of Total Shareholding
Mr. R.K. Bhargava	Independent Non- Executive	7653	0.034
Mr. S.K. Chhibber	Independent Non- Executive	140	0.001
Mr. Lalit Bhasin	Independent Non- Executive	NIL	NIL
Mr. S.S. Bhandari	Independent Non- Executive	NIL	NIL
Mr. R.S. Saraf	Non- Executive	NIL	NIL
Mr. R.K. Jatia	Non- Executive	NIL	NIL
Mr. Sudhir Gupta	Non- Executive	142860	0.626
Mr. Ramesh Jatia	Non- Executive	150380	0.659

d) Finance Committee:

The Company's Finance Committee entrusted with finalising debt-restructuring alternatives to minimize interest out-go on the long-term borrowings, comprised of Mr. R.K.Bhargava, (Chairman), Mr. Sushil Gupta, Mr. Shiv Jatia, and Mr. Umesh Saraf, and was non-operative during the period under review.

e) Corporate Restructuring Committee:

Corporate Restructuring Committee was constituted to consider proposals for restructuring of the Company and help implement and facilitate the same.

During the period under review, Corporate Restructuring Committee, which comprised of Mr. R.K. Bhargava, Mr. Sushil Gupta, Mr. Shiv Jatia, and Mr. Umesh Saraf, met 3 times respectively on 26th June, 2008, 12th December 2008, and 25th July, 2009.

GENERAL BODY MEETINGS: -

Financial Year	Nature of Meeting	Venue	Date	Time
2005-06	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	29.07.2006	11.30 a.m.
2006-07	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	21.09.2007	11.30 a.m.
2007-08	EGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	25.06.2007	11.30 a.m.
2007-08	Court Convened Meetings: Equity Shareholders Secured Creditors Unsecured Creditors	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	07.01.2008 07.01.2008 07.01.2008	10.30 a.m. 03.00 p.m. 04.00 p.m.
2007-08	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	24.09.2008	11.30 a.m.
2008-09	Court Convened Meeting of Equity Shareholders	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	11.02.2009	10.30 a.m.

None of the special resolutions passed in the above mentioned meetings were required to be put through a postal ballot. Moreover, no resolution is required to be put through a postal ballot at the ensuing Annual General Meeting. The resolutions at the meetings convened on the directions of the Court were approved by requisite majority through poll in compliance with the Orders of the High Court of Delhi.

Code of Conduct

The Board of Directors of the Company has laid down a Code of Conduct applicable to all Board Members and Senior Management Personnel and they have affirmed their compliance with the said Code during the period under review. As required under Clause 49 of the Listing Agreement, a declaration to this effect by the Managing Directors of the Company is annexed to this report.

Material Disclosures

• **Related Party Transactions**

In compliance with the Accounting Standard - 18, transactions pertaining to related parties are given under Note No. 26 of Schedule 21 (Significant Accounting Policies, Contingent Liabilities and Notes) to the Balance Sheet as at 30th September, 2009 and the Profit & Loss Account for the eighteen-month period ended on that date.

• **Legal Compliances**

There has been no significant non-compliance by the Company during the last three years. The Company has an elaborate reporting system on compliances of all major laws applicable to the Company, which is reviewed by the Board on quarterly basis.

• **Risk Assessment and Minimisation Procedures**

As part of the risk assessment and minimisation procedures, the Company had identified certain major risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimisation. The Company's Board is conscious of the need to review the risk assessment and minimisation procedures periodically. The Company proposes to engage an independent agency to undertake a comprehensive study on the subject during the financial year 2010-11.

• **Conflict of Interest**

Based on the disclosures received by the Board from the Company's Senior Management Personnel, none of the Senior Management Personnel had any material financial or commercial transactions wherein they had personal interest that could have a potential conflict with the interest of the Company at large.

• **CEO/CFO Certification**

A certificate, in accordance with the requirements of Clause 49 (V) of the Listing Agreement, duly signed by the Managing Directors and President Finance & Operations in respect of the year under review was placed before the Board and taken on record by it.

Means of Communication

The quarterly financial results are generally published in the Economic Times and the Nav Bharat Times. All other official news releases are first forwarded to the Stock Exchanges and subsequently released to the media. Further, all periodic statutory reports and other official news releases are uploaded on the Company's official website www.asianhotelslimited.in.

- Half-Yearly report sent to each shareholder: No. The financial results are displayed on the Company's website.
- Publication of Quarterly results: Yes
 - Which newspaper normally published in:
 - 1) The Economic Times (English)
 - 2) Nav Bharat Times (Hindi)
- Any website where displayed: As mentioned above, the financial results and other statutory reports are uploaded on the Company's website. Further, these are also uploaded on the Electronic Data Information Filing and Retrieval (EDIFAR) website namely www.sebidifar.nic.in. However, during the extended financial year, the information could not be uploaded, due to formatting constraints. This website is also accessible through a hyper link 'EDIFAR' from SEBI's official website, www.sebi.gov.in.

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- Whether it also displays official news Releases; Yes
 Presentation made to the institutional investors or the analysts Shall be depicted as and when it happens.
 ➤ Management Discussion and Analysis is part of Annual Report. Yes, it is a part of the Directors' Report

Shareholder Information

Annual General Meeting
 Day, Date & Time : Friday, the 19th March, 2010 at 11.30 a.m.
 Venue : Hyatt Regency, Delhi
 Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607

Financial Calendar

The current financial year 2009-10 is proposed to be for a period of six months, calendar for which is proposed as under:

Financial Reporting for the first quarter ending 31st December, 2009	23rd January, 2010
Financial Reporting for the six month period ending 31st March, 2010	End June, 2010
Book Closure	Friday, the 26th February, 2010 to Friday, the 19th March, 2010 (inclusive of both days)

DIVIDEND PAYMENT DATE : Around 10th April, 2010
 LISTING ON STOCK EXCHANGES: Bombay Stock Exchange Ltd,
 National Stock Exchange of India Ltd, and
 The Company has paid Annual Listing Fees to the Stock Exchanges.
 STOCK CODE : BSE – 500023, NSE - 233

Profile of Directors proposed to be appointed:

Name of Director	Expertise in Specific Functional Areas	Companies in which Directorships held
Mr. Adarsh Jatia	Mr. Adarsh Jatia is a young and enterprising industrialist / hotelier having rich business experience. Apart from this, he also has work experience as a Technology and Business Risk analyst.	Magus Estates & Hotels Ltd. Ascent Hotels Pvt. Ltd. Avenue Technologies Pvt. Ltd. Zeus Developers Pvt. Ltd Swastik Laundry Services Pvt. Ltd. Searock Developers Pvt. Ltd. Emerald City Developers Pt. Ltd. South Shore Developers Pvt. Ltd. Srinivasa Developers Pvt. Ltd. Yans Enterprises (H.K.) Ltd., Guernsey, U.K. Yoroshii Investments (Mauritius) Pte. Ltd., Mauritius Hai Chu Ltd, Hong Kong Heyking Ltd., Hong kong Magus Estates & Hotels Pte. Ltd., Singapore Servsystem Pte.Ltd., Singapore Ta Yang Enterprises Pte. Ltd., Singapore JBS Investment Pte. Ltd., Singapore
Mr. Lalit Bhasin	Mr. Bhasin is a distinguished lawyer with four decades of law practice. He holds several important posts viz Honorary General Secretary of Bar Association of India, President of Indian Society for Afro Asian Studies, President Society of Indian Law firms, Executive President of Indian Law Foundation and is the Chairman of Chartered Institute of Arbitrators (India)	Bharat Hotels Ltd. Gofrey Phillips India Ltd. Saint-Gobain Gyproc India Ltd. Chillwinds Hotels Ltd. Ansal Properties & Industries Ltd. Apollo Zippers India Ltd. Urban Infrastructure Trustees Ltd. Modi Care Ltd. Omaxe Auto Ltd. Quattro Legal Solutions Pvt. Ltd. Comma Consulting Pvt. Ltd. iMark Public Relations Pvt. Ltd.
Mr. Dinesh C Kothari	Mr. Kothari is a chartered accountant having over 37 years of experience in financial services, corporate and financial structuring and analysis of projects for financial assistance and initial public offering. He has interest in education sector also.	Aro Granite Industries Ltd. Ester Industries Ltd. Penam Laboratories Ltd. Interstar Financial Services Ltd. International Print-O-Pac Ltd. Holcim (India) Pvt. Ltd. Ambuja Cement India Pvt. Ltd. New Delhi Corporation Consultancy Pvt. Ltd. Delhi Private School LLC, Sharjah, UAE Interstar Marbles Industries LLC Sharjah, UAE
Mr. Gautam R. Divan	Mr. Divan is an imminent chartered accountant with expertise and experience in financial services and accounting and assurance practices.	Baltic Consultancy and Services Pvt. Ltd. Serendib Investments Pvt. Ltd. Chandabhoy and Jassoobhoy Consultants Pvt. Ltd. Brady & Morris Engg Co. Ltd. HDFC Standard Life Insurance Co. Ltd. HDFC Bank Ltd.

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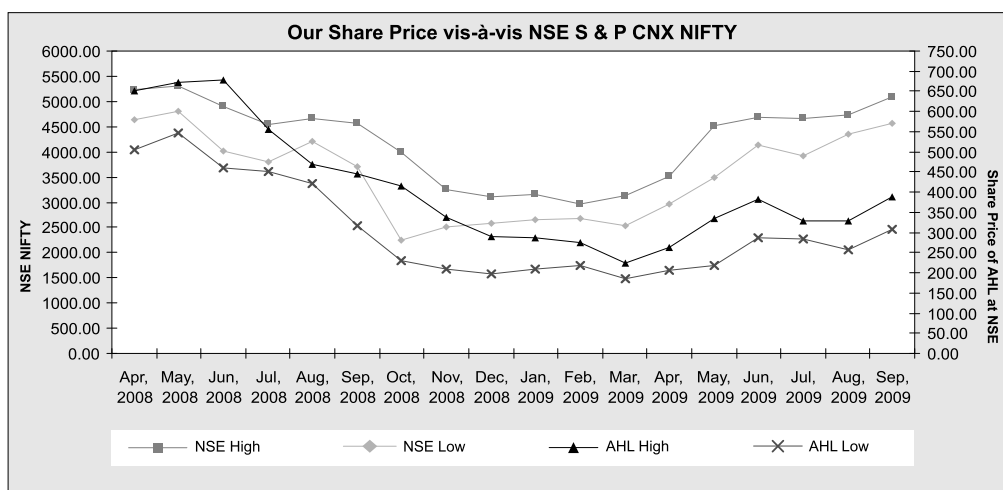
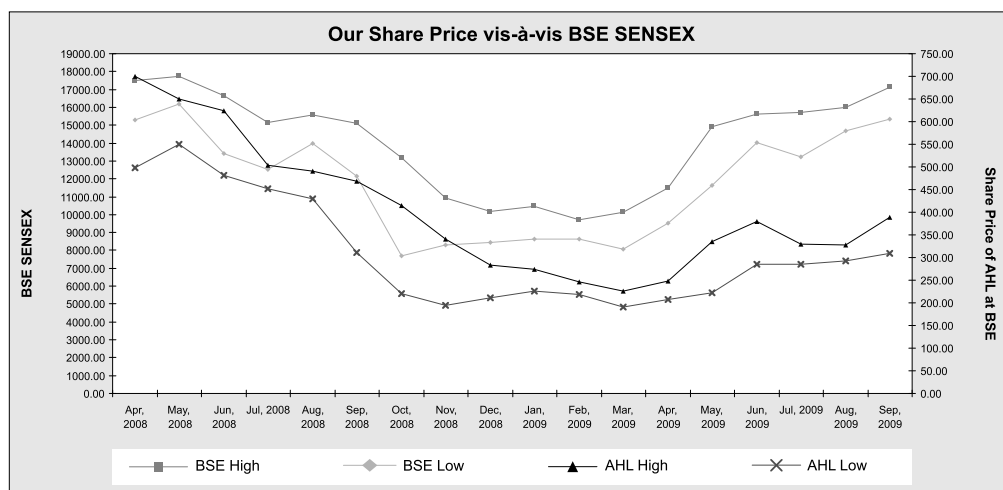
Stock Market Data

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE are as follows:

Month	BSE			NSE		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)
Apr, 2008	700.00	498.15	82100	652.00	505.00	80243
May, 2008	650.00	549.10	119380	673.00	547.00	156678
Jun, 2008	624.55	481.10	32232	679.00	461.50	262605
Jul, 2008	503.80	451.30	10693	554.70	452.00	304874
Aug, 2008	490.40	430.00	136740	469.00	420.00	18265
Sep, 2008	468.00	312.00	53880	444.95	316.00	28889
Oct, 2008	415.00	221.00	21542	415.00	229.00	230749
Nov, 2008	341.00	194.10	14149	339.00	210.20	16211
Dec, 2008	284.00	212.00	276637	289.00	197.55	384474
Jan, 2009	273.95	226.00	5264	287.00	210.30	16381
Feb, 2009	246.00	218.05	12662	274.90	219.00	16522
Mar, 2009	225.00	190.00	153941	224.00	186.00	434026
Apr, 2009	247.85	207.00	63691	264.15	205.20	48953
May, 2009	334.95	222.50	623397	333.90	216.85	338340
Jun, 2009	380.00	286.00	544630	381.00	285.40	712961
Jul, 2009	330.00	285.00	58656	330.00	284.95	142755
Aug, 2009	328.50	292.65	40506	328.00	256.90	109390
Sep, 2009	388.00	310.00	166416	387.00	308.00	305098

Source-www.bseindia.com & www.nseindia.com

Share Price performance in comparison to BSE SENSEX & NSE S & P CNX NIFTY



ASIAN HOTELS LIMITED

Distribution of shareholders

Number of equity shares held	As on 30th September, 2009				As on 31st March, 2008			
	Number of Share-holders	% of Total Share-holders	Number of shares held	% share-holding	Number of share-holders	% of Total share holders	Number of shares held	% share holding
Upto 250	16472	85.667	1050037	4.605	15633	85.190	1019515	4.471
251 - 500	1505	7.827	523174	2.294	1464	7.963	504163	2.211
501 - 1000	730	3.797	532592	2.336	724	3.938	520219	2.281
1001 - 2000	297	1.545	422224	1.852	307	1.670	436928	1.916
2001 - 3000	82	0.426	205222	0.900	79	0.430	198734	0.872
3001- 4000	26	0.135	91093	0.399	25	0.136	87911	0.386
4001 - 5000	23	0.120	103618	0.454	18	0.098	80433	0.353
5001- 10000	42	0.218	288626	1.266	36	0.196	251098	1.101
10001- above	51	0.265	19586978	85.894	70	0.381	19704563	86.410
TOTAL	19228	100	22803564	100	18386	100.000	22803564	100.000

Category wise shareholding

CATEGORY	As on 30th September, 2009		As on 31st March, 2008	
	No. of shares held	% age of shareholding	No. of shares held	% age of shareholding
A. Promoters Shareholding				
– Indian	3821316	16.757	3821066	16.757
– Foreign	10673763	46.807	10673763	46.807
Total Promoters shareholding	14495079	63.564	14494829	63.564
B. Public Shareholding				
– Mututal Funds/Financial Institutions/ Banks and Insurance Companies	921068	4.039	862889	3.784
– FII's	61100	0.267	713800	3.130
– NRI's	661041	2.898	607084	2.662
– Bodies Corporate (Domestic)	4115501	18.047	3767592	16.522
– Individuals (Indian Public)	2528609	11.088	2349241	10.302
– Clearing Members	21166	0.092	8129	0.036
Total Public shareholding	8308485	36.435	8308735	36.436
GRAND TOTAL	22803564	100.000	22803564	100.000

Share Transfer System

To expedite the transfer of shares in physical form, authority has been delegated at two levels:

- Share Transfer and Shareholders Grievances Committee comprising of Directors; and
- The Executive Share Transfer Committee comprising of executives of the Company.

In compliance with the Listing Agreement, the transfer of shares received in physical form are approved and given effect to every fortnight.

Share Transfer Agent

Karvy Computershare Pvt Ltd.

"Karvy House"
46, Avenue 4, Street No.1,
Banjara Hills, Hyderabad-500034
website : www.karvy.com
Tel No. 040-23312454/23320751, Fax No. 040-23311968
email : mailmanager@karvy.com

Karvy Computershare Pvt Ltd.

105-108 Arunachal Building, 1st Floor
19, Barakhamba Road
New Delhi-110001
Tel No. 011-23324401/23324409
e-mail : delhi@karvy.com

Dematerialisation of Shares

21793211 shares (equivalent to 95.57 %) of the total outstanding shares of the Company are held in dematerialized form as on 30th September, 2009. The Company's shares are actively traded at BSE as well as NSE.

Dividend Information

- (i) The unclaimed and unpaid amount of dividend declared for the financial year 2000-2001 (2nd Interim), which remain unclaimed and unpaid as on 3rd August, 2008 has been transferred to IEPF.
- (ii) The unclaimed and unpaid amount of dividend declared for the financial year 2001-2002 (Final), which remain unclaimed and unpaid as on 18th September, 2009 has been transferred to IEPF.
- (iii) The unclaimed and unpaid amount of dividend declared for the financial year 2002-2003 (Final), which remains unclaimed and unpaid as on 8th October, 2010 would be liable to be transferred to IEPF. *

***Shareholders who have, so far, not received and / or encashed the dividend warrant(s) are advised to write to the Company requesting for fresh warrants, providing details of Folio No. / Client ID No., No. of shares held etc.**

Plant Locations

During the period under review, the Company had three five-star deluxe hotels as per details given below:

HYATT REGENCY, DELHI

Bhikaiji Cama Place, Mahatma Gandhi Marg,
New Delhi -110 607.

HYATT REGENCY, KOLKATA

Plot J-A-1, Sector III, Salt Lake City,
Nr. Salt Lake Stadium, Kolkata-700091.

HYATT REGENCY, MUMBAI

A-1, Ascot Centre, Sahara Airport Road, Andheri East, Mumbai-400099.

Pursuant to the Scheme of Arrangement and Demerger, Hyatt Regency Mumbai and Hyatt Regency Kolkata have been transferred to and vested in Chillwinds Hotels Limited and Vardhman Hotels Limited respectively and thus the Company continues to retain Hyatt Regency Delhi.

Address for Correspondence

The investors may address their queries directly to the Share Department located at the registered office of the Company (as detailed below) or to the Share Transfer Agent at the addresses mentioned herein above.

Registered Office

ASIAN HOTELS LIMITED

Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607, Telephone No.011-66771225/66771226, Fax No. 011-26791017

Email Id. Investorrelations@asianhotelslimited.in

Adoption of Non-Mandatory Requirements: Besides constituting the Remuneration Committee, the Company has so far not implemented other non-mandatory requirements of the Code of Corporate Governance.

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

Date 15th February, 2010

The Board of Directors
Asian Hotels Limited
Bhikaiji Cama Place,
M. G. Marg,
New Delhi – 110 607

Subject: Code of Conduct – Declaration under Clause 49 (I) (D)

Dear Sirs,

This is to certify that pursuant to Clause 49(I)(D) of the Listing Agreement, the Board of Directors has adopted a Code of Conduct for its members and Senior Management personnel and that they have affirmed having complied with the said Code of Conduct for the eighteen-month period ended 30th September, 2009.

SHIV JATIA
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE “D” TO DIRECTORS’ REPORT

AUDITORS’ CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of Asian Hotels Limited

We have examined the compliance of the mandatory conditions of Corporate Governance by Asian Hotels Limited for the eighteen-month period ended 30th September, 2009 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that in respect of investor grievance received during the eighteen-month period ended 30th September, 2009 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company/ Shareholders' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MOHINDER PURI & COMPANY**
CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 15th February, 2010

VIKAS VIG
PARTNER
Membership No. : 16920

ASIAN HOTELS LIMITED

AUDITORS' REPORT

To the Members of **ASIAN HOTELS LIMITED**

We have audited the attached Balance Sheet of **ASIAN HOTELS LIMITED** as at 30th September, 2009, the Profit and Loss Account and also the Cash Flow Statement for the eighteen months period ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub - section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
- (iii) The Balance Sheet, the Profit and Loss Account and the Cash flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (v) We draw attention to Note 16 in Schedule 21 of the Notes annexed to the Accounts regarding the investment in Regency Convention Centre and Hotels Limited (a subsidiary company) amounting to Rs.2579.01 Lakhs and other receivables amounting to Rs. 389.82 Lakhs relating thereto. As elucidated in the said note, considering that the value of the investments cannot be reasonably ascertained at present, resultantly, no provision for impairment has been made in the said financial statements.
- (vi) Further, we invite attention to Note 18 of Schedule 21 of the Notes annexed to the Accounts, suggesting that upon receipt of necessary approval of the Scheme of Arrangement and Demerger (the Scheme), both the Kolkata Undertaking and Mumbai Undertaking would get demerged as of the Appointed Date i.e. 31st October, 2009, and resultantly, the Company would comprise only residuary operation i.e. primarily the Hyatt Regency, Delhi.
- (vii) On the basis of written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September 2009 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956;
- (viii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2009;
 - b) in the case of the Profit and Loss Account of the **Profit** for the eighteen months period ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the eighteen months period ended on that date.

For **MOHINDER PURI & COMPANY**
Chartered Accountants

Place : New Delhi
Date : 25th November, 2009

VIKAS VIG
Partner
Membership No.: 16920

ANNEXURE TO THE AUDITORS' REPORT OF ASIAN HOTELS LIMITED FOR THE EIGHTEEN MONTHS PERIOD ENDED 30th SEPTEMBER, 2009

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
1. b. Though all the assets have not been physically verified by the management during the period, as per the information furnished to us, there exists a programme of physical verification of entire fixed assets over a reasonable period. In our opinion the frequency of verification of the fixed assets by the management is at reasonable intervals having regard to the size of the Company and nature of the assets and no material discrepancies were noticed between the book records and the physical inventory in respect of the assets physically verified.
1. c. During the period, the Company has not disposed off substantial part of the fixed assets. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of fixed assets, if any, has not affected the going concern status of the Company.
2. a. The stocks of stores, provisions, beverages, crockery etc., have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
2. b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
2. c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. As informed to us, the Company has not taken / granted any loan, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of stores, provisions, beverages, crockery etc., plant and machinery, equipment and other assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weakness in internal control systems.
5. a. Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
5. b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices to the extent available with the Company of similar items supplied under similar circumstances by/to other parties and sale of such services to others except where due to certain special reasons as explained to us prices have been charged with no comparison available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. Internal Audit has been conducted by an independent firm of Chartered Accountants as well as by the Company's internal audit department during the period and it is commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed for the Company the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
9. a. According to the records of the Company examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues.
According to the information and explanations given to us, there are no undisputed amounts payable in respect of the aforesaid dues that were outstanding as at 30th September 2009 for a period of more than six months from the date they became payable.
9. b. According to the records of the Company examined by us and according to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty or Cess which have not been paid on account of any dispute except service tax demand amounting to Rs. 482.54 Lakhs disputed with concern authorities (Refer Note 21 of Schedule 21).
10. The Company had no accumulated losses as at the end of the current financial period and has not incurred any cash losses in such financial period and in the immediately preceding financial year, hence provisions of clause 4 (x) of the Companies (Auditor's Report) Order, 2003 are not applicable.
11. As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in the repayment of any dues to financial institutions, banks or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society, hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts of dealing or trading in shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures and other investments in its own name.
15. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
16. In our opinion, the term loans were applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. As the Company made no preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money during the period by public issue, the provisions relating to end use thereof as per clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **MOHINDER PURI & COMPANY**
Chartered Accountants

Place : New Delhi
Date : 25th November, 2009

VIKAS VIG
Partner
Membership No.: 16920

ASIAN HOTELS LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 2009

	Schedule		Rs. in lakhs	Prior Year Rs. in lakhs
SOURCES OF FUNDS				
SHAREHOLDER'S FUND				
Share Capital	1		3280.36	4280.36
Reserves and Surplus	2		145285.71	146032.65
			148566.07	150313.01
LOAN FUNDS				
Secured Loans	3		16839.41	13848.53
NET DEFERRED TAX LIABILITY				
	4		6266.08	5690.18
SHOP SECURITY DEPOSITS				
			595.97	196.08
			172267.53	170047.80
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5		161630.06	156526.74
Less : Depreciation			17736.12	14103.31
Net Block			143893.94	142423.43
Capital Work-in-Progress			753.56	4012.03
			144647.50	146435.46
INVESTMENTS				
	6		23817.92	23007.62
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7		887.22	977.80
Sundry Debtors	8		2019.59	1621.61
Cash and Bank Balances	9		3203.43	2011.75
Loans and Advances	10		24834.40	18047.98
			30944.64	22659.14
Less:				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11		14717.85	8166.02
Provisions	12		12424.68	13888.40
			27142.53	22054.42
NET CURRENT ASSETS				
			3802.11	604.72
			172267.53	170047.80
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES				
	21			

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner
For & On Behalf of
MOHINDER PURI & COMPANY
Chartered Accountants

JYOTI SUBARWAL
President-Finance and Operations

DINESH KUMAR JAIN
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

R. K. BHARGAVA Chairman
SUSHIL GUPTA Managing Director (West)
SHIV JATIA Managing Director (North)
UMESH SARAF Managing Director (East)

Place : New Delhi
Date : 25th November, 2009

ASIAN HOTELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED 30TH SEPTEMBER 2009

	Schedule	Rs. in lakhs	Prior Year Rs. in lakhs
INCOME			
Rooms, Food, Beverages and Other Services	13	64190.05	51383.37
Less: Excise Duty paid		(36.35)	(30.78)
NET SALES		64153.70	51352.59
Other Income	14	709.34	2043.05
		64863.04	53395.64
EXPENDITURE			
Consumption of Provisions, Beverages, Smokes & Others	15	5653.10	4045.09
Direct Operating Expenses	16	842.33	502.45
Payment to and Provision for Employees	17	12750.58	8628.00
Operating and General Expenses	18	23168.46	15361.64
		42414.47	28537.18
PROFIT BEFORE INTEREST, DEPRECIATION, EXTRA ORDINARY ITEMS			
		22448.57	24858.46
Interest & Finance Charges	19	2949.42	2137.45
Depreciation		4215.76	2516.61
Less : Transferred from Revaluation Reserve (Refer Note 15 of Schedule 21)		(80.87)	(53.91)
Prior Year Adjustments	20	(20.52)	51.27
PROFIT BEFORE TAX		15384.78	20207.04
Provision for taxation		5,065.00	5885.00
Provision for taxation for earlier years		250.74	0.00
Provision for Fringe Benefit Tax		74.09	77.50
Provision for Deferred tax Liability	4	575.90	1041.94
PROFIT AFTER TAX		9419.05	13202.60
Profit brought forward from Prior Year		23858.97	11892.55
PROFIT AVAILABLE FOR APPROPRIATION		33278.02	25095.15
Transfer to Capital Redemption Reserve A/c for Redeemed NCPS		1000.00	0.00
Transfer to Capital Redemption Reserve for Redeemable NCPS		3124.00	0.00
Transfer to General Reserve		710.00	951.70
Proposed Dividend on Equity Shares		228.04	228.04
Dividend on Preference Shares		22.50	15.12
Corporate Dividend tax		42.58	41.32
SURPLUS CARRIED TO BALANCE SHEET		28150.90	23858.97
		33278.02	25095.15
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		41.19	57.82
SIGNIFICANT ACCOUNTING POLICIES AND NOTES	21		

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner
For & On Behalf of
MOHINDER PURI & COMPANY
Chartered Accountants

JYOTI SUBARWAL
President-Finance and Operations
DINESH KUMAR JAIN
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS
R. K. BHARGAVA Chairman
SUSHIL GUPTA Managing Director (West)
SHIV JATIA Managing Director (North)
UMESH SARAF Managing Director (East)

Place : New Delhi
Date : 25th November, 2009

ASIAN HOTELS LIMITED

CASH FLOW STATEMENT FOR THE EIGHTEEN MONTH PERIOD ENDED 30TH SEPTEMBER 2009

	Rs. in lakhs	Prior Year Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/ EXTRA ORDINARY ITEMS	15,384.78	20,207.04
Adjustments for:		
Depreciation	4,134.89	2,462.70
Interest & Finance Expense	2,949.42	2,137.45
Interest Income	(330.19)	(15.34)
Income from Investment - Dividends	(115.48)	(0.02)
Loss on Fixed Assets sold/ discarded (net)	301.04	108.63
Gain on sale of Investments	(104.40)	(463.84)
Bad Debts / Advances Written off	56.70	6.02
Provision for Bad & Doubtful Debts/advances	22.51	(4.13)
Liability no longer required written back	(35.00)	(27.12)
Provision no longer required written back	(89.05)	(1,522.89)
Provision for Gratuity & Leave Encashment	129.60	338.20
Prior Period Expenses/(Income) (Net)	(20.52)	51.27
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	22,284.30	23,277.97
Adjustments for changes in working capital :		
– (Increase)/Decrease in Sundry Debtors	(435.85)	(293.71)
– (Increase)/Decrease in Other Receivables	(8,017.61)	(1,495.21)
– (Increase)/Decrease in Inventories	90.58	(146.40)
– Increase/(Decrease) in Trade and Other Payables	6,481.82	2,701.62
CASH GENERATED FROM OPERATIONS	20,403.24	24,044.27
– Taxes (Paid) / Received (Net of withholding taxes(TDS))	(5,750.31)	(6,337.70)
– Prior Period (Expenses)/Income (Net)	20.52	(51.27)
NET CASH FROM OPERATING ACTIVITIES	14,673.45	17,655.30
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Additions during the period	(2,777.22)	(8,144.25)
Capital Work in Progress		
Deductions/(additions) during the period	65.92	394.89
Proceeds from Sale of fixed assets	90.59	337.25
Proceeds from Sale of investments	5,636.70	31,146.35
Purchase of investments	(6,342.60)	(33,703.53)
Share Application Money	–	(17,458.00)
Loans/Inter corporate Deposits/refunds received	145.00	–
Interest Received (Revenue)	240.16	4.84
Dividend Received	115.48	0.02
NET CASH USED IN INVESTING ACTIVITIES	(2,825.98)	(27,422.43)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings		
RECEIPTS	–	–
PAYMENTS	5,232.91	(5,492.45)
Proceeds from short term borrowings		
RECEIPTS	–	–
PAYMENTS	–	–
Redemption of Preference Shares	(9,000.00)	–
Additional Premium paid on redemption of Preference Shares	(1,792.00)	–
Proceeds from issue of shares (including Share Premium)	–	18,000.00
Interest & Finance charges Paid	(2,910.97)	(2,108.65)
Dividend Paid	(261.05)	(482.86)
Dividend Tax Paid	(43.86)	(77.51)
NET CASH USED IN FINANCING ACTIVITIES	(8,774.97)	9,838.53
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,072.50	71.40
CASH AND CASH EQUIVALENTS - OPENING	(949.81)	(1,021.21)
CASH AND CASH EQUIVALENTS - CLOSING	2,122.69	(949.81)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,072.50	71.40

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement.
2. Cash and Cash Equivalents at the end of the period consist of cash in hand and Balance with Banks and are net of short term loans and advances from banks as follows:

	As at 30th September 2009	As at 31st March 2008
Cash, Cheques & Drafts (in hand) and Remittances in transit	49.33	144.22
Short term loans and advances from banks	(1,080.74)	(2,961.56)
Balance with Scheduled Banks	3,154.10	1,867.53
	2,122.69	(949.81)

ON BEHALF OF THE BOARD OF DIRECTORS

	JYOTI SUBARWAL	R. K. BHARGAVA	Chairman
Place : New Delhi	President-Finance and Operations	SUSHIL GUPTA	Managing Director (West)
Date : 25th November, 2009	DINESH KUMAR JAIN	SHIV JATIA	Managing Director (North)
	Company Secretary	UMESH SARAF	Managing Director (East)

AUDITORS' CERTIFICATE

This is the Cash Flow Statement referred to in our report of even date

VIKAS VIG

Partner

For & On Behalf of Mohinder Puri & Company

Chartered Accountants

Place : New Delhi

Date : 25th November, 2009

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

			Rs. in lakhs	Prior Year Rs. in lakhs
1. SHARE CAPITAL				
AUTHORISED				
40,000,000 Equity Shares of Rs 10 each			4000.00	4000.00
30,000,000 Preference Shares of Rs. 10 each			3000.00	3000.00
ISSUED, SUBSCRIBED & PAID-UP				
22,803,564 Equity Shares of Rs 10 each fully paid (of the above 6,515,304 Shares were allotted as fully paid up Bonus Shares by capitalisation of Share Premium and a part of General Reserve)			2280.36	2280.36
10,000,000 (Prior year 20,000,000) 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each fully paid			1000.00	2000.00
			3280.36	4280.36
2. RESERVES AND SURPLUS				
	31.3.2008	Additions	Deductions	30.9.2009
Capital Reserve	4.23	0.00	0.00	4.23
Capital Redemption Reserve for Redeemed NCPS	0.00	1000.00	0.00	1000.00
Capital Redemption Reserve for Redeemable NCPS	0.00	3124.00	1792.00	1332.00
Securities Premium Account	16000.00	0.00	8000.00	8000.00
General Reserve	8100.00	710.00	0.00	8810.00
Tourism Development Utilised Reserve	15996.06	0.00	0.00	15996.06
Revaluation Reserve (Refer Note 15 of Schedule 21)	82073.39	0.00	80.87	81992.52
Surplus in Profit & Loss Account	23858.97	9419.05	5127.12	28150.90
	146032.65	14253.05	14999.99	145285.71
Note :				
1) Capital Redemption Reserve for Redeemed NCPS has been created during the period for part redemption (50%) of 1% Cumulative Redeemable Non-Convertible Preference Shares (Refer Note 30 of Schedule 21)				
2) Capital Redemption Reserve for Redeemable NCPS has been created during the period towards the redemption of 1% Cumulative Redeemable Non-Convertible Preference Shares and for the premium payable on their redemption over and above the amount available in Securities Premium Account.				
3) Deduction to Securities Premium Account and Capital Redemption Reserve for Redeemable NCPS amounting to Rs. 8000 Lakhs and Rs.1792 Lakhs respectively represents premium paid on part redemption (50%) of 1% Cumulative Redeemable Non-Convertible Preference Shares during the period.				
4) Addition to General Reserve represents transfer during the period from Profit and Loss Account.				
5) Deduction to Revaluation Reserve represents amount withdrawn on account of depreciation during the period.				
3. LOAN FUNDS				
SECURED LOANS				
TERM LOANS				
From Banks				
– UTI Bank Limited			0.00	1781.78
– Punjab National Bank			0.00	3567.19
– Canara Bank			0.00	3219.44
– Jammu & Kashmir Bank Limited			0.00	629.53
(Secured by hypothecation of whole of plant, machinery, construction material, equipments and other movable assets of the Company both present and future {save and except book debts} along with a charge on the immovable asset of the Company situated at Hotel Hyatt Regency Mumbai and Hotel Hyatt Regency Kolkata, pari passu with other term lending banks)				
DBS Bank Limited				
(Secured by exclusive equitable mortgage of Hotel Hyatt Regency Delhi property and Personal guarantee of one of the directors of the Company)				
– ICICI Bank Limited			43.97	102.82
Secured against hypothecation of certain vehicles				
– Punjab National Bank			1422.81	1557.00
(For business of generation of electricity) Secured by first charge by way of mortgage of land and hypothecation of windmills situated at Sinner & Sangli, Maharashtra				
– IDBI Bank Limited - Rupee Loan			5224.00	0.00
(Secured by first pari passu charge (hypothecation) of whole of plant & machinery, construction material, equipments and other assets of the Company both present and future {save and except book debts} at Hotel Hyatt Regency Delhi)				
Interest accrued and due			67.89	29.21

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
OTHER LOANS		
Short Term Loans and Advances		
From Banks		
– IDBI Bank Limited - Foreign Currency Loan (Secured by first pari passu charge (hypothecation) of whole of plant & machinery, construction material, equipments and other assets of the Company both present and future {save and except book debts} at Hotel Hyatt Regency Delhi)	0.00	2857.71
Bank of Baroda	0.53	0.00
– Secured against Fixed Deposit Receipts		
From IDBI Bank Limited		
– Secured against hypothecation of inventories and book debts(both present & future)	752.06	58.26
– Secured against credit card collection*	328.15	45.59
	16839.41	13848.53
* net of balances in collection accounts	200.93	619.86
– Term loans due within one year	3978.58	558.72

4 NET DEFERRED TAX LIABILITY

Created Liability / (Asset)
Rs in Lakhs

Tax Liability /(Asset) due to timing difference in respect of:

Depreciation	803.11	6958.73	6155.62
Provision for Retirement Benefits	(44.06)	(328.20)	(284.14)
Provision for doubtful debts / advances	22.61	(11.94)	(34.55)
Statutory Dues	(205.76)	(352.51)	(146.75)
	575.90	6266.08	5690.18

5. FIXED ASSETS - AT COST

Rs. in Lakhs

	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As on 1.4.2008	Additions	Deductions/ Adjustments	As on 30.9.2009	Upto 31.3.2008	For the year	Written back on deductions/ adjustments	Upto 30.9.2009	As on 31.9.2009	As on 31.3.2008
Land - Leasehold	1467.71	0.00	0.00	1467.71	0.00	0.00	0.00	0.00	1467.71	1467.71
Land - Freehold	88833.27	528.32	0.00	89361.59	0.00	0.00	0.00	0.00	89361.59	88833.27
Buildings	32212.66	2053.89	36.50	34230.05	3097.18	819.03	2.95	3913.26	30316.79	29115.48
Furniture, Fixtures and Furnishings	8180.70	1131.92	317.70	8994.92	3828.90	1061.78	271.17	4619.51	4375.41	4351.80
Plant and Machinery	24372.55	1724.25	432.36	25664.44	6803.21	1958.98	213.68	8548.51	17115.93	17569.34
Vehicles	1459.85	639.52	188.02	1911.35	374.02	375.97	95.15	654.84	1256.51	1085.83
Total	156526.74	6077.90	974.58	161630.06	14103.31	4215.76	582.95	17736.12	143893.94	142423.43
Prior Year	150544.70	6371.16	389.12	156526.74	11844.94	2516.61	258.24	14103.31	753.56	4012.03
CAPITAL WORK-IN-PROGRESS - Refer Note 14 of Schedule 21									144647.50	146435.46

- a) Gross Block includes Rs. 82131.81 Lakhs being the amount added on revaluation of land and buildings with effect from 28th February, 2007 (Refer Note 15 of Schedule 21)
- b) Depreciation for the period includes an additional depreciation amounting to Rs.80.87 Lakhs (Prior year Rs. 53.91Lakhs) on revalued building that has been withdrawn from Revaluation Reserve Account and credited to the Profit and Loss Account (Refer Note 15 of Schedule 21)
- c) Land -Freehold includes amount paid to Delhi Development Authority (DDA) since recovered by the Company but not de-capitalised as matter is under an appeal filed by DDA. 10.90 10.90
- d) Addition to Land -Freehold represent 50% of Rs.1056.64 Lakhs paid in earlier years as stamp duty on land & building at Mumbai, which till prior year was shown as recoverable from Maharashtra Tourism Development Corporation, included in loans and advances. Subsequent to September 30, 2009, the Maharashtra Tourism Development Corporation has agreed and admitted Rs.528.32 Lakhs to be refunded back to the Company.
- e) Building includes leasehold improvement gross block 33.34 20.68
net block 23.34 13.78
- f) Vehicles includes those financed gross block 297.29 289.47
net block 183.21 238.07
- g) Land -Freehold and Plant & Machinery includes assets relating to the business of generation of electricity Land - Freehold
– gross block 34.00 34.00
– net block 34.00 34.00
Plant & Machinery
– gross block 1857.02 1857.02
– net block 1709.94 1857.02

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Face Value		Rs. in lakhs	Prior Year Rs. in lakhs
	Rs. in lakhs	Prior Year Rs. in lakhs		
6. INVESTMENTS				
Long Term				
Trade, Unquoted				
In Subsidiary Companies				
91,652 (Prior Year 75,000) Equity Shares of Rs 10 each of Regency Convention Centre & Hotels Ltd.				
- (Refer Note 16 of Schedule 21)	9.16	7.50	2579.02	173.02
8,170,000 (Prior Year 50,000) Equity Shares of Rs 10 each of GJS Hotels Limited	817.00	5.00	17463.00	5.00
(Of the above, 8,120,000 Equity Shares of Rs.10 each have been issued at a premium during the period				
Share Application Money For 8,120,000 Equity Shares of Rs 10 each at a premium of GJS Hotels Limited	0.00	0.00	0.00	17458.00
2,50,10,000 Equity Shares of Rs 10 each of Aria Hotels & Consultancy Services Private Limited*	2501.00	2501.00	2501.00	2501.00
50,000 Equity Shares of Rs 10 each of Chillwinds Hotels Limited	5.00	5.00	5.00	5.00
50,000 Equity Shares of Rs 10 each of Vardhman Hotels Limited	5.00	5.00	5.00	5.00
Short Term				
Non -Trade, Quoted				
Nil (Prior Year 19,722,798) Units of Rs. 10 each of LIC MF Income Plus Fund-Growth Plan (earlier LIC MF Liquid Fund-Growth Plan)				
- Net Asset Value as on 30.9.09 Rs Nil (Prior Year Rs.2,903 lakhs)	0.00	1972.28	0.00	2860.00
3,506,386 (Prior Year Nil) Units of Rs. 10 each of HDFC Cash Management Fund -Treasury Advantage Plan -Week				
- Net Asset Value as on 30.9.09 Rs 351.72 Lakhs (Prior Year Rs.Nil)	350.64	0.00	351.56	0.00
9,129,348 (Prior Year Nil) Units of Rs. 10 each of LIC MF Income Plus Fund - Weekly Dividend Plan				
- Net Asset Value as on 30.09.09 Rs 913.35 Lakhs (Prior Year Rs.Nil)	912.93	0.00	913.34	0.00
Non-Trade Unquoted				
Nil (Prior Year 600) 6.75% Tax Free US64 Bonds of Rs 100/- each of Unit Trust of India	0.00	0.60	0.00	0.60
			23817.92	23007.62
Note:				
Investment bought / subscribed and sold / redeemed during the period				
60.73 lakhs Units of LIC MF Liquid Fund-Growth Plan (Prior year 492.86 lakhs units)				
29.88 lakhs Units of LIC MF Interval Fund-Series I (Prior year Nil units)				
855.15 lakhs Units of LIC MF Liquid Plus Daily Dividend (Prior year Nil units)				
9.98 lakhs Units of DWS Credit Opportunities Cash Fund (Prior year Nil units)				
10 lakhs Units of JM FMF Series X Quarterly Plan (Prior year Nil units)				
120 lakhs Units of SBI Debt Fund Series 90 days (Prior Year Nil)				
1.08 lakhs Units of HDFC MF Weekly Dividend Plan (Prior Year Nil)				
0.31 lakhs Units of ICICI Prudential Weekly Dividend Plan (Prior Year Nil)				
Nil Units of SBI Magnum Insta Cash Fund (Prior Year 62.35 lakhs units)				
Nil Units of HDFC Liquid Fund - Growth (Prior year 494.28 lakhs units)				
Nil Units of HDFC Short Term Plan-Growth (Prior year 287.49 lakhs units)				
Nil Units of Templeton FRIF Short Term Plan (Prior year 324.60 lakhs units)				
Nil Units of PNB Floating Rate Fund - FMP (Prior year 374.45 lakhs units)				
* This investment is pledged as security for certain term loan taken from Bank and financial institution by Aria Hotels and Consultancy Services Private Limited, a Subsidiary Company.				
7. INVENTORIES				
Wines & Liquor			260.90	307.85
Provisions, Other Beverages and Smokes			147.12	167.12
Crockery, Cutlery, Silverware, Linen etc.			312.41	316.75
General Stores and Spares			166.71	186.08
			887.22	977.80

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
8. SUNDRY DEBTORS		
Outstanding for over six months	84.49	68.16
Others	1968.77	1574.67
	<u>2053.26</u>	<u>1642.83</u>
Less :Provision for doubtful debts	(33.67)	(21.22)
	<u>2019.59</u>	<u>1621.61</u>
Unsecured considered good	2019.59	1621.61
Unsecured considered doubtful	33.67	21.22
9. CASH AND BANK BALANCES		
Cash in hand	49.33	44.89
Cheques in hand	150.82	99.33
With Scheduled Banks :		
Current Accounts	165.55	76.71
Unpaid Dividend Current Accounts	77.73	80.62
Fixed Deposits *	2760.00	1710.20
	<u>3203.43</u>	<u>2011.75</u>
* Include :		
– under lien against overdraft facilities	260.00	10.00
– pledged with Government authorities	0.00	0.20
10. LOANS & ADVANCES		
Advances to subsidiary companies *	741.36	0.02
Inter-Corporate Loans	0.00	176.28
Advances recoverable in cash or in kind or for value to be received **	11347.25	4687.61
Advance income tax	11858.20	13100.05
Fringe benefit tax (net)	17.91	0.00
Security Deposits	770.59	153.96
Interest accrued on Fixed Deposits	100.53	10.50
	<u>24835.84</u>	<u>18128.42</u>
Provision for doubtful advances/deposits	(1.44)	(80.44)
	<u>24834.40</u>	<u>18047.98</u>
Unsecured considered good	24834.40	18047.98
Unsecured considered doubtful	1.44	80.44
*includes advance given to		
– GJS Hotels Limited	535.27	0.00
maximum balance due during the period	1277.34	383.15
– Chillwinds Hotels Limited	72.67	0.01
maximum balance due during the period	72.67	0.60
– Vardhman Hotels Limited	65.44	0.01
maximum balance due during the period	65.44	0.92
– Aria Hotels & Consultancy Services Private Limited	12.16	0.00
maximum balance due during the period	12.16	0.00
– Regency Convention Centre & Hotels Limited	55.82	0.00
maximum balance due during the period	55.82	0.00
**includes advance given to		
– Regency Convention Centre & Hotels Limited, an erstwhile associate company	0.00	52.49
maximum balance due during the period	0.00	52.49
11. CURRENT LIABILITIES		
Sundry Creditors		
– for capital projects	226.21	118.08
– others *	1188.20	1196.92
Advances from Customers	7864.99	1026.63
Interest accrued but not due on loans	0.33	0.56
Security Deposits received	24.65	32.05
Other Liabilities **	5413.47	5791.78
	<u>14717.85</u>	<u>8166.02</u>
* includes due to Micro, Small & Medium Enterprises (Refer Note 32 of Schedule 21)	0.00	0.00
**includes due to		
– GJS Hotels Limited a (subsidiary company)	0.00	1023.84
– Aria Hotels & Consultancy Services Private Limited (subsidiary company)	0.00	0.34
– Unclaimed Dividends	77.73	80.62
– Directors (including commission)	1078.73	1226.43

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
12. PROVISIONS		
Gratuity	781.33	678.21
Leave Encashment	184.24	157.76
Income Tax	11183.53	12762.45
Fringe Benefit Tax(net)	0.00	5.50
Proposed dividend on Equity Shares	228.04	228.04
Dividend on Preference Shares	7.50	15.12
Corporate Dividend Tax	40.04	41.32
	12424.68	13888.40
13. ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Rooms	38651.90	33790.64
Wines and Liquor	3718.71	2557.91
Food, Other Beverages, Smokes & Banquets	15290.40	10741.76
Communications	807.05	674.11
Others *	5721.99	3618.95
	64190.05	51383.37
*includes :		
– gain/(loss) on account of foreign exchange translation (net)	(11.25)	(1.89)
– income related to generation of electricity business (Refer note 23 of Schedule 21)	280.49	0.16
14. OTHER INCOME		
Interest earned *	330.51	15.34
Dividends	115.48	0.02
Gain on sale of short term investments (net)	104.40	463.84
Excess provisions written back	7.00	1,453.68
Provision for Doubtful Debts / Advances written back	89.05	0.00
Provision for Diminution in value of Investments written back	0.00	69.21
Credit balances written back	28.00	27.12
Miscellaneous	34.90	13.84
	709.34	2043.05
* Tax deducted at source	49.52	1.08
15. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS		
WINES & LIQUOR		
Opening Stock	307.85	265.27
Add : Purchases	1043.09	845.93
	1350.94	1111.20
Closing Stock	(260.90)	(307.85)
	1090.04	803.35
PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	167.12	80.94
Add : Purchases	4543.14	3327.92
	4710.26	3408.86
Closing Stock	(147.20)	(167.12)
	4563.06	3241.74
	5653.10	4045.09
Indigenous 83.89%	(Prior Year 83.78 %)	4742.43
Imported 16.11%	(Prior Year 16.22 %)	3388.99
	910.67	656.10
16. DIRECT OPERATING EXPENSES		
Telephone	283.26	122.42
Guest Transportation	559.07	380.03
	842.33	502.45
17. PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Ex gratia	9186.61	6107.53
Provident and other Funds	562.20	297.88
Gratuity	159.50	323.97
Rent - staff accommodation	63.12	53.16
Workmen and Staff Welfare *	1226.06	849.97
Contract Labour & Service	1385.01	887.14
Recruitment & Training	168.08	108.35
	12750.58	8628.00
* includes :		
Cost of provisions consumed in staff cafeteria	583.73	418.46
Realisation on sale of food coupons to staff	(27.95)	(21.70)

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
18. OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering and Other supplies/services	1478.19	1103.14
Operating equipment and Supplies written off	504.01	453.14
Fuel, Power and Light (net)	4646.55	2608.97
Repairs, Maintenance and Refurbishing *	3881.93	1943.49
Rent	78.06	20.90
Rates and Taxes	2335.08	1272.29
Insurance	358.44	236.30
Directors' sitting fee	18.48	12.24
Legal and Professional	1837.51	1326.24
Artist Fee	18.10	40.66
Stationery and Printing	212.60	164.39
Travelling and Conveyance	654.81	451.02
Communication	202.25	145.16
Technical Services	3142.39	2853.99
Advertisement and Publicity	1026.53	805.49
Commission and Brokerage	2154.77	1670.01
Charity & Donation	154.70	22.11
Bad debts / advances written off	56.70	6.02
Provision for doubtful debts / advances	22.51	(4.13)
Loss on Fixed Assets sold/discarded (net)	301.04	108.63
Difference in Exchange	(43.70)	59.72
Miscellaneous	127.51	61.86
	23168.46	15361.64
* includes:		
Repairs & Maintenance - Buildings	961.38	383.19
Repairs & Maintenance - Plant & Machinery	1578.00	945.57
19. INTEREST AND FINANCE CHARGES		
Interest on - fixed loans	2491.86	1263.61
- others	299.12	853.30
Bank & Finance charges	158.44	20.54
	2949.42	2137.45
20. PRIOR YEAR ADJUSTMENTS		
Repair, maintenance and refurbishing	1.71	1.84
Rates and Taxes	(30.42)	44.82
Legal & Professional Expenses	0.00	0.23
Advertisement & Publicity	0.00	5.42
Other adjustments	8.19	(1.04)
	(20.52)	51.27
21. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES		
1. (i) Basis of Accounting		
The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standards Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.		
(ii) Use of Estimates		
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.		
(iii) Revenue Recognition		
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.		

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
(a) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.		
(b) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.		
(c) Dividend income from investments is recognized when the Company's right to receive payment is established.		
(d) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.		
(e) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.		
(iv) Income in Foreign Exchange		
The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.		
(v) Interest on Income Tax Refunds / Demands		
It is accounted for as income in the period/year when granted and as tax expense when determined by the Department.		
(vi) Claims Recoverable		
Claims recoverable are accrued only to the extent as admitted by the parties subject to Note 20 regarding certain claim relating to stamp duty on certain land.		
(vii) Expenses remittable in foreign exchange		
These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.		
2. (i) Foreign Exchange Transaction		
Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the period/year end are translated at the period/year end rates resulting in exchange differences being recognized as income /expense (net).		
(ii) Foreign Currency Balances		
Foreign Currency balances at the period/year end have been converted at the period/year end rate of exchange except those covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.		
3. Employee Benefits		
(i) Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet.		
(ii) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to Profit and Loss Account of the period/year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.		
4. Taxation		
(i) Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current period/year timing differences between taxable income and accounting income for the period/year and reversal of timing differences of earlier years.		
(ii) Deferred Tax is provided during the period/year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with Accounting Standard 22 (AS-22).		
(iii) Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.		
(iv) Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.		

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

Rs. in lakhs Prior Year
Rs. in lakhs

5. Fixed Assets and Depreciation

(a) Fixed Assets

Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortisation. Cost represents the direct expenses incurred on acquisition /construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.

(b) Depreciation

- (i) Depreciation as per straight line method has been charged in the accounts based on circular no 1/86 of the Department of Company Affairs;
- (ii) On the assets acquired on or after 2.4.87 at the rates as prescribed under Schedule XIV of the Companies Act, 1956 pro rata from the month of purchase. If purchased before or on 15th of the month, depreciation is charged from the month of purchase otherwise depreciation is charged from the month following the month of purchase.
- (iii) On the assets prior to 2.4.87 at the rates computed in the respective years of acquisition of those assets on the basis of rates specified by the Income Tax Act, 1961 and the rules made thereunder in terms of Section 205(2) (b) of the Companies Act, 1956 without making any adjustment in respect of excess depreciation provided for in the earlier years amounting to Rs.244.16 Lakhs.
- (iv) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (v) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve Account.
- (vi) No depreciation is charged on the assets sold/ discarded during the period/ year.
- (vii) The period in respect of leases of leasehold lands is either perpetual or for substantially long term and hence no depreciation has been charged on the premiums paid.

6. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

7. Inventory

- (a) Inventory is valued at cost or net realizable value whichever is lower.
- (b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

8. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

9. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year.

10. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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	Rs. in lakhs	Prior Year Rs. in lakhs
11. Cash and Cash Equivalents		
Cash and cash equivalents in the cash flow comprise of cash at bank and cash/cheques in hand and short term deposits with banks less short term advances from banks.		
12. Dividend		
Dividend proposed on equity shares, if any, is accounted for pending approval at the Annual General Meeting.		
13. Contingent Liabilities:		
(a) Outstanding Capital Expenditure Commitments	718.10	1577.29
(b) Claims against the Company not acknowledged as debts	617.18	653.01
(c) Demand for income tax (exclusive of interest amounting to Rs.NIL Prior Year Rs 109.59 Lakhs) not provided for pending appeals	-	113.25
14. Capital Work-in-Progress consists of:		
(a) Renovation/refurbishing work / other work in progress	615.39	681.31
(b) Advances for capital contracts (unsecured, considered good)	138.17	3330.72
	<u>753.56</u>	<u>4012.03</u>
15. The Company, based on the report by a Certified Valuer, had revalued land and building of Hotel Hyatt Regency Delhi by adopting Cost of Contractor's method, on 28th February 2007 at Rs. 85,700.00 Lakhs, the same resulted in an increase in the value of land and building of an amount of Rs. 82,131.81 Lakhs, and therefore an equivalent amount had been credited to the Revaluation Reserve Account. Due to increase in the value of assets, there was an additional charge of Rs. 80.87 Lakhs (Prior year Rs.53.91 Lakhs), for the current period, on account of depreciation. Resultantly, an equivalent amount of Rs 80.87 Lakhs (Prior year Rs.53.91 Lakhs) has been withdrawn from the Revaluation Reserve Account and credited to the Profit & Loss Account.		
16. At the beginning of the current period, the Company held 75000 equity shares of Rs.10/- each of Regency Convention Centre and Hotels Ltd (RCC), representing 48.28% of paid up equity capital of RCC, acquired for a consideration of Rs. 173.02 Lakhs. During the current period, the Company acquired a further 16652 equity shares of RCC for a consideration amounting to Rs.2400 Lakhs, by virtue of which the aggregate share holding of the Company in RCC stood at 58.99% of the paid up capital of RCC, thus making it a subsidiary of the Company. Apart from the above, the Company, during the prior years, had also made an advance of Rs. 334 Lakhs for acquiring further shares of RCC from their existing shareholders and incurred expenditure on behalf of RCC amounting to Rs. 55.82 Lakhs upto the balance sheet date. The principal assets of RCC comprises of an interest in a parcel of land at Mumbai, the right in such interest is being contested in the Bombay High Court. However, the Company has been legally advised that it has a fair chance of success. An independent broker has also made an indicative offer to the Company for its interest in RCC at a value which is higher than the book value being reflected in the books of the Company. In the proposed Scheme of Arrangement and Demerger of the Company (Refer Note 18 below) the aforesaid assets forms part of Kolkata undertaking at their book value. Considering that the value of the asset is contingent upon the outcome of legal proceedings, as suggested supra, in the light of present uncertainty about the outcome of the matter, and, therefore, whether there is impairment, if any, the value of the aforesaid assets can not be reasonably determined at present. In view of the above, no provision for impairment in respect of said assets has been made in these financial statements.		
17. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard (AS) 28 on "Impairment of Assets" since in the opinion of the Management, as confirmed by the Audit Committee, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of subsidiaries such decision is based on the management accounts/ audited accounts of the subsidiaries, as available and as examined by the Audit Committee on the basis of the information and explanations available.		
18. Presently, the Company is operating an integrated hotel business at three geographical locations. These hotels namely Hyatt Regency Delhi, Hyatt Regency Kolkata and Hyatt Regency Mumbai are governed by the same set of risks and returns and hence have been considered as representing a Single Segment. A Scheme of Arrangement and Demerger (the Scheme) was approved by the Board of Directors of the Company on 14th May, 2007. The Scheme envisaged the trifurcation of the Company in the following manner:-		

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Rs. in lakhs Prior Year
Rs. in lakhs

- i) Kolkata Undertaking as defined in clause 1.2.1 of the Scheme, comprising interalia of Hotel Hyatt Regency Kolkata and investments in the shares held in GJS Hotels Limited and Regency Convention Centre and Hotels Limited, and appropriate cash liquidity.
- ii) Mumbai Undertaking as defined in clause 1.2.1 of the Scheme, comprising interalia of Hotel Hyatt Regency Mumbai, investments in the shares held in Aria Hotels & Consultancy Services Private Limited and deposits/advances paid towards acquisition of immovable property in Bangalore.
- iii) AHL Residual as would emerge immediately after the transfer of and vesting in of Mumbai Undertaking and the Kolkata Undertaking in Chillwinds Hotels Limited (Transferee Company -I) and Vardhman Hotels Limited (Transferee Company-II) respectively.

The Scheme, which was approved by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide Orders dated 9th April, 2009 and 18th August, 2009, was filed with the Registrar of Companies, NCT of Delhi & Haryana, but could not take effect as certain conditions precedent were yet to be fulfilled. In order to overcome the impediments in implementation of the Scheme and to determine a fixed date which should be the Appointed Date for the purpose of drawing up the undertaking wise balance sheets in terms of the Scheme, the Company made an application to the Hon'ble Court in May 2009, introducing 'the Appointed Date' and incorporated certain clauses to define how the business of the three undertakings would be conducted between 'the Appointed Date' and 'the Effective Date'. The Hon'ble High Court vide its order dated 29th May, 2009, stayed the effect and implementation of the Scheme, as approved earlier and directed the Company to obtain the approval of its equity shareholders for the amended Scheme. The Company made additional applications in August 2009 and November 2009, for further amendments, before the equity shareholders' meeting could be convened in terms of Order dated 29th May, 2009, and the Hon'ble Court vide its Order dated 10th November, 2009, directed the Company to convene a meeting of its equity shareholders on 11th December, 2009, to obtain their approval for the amended Scheme. Pursuant to the directions of the Hon'ble Court, the Company has called its equity shareholders meeting on 11th December, 2009. Once the amended Scheme is approved by the equity shareholders and sanctioned by the Hon'ble Court, the amended Scheme is expected to be implemented by the end of January 2010 having retrospective effect from 'the Appointed Date' i.e. '31st October, 2009'. Subsequent thereto, the Promoter Groups intend to transfer their shareholding inter-se in the three demerged entities as provided in Clause 5.8 of the Scheme.

In view of the above, within the meaning of Accounting Standard (AS) 24 on "Discontinuing Operations", the operations of Kolkata undertaking and Mumbai undertaking constitute discontinuing operations. As at 30th September, 2009, the carrying amount of the assets of the Kolkata undertaking were Rs 40112.29 Lakhs (prior year Rs 38731.48 Lakhs), and of the Mumbai undertaking were Rs 39429.73 Lakhs (prior year Rs 42005.98 Lakhs) and their liabilities were Rs 22028.95 Lakhs (prior year Rs 21094.39 Lakhs) and Rs 29111.48 Lakhs (prior year Rs 30353.95 Lakhs) respectively.

The following statement shows the revenue and expenditure of continuing and discontinuing operations of the Company.

(Rs. in Lakhs)

Particulars	Continuing Operations		Discontinuing Operations				Total	
	(AHL Residual)		(Kolkata Undertaking)		(Mumbai Undertaking)			
	Current Period	Prior Year	Current Period	Prior Year	Current Period	Prior Year	Current Period	Prior Year
Turnover	32,211.81	25,070.43	11,701.18	9,890.90	20,950.05	18,434.31	64,863.04	53,395.64
Operating Expenses	21,048.51	13,345.68	7,883.93	5,408.63	13,482.03	9,782.87	42,414.47	28,537.18
Pre-tax profit from operating activities	11,163.30	11,724.75	3,817.25	4,482.27	7,468.02	8,651.44	22,448.57	24,858.46
Interest expenses	2,938.74	2,119.36	3.12	7.16	7.56	10.93	2,949.42	2,137.45
Profit before depreciation and tax	8,224.56	9,605.39	3,814.13	4,475.11	7,460.46	8,640.51	19,499.15	22,721.01
Income tax expenses	2,581.84	2,987.69	1,066.70	1,294.62	2,317.19	2,722.13	5,965.73	7,004.44
Profit from operating activities after tax	5,642.72	6,617.70	2,747.43	3,180.49	5,143.27	5,918.38	13,533.42	15,716.57

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	Rs. in lakhs	Prior Year Rs. in lakhs
19. Letters for confirmation of balances sent to parties have been received back only in a few cases and discrepancies, if any, pointed out by the parties are being investigated for necessary adjustments to be carried out.		
20. Loans and advances include a claim in respect of stamp duty lodged with Maharashtra Tourism Development Corporation (MTDC) by the Company relating to land of Hotel Hyatt Regency Mumbai, considered to be fully recoverable in the opinion of the Management and as confirmed by the Audit Committee, as per letter subsequent to the balance sheet date received from MTDC.	528.32	1056.64
21. Out of the Service Tax demand raised and paid during the prior year for Rs.146.11 Lakhs, Rs. 95.94 Lakhs had been paid under protest. In the opinion of the Company, amount paid under protest is not liable to be paid and hence has been included under "Loans & Advances" as "Claims Recoverable" vide application dated May 9, 2008. The Company has also received notices with regard to Service Tax demand on certain services aggregating to Rs.482.54 Lakhs considered not tenable in the opinion of the Company. These are thus included under "Contingent Liabilities" as "Claims against the Company not acknowledged as debts" and no provision has been made against the same.		
22. (a) Computation of Net Profit as per Section 349 read with Section 309 (5) and Section 198 of the Companies Act, 1956		
Profit before tax	15384.78	20207.04
Add/ (Less):		
Loss on Fixed Assets sold / discarded (net)	301.04	108.63
Loss/(Gain) on sale of investments (net)	(104.40)	(463.84)
Provision no longer required written back	(96.05)	(1453.68)
Provision for Diminution in value of Investment written back	0.00	(69.21)
Provision for Doubtful debts / advances	22.51	(4.13)
Provision for Wealth Tax (net)	3.99	2.45
NET PROFIT AS PER SECTION 349	15511.87	18327.26
Managerial Remuneration (as stated below)	1466.87	1449.47
PROFIT AS PER SECTION 198	16978.74	19776.73
Commission @ 2% amounting to Rs. 346.92 Lakhs (prior year Rs. 395.53 Lakhs) of the above payable to each of the three Managing Directors included under the head "Salaries, Wages and Ex Gratia" aggregating to :	1,018.72	1186.59
Commission payable to each of the Eight Non Executive Directors @ 1% of Profit as above subject to maximum of Rs 5 Lakhs (prior year Rs.5 Lakhs) per Director per annum included under the head "Salaries, Wages and Ex Gratia" aggregating to :	60.00*	40.00
* includes commission of Rs.2.5 Lakhs to each non-executive director pending approval at the annual general meeting.		
(b) Managerial Remuneration (excluding provision for gratuity) to Directors :		
Salaries	225.00	130.40
House Rent Allowance	135.00	71.94
Commission	1,078.72	1226.59
Provident Fund Contribution	27.00	15.65
Monetary value of Perquisites	1.15	4.89
	1466.87	1449.47
23. The Company is presently operating an integrated hotel business at three geographical locations. The operations of these hotels namely Hyatt Regency Delhi, Hyatt Regency Kolkata and Hyatt Regency Mumbai are governed by the same set of risks and returns and hence have been considered as representing a Single Segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard (AS)-17 on Segment Reporting. The Company, during the prior year, had altered its object clause of memorandum of association and entered into a different business segment, viz., power generation, governed by different risks and returns. However, it is not a reportable segment as defined under the said Accounting Standard, and therefore, no separate disclosures have been made. The assets, liabilities and revenues relating to the said business have however, been disclosed in the accounts separately.		
24. Municipal Corporation of Delhi introduced a new method for payment of property tax under 'Unit Area Scheme' w.e.f. 1st April, 2004. The Federation of Hotels and Restaurants Association of India (FHRAI) and the Company filed a writ petition in the High Court of Delhi against the said new method, which is still pending. However, in terms of the interim order dated 10th September, 2004 passed by the Hon'ble High Court, the Company has been paying a sum of Rs. 54.52 Lakhs per annum based on the Ratable Value method then existing. However, as a matter of abundant caution, and based on the legal opinion obtained by the Company, the Company has provided for the difference in property tax as per Unit Area Scheme and the payments made since introduction of the said new method, alongwith interest thereon. Such calculations are based on usage factor of 10.		

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25. The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

i) Provident fund

During the period, the Company has recognized the following amounts in the profit and loss account:

Employers' contribution to provident fund Rs. 527.52 Lakhs (prior year Rs. 272.33 Lakhs)

(b) Defined benefit plans

a) Contribution to Gratuity funds

b) Compensated absences - Earned leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 0 years. For the current valuation a discount rate of 8 % p.a. compound, has been used in consultation with the employer.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarised in the following table:

	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	2008-09	2007-08	2008-09	2007-08
Discount rate (per annum)	8%	8%	8%	8%
Future salary increase	7%	8%	7%	8%
Expected rate of return on plan assets	0%	0%	0%	0%
In service mortality	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates:	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%
				Rs. in Lakhs
I. Expense recognised in profit and loss account	2008-09	2007-08	2008-09	2007-08
Current service cost	131.45	84.37	58.46	36.74
Interest cost	84.34	32.40	19.26	7.42
Expected return on plan assets	-	-	-	-
Net actuarial(gain) / loss recognised in the period	(56.13)	214.96	(15.27)	42.85
Total expense	159.66	331.73	62.45	87.01
	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	2008-09	2007-08	2008-09	2007-08
II. Net asset/(liability) recognised in the balance sheet as at September 30, 2009				
Present value of Defined benefit obligation	781.33	678.21	184.24	157.76
Fair value of plan assets	-	-	-	-
Funded status [surplus/(deficit)]	(781.33)	(678.21)	(184.24)	(157.76)
Net asset/(liability) as at September 30, 2009	(781.33)	(678.21)	(184.24)	(157.76)
III. Change in the present value of obligation during the Period/Year				
Present value of obligation as at the beginning of the period/year	678.21	405.03	157.78	92.74
Interest cost	84.34	32.40	19.26	7.42
Current service cost	131.45	84.37	58.46	36.74
Benefits paid	(56.54)	(58.55)	(35.99)	(21.97)
Actuarial (gains) / losses on obligation	(56.13)	214.96	(15.27)	42.85
Present value of obligation as at the end of the period/year	781.33	678.21	184.24	157.78

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26. Related Party Disclosures

- a) Parties which significantly influence the Company (either individually or with others)
- Yans Enterprises (H.K.) Ltd.
 - DSO Ltd.
 - Saraf Industries Ltd.
- b) Parties which are significantly influenced by the Company (either individually or with others)
- GJS Hotels Limited - a subsidiary company
 - Aria Hotels & Consultancy Services Private Limited - a subsidiary company
 - Chillwinds Hotels Limited - a subsidiary company
 - Vardhman Hotels Limited - a subsidiary company
 - Regency Convention Centre & Hotels Ltd - a subsidiary company (an erstwhile associate company in the prior year)

c) Related Party Transactions

(Rs in lakhs)

Particulars	Subsidiary		Associate Company		Relatives of Key Management Personnel		Key Management Personnel		Entities controlled by Directors or their relatives	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Purchase of Services									5.77	5.00
Sale of Services (Room, Food, Beverages and other services)					2.42				144.97	40.73
Remuneration							1406.87	1409.47		
Professional Charges									10.80	8.64
Advances received back	900.00	1407.33								
Advances given	1588.87	-		0.48					2.25	
Sale of Capital goods									7.25	
Sharing of Expenses										10.65
Rent									67.81	16.88
Reimbursement of Expenses		53.24							9.94	14.09
Dividend-Preference Shares									11.25	7.56
Redemption of Preference Shares (including premium)									4,500	
Share Application Money		17458.00								
Investment in shares	17458.00	2511.01								
Issue of Preference shares (at premium)										9000.00
Balance Outstanding										
Payables	0.00	1024.18					1,018.72	1186.43	0.57	0.70
Receivables	741.36	0.02		52.50	2.49	0.10			15.71	6.07

Note: 1. In view of the multiplicity of transactions / information, it is not practicable to identify and disclose the food / beverage / room or other sales to the employees / guests of the related parties at any of the outlets of the Hotels of the Company

Note: 2. In view of the legal opinion taken by the Company, the above said transactions does not require prior approval from Central Government under Section 297 of the Companies Act, 1956.

d) Related Parties

- Subsidiary

GJS Hotels Limited
Aria Hotels & Consultancy Services Private Limited
Chillwinds Hotels Limited
Vardhman Hotels Limited
Regency Convention Centre & Hotels Limited
(an erstwhile associate company in the prior year)

- Key Management Personnel

Mr. Sushil Gupta Managing Director (West)
Mr. Shiv Jatia Managing Director (North)
Mr. Umesh Saraf Managing Director (East)

- Relatives of Key Management Personnel

Mr. Sandeep Gupta Son of Mr. Sushil Gupta
Mr. R.G. Saraf Uncle of Mr. Umesh Saraf

- Entities controlled by Directors or their relatives

Bell Ceramics Limited Magus Estates & Hotels Limited
M/s Bhasin & Co Nepal Travel Agency Private Limited
Choice Hospitality (India) Limited Ram Pyari Devi Charitable Trust
Energy Infrastructure (I) Limited WEL Intertrade Limited
Godfrey Philips Limited Eden Park Hotels Private Limited
Juniper Hotels Private Limited

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	Rs in lakhs	Prior Year Rs in lakhs
e) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the period as follows:		
Particulars		
Purchase of Services		
– Nepal Travel Agency Pvt Ltd.	5.77	5.00
Sale of Services (Room, Food, Beverages and other services)		
– Godfrey Philips Ltd.	22.63	16.57
– M/s Bhasin & Co.		17.43
Remuneration		
– Mr. Sushil Gupta	469.21	468.26
– Mr. Shiv Jatia	469.01	468.26
– Mr. Umesh Saraf	468.65	472.95
Professional Charges		
– M/s Bhasin & Co.	10.80	8.64
Advances Received back		
– GJS Hotels Ltd.	900.00	1407.00
Advances given		
– GJS Hotels Ltd.	1435.27	–
Sharing of Expenses		
– WEL Intertrade Ltd.	–	10.65
Rent		
– Eden Park Hotels Pvt. Ltd	67.81	16.88
Reimbursement of Expenses		
– Magus Estates & Hotels Ltd.	4.12	14.09
– Aria Hotels & Consultancy Services Private Limited	–	50.67
– Eden Park Hotels Pvt. Ltd	5.02	–
Dividend - Preference Shares		
– Magus Estates & Hotels Ltd.	11.25	7.56
Redemption of Preference Shares (including premium)		
– Magus Estates & Hotels Ltd.	4500.00	–
Share Application Money		
– GJS Hotels Ltd.	0.00	17458.00
Investment in Shares		
– GJS Hotels Ltd.	17458.00	0.00
– Aria Hotels & Consultancy Services Private Limited	0.00	2501.00
Issue of Preference Shares		
– Magus Estates & Hotels Ltd.	0.00	9000.00
Outstanding Payables		
– GJS Hotels Ltd.	0.00	1023.84
– Mr. Sushil Gupta	339.57	395.53
– Mr. Shiv Jatia	339.57	395.37
– Mr. Umesh Saraf	339.58	395.53
– Magus Estates & Hotels Ltd.	0.00	0.70
– Aria Hotels & Consultancy Services Private Limited	0.00	0.34
– M/s Bhasin & Co.	0.57	–
Outstanding Receivables		
– GJS Hotels Ltd.	535.27	–
– Regency Convention Centre & Hotels Ltd.	55.82	52.50
– Magus Estates & Hotels Ltd.	4.88	–
– M/s Bhasin & Co.	0.00	5.97
– Bell Ceramics Limited	0.00	0.10
– Chillwinds Hotels Limited	72.67	0.01
– Vardhman Hotels Limited	65.44	0.01
– Aria Hotels & Consultancy Services Private Limited	12.16	–
– Mr. R.G. Saraf	0.10	0.10
– Mr. Sandeep Gupta	2.39	–
– WEL Intertrade Ltd.	0.54	–
– Energy Infrastructure (I) Limited	8.04	–
– Eden Park Hotels Pvt. Ltd.	2.25	–

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	Rs. in lakhs	Prior Year Rs. in lakhs
27. (a) Future commitments in respect of minimum lease payments payable for non cancellable operating leases (other than land) entered into by the Company :		
(i) Not later than one year	33.00	31.40
(ii) Later than one year and not later than five years	41.25	45.00
(b) Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	31.80	84.05
later than one year but not later than five years	16.21	25.62
Present value of minimum installments payable within one year	28.45	24.13
later than one year but not later than five years	15.52	78.69
(c) Future minimum lease payments receivable by the Company in respect of non cancellable operating leases (other than land) for shops and vehicles entered into by the Company :		
(i) Not later than one year	89.23	34.71
(ii) Later than one year and not later than five years	65.68	60.30
28. Payment to Auditors :		
As Audit Fee	19.80	11.00
As Tax Audit Fee	3.75	2.50
As Certification Charges	15.21	5.23
As Advisors on legal matters	1.28	0.85
As IFRS Audit Fees	7.50	16.00
As reimbursement of service tax	4.96	4.40
As reimbursement of out of pocket expenses	0.90	0.54
29. (A) The Company has been exempted vide order no 46/91/2008-CL-III dated 23rd May 2008 of Ministry of Corporate Affairs, Government of India under Section 211 (4) of the Companies Act, 1956 from disclosure of quantitative details of turnover, opening and closing stock, purchases, production and consumption of raw materials for the financial years ended March 31, 2008, March 31, 2009 and March 31, 2010.		
(B) C.I.F. Value of Imports		
a) Food and Beverages	159.95	126.81
b) Stores and Spares	417.01	271.77
c) Capital Goods	2513.62	2097.45
d) Beverages - through canalising agencies	775.97	589.30
(C) Expenditure in Foreign Currency - On payment basis		
a) Technical Services	3202.11	2104.80
b) Advertisement & Publicity	445.97	162.71
c) Commission & Brokerage	598.01	636.50
d) Recruitment & Training	148.14	60.51
e) Others	1,515.97	665.01
(D) Earnings in Foreign Exchange - On receipt basis		
As certified and reported by the Management to the Department of Tourism	42575.86	33824.83
(E) Details of dividends paid to Non Resident Shareholders holding shares on repatriation basis		
Final Dividend		
a) Year to which dividend relates	2007-08	2006-07
b) Number of non resident shareholders	641	628
c) Number of shares held by them	11179889	11197621
d) Rupees (in Lakhs) equivalent of amount paid in foreign currency	107.38	214.98
e) Amount in Rupees (in Lakhs) remitted to banks /addresses in India for which the Company does not have information as to the extent to which remittance in foreign currencies have been made by or on behalf of the non resident shareholders	4.41	8.97
30. During the prior year, the Company with an object to facilitate trifurcation under the Scheme had allotted 2 crores 1% Cumulative Redeemable Non Convertible Preference Shares (NCPS) of Rs 10/- each at a premium of Rs 80/- per share. As per the respective Subscription Agreement with Infrastructure Development Finance Company Limited (IDFC) and Magus Estate and Hotels Limited (Magus), a Company in which two of the directors are interested for subscription to the said preference shares, the Company is to redeem the said Preference Shares in three installments of 25%, 25% and 50% (including premiums) respectively as under :		
Date of Redemption	Amount of Redemption including Redemption Premium (Rs. in Lakhs)	
	IDFC	MAGUS (as per agreed revised terms)
June 30, 2008	3303.00	2250.00
June 30, 2009	2989.00	2250.00
June 30, 2010	4832.00	4500.00
During the period, 50% of such NCPS have already been redeemed.		
An amount of Rs.17,458 Lakhs, out of the proceeds from the above said preference shares had been subscribed as equity in GJS Hotels Ltd, a subsidiary of the Company which is to be a part of the Kolkata undertaking in terms of the Scheme.		

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
31. Subsequent to 30th September, 2009, the Company has received Rs. 3000 lakhs on October 14, 2009 and Rs.31100 Lakhs on October 16, 2009 as subscription money against the Fully Convertible Preference Shares (FCPS) which are to be issued pursuant to the Scheme. The Object of the aforesaid proposed issue on preferential allotment basis is to facilitate the trifurcation of the Company as envisaged in the Scheme. The above proceeds may be allocated, for the purposes of the utilisation, by the Board of Directors of the Company, to their undertakings as per their expansion/ financial plans or otherwise. The FCPS shall be convertible, in one or more tranches, into equity shares of face value of Rs.10/- each of the respective companies, i.e. AHL Residual Company, Transferee Company-I or Transferee Company-II, as the case may be, based on allocation of FCPS in terms of the Scheme.		
32. In the prior year, Government of India had promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) which came in to force with effect from October 2, 2006. The Company had sent letters to its suppliers for confirmations of their registration in MSMED Act, 2006 and on the basis of reply received from suppliers the disclosure is given below. The Disclosure relating to Micro and Small Enterprises are as follows:		
a) Principal amount remaining unpaid to any supplier as at the period end	0.00	0.00
b) Interest due thereon	0.00	0.00
c) Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to supplier beyond the appointed day during the period	0.00	0.00
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	0.00	0.00
e) Amount of interest accrued and remaining unpaid at the end of the period	0.00	0.00
33. Computation of Earnings per share - (Basic & Diluted)		
Profit after taxation	9419.05	13202.60
Less : Dividend on Preference Shares (including Corporate Dividend Tax)	<u>26.32</u>	<u>17.69</u>
Profit available for equity shareholders	9392.73	13184.91
Weighted average number of shares outstanding	22803564	22803564
Nominal value per share (In Rupees)	10.00	10.00
Earnings per share - Basic and Diluted (In Rupees)	41.19	57.82
34. During the period, Term Loans taken by Aria Hotels and Consultancy Services Private Limited, a subsidiary company, from a financial institution and bank are secured by way of:-		
(a) Mortgage by way of second pari passu charge created by the Company on its immovable property situated at Mumbai namely Hotel Hyatt Regency Mumbai.		
(b) First pari passu charge created by the Company on credit card receivables of Hotel Hyatt Regency Mumbai.		
(c) Pledge of Investment of the Company in Aria Hotels and Consultancy Services Private Limited, a subsidiary company.		
(d) Personal Guarantees of the two of the directors of the Company.		
35. The amount of foreign currency exposures that are not hedged by a derivative instruments or otherwise as on 30th September 2009 are as under:		
Particulars	Foreign Currency Amount	Amount (Rs. In Lakhs)
Advances given		
(in Dollars)	8,708.28	4.10
(in Euro)	10,651.78	7.51
(in GBP)	212.00	0.16
Foreign currency Bank A/c (in Dollars)	42.75	0.02
Closing rate of conversion are as under:		
Currency	Rate of Conversion	
One Euro	Rs. 70.53	
One US Dollar	Rs. 47.12	
One GBP	Rs. 76.96	
36. The Company had obtained approval of the Registrar of Companies, NCT of Delhi & Haryana under Section 210 of the Companies Act, 1956, for extension of accounting year 2008-09. Accordingly, the current accounting period is for eighteen months from 1st April, 2008 to 30th September, 2009 and hence the prior year figures are not comparable.		
37. Prior year figures have been regrouped and rearranged wherever necessary. Schedules 1 to 21 form an integral part of the Balance Sheet as at 30th September, 2009 and Profit & Loss Account for the eighteen months period ended on that date.		

ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi	JYOTI SUBARWAL	R. K. BHARGAVA	Chairman
Dated : 25th November, 2009	President-Finance and Operations	SUSHIL GUPTA	Managing Director (West)
	DINESH KUMAR JAIN	SHIV JATIA	Managing Director (North)
	Company Secretary	UMESH SARAF	Managing Director (East)

ASIAN HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 11037

Balance Sheet date 30th September 2009

State Code 055

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

NIL

NIL

Nil

Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities

Total Assets

17226753

17226753

Sources of Funds

Paid Up Capital

Reserves & Surplus

Secured Loans

Net Deferred tax Liability

Deposits

328036

14528571

1683941

626608

59597

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

14464750

2381792

380211

0

0

IV. Performance of Company (Amount in Rs. thousands)

Turnover

Total Expenditure

Earnings per share
in Rs.

6486304

4947826

41.19

+/- Profit/
Loss Before Tax

+/- Profit/
Loss After Tax

Dividend Rate %

1538478

941905

10%

V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No.
(ITC Code)

Products
Description

N.A.

Hotel Business

ON BEHALF OF THE BOARD OF DIRECTORS

JYOTI SUBARWAL
President-Finance and Operations
DINESH KUMAR JAIN
Company Secretary

R. K. BHARGAVA
SUSHIL GUPTA
SHIV JATIA
UMESH SARAF

Chairman
Managing Director (West)
Managing Director (North)
Managing Director (East)

Place : New Delhi
Dated : 25th November, 2009

ASIAN HOTELS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

S. No.	Name of the Subsidiary	GJS Hotels Limited	Chillwinds Hotels Limited	Vardhman Hotels Limited	Aria Hotels & Consultancy Services Private Limited	Regency Convention Centre and Hotels Limited
1.	Financial year of the Subsidiary ended on	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	March 31, 2009
2.	Date from which it became Subsidiary	December 09, 2002	July 12, 2007	July 12, 2007	August 16, 2007	July 28, 2009
3.	(a) Number of shares in the Subsidiary held by the Holding Company in its own name/ names of nominee(s) at the end of the previous financial year of the Subsidiary.	81,70,000 shares of Rs. 10 each	50,000 shares of Rs. 10 each	50,000 shares of Rs. 10 each	2,50,10,000 shares of Rs. 10 each	75,000 shares of Rs. 10 each
	(b) Extent of interest of the Holding Company at the end the previous financial year of the Subsidiary.	100.00%	100.00%	100.00%	100.00%	48.28%
4.	The net aggregate amount of the Subsidiary Company's Profit / (Loss) so far it concerns the members of the Holding Company and is not dealt with in the Holding Company's Accounts:					Not applicable as it was an associate company of Asian Hotels Limited
	(a) for the Subsidiary's financial year ended on 30th June, 2009 or 31st March, 2009, as applicable.	Rs.5.02 Lacs	Rs.(75.65) Lacs	Rs.(68.71) Lacs	Rs.116.89 Lacs	
	(b) for prior years since becoming subsidiary	Rs.52.19 Lacs	Rs.(1.23) Lacs	Rs.(1.38) Lacs	Rs.2.32 Lacs	
5.	The net aggregate amount of the Subsidiary Company's Profit / (Loss) so far it concerns the member of the Holding Company and has been dealt with in the Holding Company's Accounts:					Not applicable as it was an associate company of Asian Hotels Limited
	(a) for the Subsidiary's financial year ended on 30th June, 2009 or 31st March, 2009, as applicable.	Nil	Nil	Nil	Nil	
	(b) for prior years since becoming subsidiary	Nil	Nil	Nil	Nil	
6.	Changes, if any, in the Holding Company's interest in the Subsidiary between the end of previous financial year of the Subsidiary and the end of previous financial year of Holding Company	Nil	Nil	Nil	Nil	In the intervening period, Asian Hotels Limited (AHL) acquired 16,652 additional equity shares in RCC making it a Subsidiary. AHL's aggregate holding in RCC has increased to 91,652 equity shares out of total outstanding equity shares of 1,55,357, and consequently its extent of interest increased to 58.99%.
7.	Details of material changes, if any, which occurred between the end of previous financial year of the Subsidiary and the end of previous financial year of Holding Company, in respect of:					
	(a) The Subsidiary's Fixed Assets	Nil	Nil	Nil	Change in CWIP Rs.434,473,665	Nil
	(b) The Subsidiary's Investments	Nil	Nil	Nil	Nil	Nil
	(c) The moneys lent by it	Nil	Nil	Nil	Nil	Nil
	(d) The moneys borrowed by it for any purpose other than that of meeting current liabilities	Nil	Nil	Nil	Nil	Nil

For **MOHINDER PURI & COMPANY**
CHARTERED ACCOUNTANTS

VIKAS VIG
PARTNER
Membership No. : 16920

JYOTI SUBARWAL
President-Finance and Operations

DINESH KUMAR JAIN
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

R. K. BHARGAVA
SUSHIL GUPTA
SHIV JATIA
UMESH SARAF

Chairman
Managing Director (West)
Managing Director (North)
Managing Director (East)

Place : New Delhi
Dated : 25th November, 2009

SEVENTH ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

UMESH SARAF
S. K. CHHIBBER
AMIT MODI

AUDITORS

M/S MOHINDER PURI & CO.
CHARTERED ACCOUNTANTS

BANKERS

BANK OF BARODA
CITI BANK N.A.

REGISTERED OFFICE

C/O ASIAN HOTELS LIMITED
BHIKAJI CAMA PLACE, M.G. MARG, NEW DELHI-110607

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Seventh Annual Report of the Company together with the Audited Statements of Accounts for the 15 months period ended 30th June, 2009.

OBJECTS, OPERATIONS & FINANCIAL RESULTS

The current Financial Year of the Company was extended by a period of 3 months and accordingly, the Annual Accounts have been prepared for a period of 15 months ended on 30th June, 2009 (i.e., from April 1, 2008 to June 30, 2009).

During the period under review, your Company allotted 81,20,000 equity shares of Rs.10/- each at a premium of Rs.205/- per share i.e., at an issue price of Rs. 215/- per share aggregating to Rs. 174.58 crores to its holding Company Asian Hotels Limited and share certificate was also issued in this regard and also invited the holding Company to subscribe to 50,00,000 equity shares of Rs.10/- each at an issue price of Rs. 215/- per share aggregating to Rs. 107.50 crores. The Company also increased its authorized share capital from Rs. 10,00,00,000/- to Rs. 14,00,00,000/-.

During the period under review, your Company had subscribed to 6,51,200 0.001% optionally convertible preference shares of Rs. 10/- each for cash at an issue price of Rs. 215/- per share in Robust Hotels Private Limited, aggregating to Rs. 14.00 crores and also proposed to further invest funds for acquiring, by way of subscription, up to 1396000 1% cumulative redeemable optionally convertible preference shares of Rs. 10/- each at a premium of Rs. 205/- per share i.e. at an issue price of Rs.215/- each, aggregating to Rs. 30.01 crores at a similar terms & condition except the dividend rate, thus making the total investment, including the proposed investment, in Robust Hotels Private Limited of Rs. 204.58 crores. The allotment of the earlier subscription has been made to the Company.

During the fifteen months period under review, the Company, due to non-compliance with the terms and conditions, terminated the Leave and License Agreement entered into with Robust Hotels Private Limited and also secured refund of the advance of Rs 9,37,50,000/- paid in this regard.

The period under review witnessed your Company earning an aggregate income of Rs. 13.50 lacs (previous year - 89.42 lacs). Profit before tax for the year was Rs. 8.48 lacs (previous year - 78.91 lacs) and after a provision for tax of Rs. 3.46 lacs (previous year - 26.09 lacs), Profit after tax was Rs. 5.01 lacs (previous year - profit of Rs. 52.82 lacs). Your directors do not recommend payment of any dividend.

STATUS OF SCHEME OF ARRANGEMENT AND DEMERGER

Your Company is a wholly-owned subsidiary of Asian Hotels Limited and a part of '**Kolkata Undertaking**' as defined in the Scheme of Arrangement and De-merger (The Scheme) between Asian Hotels Limited (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I) and its shareholders; and Vardhman Hotels Limited (Transferee Company-II) and its shareholders as sanctioned by the High Court of Delhi vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the Company on 27th May, 2009.

In response to the above, the Hon'ble Court vide its Order dated 29th May, 2009 directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009. The said Court also stayed the effect and implementation of the Scheme approved vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008. One of the major amendments sought related to introduction of 31st July, 2009 as 'the Appointed Date' under the Scheme.

However, in August, 2009, the Company made yet another joint application for further amendment to the Scheme shifting the Appointed Date to 15 October, 2009, and the Hon'ble Court was pleased to accept the said application and directed that the equity shareholders' meeting of the Transferor Company be convened on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the said Court, the Scheme shall become effective the day Court's Order is filed with the Registrar of Companies, NCT of Delhi & Haryana.

Upon the Scheme becoming effective, the '**Kolkata Undertaking**' shall stand demerged from the Transferor Company and be vested in Transferee Company-II, without any further deed or act, together with all properties, assets, rights, benefits and interest therein, subject to existing charges or lis pendens and the Company, immediately after the Scheme is effective, shall become a wholly owned subsidiary of Transferee Company II, which would be post effectiveness of the scheme, be re-named as M/s Asian Hotels (East) Limited.

DIRECTORS

During the period under review, Mr. S K Chhibber, an Independent Director of the holding Company Asian Hotels Limited was appointed as Additional Director of the Company w.e.f. 31/10/2008 in compliance with Clause 49(III) of the Listing Agreement with the Stock Exchanges and under Section 260 of the Companies Act, 1956 read with Article 44 of the Articles of Association of the Company. Mr R S Saraf, who was inducted into the Board as Additional Director w.e.f. 31/10/2008 in terms of Section 260 of the Companies Act, 1956 read with Article 44 of the Articles of

Association of the Company, ceased to become the Director of the Company w.e.f. 30/01/2009 and in view of his resignation Mr Amit Modi was appointed as Additional Director of the Company in his place w.e.f. 19/03/2009. Both Mr S K Chhibber and Mr Amit Modi vacate office in terms of Section 260 of the Companies Act, 1956 at the forthcoming Annual General Meeting of the Company. It is proposed to re-appoint them as Directors, liable to retire by rotation and resolutions to this effect are being moved at the Company's forthcoming Annual General Meeting.

Mr Sushil Gupta and Mr Shiv Kumar Jatia ceased to become the Directors of the Company w.e.f. 31/10/2008 in view of their resignation. The Board places on record its appreciation for the services rendered by Mr R S Saraf, Mr Sushil Gupta and Mr Shiv Kumar Jatia during their tenure as Directors of the Company.

In accordance with the provisions of Section 256 of the Companies Act, 1956 read with Article 43 of the Articles of Association of the Company, Mr. Umesh Saraf, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. Your Directors recommend his appointment to the Board in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- that in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. KSMN & Co., Chartered Accountants has been approached to be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. Mohinder Puri & Company, Chartered Accountants, the outgoing auditors and to hold office till the ensuing Annual General Meeting of the Company, subject to the approval of the shareholders at their Extra-ordinary General Meeting of the Company to be held on 04/09/2009. M/s. KSMN & Co. has confirmed that its appointment would be in terms of Section 224(1B) of the Companies Act, 1956.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

For and on Behalf of the Board

Place : New Delhi
Dated : 1st September, 2009

UMESH SARAF
Director

AMIT MODI
Director

AUDITORS' REPORT

Auditor's Report to the Members **GJS HOTELS LIMITED**

We have audited the attached Balance Sheet of GJS HOTELS LIMITED as at 30th June, 2009 and also the Profit & Loss Account and also the Cash Flow Statement of the Company for the period ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (Collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and Profit & Loss Account and the Cash flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit & Loss Account and the Cash flow Statement dealt with by this report comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 30th June, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 30th June 2009;
 - ii) In the case of Profit and Loss Account, of the Profit for the period ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on the date.

For **KSMN & CO.**
Chartered Accountants

(DEEPAK K. AGGARWAL)
Partner
Membership No. 99541

Place : New Delhi
Dated : 7th September, 2009

ANNEXURE TO AUDITORS' REPORT Referred to in Paragraph 2 of our report of even date to the members of GJS HOTELS LIMITED for the period ended 30th June 2009.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified all the fixed assets at the end of the period. No discrepancy has been noticed on such verification as compared to book records.
(c) No fixed assets were disposed off during the period.
2. As the Company does not have any inventory, the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. (a) As informed to us, the Company has not taken/granted any loan, secured or unsecured, from/ to companies, firm or other parties covered in the register maintained under Section 301 to the Companies Act, 1956.
(b) Since there are no such loans, the comments regarding terms and conditions, repayments of the principal amount, payment of interest due thereon and overdue amount are not required.
4. In our opinion and according to the information and explanations given to us, during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business. Further, on the basis of our examination of the books & records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of continuing failure to correct major weakness in the aforesaid internal control systems.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us by the management, there are no transactions which are required to be entered in the register maintained under section 301 of the Act.
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Act and aggregating during the year to Rupees five lacs or more in respect of each party.
6. The Company has not accepted any fixed deposits from the public to which the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under, apply.
7. The provisions of internal audit are not applicable to the Company for the period under report.
8. Since maintenance of cost records is not prescribed by the Central Government under clause (d) of sub - section (1) of section 209 of the Act, the relevant reporting clause of the Order is not applicable.
9. (a) According to the information and explanations given to us, undisputed Provident Fund, Investor Education and Protection Fund, Service tax, Employee State Insurance, Income tax, Custom Duty, Cess and other material statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 30th June 2009.
(b) In our opinion and according to the information and explanations given to us, there are no dues in respect of income tax, custom duty, wealth tax, excise duty, sales tax, service tax and cess which have not been deposited on account of any dispute.
10. There are no accumulated losses of the Company as at the end of the financial period. There are no cash losses during the financial period and in the immediately preceding financial year.
11. The Company does not have any dues payable to any financial institutions, banks and debenture holder, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. The Company is not a Chit fund/ Nidhi/Mutual Benefit fund/ Society. Hence the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. According to the information and explanations given to us the Company is not dealing in or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions and hence the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. There were no term loans raised during the period by the Company for any purpose, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. As the Company has not raised any short term or long term loans for any purpose, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. The Company has not issued any debentures during the period the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money through public issue the provisions relating to end use thereof as per clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the period, nor have we been informed of such case by the management.

For **KSMN & CO.**
Chartered Accountants

(DEEPAK K. AGGARWAL)
Partner
Membership No. 99541

Place : New Delhi
Dated : 7th September, 2009

GJS HOTELS LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2009

	Schedule	As at 30th June, 2009 Amount (Rs)	As at 31st March, 2008 Amount (Rs)
SOURCES OF FUNDS			
Share Capital	1	81,700,000	500,000
Share Application Money(Pending Allotment)			1,745,800,000
RESERVES & SURPLUS			
Share Premium		1,664,600,000	–
Profit & Loss Account		5,720,486	5,218,761
		<u>1,752,020,486</u>	<u>1,751,518,761</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Investments	2	54,539,349	38,749,939
	3	1,745,708,625	–
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank balances	4	5,483,273	4,992,400
Loans & Advances		2,908,917	1,710,621,415
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	5	53,664,328	236,293
Provisions		2,955,350	2,608,700
NET CURRENT ASSETS		<u>(48,227,488)</u>	<u>1,712,768,822</u>
		<u>1,752,020,486</u>	<u>1,751,518,761</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	6		

AS PER OUR REPORT OF EVEN DATE

FOR KSMN & CO.
Chartered Accountants

DEEPAK K. AGGARWAL
Partner
Membership No. 95541

Place : New Delhi
Dated : 7th September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

AMIT MODI
Director

SAUMEN CHATTOPADHYAY
(Company Secretary)

Place : New Delhi
Dated : 1st September, 2009

GJS HOTELS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2009

Schedule	For the year ended 30th June, 2009 Amount (Rs)	For the year ended 31st March, 2008 Amount (Rs)
Income		
Gain on sale of investment	-	824,490
Dividend Income	-	313,268
Interest Income (Includes TDS of Rs2,98,063 Previous year Rs 16,22,582)	1,350,181	7,804,132
	1,350,181	8,941,890
Expenditure		
Bank Charges	1,007	5,116
Legal & Professional	210,619	267,846
Miscellaneous Expenses	-	500
Printing & Stationery	355	820
Rates and Taxes	260,000	745,222
Filing Fees	9,070	-
Travelling Expenses	20,755	31,653
Total	501,806	1,051,157
Profit Before Tax	848,375	7,890,733
Provision For Income Tax	346,650	2,608,700
Profit After Tax	501,725	5,282,033
Balance Brought Forward from Previous Year	5,218,761	(63,272)
Balance Carried Forward to Balance Sheet	5,720,486	5,218,761
Basic and diluted Earning Per Share (Rs)	0.09	105.64

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES TO ACCOUNTS

6

AS PER OUR REPORT OF EVEN DATE

FOR KSMN & CO.
Chartered Accountants

DEEPAK K. AGGARWAL
Partner
Membership No. 95541

Place : New Delhi
Dated : 7th September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

AMIT MODI
Director

SAUMEN CHATTOPADHYAY
(Company Secretary)

Place : New Delhi
Dated : 1st September, 2009

GJS HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2009

	For the year ended 30th June, 2009 Amount (Rs)	For the year ended 31st March, 2008 Amount (Rs)
A. CASH FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	848,375	7,890,733
Adjustment For:		
Depreciation	-	-
Interest & Finance Expense	-	-
Gain on sale of investment	-	(824,490)
Interest Income	(1,350,181)	(313,268)
Income from Investments- Dividends	-	(7,804,132)
	<u>(501,806)</u>	<u>(1,051,157)</u>
Operating Profit before working capital changes		
<i>Adjustments for changes in working capital:</i>		
<i>(Increase)/Decrease in Sundry Debtors</i>	-	-
<i>(Increase)/Decrease in Other Receivables</i>	1,708,096,683	(1,708,096,683)
<i>(Increase)/Decrease in Inventories</i>	-	-
<i>(Increase)/Decrease in Trade and Other Payables</i>	(75,272)	-
<i>(Increase)/Decrease in Other Liabilities</i>	53,503,307	-
CASH GENERATED FROM OPERATIONS	<u>1,761,022,913</u>	<u>(1,709,147,840)</u>
taxes (paid)/Received Net of withholding taxes (TDS)	<u>(384,185)</u>	<u>(2,524,732)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>1,760,638,728</u>	<u>(1,711,672,572)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
<i>Purchase of fixed assets</i>	-	-
<i>Addition in Fixed Assets (net)</i>	(15,789,410)	-
<i>Capital work in progress</i>	-	-
<i>Deductions/(additions) during the year</i>	-	-
<i>Proceeds from sale of fixed assets</i>	-	-
<i>Proceeds from sale of investments</i>	-	351,137,758
<i>Purchase of investments</i>	(1,745,708,625)	(350,313,268)
<i>Loans/Intercorporate Deposits/refunds received</i>	-	-
<i>Interest Received(Revenue)</i>	1,350,181	7,804,132
<i>Dividend Received</i>	-	313,268
Net Cash from investing activities	<u>(1,760,147,854)</u>	<u>8,941,890</u>
B. CASH FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	1,745,800,000
Proceeds from long term borrowings	-	-
Receipts	-	-
Payments	-	-
Proceeds from short term borrowings	-	-
Receipts	-	-
Payments	-	-
Interest paid	-	-
Dividend paid	-	-
Dividend tax paid	-	-
Net Cash from financing activities	<u>-</u>	<u>1,745,800,000</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	<u>490,873</u>	<u>4,981,779</u>
CASH & CASH EQUIVALENT (OPENING)	<u>4,992,400</u>	<u>10,621</u>
CASH & CASH EQUIVALENT (CLOSING)	<u>5,483,273</u>	<u>4,992,400</u>

AS PER OUR REPORT OF EVEN DATE

FOR KSMN & CO.
Chartered Accountants

DEEPAK K. AGGARWAL
Partner
Membership No. 95541

Place : New Delhi
Dated : 7th September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

AMIT MODI
Director

SAUMEN CHATTOPADHYAY
(Company Secretary)

Place : New Delhi
Dated : 1st September, 2009

GJS HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT JUNE 30TH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 30th June, 2009 Amount (Rs)	As at 31st March, 2008 Amount (Rs)
SCHEDULE 1:		
SHARE CAPITAL		
AUTHORISED		
14000000 (Previous year 100,00,000) Equity Shares of Rs.10 each	140,000,000	100,000,000
	<u>140,000,000</u>	<u>100,000,000</u>
ISSUED SUBSCRIBED AND PAID UP:		
8170000 (Previous year 50000) Equity Shares of Rs. 10 each fully paid up (of the above 81,70,000 (Previous Year 50,000) Equity shares are held by Asian Hotels Limited, the Holding Company including 60 (Previous Year 60) equity shares held jointly with nominees)	81,700,000	500,000
	<u>81,700,000</u>	<u>500,000</u>
SCHEDULE 2:		
FIXED ASSETS		
Land– At Cost	54,539,349	38,749,939
	<u>54,539,349</u>	<u>38,749,939</u>
SCHEDULE 3:		
INVESTMENTS (Long term, At cost)		
Non-Trade Investments:		
Bodies Corporate-Unquoted		
Robust Hotels Private Limited 0.001% 8119575 (Previous Year NIL) Cumulative Redeemable Optional convertible Preference shares of Rs 10/- each fully paid up	1,745,708,625	–
	<u>1,745,708,625</u>	<u>–</u>
SCHEDULE 4:		
CURRENT ASSETS		
CASH AND BANK BALANCES		
Cash in Hand	–	–
Cheques in Hand	–	144,929
Balance with Scheduled Bank in:		
In Current Accounts	322,709	115,223
In Term Deposits	5,160,564	4,732,248
	<u>5,483,273</u>	<u>4,992,400</u>
LOANS AND ADVANCES		
(Unsecured, except to the extent stated & Considered Good)		
Advances recoverable in cash or in kind or for value to be received*	–	1,708,096,683
Advance Income Tax	2,906,767	2,522,582
Advance Fringe Benefit Tax	2,150	2,150
	<u>2,908,917</u>	<u>1,710,621,415</u>
*includes Due from Asian Hotels Limited, the Holding Company Maximum Balance due during the year	–	102,384,485
	<u>102,384,485</u>	<u>102,384,485</u>
SCHEDULE 5:		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	138,148	213,420
Other Liabilities	–	22,873
Amount payable to holding Company*	53,526,180	–
	<u>53,664,328</u>	<u>236,293</u>
*Maximum balance due during the year	143,523,060	–
PROVISIONS		
Provision for Taxation	2,955,350	2,608,700

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT JUNE 30TH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

6. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. REVENUE RECOGNITION

All income and expenses have been accounted for on accrual basis.

Dividend income is accounted for on accrual basis.

4. TAXATION

(i) Provision for Income Tax Liability is estimated at the income tax rate applicable for the financial year as per provisioning of the Income Tax Act, 1961.

(ii) Fringe Benefit Tax liability is calculated as per the provisions of the Income Tax Act, 1961.

(iii) Deferred tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred tax assets is recognized only to the extent that there is reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets and liability are measured at the rates that are expected to apply to the period when the asset is realized or the liability is settled based on the tax rates (and the tax laws) that have been enacted or subsequently enacted at the Balance Sheet date.

5. INVESTMENTS

Long Term Investments are stated at cost. Provision for diminution in the value is made in accordance with AS-13 Accounting for Investments if the decline/diminution is other than temporary. Current investments are stated at lower of cost or market value.

6. FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortization. Cost represents the direct expenses incurred on acquisition/ construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

7. EARNINGS PER SHARE

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

8. IMPAIRMENT OF ASSETS

Specified assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the assets carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units)

Previously recognized impairment losses are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an assets impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

9. PROVISIONS & CONTINGENT LIABILITIES

Provision for future contingencies and liquidated damages is considered, where applicable. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event,
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of the obligation can be reliably estimated.

Contingent Liability is disclosed in the case of

- a) A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent liabilities and Contingent Assets are reviewed at each Balance Sheet date

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the cash flow comprise cash at bank and cash/cheques in hand and short term deposits with Banks.

II. NOTES TO ACCOUNTS

11. As per information available with the management as certified by them, there is no contingent liability as at 30th June, 2009.
12. The Company is a wholly-owned subsidiary of Asian Hotels Limited and part of '**Kolkata Undertaking**' as defined in the Scheme of Arrangement and De-merger (The Scheme) between Asian Hotels Limited (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I) and its shareholders; and Vardhman Hotels Limited (Transferee Company-II) and its shareholders as sanctioned by the High Court of Delhi vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the Company on 27th May, 2009.

In response to the above, the Hon'ble Court vide its Order dated 29th May, 2009 directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009. The said Court also stayed the effect and implementation of the Scheme approved vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008. One of the major amendments sought related to introduction of 31st July, 2009 as 'the Appointed Date' under the Scheme.

However, in August, 2009, the Company made yet another joint application for further amendment to the Scheme shifting the Appointed Date to 15 October, 2009, and the Hon'ble Court was pleased to accept the said application and directed that the equity shareholders' meeting of the Transferor Company be convened on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the said Court, the Scheme shall become effective the day Court's Order is filed with the Registrar of Companies, NCT of Delhi & Haryana.

Upon the Scheme becoming effective, the '**Kolkata Undertaking**' shall stand demerged from the Transferor Company and be vested in Transferee Company-II, without any further deed or act, together with all properties, assets, rights, benefits and interest therein, subject to existing charges or lis pendens and the Company, immediately after the Scheme is effective, shall become a wholly owned subsidiary of Transferee Company II, which would be post effectiveness of the scheme, be re-named as M/s Asian Hotels (East) Limited.

13. As per the information available with the management and as certified by them, there is no outstanding Capital Commitment as on 30th June, 2009.
14. There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard (AS-29) as it is not probable that an outflow of resources embodying economic benefit will be required.
15. During the period, Company issued shares to its Holding Company Asian Hotels Limited 81,20,000 equity shares of Rs.10/- each at a premium of Rs.205/- per share, aggregating to Rs.174,58,00,000/-.
16. Since there are no employees in the Company, no provision for retirement benefits have been made.
17. The Payment of Gratuity Act, 1972, The Payment of Bonus Act, 1965, The Employees State Insurance Act, 1948 and Employees Provident Fund & Miscellaneous Provisions Act, 1952 are not applicable during the period ended 30th June, 2009.
18. There are no adjustments on account of Deferred Tax Liability or Deferred Tax Asset in respect of current period as well as earlier period since there are no timing differences between the book income or Taxable income.
19. As per the information available and explanations provided to us and as certified by the Management there are no amounts due to Micro, Small and Medium Enterprises which are outstanding for more than 45 days together with interest at the Balance Sheet date as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

20. SEGMENT INFORMATION

The Company does not have more than one reportable segment in accordance with the principal outlined Accounting Standard AS - 17, 'Segment Reporting', Segment Information is not applicable.

21. Related Party Transactions

In accordance with the Accounting Standard on "Related Party Disclosures"(AS-18), the disclosures in respect of Related Parties and transactions with them, as identified and certified by the management, are as follows:

Particulars	Holding Company		Entities controlled by Directors or their relatives	
	Current Period (Rs.)	Previous Period (Rs.)	Current Period (Rs.)	Previous Period (Rs.)
Share Application Money Received	-	1,745,80,000	-	-
Advances given	90,000,000	140,700,000	-	1,605,700,625
Loans and advances received	230,095,000	-	-	-
Investment held by the Holding Co.	81,700,000	500,000	-	-
Investment as at year end	-	-	1,745,708,625	-
Reimbursement of expenses	15,815,665	776,005	-	-
Balance				
- Receivables	-	102,384,485	-	1,605,700,625
- Payables	53,526,180	-	-	-

Notes :

- Holding Company Asian Hotels Limited
- Entities controlled by Directors or their relatives Robust Hotels Private Limited
Forex Finance Limited
- Fellow subsidiaries Chillwinds Hotels Limited
Vardhman Hotels Limited
Aria Hotels and Consultancy Services Private Limited

22. In accordance with Accounting Standard (AS-20) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted earnings per Share:

		2008-09	2007-08
Profit/(Loss) after tax as per Profit & Loss	(Rs.)	501,725	5,282,033
Weighted Average number of equity shares			
Outstanding during the year for the purpose of calculation of Earning Per Share	(Nos.)	47, 98,667	50,000
Nominal value per share	(Rs.)	10	10
Earning per share	(Rs.)	0.09	105.64

23. Auditors Remuneration included in Legal & Professional

		2008-09	2007-08
		Amount (Rs.)	Amount (Rs.)
Audit Fee		1, 10,300	1, 12,360
Other Certification Work		-	-
Reimbursement of Expenses		-	-

24. The Company has not recognized any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the management there is no reduction in value of any assets.
25. Investment bought/subscribed and sold or redeemed during the period NIL(Previous period 351,067,545 Units of DSPML Liquid Plus Insti - Daily Dividend of Rs.35,03,13,268)
26. There are no foreign currency exposures with Company.
27. Disclosures of other items as required by Part II of Schedule- VI to the Companies Act, 1956 is not applicable.
28. Figures have been rounded off to the nearest rupee.
29. Previous period figures have been regrouped and recast wherever considered necessary, however the same are not strictly comparable as the previous period figure are for the period 1st April 2007 to 31st March 2008 whereas current period figures represent for 15 months from 1st April 2008 to 30th June 2009.
30. Schedules 1 to 6 form an integral part of the Balance Sheet as at 30th June, 2009 and the Profit & Loss Account for the year ended on that date.

AS PER OUR REPORT OF EVEN DATE

FOR KSMN & CO.
Chartered Accountants

DEEPAK K. AGGARWAL
Partner
Membership No. 95541

Place : New Delhi
Dated : 7th September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

AMIT MODI
Director

SAUMEN CHATTOPADHYAY
(Company Secretary)

Place : New Delhi
Dated : 1st September, 2009

GJS HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. U55101DL2002PLC117945

Balance Sheet date 30th June 2009

State Code 055

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	81,200

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	Total Assets
1,752,020	1,752,020

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
81,700	1,670,320	NIL	NIL

Application of Funds

Net Fixed Assets	Investments	Net Current Assets (after adjustment of deferred tax liability)	Misc. Expenditure	Accumulated Losses
54,539	1,745,709	(48,227)	NIL	NIL

IV. Performance of Company (Amount in Rs. thousands)

Turnover	Total Expenditure	Earnings per share in Rs.
1,350	502	0.090
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
848	502	NIL

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
N.A.	Finance & Investment

AS PER OUR REPORT OF EVEN DATE

FOR KSMN & CO.
Chartered Accountants

DEEPAK K. AGGARWAL
Partner
Membership No. 95541

Place : New Delhi
Dated : 7th September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

AMIT MODI
Director

SAUMEN CHATTOPADHYAY
(Company Secretary)

Place : New Delhi
Dated : 1st September, 2009

SIXTH ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

SUSHIL GUPTA
SHIV JATIA
UMESH SARAF

AUDITORS

M/S MOHINDER PURI & CO.
CHARTERED ACCOUNTANTS

BANKERS

BANK OF BARODA
CITI BANK N.A.

REGISTERED OFFICE

C/O ASIAN HOTELS LIMITED
BHIKAJI CAMA PLACE, M.G. MARG, NEW DELHI-110607

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Sixth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2008.

OBJECTS, OPERATIONS & FINANCIAL RESULTS

During the year under review, your Company altered its main objects to include investment business as one of the objects. The Company also increased its authorized share capital from Rupees five lacs to Rupees ten crores, and made an offer to its holding company to subscribe up-to 99,50,000 equity shares of Rs.10/- each for cash at a premium of Rs.205/- per share. In response to the said offer, Asian Hotels Limited subscribed to 81,20,000 equity shares of Rs.10/- each at a premium of Rs.205/- per share aggregating to Rs. 178.58 crores, and that amount is lying as share application money pending allotment.

During the year under review, your company earned an aggregate income of Rs. 89.42 lacs (previous year - nil). Profit before tax for the year was Rs. 78.91lacs (previous year - loss of Rs. 0.10 lacs) and after a provision for tax of Rs. 26.09 lacs (previous year - nil). Profit after tax was Rs. 52.82 lacs (previous year - loss of Rs. 0.10 lacs). Your directors do not recommend payment of any dividend.

During the year under review, your company had subscribed to 74,68,375 0.001% optionally convertible preference shares of Rs. 10/- each for cash at an issue price of Rs. 215/- per share in Robust Hotels Private Limited, aggregating to Rs. 160.57 crores.

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 (the Act), read with Article 43 of the Articles of Association of the Company, Mr. Shiv Kumar Jatia, Director of the Company, is liable to retire by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment.

Earlier, Mr. Arun Saraf resigned from the office of director with effect from 13th June, 2007.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to section 217 (2AA) of the Act, your Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March, 2008, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review and of the profit of the company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Mohinder Puri & Company, Chartered Accountants, the present auditors of the Company, retire at the forthcoming annual general meeting and are eligible for re-appointment. The company has received a certificate under section 224 (1B) of the Act, to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Act.

For and on Behalf of the Board

Place : New Delhi
Dated : 21st June, 2008

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

AUDITORS' REPORT

Auditor's Report to the Members of **GJS HOTELS LIMITED**

We have audited the attached Balance Sheet of **GJS HOTELS LIMITED** as at 31st March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - b) in the case of the Profit and Loss Account of the **Profit** for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For & on Behalf of

MOHINDER PURI AND COMPANY
Chartered Accountants

(VIKAS VIG)
Partner
Membership No.: 16920

Place : NEW DELHI
Dated : 21st June, 2008

ANNEXURE TO THE AUDITORS' REPORT OF GJS HOTELS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2008

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) Though all the assets have not been physically verified by the management during the year, as per the explanation provided to us, there exist a program of physical verification of the asset over a period. In our opinion the frequency of verification of the fixed assets by the management is at reasonable intervals having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed between the book records and the physical inventory in respect of the assets physically verified.
- c) The Company has not disposed off a substantial part of the fixed assets during the current year.
2. As the Company does not have any inventory, the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. As informed to us, the Company has not taken / granted any loan, secured or unsecured, from / to companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Companies Act, 1956, the particulars of which are required to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. As the Company is not a listed Company and does not have a paid up capital and reserves exceeding Rs 50 lakhs as at the commencement of the financial year concerned, or does not have an average annual turnover exceeding Rs 5 crores for a period of three consecutive financial years, immediately preceding the financial year concerned, the provisions of clause 4 (vii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
8. The Central Government has not prescribed for the Company the maintenance of cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956 and hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
9. a) According to the records of the Company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it .
According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.
- b) According to the records of the Company examined by us and according to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at the end of the current financial year and has not incurred any cash losses in such financial year although incurred cash losses in the immediately preceding financial year.
11. As the Company has no amount due to any financial institution, bank or debenture holder, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society, hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions and hence the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. As the Company has not raised any term loans for any purpose, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
17. As the Company has not raised any short term or long term loans for any purpose, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
18. As the Company made no preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money by public issue the provisions relating to end use thereof as per clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For & on Behalf of
MOHINDER PURI AND COMPANY
Chartered Accountants
(VIKAS VIG)
Partner
Membership No.: 16920

Place : NEW DELHI
Dated : 21st June, 2008

GJS HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	Current Year (Rs)	Prior Year (Rs)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,746,300,000	500,000
RESERVES & SURPLUS			
Profit & Loss Account		5,218,761	–
		<u>1,751,518,761</u>	<u>500,000</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	2	38,749,939	38,749,939
Depreciation		–	–
Net Block		<u>38,749,939</u>	<u>38,749,939</u>
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	3	4,992,400	10,621
Loans & Advances		<u>1,710,621,415</u>	<u>–</u>
		1,715,613,815	10,621
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	4	(236,293)	(38,323,832)
Provisions		<u>(2,608,700)</u>	<u>–</u>
NET CURRENT ASSETS		<u>1,712,768,822</u>	<u>(38,313,211)</u>
PROFIT & LOSS ACCOUNT		–	63,272
		<u>1,751,518,761</u>	<u>500,000</u>
SIGNIFICANT ACCOUNTING POLICIES & CONTINGENT LIABILITIES AND NOTES	8		

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner

For & On Behalf Of
MOHINDER PURI & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 21st June, 2008

ON BEHALF OF THE BOARD OF DIRECTORS

UMESH SARAF
Director

SUSHIL GUPTA
Director

GJS HOTELS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	Current Year (Rs)	Prior Year (Rs)
INCOME			
Gain on sale of investment		824,490	–
Dividend Income		313,268	–
Interest Income	5	7,804,132	–
		<u>8,941,890</u>	<u>–</u>
EXPENDITURE			
Administrative & Other Expenses	6	1,046,041	10,194
Finance Charges	7	5,116	190
		<u>1,051,157</u>	<u>10,384</u>
PROFIT / (LOSS) BEFORE TAX		7,890,733	(10,384)
Provision for Taxation		2,608,700	–
PROFIT / (LOSS) AFTER TAX		5,282,033	(10,384)
Loss brought forward from prior year		(63,272)	(52,888)
PROFIT / (LOSS) CARRIED OVER TO BALANCE SHEET		5,218,761	(63,272)
Earning per share – basic		105.64	(0.21)
– diluted		105.64	(0.21)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES	8		

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner

For & On Behalf Of
MOHINDER PURI & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 21st June, 2008

ON BEHALF OF THE BOARD OF DIRECTORS

UMESH SARAF
Director

SUSHIL GUPTA
Director

GJS HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Current Year (Rupee)	Prior Year (Rupee)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	7,890,733	(10,384)
Adjustments for:		
Depreciation	-	-
Interest & Finance Expense	-	-
Gain on sale of investment	(824,490)	-
Interest Income	(7,804,132)	-
Income from Investment - Dividends	(313,268)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1,051,157)	(10,384)
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	-	-
- (Increase)/Decrease in Other Receivables	(1,708,096,683)	-
- (Increase)/Decrease in Inventories	-	-
- Increase/(Decrease) in Trade and Other Payables	(38,087,539)	3,620,205
CASH GENERATED FROM OPERATIONS	(1,747,235,379)	3,609,821
- Taxes (Paid) / Received {Net of withholding taxes(TDS)}	(2,524,732)	-
NET CASH USED IN OPERATING ACTIVITIES	(1,749,760,111)	3,609,821
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(3,610,005)
Additions during the period	-	-
Capital Work in Progress	-	-
Deductions/(additions) during the year	-	-
Proceeds from Sale of fixed assets	-	-
Proceeds from Sale of investments	351,137,758	-
Purchase of investments	(350,313,268)	-
Loans/Intercorporate Deposits/refunds received	-	-
Interest Received (Revenue)	7,804,132	-
Dividend Received	313,268	-
NET CASH GENERATED FROM INVESTING ACTIVITIES	8,941,890	(3,610,005)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	1,745,800,000	-
Proceeds from long term borrowings	-	-
RECEIPTS	-	-
PAYMENTS	-	-
Proceeds from short term borrowings	-	-
RECEIPTS	-	-
PAYMENTS	-	-
Interest Paid	-	-
Dividend Paid	-	-
Dividend Tax Paid	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,745,800,000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,981,779	(184)
CASH AND CASH EQUIVALENTS - OPENING	10,621	10,805
CASH AND CASH EQUIVALENTS - CLOSING	4,992,400	10,621

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India
- Cash and Cash Equivalents at the end of the year consist of cash in hand and Balance with Banks and are net of short term loans and advances from banks as follows:

	As at 31st March 2008	As at 31st March 2007
Cash, Cheques & Drafts (in hand) and Remittances in transit	-	-
Short term loans and advances from banks	-	-
Balance with Scheduled Banks	4,992,400	10,621
	4,992,400	10,621

ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi
Dated : 21st June, 2008

UMESH SARAF
Director

SUSHIL GUPTA
Director

AUDITORS' CERTIFICATE

"This is the Cash Flow Statement referred to in our report of even date"

VIKAS VIG

Partner
For & On Behalf of Mohinder Puri & Company
Chartered Accountants
Place : New Delhi
Dated : 21st June, 2008

GJS HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Current Year (Rs.)	Prior Year (Rs.)
1 SHARE HOLDERS' FUND		
SHARE CAPITAL		
AUTHORISED		
10,000,000 (Prior Year 50,000) Equity Shares of Rs 10 each	<u>100,000,000</u>	<u>500,000</u>
ISSUED, SUBSCRIBED AND PAID UP	<u>500,000</u>	<u>500,000</u>
50,000 Equity Shares of Rs 10 each fully paid up		
(of the above 50,000 (Previous Year 49,940) Equity shares are held by Asian Hotels Limited, the Holding Company including 60 (Previous Year Nil) equity shares held jointly with nominees)		
Share Application Money Pending Allotment (Refer Note 13)	<u>1,745,800,000</u>	-
	<u>1,746,300,000</u>	<u>500,000</u>
2 FIXED ASSETS		
Land- At Cost	<u>38,749,939</u>	<u>38,749,939</u>
	<u>38,749,939</u>	<u>38,749,939</u>
3 CURRENT ASSETS, LOANS & ADVANCES		
CASH & BANK BALANCES		
Cash in hand	-	-
Cheques in Hand	<u>144,929</u>	-
With Scheduled Bank		
- In Current Account	<u>115,223</u>	<u>10,621</u>
- In Fixed Deposits	<u>4,732,248</u>	-
	<u>4,992,400</u>	<u>10,621</u>
LOANS AND ADVANCES (unsecured , considered good)		
Advances recoverable in cash or in kind or for value to be received *	<u>1,708,096,683</u>	-
Advance Income Tax	<u>2,522,582</u>	-
Advance Fringe Benefit Tax	<u>2,150</u>	-
	<u>1,710,621,415</u>	-
* includes		
Due from Asian Hotels Limited , the Holding Company	<u>102,384,485</u>	-
Maximum Balance due during the year	<u>102,384,595</u>	-
* Refer Note 14		
4 CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Creditors for Capital Goods*	-	<u>34,654,934</u>
Other Liabilities**	<u>236,293</u>	<u>3,668,898</u>
	<u>236,293</u>	<u>38,323,832</u>
* Due to Asian Hotels Limited, the Holding Company	-	<u>34,654,934</u>
** Due to Asian Hotels Limited, the Holding Company	-	<u>3,660,471</u>
PROVISIONS		
Income Tax	<u>2,608,700</u>	-
	<u>2,608,700</u>	-

GJS HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Current Year (Rs.)	Prior Year (Rs.)
5 INTEREST INCOME		
From Bank*	7,804,132	–
	<u>7,804,132</u>	<u>–</u>
*Tax deducted at source	1,622,582	
6 ADMINISTRATIVE AND OTHER EXPENSES		
Legal and Professional Charges	155,486	–
Payment to Auditors		
– As Audit Fee	100,000	7,500
– As reimbursement of service tax	12,360	927
Filing Fees	–	600
Rates & Taxes	745,222	1,167
Printing & Stationary	820	–
Travelling	31,653	–
Miscellaneous expenses	500	–
	<u>1,046,041</u>	<u>10,194</u>
7 FINANCE CHARGES		
Bank Charges	5,116	190
	<u>5,116</u>	<u>190</u>

8. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES

I. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements have been prepared to comply in all material respects in respect with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Recognition of Income and expenditure

All income and expenses have been accounted for on accrual basis.

4. Taxation

(i) Provision for income tax liability is estimated at the income tax rate applicable for the financial year as per provisions of the Income Tax Act, 1961.

(ii) Fringe Benefit Tax liability is calculated as per the provisions of the Income Tax Act, 1961.

(iii) Deferred tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets and liability are measured at the rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates (and the tax laws) that have been enacted or subsequently enacted at the Balance Sheet date.

5. Earnings per share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

6. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

GJS HOTELS LIMITED

7. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and cash /cheques in hand and short term deposits with Banks.

II. CONTINGENT LIABILITIES & NOTES

8. As per information available with the management and as certified by them, there is no contingent liability as at 31st March, 2008.
9. As per the information available with the management and as certified by them, there is no outstanding Capital Commitment as on 31st March, 2008.
10. (a) As per information available with the Company and as certified by the Management, there is no amount due to any Small Scale Industrial Undertaking as on 31st March, 2008.
(b) As per the information available and explanations provided to us and as certified by the Management there are no amounts due to Micro, Small and Medium Enterprises which are outstanding for more than 45 days together with interest at the Balance Sheet date as defined under the Micro, Small and Medium Enterprise Development Act, 2006.
11. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on " Impairment of Assets " since in the opinion of the management there is no reduction in value of any assets.
12. Investment bought/ subscribed and sold or redeemed during the year :
351,067.545 Units of DSPML Liquid Plus Instl- Daily Dividend of Rs35,03,13,268
13. During the year, Asian Hotels Limited, the Holding Company had made a subscription for 81,20,000 equity shares of Rs 10/- each at a premium of Rs.205/- per share, aggregating to Rs.174,58,00,000/-. The Company is yet to allot the shares for the same and hence has been shown under Share Application Money Pending Allotment.
14. Loans and Advances include an amount of Rs.1,605,700,625 paid to Robust Hotels Private Limited, a Company in which one of the director is interested for acquiring 7,468,375 0.001% Optionally Convertible Preference Shares of Rs.10/- each at a premium of Rs.205/- per share.
15. Related Party Disclosure
 - a) Parties which significantly influence the company (either individually or with others)
 - (i) Asian Hotels Limited, the Holding Company
 - b) Related Party Transactions

Particulars	Holding Company		Entities controlled by Directors or their relatives	
	Current Year (Rs.)	Prior Year (Rs.)	Current Year (Rs.)	Prior Year (Rs.)
Share Application Money Received	1,745,800,000	–	–	–
Advances given	140,700,000	–	1,605,700,625	–
Reimbursement of expenses	76,005	3,660,471	–	–
Purchase of assets	–	34,654,934	–	–
Balance Outstanding				
– Receivables	102,384,485	–	1,605,700,625	–
– Payables	–	38,315,405	–	–

Notes :

- Entities controlled by Directors or their relatives Robust Hotels Private Limited

16. Computation of Earning / (Loss) Per Share

Profit / (loss) after tax as per Profit & Loss Account	Rs	5,282,033	(10,384)
No of equity shares outstanding	Nos	50,000	50,000
Nominal value per share	Rs	10	10
Earning per share - basic	Rs	105.64	(0.21)
Earning per share - diluted	Rs	105.64	(0.21)

17. Prior year figures have been regrouped and rearranged whenever necessary to make them comparable.

Schedule 1 to 8 form an integral part of the Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the year ended on that date.

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

GJS HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 117945

Balance Sheet date 31st March 2008

State Code 055

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

NIL

NIL

Nil

Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities

Total Assets

1751519

1751519

Sources of Funds

Paid Up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

1746300

5219

Nil

Nil

Application of Funds

Net Fixed Assets

Investments

Net Current Assets
(after adjustment of
deferred tax liability)

Misc. Expenditure

Accumulated Losses

38750

NIL

1712769

Nil

Nil

IV. Performance of Company (Amount in Rs. thousands)

Turnover

Total Expenditure

Earnings per share
in Rs.

8942

1051

106

+/- Profit/
Loss Before Tax

+/- Profit/
Loss After Tax

Dividend Rate %

7891

5282

Nil

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No.
(ITC Code)

Products
Description

N.A.

Owning & operating Hotels. However, the Company has not yet commenced any operations

ON BEHALF OF THE BOARD OF DIRECTORS

UMESH SARAF
Director

SUSHIL GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

SECOND ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

SUSHIL GUPTA
SHIV JATIA
UMESH SARAF
SUDHIR GUPTA
SANDEEP GUPTA
R. K. BHARGAVA
S. K. CHHIBBER
LALIT BHASIN
S. S. BHANDARI

AUDITORS

M/S S.S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTS

BANKERS

JAMMU AND KASHMIR BANK LIMITED

REGISTERED OFFICE

D-4 APARTMENTS, QUTAB HOTEL & APARTMENTS, SHAHEED JEET SINGH MARG, NEW DELHI-110016

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Second Annual Report of the Company together with the Audited Statements of Accounts for the 15 months period ended 30th June, 2009.

OBJECTS, OPERATIONS & FINANCIAL RESULTS

The current Financial Year of the Company was extended by a period of 3 months and accordingly, the Annual Accounts have been prepared for a period of 15 months ended on 30th June, 2009 (i.e. from April 1, 2008 to June 30, 2009).

During the period under review, the Scheme of Arrangement and De-merger (the Scheme) between Asian Hotels Limited (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I) and its shareholders; and Vardhman Hotels Limited (Transferee Company-II) and its shareholders as sanctioned by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide its orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the Company on 27th May, 2009.

In response to the above, the Hon'ble Court vide its order dated 29th May, 2009 directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009. The said Court also stayed the effect and implementation of the Scheme approved vide its order dated 29th February, 2008 and amended vide orders dated 9th April, 2008 and 18th August, 2008. One of the major amendments sought related to introduction of 31st July, 2009 as 'the Appointed Date' under the Scheme.

However, in August, 2009, the Company made yet another joint application for further amendment to the Scheme shifting the Appointed Date to 15th October, 2009, and the Hon'ble Court was pleased to accept the said application, and directed vide its order dated 31st August 2009 that the equity shareholders' meeting of the Transferor Company be convened on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the said Court, the Scheme shall become effective the day Court's order is filed with the Registrar of Companies.

During the period under review, the Articles of Association of the Company was amended pursuant to in compliance with the regulations laid down by the Bombay Stock Exchange and National Stock Exchange, respectively.

Since the Scheme is to be made effective, the Company had no operations and thus, the Company had a net loss of Rs. 75.65 Lacs (previous year 1.23 Lacs). Since there were no operations and no profits, there was no appropriation to the credit of general reserve or towards proposed dividend.

DIRECTORS

Mr. R. K. Bhargava, Mr. S. K. Chhibber, Mr. Lalit Bhasin and Mr. S.S. Bhandari were appointed as additional Directors in pursuance of Section 260 of the Act, with effect from 23rd December, 2008. In accordance with the provisions of Section 260 of the Act, read with Article 106 (a) of the Articles of Association of the Company, the above-named additional Directors are liable to hold office up to the ensuing Annual General Meeting. The Company has received separate notices under Section 257 of the Act proposing their candidature for appointment as Director of the Company, and accordingly, appropriate proposals for the appointment of Mr. R. K. Bhargava, Mr. S. K. Chhibber, Mr. Lalit Bhasin and Mr. S.S. Bhandari, respectively, are included in the notice convening the ensuing Annual General Meeting.

Further in accordance with the provisions of Section 255 & Section 256 of the Companies Act, 1956 read with Article 116 of the Articles of Association of the Company, Mr. Shiv Jatia and Mr. Umesh Saraf, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for re-appointment. Your Directors recommend their appointment to the Board in the ensuing Annual General Meeting.

BORROWING POWERS

During the period under review, the Company with its intention to expand its operations and plans to set up more hotels across India, immediately after the effective date of demerger, increased its Borrowing powers to Rs. 400 Crores by passing Ordinary Resolution in its Extra-Ordinary General Meeting dated 23rd December, 2008.

CHILLWINDS HOTELS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- that in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the profit of the Company for that Period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. S.S.Kothari Mehta & Co., Chartered Accountants, the present auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible for re-appointment. The Company has received a certificate under Section 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

For and on Behalf of the Board of Directors

Place : New Delhi
Dated : 21st September, 2009

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

CHILLWINDS HOTELS LIMITED

AUDITORS' REPORT

To the Members

CHILLWINDS HOTELS LIMITED

We have audited the attached Balance Sheet of **Chillwinds Hotels Limited** as at 30th June, 2009 and also the Profit & Loss Account and also the Cash Flow Statement of the Company for the period ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and Profit & Loss Account and the Cash flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit & Loss Account and the Cash flow Statement dealt with by this report comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 30th June, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) Attention is invited to note no. B-2 of Schedule 4 regarding the Scheme of Arrangement & Demerger between Asian Hotels Limited and the Company. The Company has made joint application for amendment in the earlier Order passed by the Hon'ble High Court sanctioning the original Scheme, necessary accounting adjustments will be carried out after the Scheme becomes effective.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 30th June 2009.
 - ii) In the case of Profit and Loss Account, of the loss for the period ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on the date.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 21st September, 2009

CHILLWINDS HOTELS LIMITED

ANNEXURE TO AUDITORS' REPORT Referred to in Paragraph 2 of our report of even date to the members of CHILLWINDS HOTELS LIMITED for the period ended 30th June 2009.

1. The Company does not have any fixed assets.
2. The Company does not have any Inventory.
3. (a) The Company has neither granted nor taken any loan, secured or unsecured, to/ from Companies, firms and other parties covered in the register maintained under section 301 of the companies Act, 1956.
(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount, payment of interest due thereon and overdue amount are not required.
4. In our opinion and according to the information and explanations given to us, during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business. Further, on the basis of our examination of the books & records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of continuing failure to correct major weakness in the aforesaid internal control systems.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us by the management, there are no transactions which are required to be entered in the register maintained under section 301 of the Act.
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Act and aggregating during the year to Rupees five lacs or more in respect of each party.
6. The Company has not accepted any fixed deposits from the public to which the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under, apply.
7. The provisions of internal audit are not applicable to the Company for the period under report.
8. Since maintenance of cost records is not prescribed by the Central government under clause (d) of sub - section (1) of section 209 of the Act, the relevant reporting clause of the Order is not applicable.
9. (a) According to the information and explanations given to us, undisputed Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income tax, Custom Duty, Cess and other material statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 30th June 2009.
(b) In our opinion and according to the information and explanations given to us, there are no dues in respect of income tax, custom duty, wealth tax, excise duty, sales tax, service tax and cess which have not been deposited on account of any dispute.
10. Since the Company has been registered for a period of less than five years, the relevant reporting requirement of the Order is not applicable.
11. The Company does not have any dues payable to any financial institutions, banks and debenture holders.
12. The Company has not given any loans and advances on the basis of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund/ Nidhi/Mutual Benefit fund/ Society. Therefore the relevant reporting requirement of the Order is not applicable to the Company.
14. According to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. There were no term loans raised during the period by the Company.
17. On the basis of information and explanations given to us and on the basis of overall examination of the balance sheet of the Company, the funds raised by the Company on short- term basis have not been applied for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the period.
20. The Company has not raised any money through public issues during the period.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the period, nor have we been informed of such case by the management.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 21st September, 2009

CHILLWINDS HOTELS LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2009

	Schedule	As at 30th June, 2009 Amount (Rs)	As at 31st March, 2008 Amount (Rs)
Sources of Funds:			
Share Capital	1	<u>500,000.00</u>	<u>500,000.00</u>
		<u>500,000.00</u>	<u>500,000.00</u>
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	2	5,821.74	405,622.46
CURRENT LIABILITIES AND PROVISIONS			
Liabilities	3	7,193,754.00	(28,594.00)
Provisions		—	—
NET CURRENT ASSETS		(7,187,932.26)	377,028.46
Profit & Loss Account		<u>7,687,932.26</u>	<u>122,971.54</u>
		<u>500,000.00</u>	<u>500,000.00</u>
Significant Accounting Policies and Notes to Accounts	4		

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 21st September, 2009

FOR AND ON BEHALF OF THE BOARD

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2009

	Schedule	For the year ended 30th June, 2009 Amount (Rs)	For the year ended 31st March, 2008 Amount (Rs)
Income			
Income		—	—
Total		<u>—</u>	<u>—</u>
Expenditure			
Bank Charges		743.72	543.54
Legal & Professional		5,735,334.00	57,829.00
Miscellaneous Expenses		218.00	930.00
Postage Expenses		—	1,769.00
Books and Periodicals		1,650.00	—
Printing & Stationery		355.00	1,900.00
Rates and Taxes		1,818,658.00	—
Filing Fees		8,002.00	—
Preliminary Expenses written off		—	60,000.00
Total		<u>7,564,960.72</u>	<u>122,971.54</u>
Profit Before Tax		(7,564,960.72)	(122,971.54)
Provision For Income Tax		—	—
Profit After Tax		(7,564,960.72)	(122,971.54)
Balance Brought Forward from Previous Year		(122,971.54)	—
Balance Carried Forward to Balance Sheet		<u>(7,687,932.26)</u>	<u>(122,971.54)</u>
Basic & Diluted Earning Per Share		(151.30)	(2.46)
Significant Accounting Policies Notes on Accounts	4		

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 21st September, 2009

FOR AND ON BEHALF OF THE BOARD

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

CHILLWINDS HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2009

	For the year ended 30th June, 2009 Amount (Rs)	For the year ended 31st March, 2008 Amount (Rs)
A. CASH FROM OPERATING ACTIVITIES		
Operating Profit / (Loss) Before Working Capital Changes	(7,564,960.72)	(122,971.54)
Adjustment For Changes In Working Capital:		
Increase In Current Liabilities	<u>7,165,160.00</u>	<u>28,594.00</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(399,800.72)</u>	<u>(94,377.54)</u>
B. CASH FROM FINANCING ACTIVITIES		
Issue Of Share Capital	—	500,000.00
NET CASH FROM FINANCING ACTIVITIES	—	500,000.00
C. CASH FROM INVESTING ACTIVITIES		
NET CASH USED IN INVESTING ACTIVITIES	—	—
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	<u>(399,800.72)</u>	405,622.46
CASH & CASH EQUIVALENT (OPENING)	<u>405,622.46</u>	—
CASH & CASH EQUIVALENT (CLOSING)	<u><u>5,821.74</u></u>	<u><u>405,622.46</u></u>

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 21st September, 2009

FOR AND ON BEHALF OF THE BOARD

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE, 2009

	As at 30th June, 2009 Amount (Rs)	As at 31st March, 2008 Amount (Rs)
SCHEDULE 1:		
SHARE CAPITAL		
Authorised Capital:		
14000000 (previous year 50000) Equity Shares of Rs.10 each	140,000,000.00	500,000.00
11000000 (previous year NIL) Preference Shares of Rs. 10 each	110,000,000.00	—
	<u>250,000,000.00</u>	<u>500,000.00</u>
Subscribed & paid up Share Capital:		
50000 Equity Shares of Rs. 10 each fully paid up (The entire paid-up equity share capital is held by M/s Asian Hotels Ltd - the Holding Company)	500,000.00	500,000.00
	<u>500,000.00</u>	<u>500,000.00</u>
SCHEDULE 2:		
CURRENT ASSETS		
CASH AND BANK BALANCES		
Cash In Hand	655.00	375,000.00
Balance with Scheduled Bank in Current Account	5,166.74	30,622.46
	<u>5,821.74</u>	<u>405,622.46</u>
SCHEDULE 3 :		
CURRENT LIABILITIES		
Sundry Creditors		
Micro,Small and Medium Enterprises	—	—
Other Creditors	24,734.00	25,197.00
Other Liabilities	2,840.00	2,893.00
Amount payable to holding Company (maximum balance outstanding during the year Rs. 7,166,180 previous year Rs.504)	7,166,180.00	504.00
	<u>7,193,754.00</u>	<u>28,594.00</u>

CHILLWINDS HOTELS LIMITED

SCHEDULE 4: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standard Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii) Use of Estimates

The preparation of financial statement is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

iii) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the Accounting Standards as prescribed in the Companies (Accounting Standards) Rules, 2006. The Company follows mercantile system of accounting.

iv) Earnings per share

Basic earning per share are calculated by the dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

v) Cash and cash equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and cash/ cheques in hand and short term deposits with Banks less short term advances from Banks.

vi) Taxes on Income

Provision for tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Law.

vii) Provisions and contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities - NIL

2. "The Scheme of Arrangement and De-merger (the Scheme) between Asian Hotels Limited (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I) and its shareholders; and Vardhman Hotels Limited (Transferee Company-II) and its shareholders as sanctioned by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide its orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the Company on 27th May, 2009."

In response to the above, the Hon'ble Court vide its order dated 29th May, 2009 directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009. The said Court also stayed the effect and implementation of the Scheme approved vide its order dated 29th February, 2008 and amended vide orders dated 9th April, 2008 and 18th August, 2008. One of the major amendments sought related to introduction of 31st July, 2009 as 'the Appointed Date' under the Scheme.

However, in August, 2009, the Company made yet another joint application for further amendment to the Scheme shifting the Appointed Date to 15th October, 2009, and the Hon'ble Court was pleased to accept the said application, and directed that the equity shareholders' meeting of the Transferor Company be convened on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the said Court, the Scheme shall become effective the day Court's order is filed with the Registrar of Companies.

3. Auditors' Remuneration includes the following:

	Current Period	Previous Period
Payments towards		
– Audit fees	27,575.00	28,090.00
– Out of Pocket expenses	–	–

4. Earnings per share as per Accounting standards AS 20

	Year Ended 30th June, 2009 (Amount in Rs.)	Year Ended 31st March, 2008 (Amount in Rs.)
Profit after Current Tax	(7,564,960.72)	(122,971.54)
Number of equity shares of Rs 10 each	50,000	50,000
Basic/ Diluted earnings per share	(151.35)	(2.46)

5. Provisions of the Employees Provident Fund & Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948 and the Payment of Gratuity Act, 1972 are not applicable during the year ended 30th June, 2009

6. By virtue of the Scheme of Arrangement and Demerger, the Mumbai undertaking of Asian Hotels Limited is proposed to be transferred to and vested in the Company. Owing to this the Company in future will also engage in only one segment of Hotel Business. Therefore, the further disclosure requirements of Accounting Standard (AS-17) on "Segment reporting," are not applicable.

CHILLWINDS HOTELS LIMITED

7. In accordance with the Accounting Standard on " Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transaction with them, as identified and certified by the management, are as follows :-

Holding Company	Asian Hotels Limited
Subsidiaries	None
Fellow Subsidiaries	Vardhman Hotels Limited G.J.S. Hotels Limited Aria Hotels and Consultancy Services Pvt. Ltd.
Associates	None
Entities over which Directors and their relatives Can exercise significant influence	None
Key Management Personnel	None

Transactions with Holding Company

	Current Period	Previous Period
Reimbursement of Expenses	3,165,676.00	88,174.00
Loans and advances received	4,000,000.00	-
Closing Balance payable	7,166,180.00	504.00

8. Disclosure of other items as required by Part -II of Schedule -VI to the Companies Act, 1956 is not applicable.
9. There are no foreign currency exposures with the Company.
10. Deferred Tax Asset has not been created due to absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.
11. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Act.
12. Previous Year's figure have been regrouped and recast wherever considered necessary, however the same are not strictly comparable as the previous period figure are for the period 8th January,2007 upto 31st March 2008 whereas current year figures represent for 15 months from 1st April 2008 to 30th June 2009.

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 21st September, 2009

FOR AND ON BEHALF OF THE BOARD

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

CHILLWINDS HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. U55101DL2007PLC157518

Balance Sheet date 30th June 2009

State Code 055

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	Total Assets
500	500

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
500	NIL	NIL	NIL

Application of Funds

Net Fixed Assets	Investments	Net Current Assets (after adjustment of deferred tax liability)	Misc. Expenditure	Accumulated Losses
NIL	NIL	(7,187.93)	NIL	7,687.93

IV. Performance of Company (Amount in Rs. thousands)

Turnover	Total Expenditure	Earnings per share in Rs.
NIL	7,564.96	(151.30)
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
(7,564.96)	(7,564.96)	NIL

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
NIL	NIL

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 21st September, 2009

FOR AND ON BEHALF OF THE BOARD

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

CHILLWINDS HOTELS LIMITED

FIRST ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

SUSHIL GUPTA
SHIV JATIA
UMESH SARAF
SUDHIR GUPTA
SANDEEP GUPTA

AUDITORS

M/S S.S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTS

BANKERS

JAMMU AND KASHMIR BANK LIMITED

REGISTERED OFFICE

D-4 APARTMENTS, QUTAB HOTEL & APARTMENTS, SHAHEED JEET SINGH MARG, NEW DELHI-110016

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting their First Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2008 (i.e. period commencing from 8th January, 2007 and ending on 31st March, 2008).

OBJECTS, OPERATIONS & FINANCIAL RESULTS

The Company was incorporated as Chillwinds Hotels Private Limited and after due process, was converted into a Public Limited Company w.e.f. 25th August, 2007, and consequently the word "private" was deleted from its name. For that purpose, as a statutory requirement, the paid up capital of the Company was increased from the initial capital of Rs. 1 lac to Rs. 5 lac.

During the year under review, the Company altered its Objects Clause to include investment business as one of its main objects.

The Company is a wholly owned subsidiary of Asian Hotels Limited, and is the Transferee Company - I in the Scheme of Arrangement and De-merger mooted by its holding company under Sections 391-394 of the Companies Act, 1956 (the Scheme), between Asian Hotels Limited (the Transferor Company), and its shareholders and creditors; Chillwinds Hotels Limited (the Transferee Company - I) and its shareholders; and Vardhman Hotels Limited (the Transferee Company - II) and its shareholders. In terms of the Scheme, the Mumbai Undertaking and the Kolkata Undertaking of the Transferor Company would be transferred to and vested in the Transferee Company - I and Transferee Company -II respectively, on the Scheme becoming effective. The High Court of Delhi has approved the Scheme, and the Hon'ble Court's order has been filed with the Registrar of Companies, NCT of Delhi & Haryana. In terms of Clause 6.12 of the Scheme, it shall become effective on the 16th day from the receipt of approval of the Government of West Bengal for vesting of the leasehold property belonging to the Kolkata Undertaking. The Transferor Company is expecting to obtain the said approval soon.

On the Scheme becoming effective, the Transferor Company's hotel property at Mumbai, operating under the name of Hyatt Regency Mumbai, along with other assets and liabilities as defined in detail in the Scheme, shall be vested in the Company. In view thereof, during the year under review, the Company had no operations and thus, the Company had a net loss of Rs. 1.23 lac for the period under review, which primarily were expenditure incurred on incorporation and other preliminary expenses. Since there were no operations and no profits, there was no appropriation to the credit of general reserves or towards proposed dividend.

DIRECTORS

Mr. Sushil Kumar Gupta, Mr. Sudhir Gupta and Mr. Sandeep Gupta were appointed as additional directors in pursuance of Section 260 of the Act, with effect from 26th April, 2007. Further, Mr. Shiv Kumar Jatia and Mr. Umesh Saraf were also appointed as additional directors effective 12th July, 2007. In accordance with the provisions of Section 260 of the Act, read with Article 106(a) of the Articles of Association of the Company, the above-named additional directors are liable to hold office as up to the ensuing annual general meeting. The Company has received separate notices under Section 257 of the Act proposing their candidature for appointment as director of the Company, and accordingly, appropriate proposals for the appointment of Mr. Sushil Kumar Gupta, Mr. Sudhir Gupta, Mr. Sandeep Gupta, Mr. Shiv Kumar Jatia and Mr. Umesh Saraf respectively are included in the notice convening the ensuing annual general meeting.

Earlier, Mr. Samudra Acharyya and Mr. Pankaj Jain, the first directors of the Company resigned from their office with effect from 15th May, 2007.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to Section 217 (2AA) of the Act, the Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March, 2008, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the loss of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. S. S. Kothari Mehta & Company, Chartered Accountants, the present auditors of the Company, retire at the forthcoming annual general meeting and are eligible for re-appointment. The Company has received a certificate under section 224 (1B) of the Act, to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Act.

For and on Behalf of the Board

Place : New Delhi
Dated : 21st June, 2008

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

CHILLWINDS HOTELS LIMITED

AUDITORS' REPORT

Auditor's Report to the Members of **CHILLWINDS HOTELS LIMITED**

We have audited the attached Balance Sheet of **Chillwinds Hotels Limited**, as at 31st March, 2008, also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (Collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act) and on the basis of such checks of books & records of the Company as we considered appropriate and on the basis of information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) Attention is invited to note no. 3 of Schedule 4 regarding the Scheme of Arrangement & Demerger between Asian Hotels Ltd. and the company.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) In the case of Profit & Loss Account, of the Loss for the period ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

ANNEXURE TO AUDITORS' REPORT Referred to in Paragraph 2 of our report of even date to the members of CHILLWINDS HOTELS LIMITED for the period ended 31st March, 2008.

1. The company does not have any fixed assets.
2. The company does not have any Inventory.
3. (a) The Company has neither granted nor taken any loan, secured or unsecured, to/ from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount, payment of interest due thereon and overdue amount are not required.
4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with size of the Company and the nature of its business. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us by management, there are no transactions which are required to be entered in the register maintained under section 301 of the Act.
(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lakhs or more in respect of each party.
6. The company has not accepted any deposits from public to which the provisions of Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under, apply
7. The provisions of internal audit are not applicable to the company for the period under report.
8. Since maintenance of cost records is not prescribed by the Central government under clause (d) of sub-section (1) of section 209 of the Act, the relevant reporting clause of the Order is not applicable.
9. (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2008.
(b) In our opinion and according to the information and explanations given to us, there are no dues in respect of income tax, custom duty, wealth tax, excise duty, sales tax, service tax and cess which have not been deposited on account of any dispute.
10. Since the company has been registered for a period of less than five years, the reporting requirement of the Order is not applicable.
11. The Company does not have any dues payable to any financial institutions, banks and debenture holders.
12. The Company has not given any loans and advances on the basis of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund / Nidhi / Mutual Benefit fund / Society. Therefore the relevant reporting requirement of the Order is not applicable to the company.
14. According to the information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. There were no term loans raised during the period by the company.
17. On the basis of information and explanations given to us and on the basis of an overall examination of the balance sheet of the company, the funds raised by the Company on short-term basis have not been applied for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.
19. The company has not issued any debentures during the period.
20. The Company has not raised any money through public issues during the period.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the period, nor have we been informed of such case by the management.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule		Amount (Rs)
Sources of Funds:			
Share Capital	1		<u>500,000.00</u>
			<u>500,000.00</u>
Application of Funds			
Net Current Assets:			
Current Assets	2	405,622.46	–
Current Liabilities	3	<u>(28,594.00)</u>	<u>377,028.46</u>
Profit & Loss Account			<u>122,971.54</u>
			<u>500,000.00</u>
Significant Accounting Policies and Notes to Accounts	4		

As per our report of even date attached

For and on behalf of the Board

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Current Year
Income	<u>–</u>
Expenditure	
Bank Charges	543.54
Legal & Professional	57829.00
Miscellaneous Expenses	930.00
Postage Expenses	1769.00
Printing & Stationery	1900.00
Preliminary Expenses written off	<u>60000.00</u>
Loss for the Year	<u>122971.54</u>
BALANCE CARRIED FORWARD TO BALANCE SHEET	<u>122971.54</u>
Basic & Diluted Earning Per Share	(2.46)

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON ACCOUNTS- SCHEDULE-4

As per our report of even date attached

For and on behalf of the Board

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2008

	Amount (Rs)
A. CASH FROM OPERATING ACTIVITIES	
Operating Profit / (Loss) Before Working Capital Changes	(122,971.54)
Adjustment For Changes In Working Capital:	
Increase In Current Liabilities	28,594.00
NET CASH FROM OPERATING ACTIVITIES	<u>(94,377.54)</u>
B. CASH FROM FINANCING ACTIVITIES	
Issue of Share Capital	500,000.00
NET CASH FROM FINANCING ACTIVITIES	<u>500,000.00</u>
C. CASH FROM INVESTING ACTIVITIES	
NET CASH USED IN INVESTING ACTIVITIES	<u>NIL</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	405,622.46
CASH & CASH EQUIVALENT - OPENING	NIL
CASH & CASH EQUIVALENT - CLOSING	<u>405,622.46</u>

As per our report of even date attached

For and on behalf of the Board

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

Amount
(Rs)

SCHEDULE 1: SHARE CAPITAL

Authorised Share Capital:

50000 Equity Shares of Rs. 10 each 500,000.00

Subscribed & paid up Share Capital:

50000 Equity Shares of Rs. 10 each fully paid up 500,000.00

The entire paid-up equity share capital is held by
M/s Asian Hotels Ltd - the Holding Company

SCHEDULE 2: CURRENT ASSETS

Cash In Hand 375,000.00

Balance with Scheduled Bank in Current Account 30,622.46

405,622.46

SCHEDULE 3: CURRENT LIABILITIES

TDS Payable 2,893.00

Audit Fees Payable 25,197.00

Other Outstanding Liabilities 504.00

28,594.00

SCHEDULE 4: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The company follows mercantile system of accounting.

ii) Miscellaneous Expenditure

Preliminary Expenses have been charged to profit & loss account.

iii) Taxes on Income

Provision for tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Law.

iv) Provisions and contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities – NIL

2. The Company has prepared this years accounts from its date of incorporation, 8th January, 2007, upto 31st March, 2008. This being the first year, the corresponding accounts of previous year are not applicable.

3. A **Scheme of Arrangement And Demerger** (the Scheme) between **Asian Hotels Limited** (Transferor) and its Shareholders and Creditors and **Chillwind Hotels Limited** (Transferee - I) and its shareholders and **Vardhman Hotels Limited** (Transferee - II) and its shareholders has been sanctioned by Hon'ble High Court Of Delhi.

All the property, rights and powers, all the liabilities and duties of the Mumbai Undertaking of the transferor company (as referred in the scheme) shall be transferred to and vest in **Chillwinds Hotels Limited**. Further, all the proceedings now pending by or against the Mumbai Undertaking of the transferor company shall be continued by or against **Chillwinds Hotels Limited**.

In terms of Clause 6.12 of the Scheme, it shall be effective on 16th day of the receipt of approval of the West Bengal Government for vesting of the leasehold property belonging to the Kolkata Undertaking.

CHILLWINDS HOTELS LIMITED

The Transferor company is awaiting the aforesaid approval which is expected shortly.

4. Auditors' Remuneration includes the following:

Payments towards

- Audit fees	28,090.00
- Out of Pocket expenses	-
	28,090.00

5. Earnings per share as per Accounting standards AS 20

	Year Ended March 31, 2008 (Amount in Rs.)
Profit after Current Tax	(122971.54)
Number of equity shares of Rs 10 each	50000
Basic/ Diluted earnings per shares	(2.46)

6. Provisions of the Employees Provident Fund & Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948 and the Payment of Gratuity Act, 1972 are not applicable during the year ended 31st March 2008.

7. By virtue of scheme of Arrangement and Demerger, the Mumbai Undertaking of Asian Hotels Limited is proposed to be transferred and vested in the company. Owing to this the company in future will engage in only one segment of hotel business. Therefore, the disclosure requirement of Accounting Standard issued by the Institute of Chartered Accountants of India, is not applicable. On "Segment reporting" (AS-17)

8. In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transaction with them, as identified and certified by the management, are as follows :-

Holding Company	Asian Hotels Limited
Subsidiaries	None
Fellow Subsidiaries	Vardhman Hotels Limited G.J.S. Hotels Limited Aria Hotels & Consultancy Services Pvt. Limited
Associates	None
Entities over which Directors and their relatives Can exercise significant influence	None
Key management Personnel	None

Transactions with Holding Company

Reimbursement of Expenses of Rs. 88174.00
Closing Balance (Cr.)- Rs. 504.00

9. Disclosure of other items as required by Part -II of Schedule -VI to the Companies Act, 1956 is not applicable.

10. There are no foreign currency exposures with company.

As per our report of even date attached

For and on behalf of the Board

For **S.S. Kothari Mehta & Co.**

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 21st June, 2008

SUSHIL KUMAR GUPTA

Director

UMESH SARAF

Director

CHILLWINDS HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

		(Rs. in '000)
I.	REGISTRATION DETAILS:	
	Registration No:	U55101DL2007PLC157518
	State Code :	55
	Balance Sheet Date:	31st MARCH 2008
II	CAPITAL RAISED DURING THE PERIOD	Amount in Rs.
	Public Issue	500.00
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
	Total Liabilities	500.00
	Total Assets	500.00
	Sources of Funds	
	Paid up Capital	500.00
	Reserve and Surplus	NIL
	Secured Loans	NIL
	Unsecured Loans	NIL
	Deferred Tax Liability	NIL
	Application of Funds	
	Net Fixed Assets	NIL
	Investments	NIL
	Deferred Tax assets	NIL
	Net Current Assets	377.03
	Miscellaneous expenditure	NIL
	Profit & Loss Account	122.97
(IV)	PERFORMANCE OF THE COMPANY	
	Turnover/ Receipt	NIL
	Total Expenditure	122.97
	Profit Before Tax	122.97
	Profit/(Loss) after Tax	122.97
	Earning Per Share (in Rs.)	(2.46)
	Dividend Rate (%)	NIL
(V)	GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY	
	(As Per Monetary Terms)	
	Item Code No. (ITC Code)	Nil
	Product Description	Nil

As per our Report of even date attached

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

(Arun K. Tulsian)
Partner
M. No. 89907

Place : New Delhi
Dated : 21st June, 2008

For and on Behalf of the Board

For CHILLWINDS HOTELS LIMITED

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

VARDHMAN HOTELS LIMITED

SECOND ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

RADHE SHYAM SARAF
SUSHIL GUPTA
SHIV JATIA
ARUN K. SARAF
UMESH SARAF

AUDITORS

M/S S. S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTS

BANKERS

AXIS BANK LTD.

REGISTERED OFFICE

145, TRIBHUVAN COMPLEX, ISHWAR NAGAR, MATHURA ROAD, NEW DELHI - 110065

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Second Annual Report of the Company together with the Audited Statements of Accounts for the 15 months period ended 30th June, 2009.

OBJECTS, OPERATIONS & FINANCIAL RESULTS

The current Financial Year of the Company was extended by a period of 3 months and accordingly, the Annual Accounts have been prepared for a period of 15 months ended on 30th June, 2009 (i.e., from April 1, 2008 to June 30, 2009).

During the period under review, the Scheme of Arrangement and De-merger (The Scheme) between Asian Hotels Limited (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I) and its shareholders; and your Company (Transferee Company-II) as sanctioned by the High Court of Delhi vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the Company on 27th May, 2009.

In response to the above, the Hon'ble Court vide its Order dated 29th May, 2009 directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009. The said Court also stayed the effect and implementation of the Scheme approved vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008. One of the major amendments sought related to introduction of 31st July, 2009 as 'the Appointed Date' under the Scheme.

However, in August, 2009, the Company made yet another joint application for further amendment to the Scheme shifting the Appointed Date to 15 October, 2009, and the Hon'ble Court was pleased to accept the said application and directed that the equity shareholders' meeting of the Transferor Company be convened on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the said Court, the Scheme shall become effective the day Court's Order is filed with the Registrar of Companies, NCT of Delhi & Haryana. During the period under review, the Articles of Association of the Company was amended pursuant to the directions of the Bombay Stock Exchange and National Stock Exchanges respectively.

In terms of the Scheme, your Company had applied for changing its name, post de-merger, from its present name to Asian Hotels (East) Limited and the name has been made available by the Registrar of Companies, NCT of Delhi & Haryana.

Since the Scheme is to be made effective, the Company had no operations and thus, the Company had a net loss of Rs. 68.70 lacs (previous year - 1.38 lacs). Since there were no operations and no profits, there was no appropriation to the credit of general reserve or towards proposed dividend.

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 read with Article 116 of the Articles of Association of the Company, Mr. Radhe Shyam Saraf and Mr Umesh Saraf, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend their appointment to the Board in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

- that in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. S.S.Kothari Mehta & Co., Chartered Accountants, the present auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible for re-appointment. The Company has received a certificate under Section 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO
The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

Place : New Delhi
Dated : 1st September, 2009

For and on Behalf of the Board
UMESH SARAF **SUSHIL GUPTA**
Director Director

VARDHMAN HOTELS LIMITED

AUDITORS' REPORT

To the Members

VARDHMAN HOTELS LIMITED

We have audited the attached Balance Sheet of Vardhman Hotels Limited as at 30th June, 2009 and also the Profit & Loss Account and also the Cash Flow Statement of the Company for the period ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and Profit & Loss Account and the Cash flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit & Loss Account and the Cash flow Statement dealt with by this report comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 30th June, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) Attention is invited to note no. B-2 of Schedule 4 regarding the Scheme of Arrangement & Demerger between Asian Hotels Limited and the Company. The Company has made joint application for amendment in the earlier Order passed by the Hon'ble High Court sanctioning the original Scheme, Necessary accounting adjustments will be carried out after the Scheme becomes effective.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 30th June, 2009;
 - ii) In the case of Profit and Loss Account, of the loss for the period ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on the date.

Place : New Delhi
Dated : 1st September, 2009

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
ARUN K. TULSIAN
Partner
Membership No. 89907

VARDHMAN HOTELS LIMITED

ANNEXURE TO AUDITORS' REPORT Referred to in Paragraph 2 of our report of even date to the members of VARDHMAN HOTELS LIMITED for the period ended 30th June 2009.

1. The Company does not have any fixed assets.
2. The Company does not have any Inventory.
3. (a) The Company has neither granted nor taken any loan, secured or unsecured, to/ from Companies, firms and other parties covered in the register maintained under section 301 of the companies Act, 1956.
(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount, payment of interest due thereon and overdue amount are not required.
4. In our opinion and according to the information and explanations given to us, during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business. Further, on the basis of our examination of the books & records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of continuing failure to correct major weakness in the aforesaid internal control systems.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us by the management, there are no transactions which are required to be entered in the register maintained under section 301 of the Act.
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Act and aggregating during the year to Rupees five lacs or more in respect of each party.
6. The Company has not accepted any fixed deposits from the public to which the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under, apply.
7. The provisions of internal audit are not applicable to the Company for the period under report.
8. Since maintenance of cost records is not prescribed by the Central government under clause (d) of sub - section (1) of section 209 of the Act, the relevant reporting clause of the Order is not applicable.
9. (a) According to the information and explanations given to us, undisputed Provident Fund, Investor Education and Protection Fund , Employee State Insurance, Income tax, Custom Duty, Cess and other material statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 30th June 2009.
(b) In our opinion and according to the information and explanations given to us, there are no dues in respect of income tax, custom duty, wealth tax, excise duty, sales tax, service tax and cess which have not been deposited on account of any dispute.
10. Since the Company has been registered for a period of less than five years, the relevant reporting requirement of the Order is not applicable.
11. The Company does not have any dues payable to any financial institutions, banks and debenture holders.
12. The Company has not given any loans and advances on the basis of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund/ Nidhi/Mutual Benefit fund/ Society. Therefore the relevant reporting requirement of the Order is not applicable to the Company.
14. According to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. There were no term loans raised during the period by the Company.
17. On the basis of information and explanations given to us and on the basis of overall examination of the balance sheet of the Company, the funds raised by the Company on short- term basis have not been applied for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the period.
20. The Company has not raised any money through public issues during the period
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the period, nor have we been informed of such case by the management.

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 1st September, 2009

VARDHMAN HOTELS LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2009

	Schedule	As at 30th June, 2009 Amount (Rs)	As at 31st March, 2008 Amount (Rs)
Sources of Funds:			
Share Capital	1	<u>500,000.00</u>	<u>500,000.00</u>
		<u>500,000.00</u>	<u>500,000.00</u>
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	2	97,566.95	396,711.35
CURRENT LIABILITIES AND PROVISIONS			
Liabilities	3	6,606,430.00	34,976.00
Provisions		—	—
NET CURRENT ASSETS		(6,508,863.05)	361,735.35
Profit & Loss Account		<u>7,008,863.05</u>	<u>138,264.65</u>
		<u>500,000.00</u>	<u>500,000.00</u>
Significant Accounting Policies and Notes to Accounts	4		

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 1st September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

SUSHIL GUPTA
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2009

	Schedule	For the year ended 30th June, 2009 Amount (Rs)	For the year ended 31st March, 2008 Amount (Rs)
Income			
Indirect Income		—	—
Total		<u>—</u>	<u>—</u>
Expenditure			
Bank Charges		7,071.40	823.65
Legal & Professional		5,762,519.00	34,930.00
Auditors Remuneration		27,575.00	28,090.00
Printing & Stationery		—	4,995.00
Filing Fees		1,073,433.00	9,426.00
Preliminary Expenses written off		—	60,000.00
Total		<u>6,870,598.40</u>	<u>138,264.65</u>
Profit Before Tax		(6,870,598.40)	(138,264.65)
Provision for Income Tax		—	—
Profit After Tax		<u>(6,870,598.40)</u>	<u>(138,264.65)</u>
Balance Brought Forward from Previous Year		(138,264.65)	—
Balance Carried Forward to Balance Sheet		<u>(7,008,863.05)</u>	<u>(138,264.65)</u>
Basic & Diluted Earning Per Share		(137.41)	(2.76)
SIGNIFICANT ACCOUNTING POLICIES			
NOTES ON ACCOUNTS			
	4		

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 1st September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

SUSHIL GUPTA
Director

VARDHMAN HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2009

	For the year ended 30th June, 2009 Amount (Rs)	For the year ended 31st March, 2008 Amount (Rs)
A. CASH FROM OPERATING ACTIVITIES		
Operating Profit / (Loss) Before Working Capital Changes	(6,870,598.40)	(138,264.65)
Adjustment For Changes In Working Capital:		
Increase In Current Liabilities	6,571,454.00	34,976.00
NET CASH FROM OPERATING ACTIVITIES	<u>(299,144.40)</u>	<u>(103,288.65)</u>
B. CASH FROM FINANCING ACTIVITIES		
Issue Of Share Capital	-	500,000.00
NET CASH FROM FINANCING ACTIVITIES	<u>-</u>	<u>500,000.00</u>
C. CASH FROM INVESTING ACTIVITIES		
NET CASH USED IN INVESTING ACTIVITIES	<u>NIL</u>	<u>NIL</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(299,144.40)	396,711.35
CASH & CASH EQUIVALENT - OPENING	396,711.35	NIL
CASH & CASH EQUIVALENT - CLOSING	<u>97,566.95</u>	<u>396,711.35</u>

AS PER OUR REPORT OF EVEN DATE

For **S.S. Kothari Mehta & Co.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 1st September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF
Director

SUSHIL GUPTA
Director

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE, 2009

	As at 30th June, 2009 Amount (Rs)	As at 31st March, 2008 Amount (Rs)
SCHEDULE 1:		
SHARE CAPITAL		
AUTHORISED		
14000000 (previous year 50000) Equity Shares of Rs.10 each	140,000,000.00	500,000.00
1000000 (previous year NIL) Preference shares of Rs.10 each	10,000,000.00	-
	<u>150,000,000.00</u>	<u>500,000.00</u>
Subscribed & paid up Share Capital:		
50000 Equity Shares of Rs. 10 each fully paid up	500,000.00	500,000.00
The entire paid-up equity share capital is held by M/s Asian Hotels Ltd - the Holding Company	<u>500,000.00</u>	<u>500,000.00</u>
SCHEDULE 2:		
CURRENT ASSETS		
CASH AND BANK BALANCES		
Cash In Hand	20,117.00	244,490.00
Balance with Scheduled Bank in Current Account	77,449.95	152,221.35
	<u>97,566.95</u>	<u>396,711.35</u>
SCHEDULE 3:		
CURRENT LIABILITIES		
Sundry Creditors		
Micro, Small and Medium Enterprises	-	-
Other Creditors	59,514.00	31,377.00
Other Liabilities	3,995.00	2,893.00
Amount payable to holding Company (maximum balance outstanding during the year Rs. 6,542,921 Previous year Rs 706)	6,542,921.00	706.00
	<u>6,606,430.00</u>	<u>34,976.00</u>

VARDHMAN HOTELS LIMITED

Schedule 4: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standard Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii) Use of Estimates

The preparation of financial statement is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

iii) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The Company follows mercantile system of accounting.

iv) Earnings per share

Basic earning per share are calculated by the dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

v) Cash and cash equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and cash/ cheques in hand and short term deposits with Banks less short term advances from Banks.

vi) Taxes on Income

Provision for tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Law.

vii) Provisions and contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities - NIL

2. The **Scheme of Arrangement and De-merger** (the Scheme) between **Asian Hotels Limited** (Transferor Company) and its shareholders and creditors; **Chillwinds Hotels Limited** (Transferee Company-I) and its shareholders; and **Vardhman Hotels Limited** (Transferee Company-II) and its shareholders as sanctioned by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide its orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the Company on 27th May, 2009.

In response to the above, the Hon'ble Court vide its order dated 29th May, 2009 directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009. The said Court also stayed the effect and implementation of the Scheme approved vide its order dated 29th February, 2008 and amended vide orders dated 9th April, 2008 and 18th August, 2008. One of the major amendments sought related to introduction of 31st July, 2009 as 'the Appointed Date' under the Scheme.

However, in August, 2009, the Company made yet another joint application for further amendment to the Scheme shifting the Appointed Date to 15th October, 2009, and the Hon'ble Court was pleased to accept the said application, and directed that the equity shareholders' meeting of the Transferor Company be convened on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the said Court, the Scheme shall become effective the day Court's order is filed with the Registrar of Companies.

3. Auditors' Remuneration includes the following:

	Current Year Amount (Rs)	Previous Year Amount (Rs)
Payments towards		
– Audit fees	27,575.00	28,090.00
– Out of Pocket expenses	–	–

4. Earnings per share as per Accounting standards AS 20

	Year Ended 30th June, 2009 (Amount in Rs.)	Year ended 31st March, 2008 (Amount in Rs.)
Profit after Current Tax	(68,70,598.40)	(1,38,264.65)
Number of equity shares of Rs 10 each	50000	50000
Basic/ Diluted earnings per share	(137.41)	(2.76)

5. Provisions of the Employees Provident Fund & Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948 and the Payment of Gratuity Act, 1972 are not applicable during the year ended 30th June 2009.
6. By virtue of the Scheme of Arrangement and Demerger, the Kolkata undertaking of Asian Hotels Limited is proposed to be transferred and vested in the Company. Owing to this the Company in future will also engage in only one segment of hotel business. Therefore, the further disclosure requirements of Accounting Standard on "Segment reporting" (AS-17) are not applicable.
7. In accordance with the Accounting Standard on " Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transaction with them, as identified and certified by the management, are as follows :-

Holding Company	Asian Hotels Limited
Subsidiaries	None
Fellow Subsidiary	Chillwinds Hotels Ltd., GJS Hotels Ltd., Aria Hotels & Consultancy Services Pvt. Ltd.
Associates	None
Entities over which Directors and their relatives Can exercise significant influence	None
Key management Personnel	None

Transactions with Holding Company

	Current Period	Previous Period
Reimbursement of Expenses	2,541,715.00	91,755.00
Loans and advances received	4,000,000.00	—
Closing Balance payable	6,542,921.00	706.00

8. Disclosure of other items as required by Part -II of Schedule -VI to the Companies Act, 1956 is not applicable.
9. There are no foreign currency exposures with the Company.
10. Deferred Tax Asset has not been created due to absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.
11. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium enterprises Development Act, 2006". There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Act.
12. Previous Year's figure have been regrouped and recast wherever considered necessary, however the same are not strictly comparable as the previous period figure are for the period 8th January, 2007 upto 31st March 2008 and current period figure is for the period 1st April 2008 to 30th June 2009.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 1st September, 2009

FOR AND ON BEHALF OF THE BOARD

UMESH SARAF

Director

SUSHIL GUPTA

Director

VARDHMAN HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. U15122DL2007PLC157520

Balance Sheet date 30th June 2009

State Code 055

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	Total Assets
500	500

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
500	NIL	NIL	NIL

Application of Funds

Net Fixed Assets	Investments	Net Current Assets (after adjustment of deferred tax liability)	Misc. Expenditure	Accumulated Losses
NIL	NIL	(6,508.86)	NIL	7,008.86

IV. Performance of Company (Amount in Rs. thousands)

Turnover	Total Expenditure	Earnings per share in Rs.
NIL	6,870.59	(137.41)
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
(6,870.59)	(6,870.59)	NIL

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
N.A.	NIL

AS PER OUR REPORT OF EVEN DATE ATTACHED

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

(Arun K. Tulsian)
Partner
M. No. 89907

Place : New Delhi
Dated : 1st September, 2009

FOR AND ON BEHALF OF THE BOARD

For VARDHMAN HOTELS LIMITED

UMESH SARAF
Director

SUSHIL GUPTA
Director

VARDHMAN HOTELS LIMITED

FIRST ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

RADHE SHYAM SARAF
SUSHIL GUPTA
SHIV JATIA
UMESH SARAF
ARUN K. SARAF

AUDITORS

M/S S. S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTS

BANKERS

AXIS BANK LTD.

REGISTERED OFFICE

145, TRIBHUVAN COMPLEX, ISHWAR NAGAR, MATHURA ROAD, NEW DELHI - 110065

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting their First Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2008 (i.e. period commencing from 8th January, 2007 and ending on 31st March, 2008).

OBJECTS, OPERATIONS & FINANCIAL RESULTS

The Company was incorporated as Vardhman Hotels Private Limited and after due process, was converted into a Public Limited Company w.e.f. 28th July, 2007, and consequently the word "private" was deleted from its name. For that purpose, as a statutory requirement, the paid up capital of the Company was increased from the initial capital of Rs. 1 lac to Rs. 5 lac.

During the year under review, the Company altered its Objects Clause to include investment business as one of its main objects.

The Company is a wholly owned subsidiary of Asian Hotels Limited, and is the Transferee Company - II in the Scheme of Arrangement and De-merger mooted by its holding company under Sections 391-394 of the Companies Act, 1956 (the Scheme), between Asian Hotels Limited (the Transferor Company), and its shareholders and creditors; Chillwinds Hotels Limited (the Transferee Company - I) and its shareholders; and Vardhman Hotels Limited (the Transferee Company - II) and its shareholders. In terms of the Scheme, the Mumbai Undertaking and the Kolkata Undertaking of the Transferor Company would be transferred to and vested in the Transferee Company - I and Transferee Company -II respectively, on the Scheme becoming effective. The High Court of Delhi has approved the Scheme, and the Hon'ble Court's order has been filed with the Registrar of Companies, NCT of Delhi & Haryana. In terms of Clause 6.12 of the Scheme, it shall become effective on the 16th day from the receipt of approval of the Government of West Bengal for vesting of the leasehold property belonging to the Kolkata Undertaking. The Transferor Company is expecting to obtain the said approval soon.

On the Scheme becoming effective, the Transferor Company's hotel property at Kolkata, operating under the name of Hyatt Regency Kolkata, along with other assets and liabilities as defined in detail in the Scheme, shall be vested in the Company. In view thereof, during the year under review, the Company had no operations and thus, the Company had a net loss of Rs. 1.38 lac for the period under review, which primarily were expenditure incurred on incorporation and other preliminary expenses. Since there were no operations and no profits, there was no appropriation to the credit of general reserves or towards proposed dividend.

DIRECTORS

Mr. R. S. Saraf, Mr. Arun K Saraf and Mr. Umesh Saraf were appointed as additional directors in pursuance of Section 260 of the Act, with effect from 26th April, 2007. Further, Mr. Shiv Kumar Jatia and Mr. Sushil Kumar Gupta were also appointed as additional directors effective 12th July, 2007. In accordance with the provisions of Section 260 of the Act, read with Article 106(a) of the Articles of Association of the Company, the above-named additional directors are liable to hold office as up to the ensuing annual general meeting. The Company has received separate notices under Section 257 of the Act proposing their candidature for appointment as director of the Company, and accordingly, appropriate proposals for the appointment of Mr. R. S. Saraf, Mr. Arun K Saraf, Mr. Umesh Saraf, Mr. Shiv Kumar Jatia and Mr. Sushil Kumar Gupta respectively are included in the notice convening the ensuing annual general meeting.

Earlier, Mr. Samudra Acharyya and Mr. Pankaj Jain, the first directors of the Company resigned from their office with effect from 15th May, 2007.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to Section 217 (2AA) of the Act, the Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March, 2008, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the loss of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. S. S. Kothari Mehta & Company, Chartered Accountants, the present auditors of the Company, retire at the forthcoming annual general meeting and are eligible for re-appointment. The Company has received a certificate under section 224 (1B) of the Act, to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Act.

Place : New Delhi
Dated : 21st June, 2008

For and on Behalf of the Board
UMESH SARAF **SUSHIL KUMAR GUPTA**
Director Director

VARDHMAN HOTELS LIMITED

AUDITORS' REPORT

Auditor's Report to the Members of **VARDHMAN HOTELS LIMITED**

We have audited the attached Balance Sheet of **Vardhman Hotels Limited** as at 31st March, 2008, the Profit & Loss Account and also the Cash Flow Statement ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (Collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of books & records of the Company as we considered appropriate and on the basis of information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) Attention is invited to note no. 3 of Schedule 4 regarding the Scheme of Arrangement & Demerger between Asian Hotels Ltd. and the company.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) In the case of Profit & Loss Account, of the loss for the period ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ARUN K. TULSIAN
Partner

Membership No. 89907

Place : New Delhi

Dated : 21st June, 2008

VARDHMAN HOTELS LIMITED

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date to the members of **VARDHMAN HOTELS LIMITED** for the period ended 31st March, 2008.

1. The company does not have any fixed assets.
2. The company does not have any Inventory.
3. (a) The Company has neither granted nor taken any loan, secured or unsecured, to/ from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount, payment of interest due thereon and overdue amount are not required.
4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with size of the Company and the nature of its business. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us by management, there are no transactions which are required to be entered in the register maintained under section 301 of the Act.
(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lakhs or more in respect of each party.
6. The company has not accepted any deposits from public to which the provisions of Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under, apply
7. The provisions of internal audit are not applicable to the company for the period under report.
8. Since maintenance of cost records is not prescribed by the Central government under clause (d) of sub-section (1) of section 209 of the Act, the relevant reporting clause of the Order is not applicable.
9. (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2008.
(b) In our opinion and according to the information and explanations given to us, there are no dues in respect of income tax, custom duty, wealth tax, excise duty, sales tax, service tax and cess which have not been deposited on account of any dispute.
10. Since the company has been registered for a period of less than five years, the reporting requirement of the Order is not applicable.
11. The Company does not have any dues payable to any financial institutions, banks and debenture holders.
12. The Company has not given any loans and advances on the basis of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund / Nidhi / Mutual Benefit fund / Society. Therefore the relevant reporting requirement of the Order is not applicable to the company.
14. According to the information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. There were no term loans raised during the period by the company.
17. On the basis of information and explanations given to us and on the basis of an overall examination of the balance sheet of the company, the funds raised by the Company on short-term basis have not been applied for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the period .
20. The Company has not raised any money through public issues during the period.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the period, nor have we been informed of such case by the management.

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 21st June, 2008

VARDHMAN HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule		Amount (Rs.)
Sources of Funds:			
Share Capital	1		500,000.00
			<u>500,000.00</u>
Application of Funds:			
Net Current Assets:			
Current Assets	2	396,711.35	
Current Liabilities	3	<u>(34,976.00)</u>	<u>361,735.35</u>
Profit & Loss Account			<u>138,264.65</u>
			<u>500,000.00</u>
Significant Accounting Policies and Notes to Accounts	4		

As per our report of even date attached

For and on behalf of the Board

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Current Year
Income	-
Expenditure	
Bank Charges	823.65
Legal & Professional	34930.00
Auditor's Remuneration	28090.00
Filing Fees	9426.00
Printing & Stationery	4995.00
Preliminary Expenses written off	<u>60000.00</u>
Loss for the Year	138264.65
BALANCE CARRIED FORWARD TO BALANCE SHEET	138264.65

Basic & Diluted Earning Per Share

-2.76

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON ACCOUNTS- SCHEDULE-4

As per our report of even date attached

For and on behalf of the Board

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

VARDHMAN HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Amount (Rs.)
A. CASH FROM OPERATING ACTIVITIES	
Operating Profit (Loss) Before Working Capital Changes	(138,264.65)
Adjustment For Changes In Working Capital:	
Increase In Current Liabilities	34,976.00
NET CASH FROM OPERATING ACTIVITIES	<u>(103,288.65)</u>
B. CASH FROM FINANCING ACTIVITIES	
Issue of Share Capital	500,000.00
NET CASH FROM FINANCING ACTIVITIES	<u>500,000.00</u>
C. CASH FROM INVESTING ACTIVITIES	
NET CASH USED IN INVESTING ACTIVITIES	<u>NIL</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	396,711.35
CASH & CASH EQUIVALENT - OPENING	NIL
CASH & CASH EQUIVALENT - CLOSING	<u>396,711.35</u>

As per our report of even date attached

For and on behalf of the Board

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

ARUN K. TULSIAN
Partner
Membership No. 89907

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

Schedule 1: Share Capital

Authorised Share Capital:

50000 Equity Shares of Rs. 10 each 500,000.00

Issued, Subscribed & Paid up Share Capital:

50000 Equity Shares of Rs. 10 each fully paid up 500,000.00

The entire paid-up equity share capital is held by
M/s Asian Hotels Ltd - the Holding Company

Schedule 2: Current Assets

Cash In Hand 244,490.00

Balance with Scheduled Bank in Current Account 152,221.35

396,711.35

Schedule 3: Current Liabilities

TDS Payable 2,893.00

Audit Fees Payable 25,197.00

Other Outstanding Liabilities 6,886.00

34,976.00

Schedule 4: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The company follows mercantile system of accounting.

ii) Miscellaneous Expenditure

Preliminary Expenses have been charged to profit & loss account.

iii) Taxes on Income

Provision for tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Law.

VARDHMAN HOTELS LIMITED

iv) Provisions and contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

NOTES TO ACCOUNTS

1. Contingent Liabilities – NIL

2. The Company has prepared this years accounts from its date of incorporation, 8th January, 2007, upto 31st March, 2008. This being the first year, the corresponding accounts of previous year are not applicable.

3. **A Scheme of Arrangement And Demerger** (the Scheme) between **Asian Hotels Limited** (Transferor) and its Shareholders and Creditors and **Chillwinds Hotels Limited** (Transferee - I) and its shareholders and **Vardhman Hotels Limited** (Transferee - II) and its shareholders has been sanctioned by Hon'ble High Court Of Delhi.

All the property, rights and powers, all the liabilities and duties of the Kolkata Undertaking of the transferor company (as referred in the scheme) shall be transferred to and vest in **Vardhman Hotels Limited**. Further, all the proceedings now pending by or against the Kolkata Undertaking of the transferor company shall be continued by or against **Vardhman Hotels Limited**.

In terms of Clause 6.12 of the Scheme, it shall be effective on 16th day of the receipt of approval of the West Bengal Government for vesting of the leasehold property belonging to the Kolkata Undertaking.

The Transferor company is awaiting the aforesaid approval which is expected shortly.

4. Auditors' Remuneration includes the following:

Payments towards

– Audit fees

28,090.00

– Out of Pocket expenses

–

28,090.00

5. Earnings per share as per Accounting standards AS 20

Year Ended
March 31, 2008
(Amount in Rs.)

Profit after Current Tax

(138264.65)

Number of equity shares of Rs 10 each

50000

Basic/ Diluted earnings per shares

(2.76)

6. Provisions of the Employees Provident Fund & Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948 and the Payment of Gratuity Act, 1972 are not applicable during the year ended 31st March 2008.

7. By virtue of scheme of Arrangement and demerger the kolkatta undertaking of Asian Hotels Limited is proposed to be transferred and vested in the company. Owing to this the company in future will engage in only one segment of hotel business. Therefore, the disclosure requirement of Accounting Standard -17 on "Segment reporting" (AS-17) issued by the Institute of Chartered Accountants of India is not applicable.

8. In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transaction with them, as identified and certified by the management, are as follows :-

Holding Company

Asian Hotels Limited

Subsidiaries

None

Fellow Subsidiaries

Chillwinds Hotels Limited

G.J.S. Hotels Limited

Aria Hotels & Consultancy Services Pvt. Limited

Associates

None

Entities over which Directors and their relatives

Can exercise significant influence

None

Key management Personnel

None

Transactions with Holding Company

Reimbursement of Expenses of Rs. 91755.00

Closing Balance (Cr.)- Rs. 706.00

9. Disclosure of other items as required by Part -II of Schedule -VI to the Companies Act, 1956 is not applicable.

10. There are no foreign currency exposures with company.

As per our report of even date attached

For and on behalf of the Board

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 21st June, 2008

UMESH SARAF

Director

SUSHIL KUMAR GUPTA

Director

VARDHMAN HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

		(Rs. in '000)
I.	REGISTRATION DETAILS:	
	Registration No:	U15122DL2007PLC157520
	State Code :	55
	Balance Sheet Date:	31st MARCH 2008
II.	CAPITAL RAISED DURING THE PERIOD	Amount in Rs.
	Public Issue	500.00
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III.	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
	Total Liabilities	500.00
	Total Assets	500.00
	<u>Sources of Funds</u>	
	Paid up Capital	500.00
	Reserve and Surplus	NIL
	Secured Loans	NIL
	Unsecured Loans	NIL
	Deferred Tax Liability	NIL
	<u>Application of Funds</u>	
	Net Fixed Assets	NIL
	Investments	NIL
	Deferred Tax assets	NIL
	Net Current Assets	361.74
	Miscellaneous expenditure	NIL
	Profit & Loss Account	138.26
(IV)	PERFORMANCE OF THE COMPANY	
	Turnover/ Receipt	NIL
	Total Expenditure	138.26
	Profit Before Tax	138.26
	Profit/(Loss) after Tax	138.26
	Earning Per Share (in Rs.)	(2.76)
	Dividend Rate (%)	NIL
(V)	GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY	
	(As Per Monetary Terms)	
	Item Code No. (ITC Code)	Nil
	Product Description	Nil

As per our Report of even date attached

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

(Arun K. Tulsian)
Partner
M. No. 89907

Place : New Delhi
Dated : 21st June, 2008

For and on Behalf of the Board

For VARDHMAN HOTELS LIMITED

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

SECOND ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

SUSHIL GUPTA
UMESH SARAF
SANDEEP GUPTA
SUDHIR GUPTA
S. K. CHHIBBER

AUDITORS

M/S A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS

KOTAK MAHINDRA BANK LIMITED
AXIS BANK LIMITED
IDBI BANK LIMITED

REGISTERED OFFICE

E - BASEMENT, CLARION COLLECTION - THE QUTAB HOTEL, SHAHEED JEET SINGH MARG, NEW DELHI - 110016

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting their Second Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 30th June, 2009 (i.e. period commencing from 1st April, 2008 and ending 30th June, 2009).

OBJECTS, OPERATIONS & FINANCIAL RESULTS

The current Financial Year of the Company was extended by a period of 3 months and accordingly, the Annual Accounts have been prepared for a period of 15 months ended on 30th June, 2009 (i.e., from 1st April, 2008 to 30th June, 2009).

During the period under review, the Company made a profit before tax of Rs. 179.93 Lacs and after providing for tax of Rs. 63.00 Lac and deferred tax of Rs. (0.044) Lac, the profit after tax worked out to Rs. 116.89 Lacs. The Directors propose no appropriation to the credit of general reserves or towards dividend.

During the period under review, the Company has been awarded a project (Asset Area 4) from Delhi International Airport Private Limited (DIAL) at the upcoming Hospitality District near Indira Gandhi International Airport, New Delhi on 5th May, 2009 in response to Bid dated 15th December, 2008. The Company has also thereafter signed and executed the Project Documents (Development Agreement and Infrastructure Development And Services Agreement) with DIAL on 4th July, 2009 and thereafter took possession of the Plot from DIAL.

A Five Star Deluxe Hotel of 500 rooms is being envisaged to be built on this Plot and this Hotel would be opened by mid of 2012.

During the period under review the Company also altered its Articles of Association (vide passing a Special Resolution in its Extra-Ordinary General Meeting dated 17th August, 2009) by inserting the relevant Clauses enabling the Company to have its shares in the Fungible/Dematerialized form and enabling the lenders to nominate their representatives on the Board, as a post disbursement condition laid by Infrastructure Development Finance Company Limited and Kotak Mahindra Bank Limited while granting a loan of Rs. 90 Crores to the Company.

STATUS OF DEMERGER OF HOLDING COMPANY - M/S ASIAN HOTELS LIMITED

The Company is a subsidiary of M/s Asian Hotels Limited (AHL). The Board of Directors of AHL, during the prior years, had approved a Scheme of Arrangement and Demerger (the Scheme) between AHL (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I) and its shareholders; and Vardhman Hotels Limited (Transferee Company-II) in accordance with Section 391 to 394 of the Companies Act, 1956, subject to modifications, if any, as may be required in consultation with the legal advisors and financial consultants. The Scheme envisages trifurcation of AHL into three undertakings namely, the Delhi Undertaking, Mumbai Undertaking and Kolkata Undertaking. In terms of the Scheme the Company is a part of the Mumbai Undertaking. The Scheme as approved by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide its orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the AHL with Transferee Company I & Transferee II on 27th May, 2009. In response to the above, the Hon'ble Court vide its order dated 29th May, 2009, while staying the effect and implementation of the Scheme, directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009.

However, in August, 2009, yet another joint application was made for further amendment to the Scheme seeking to shift the Appointed Date to 15th October, 2009, and the Hon'ble Court vide order dated 31st August, 2009 directed AHL to obtain approval of its equity shareholders by convening a meeting on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the Hon'ble Court, the Scheme shall become effective the day Court's order is filed with the Registrar of Companies.

BORROWING POWERS

The Company with its intention to expand its operations and for setting up a 5 Star Hotel at Asset Area 4 (Plot allotted by DIAL) would require funds in excess of the current permissible limits of Rs. 100 Crores. Therefore, to meet the requirement the Company increased its Borrowing powers from Rs. 100 Crores to Rs. 500 Crores by passing Ordinary Resolution in its Extra-Ordinary General Meeting dated August 17, 2009.

DIRECTORS

Mr. S. K. Chhibber was appointed as additional Director in pursuance of Section 260 of the Act, with effect from 15th October, 2008. Further, Mr. Sudhir Gupta and Mr. Sandeep Gupta were also appointed as additional Directors effective 31st October, 2008. In accordance with the provisions of Section 260 of the Act, read with Article 20 of the Articles of Association of the Company, the above-named additional Directors are liable to hold office up to the ensuing Annual General Meeting. The Company has received separate notices under Section 257 of the Act proposing their candidature for appointment as Director of the Company, and accordingly, appropriate proposals for the appointment of Mr. S.K. Chhibber, Mr. Sudhir Gupta and Mr. Sandeep Gupta, respectively, are included in the notice convening the ensuing Annual General Meeting.

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

Mr. Shiv Jatia resigned as a Director of the Company with effect from 31st October, 2008.

Further in accordance with the provisions of Section 255 & Section 256 of the Companies Act, 1956, Mr. Sushil Gupta, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. Your Directors recommend his appointment to the Board in the ensuing Annual General Meeting.

CHANGE IN THE REGISTERED OFFICE ADDRESS OF THE COMPANY

The registered office address of the Company is changed from 1A, Vandhna, 11, Tolstoy Marg, New Delhi-110001 to E-Basement, Clarion Collection - The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi - 110 016 w.e.f September 29, 2009.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to section 217 (2AA) of the Act, your Directors confirm as under:

- that in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. A. Puri & Associates, Chartered Accountants, the present auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate under section 224 (1B) of the Act, to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

DIRECTORS COMMENTS ON AUDITORS RECOMMENDATION REQUIRED UNDER SECTION 217 (3)

- i. Your Directors would like to clarify the Auditors Comment on Clause 3 (b) of the Annexure to the Auditors Report as under:
During the period under review, the Company pursuant to the Shareholders approval entered into Memorandum of Understanding (MOU) to acquire 25% of the existing paid up equity share capital of Edenpark Hotels Private Limited (Edenpark) from M/s CLG Hotels & Resorts Private Limited (CLG). However, the said MOU was terminated by the Company and the advance money paid, was refunded by CLG. The above transaction was part payment towards purchase of shares, therefore no interest was chargeable on termination of the MOU.
- ii. Your Directors would like to clarify the Auditors Comment on Clause 7 of the Annexure to the Auditors Report as under:
Since there were no project/operational activity in the Company, Board feels that the appointment of Internal Auditor at this stage is premature, however, Internal Auditor will be appointed in due course as the volume of operations/activities pick up.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The prescribed information relating to conservation of energy and technology absorption as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not given, as the same is not applicable to your Company.

FOREIGN EXCHANGE EARNINGS & OUTGO

Total foreign exchange used and earned:

USED	:	Rs. 85,21,424
EARNED	:	NIL

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Act.

For and on Behalf of the Board

Place : New Delhi
Dated : 29th September, 2009

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

AUDITORS' REPORT

Auditor's Report to the Members of **ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED.**

We have audited the attached Balance Sheet of **ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED**, as at 30th June 2009, the Profit and Loss Account annexed thereto and also the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and also the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and also the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 30th June, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2009; and
 - b) in the case of the Profit and Loss Account of the Profit for the period ended on that date.
 - c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For & on Behalf of

A. PURI & ASSOCIATES
Chartered Accountants

Rajesh Kumar Jain

Partner

Membership No.: 095764

Place : NEW DELHI
Dated : 29th September, 2009

ANNEXURE TO THE AUDITOR'S REPORT OF ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED FOR THE PERIOD ENDED 30TH JUNE, 2009

- 1) The Company has no fixed assets and hence the provisions of clause 4 (i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 2) As the Company does not have any inventory, the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 3) a) The Company has not taken any loan, secured or unsecured, from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. However, the Company had given an interest free advance for purchase of certain shares, which was received back during the year (refer Note 18 in Schedule 9), to the following parties:

Sl.No.	Name of Party	Relationship with Company	Maximum Amount involved during the year Rs.	Year End Balance Rs.
1	CLG Hotels & Resorts Private Limited	Enterprise owned by the Director of the Company with their relative	200,000,000	NIL

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

- b) As per the explanation furnished to us the terms and conditions on which advance had been given to Companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956, were not, prima facie, prejudicial to the interest of the Company in view of the proposed business relationship between the Companies *except to the extent that interest has not been charged on the said advance.*
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems.
- 5) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 7) *In our opinion, the Company does not have an internal audit system commensurate with the size and nature of its business.*
- 8) The Central Government has not prescribed for the Company the maintenance of cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956 and hence the provisions of clause 4 (viii) of the Companies (Auditors's Report) Order, 2003 are not applicable to the Company.
- 9) a) According to the records of the Company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it .
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.
- c) According to the records of the Company examined by us and according to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. Since the Company has been registered for a period of less than five years, the provisions of clause 4 (x) of Companies (Auditor 's Report) Order 2003, are in our opinion, not applicable to the Company.
11. As the Company has no amount due to any financial institution, bank or debenture holder the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions and hence the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. As the Company has not raised any term loans for any purpose, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long- term investment.
18. As the Company made no preferential allotment of shares to any parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money by public issue the provisions relating to end use thereof as per clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For & on Behalf of
A. PURI & ASSOCIATES
Chartered Accountants

Rajesh Kumar Jain
Partner
Membership No.: 095764

Place : NEW DELHI
Dated : 29th September, 2009

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

BALANCE SHEET AS AT 30TH JUNE, 2009

	Schedule	Current Year (Rupees)	Previous Year (Rupees)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS	1		
Share Capital		250,100,000	250,100,000
RESERVES & SURPLUS			
Profit & Loss Account		11,920,223	231,552
		<u>262,020,223</u>	<u>250,331,552</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Capital Work in Progress	2	2,941,635	–
DEFERRED TAX ASSET	3	13,609	17,996
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	4	258,411,310	248,108,019
Other Current Assets		2,379,661	3,293,115
Loans & Advances		6,224,447	33,262
		<u>267,015,418</u>	<u>251,434,396</u>
Less:CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	5	(585,779)	(56,180)
Provisions		(7,364,660)	(1,064,660)
NET CURRENT ASSETS		<u>259,064,979</u>	<u>250,313,556</u>
		<u>262,020,223</u>	<u>250,331,552</u>
SIGNIFICANT ACCOUNTING POLICIES & CONTINGENT LIABILITIES AND NOTES			
	9		

AS PER OUR REPORT ATTACHED

For **A PURI & ASSOCIATES**
Chartered Accountants

RAJESH KUMAR JAIN
Partner
Membership No. 095764

Place : New Delhi
Dated : 29th September, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

NIKHIL SETHI
(Company Secretary)

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE, 2009

	Schedule	Current Year (Rupees)	Previous Year (Rupees)
INCOME			
Dividend Received		–	3,198,044
Interest Income	6	18,332,248	3,293,115
		18,332,248	6,491,159
EXPENDITURE			
Administrative & Other Expenses	7	326,485	5,137,818
Finance Charges	8	12,705	75,125
		339,190	5,212,943
PROFIT BEFORE TAX		17,993,058	1,278,216
Provision for Taxation		(6,300,000)	(1,064,660)
Deferred Tax Asset/(Liability) Created		(4,387)	17,996
PROFIT AFTER TAX		11,688,671	231,552
Profit brought forward from Prior Year		231,552	–
PROFIT CARRIED OVER TO BALANCE SHEET		11,920,223	231,552
Earnings per share - basic		0.47	0.01
Earnings per share - diluted		0.47	0.01
SIGNIFICANT ACCOUNTING POLICIES & NOTES	9		

AS PER OUR REPORT ATTACHED

For **A PURI & ASSOCIATES**

Chartered Accountants

RAJESH KUMAR JAIN

Partner

Membership No. 095764

Place : New Delhi

Dated : 29th September, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA

Director

SANDEEP GUPTA

Director

NIKHIL SETHI
(Company Secretary)

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE, 2009

	Current Year (Rupees)	Previous Year (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	17,993,058	1,278,216
Adjustments for:		
Interest Income	(18,332,248)	(3,293,115)
Income from Investment - Dividends	-	(3,198,044)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(339,190)	(5,212,943)
Adjustments for changes in working capital :		
- (Increase)/Decrease in Other Receivables	33,262	(33,262)
- Increase/(Decrease) in Trade and Other Payables	529,599	56,180
CASH GENERATED FROM OPERATIONS	223,671	(5,190,025)
- Taxes (Paid) / Refund Received {Net of withholding taxes(TDS)}	(1,864,660)	-
NET CASH FROM OPERATING ACTIVITIES	(1,640,989)	(5,190,025)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in Progress (increase)/ decrease	(2,941,635)	-
Interest Received (Revenue)	14,885,915	-
Dividend Received	-	3,198,044
NET CASH USED IN INVESTING ACTIVITIES	11,944,280	3,198,044
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	250,100,000
NET CASH USED IN FINANCING ACTIVITIES	-	250,100,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,303,291	248,108,019
CASH AND CASH EQUIVALENTS - OPENING	248,108,019	-
CASH AND CASH EQUIVALENTS - CLOSING	258,411,310	248,108,019

NOTES:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement.
- Cash and Cash Equivalents at the end of the year consist of cash in hand and Balance with Banks as follows:

	As at 30th June 2009	As at 31st March 2008
Cash in hand	1,041	-
Balance with Scheduled Banks	258,410,269	248,108,019
	258,411,310	248,108,019

AS PER OUR REPORT ATTACHED

For **A PURI & ASSOCIATES**
Chartered Accountants

RAJESH KUMAR JAIN
Partner
Membership No. 095764

Place : New Delhi
Dated : 29th September, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

NIKHIL SETHI
(Company Secretary)

AUDITORS' CERTIFICATE

"This is the Cash Flow Statement referred to in our report of even date"

For **A PURI & ASSOCIATES**
Chartered Accountants

RAJESH KUMAR JAIN
Partner
Membership No. 095764

Place : New Delhi
Dated : 29th September, 2009

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT JUNE 30, 2009 AND PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Year (Rupees)	Previous Year (Rupees)
1 SHARE CAPITAL		
AUTHORISED		
7,50,00,000 Equity Shares of Rs 10 each	<u>750,000,000</u>	<u>750,000,000</u>
ISSUED,SUBSCRIBED AND PAID UP	<u>250,100,000</u>	<u>250,100,000</u>
25,010,000* Equity Shares of Rs 10 each fully paid up		
<i>* out of the above 25,009,990 Equity Shares are held by Asian Hotels Limited (AHL), the Holding Company and 10 Equity Shares are held by Asian Hotels Limited (AHL), the Holding Company jointly with a nominee of AHL</i>		
	<u>250,100,000</u>	<u>250,100,000</u>
2. CAPITAL WORK IN PROGRESS		
Incidental expenses pending capitalisation		
– Legal & Professional Charges	<u>1,281,500</u>	–
– Bank Guarantee Expenses	<u>1,660,135</u>	–
	<u>2,941,635</u>	–
3. NET DEFERRED TAX ASSET		
Tax Asset due to timing difference in respect of :		
Preliminary Expenses	<u>13,609</u>	<u>17,996</u>
	<u>13,609</u>	<u>17,996</u>
4 CURRENT ASSETS, LOANS & ADVANCES		
CASH & BANK BALANCES		
Cash in hand	<u>1,041</u>	–
With Scheduled Bank		
– In Current Account	<u>178,913</u>	<u>108,019</u>
– Fixed Deposits	<u>258,231,356</u>	<u>248,000,000</u>
	<u>258,411,310</u>	<u>248,108,019</u>
OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	<u>2,379,661</u>	<u>3,293,115</u>
	<u>2,379,661</u>	<u>3,293,115</u>
LOANS & ADVANCES		
Unsecured, Considered good		
Advances recoverable in cash or in kind or for value to be received*	–	<u>33,262</u>
Advance Income Tax	<u>6,224,447</u>	–
	<u>6,224,447</u>	<u>33,262</u>
<i>*includes</i>		
<i>Due from Asian Hotels Limited, the Holding Company</i>	–	<u>33,262</u>
<i>Maximum Balance due during the period</i>	<u>33,262</u>	<u>5,051,838</u>
5. CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Other Liabilities*	<u>585,779</u>	<u>56,180</u>
	<u>585,779</u>	<u>56,180</u>
<i>*includes</i>		
<i>Due to Asian Hotels Limited, the Holding Company</i>	<u>505,894</u>	–
PROVISIONS		
For Income Tax	<u>7,364,660</u>	<u>1,064,660</u>
	<u>7,364,660</u>	<u>1,064,660</u>

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT JUNE 30, 2009 AND PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Year (Rupees)	Previous Year (Rupees)
6. INTEREST INCOME		
From: Bank*	<u>18,332,248</u>	<u>3,293,115</u>
	<u>18,332,248</u>	<u>3,293,115</u>
* Tax deducted at source	<u>4,359,787</u>	-
7. ADMINISTRATIVE AND OTHER EXPENSES		
Legal and Professional Charges	159,033	43,738
Payment to Auditors		
– As Audit Fee	75,000	50,000
– As reimbursement of service tax	7,725	6,180
Rates & Taxes	-	4,964,250
Printing & Stationary	-	750
Postage	355	102
Conveyance Expenses	593	-
Travelling expenses	4,214	-
Entertainment Expenses	1,295	-
Tender Fees	75,500	-
Preliminary Expenses	-	72,798
Miscellaneous Expenses	<u>2,770</u>	-
	<u>326,485</u>	<u>5,137,818</u>
8. FINANCE CHARGES		
Bank Charges	<u>12,705</u>	<u>75,125</u>
	<u>12,705</u>	<u>75,125</u>
9. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES		
I. SIGNIFICANT ACCOUNTING POLICIES		
1. Basis of preparation		
The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.		
2. Use of Estimates		
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.		
3. Revenue Recognition		
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.		
Interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.		
4. Retirement benefits		
There being no employees in the Company no charge has been made to Profit and Loss account on account of Retirement benefit costs.		
5. Taxation		
(i) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.		
(ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.		

(iii) At each balance sheet date the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

6. Capital Work in progress

Incidental Expenses pending Capitalisation

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account.

7. Borrowing costs

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

8. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

9. Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

10. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

11. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and cash /cheques in hand and short term deposits with Banks.

II. CONTINGENT LIABILITIES AND NOTES

12. As per information available with the management and as certified by them, there is no contingent liability as at June 30, 2009.
13. (i) The Company during the period made a bid to Delhi International Airport (P) Limited (DIAL) for the proposal of development of asset area 4 (Upscale and Mid Market Hotel) at the Delhi International Airport site. The bid was awarded to the Company by DIAL by issuing Letter of Award dated May 5, 2009 and thereafter Company entered into with DIAL, a Development Agreement (dated 4th July, 2009). Under the said Agreement the Company has the right to operate the hotel till May 02, 2036 extendable upto May 02, 2066 in terms of the Agreement for which the Company has to pay an annual license fee as stipulated in the Agreement. Also the Company has to pay an interest free security deposit aggregating Rs. 1,274,226,052 in three stipulated tranches within first year of the Agreement, refundable at the expiry of the term of the said Agreement. In addition to above the Company also entered into an 'Infrastructure Development and Service Agreement' with DIAL on 4th July, 2009, for the use of infrastructure facilities and services being developed by DIAL, for which the Company has to pay a development cost aggregating to Rs. 635,800,000, in three stipulated tranches within first year of the Agreement.
(ii) Capital Work in Progress represents the incidental expenses incurred directly or indirectly in relation to the abovementioned hotel project.
14. As per the information available and explanations provided to us and as certified by the Management there are no amounts due to any Micro, Small and Medium Enterprises which are outstanding for more than 45 days together with interest at the Balance Sheet date as defined under the Micro, Small and Medium Enterprise Development Act, 2006.
15. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the management there is no reduction in value of any assets.
16. (i) Provision for income tax liability is estimated at the income tax rate applicable as per provisions of the Income Tax Act, 1961.
(ii) There is no Fringe Benefit Tax liability on the Company in the absence of any employees as per the provisions of the Income Tax Act, 1961.
17. The Company is yet to appoint a Managing or Whole time Director or a Manager as required under provisions of section 269 of the Companies Act, 1956.
18. The Company entered into a Memorandum of Understanding (MOU) on 15th October, 2008 with CLG Hotels & Resorts Private Limited (CLG) to purchase the 25% Equity Shares of Edenpark Hotels Private Limited held by CLG. As per the terms of MOU the Company paid an interest free advance of Rs. 20 crores to CLG. However, this MOU was terminated on 23rd January, 2009 keeping in view the bid for development of an independent FIVE STAR HOTEL as mentioned in Note 13(i) above. Thereafter, the interest free advance of Rs. 20 crores was received back by the Company.

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

19. The Company is a subsidiary of Asian Hotels Limited (AHL). The Board of Directors of AHL, during the prior years, had approved a Scheme of Arrangement and Demerger (the Scheme) between AHL (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I); and Vardhman Hotels Limited (Transferee Company-II) in accordance with Section 391 to 394 of the Companies Act, 1956, subject to modifications, if any, as may be required in consultation with the legal advisors and financial consultants. The Scheme envisages trifurcation of AHL into three undertakings namely, the Delhi Undertaking, Mumbai Undertaking and Kolkata Undertaking. In terms of the Scheme the Company is to be a part of the Mumbai Undertaking. The Scheme as approved by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide its orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the AHL with Transferee Company I & Transferee II on 27th May, 2009. In response to the above, the Hon'ble High Court vide its order dated 29th May, 2009, while staying the effect and implementation of the Scheme, directed the Transferor Company to seek approval of its equity shareholders. However, in August, 2009, yet another joint application was made for further amendment to the Scheme seeking the Appointed Date to be 15th October, 2009 and the Hon'ble High Court vide order dated 31st August, 2009 directed AHL to obtain approval of its equity shareholders by convening a meeting on 28th January, 2010. After the Scheme is approved by the equity shareholders of the Transferor Company and by the Hon'ble High Court, the Scheme shall become effective the day Hon'ble High Court's order is filed with the Registrar of Companies, NCT of Delhi and Haryana.

20. Related Party Disclosure

- a) Parties which significantly influence the Company (either individually or with others) Asian Hotels Limited, the Holding Company
 b) Details of Related Party Transactions during the year :

	Holding Company*		Enterprise owned by Directors with their relatives**	
	Current Year (Rupees)	Previous Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)
Issue of Shares	-	250,000,000	-	-
Advances given	-	33,262	200,000,000	-
Loans and Advances received	500,000	-	200,000,000	-
Expenses/Payment on behalf of the Company	5,894	5,066,738	-	-
Receivables	-	33,262	-	-
Payables	505,894	-	-	-

*Holding Company

- Asian Hotels Ltd

**Enterprise owned by Directors with their relatives

- CLG Hotels and Resorts Pvt Ltd

21. Computation of earnings per share

Profit after tax as per Profit & Loss A/c	Rs	11,688,671	231,552
No of equity shares outstanding	Nos	25,010,000	25,010,000
Nominal value per share	Rs	10	10
Earnings per share - basic	Rs	0.47	0.01
Earnings per share - diluted	Rs	0.47	0.01

22. Current year figures are for 15 months i.e. from April 1, 2008 to June 30, 2009, hence not comparable with prior year figures, which are for 12 months i.e. from April 1, 2007 to March 31, 2008.

23. Prior year figures have been regrouped and rearranged wherever necessary.

Schedule 1 to 9 form an integral part of the Balance Sheet as at June 30, 2009 and the Profit & Loss Account for the period ended on that date.

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

NIKHIL SETHI
(Company Secretary)

Place : New Delhi
Dated : 29th September, 2009

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 12009

Balance Sheet date 30.06.2009

State Code 055

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	Total Assets
262020	262020

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
250100	11920	NIL	NIL

Application of Funds

Net Fixed Assets	Investments	Net Current Assets (includes deferred tax)	Misc. Expenditure	Accumulated Losses
2942	NIL	259079	NIL	NIL

IV. Performance of Company (Amount in Rs. thousands)

Turnover	Total Expenditure	Earnings per share in Rs.
18332	339	0.47
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
17993	11689	NIL

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
N.A.	Setting up and operating Hotel

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Director

SANDEEP GUPTA
Director

NIKHIL SETHI
(Company Secretary)

Place : New Delhi
Dated : 29th September, 2009

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

FIRST ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

SUSHIL GUPTA
SHIV JATIA
UMESH SARAF

AUDITORS

M/S A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS

IDBI BANK LIMITED

REGISTERED OFFICE

1A, VANDHNA, 11, TOLSTOY MARG, NEW DELHI - 110001

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting their First Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2008 (i.e. period commencing from 11th May, 2007 and ending 31st March, 2008).

OBJECTS, OPERATIONS & FINANCIAL RESULTS

During the year under review, your Company altered its objects to include hotel business and other activities related with hospitality industry as its main objects. In line with the change in its main objects, the Company changed its name from ARIA CONSULTANCY SERVICES INDIA PRIVATE LIMITED to ARIA HOTELS AND CONSULTANCY SERVICES PRIVATE LIMITED. The Company also increased its authorized share capital from Rupees five lacs to Rupees seventy five crores, and made an offer to its holding company to subscribe up-to 2,50,00,000 equity shares of Rs.10/- each for cash at par aggregating to Rs. 25,00,00,000/-, which were allotted to the holding company on 10th November, 2007.

During the period under review, the Company made a profit before tax of Rs.12.78 lac and after providing for tax of Rs. 10.65 lac and deferred tax of Rs. (0.18) lac, the profit after tax worked out to Rs. 2.31 lac. The Directors propose no appropriation to the credit of general reserves or towards dividend.

DIRECTORS

Mr. Sushil Kumar Gupta was appointed as additional director in pursuance of Section 260 of the Act, with effect from 16th August, 2007. Further, Mr. Shiv Kumar Jatia and Mr. Umesh Saraf were also appointed as additional directors effective 24th September, 2007. In accordance with the provisions of Section 260 of the Act, read with Article 20 of the Articles of Association of the Company, the above-named additional directors are liable to hold office up to the ensuing annual general meeting. The Company has received separate notices under Section 257 of the Act proposing their candidature for appointment as director of the Company, and accordingly, appropriate proposals for the appointment of Mr. Sushil Kumar Gupta, Mr. Shiv Kumar Jatia and Mr. Umesh Saraf respectively are included in the notice convening the ensuing annual general meeting.

Ms. Jasleen Virdhi and Ms. Anuradha Malhan, the first directors of the Company resigned from their office with effect from 17th August, 2007 and 10th June, 2008 respectively.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to section 217 (2AA) of the Act, your Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March, 2008, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. A. Puri & Associates, Chartered Accountants, the present auditors of the Company, retire at the forthcoming annual general meeting and are eligible for re-appointment. The Company has received a certificate under section 224 (1B) of the Act, to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Act.

For and on Behalf of the Board

Place : New Delhi
Dated : 21st June, 2008

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

AUDITORS' REPORT

Auditor's Report to the Members of **ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED.**

We have audited the attached Balance Sheet of **ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED** as at 31st March 2008, the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008; and
 - b) in the case of the Profit and Loss Account of the **Profit** for the period ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

Place : NEW DELHI
Dated : 21st June, 2008

For & on Behalf of
A. PURI & ASSOCIATES
Chartered Accountants
Rajesh Kumar Jain
Partner
Membership No.: 095764

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

ANNEXURE TO THE AUDITOR'S REPORT OF ARIA HOTELS & CONSULTANCY SERVICES PRIVATE LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2008

1. The Company does not have any fixed assets, hence the provisions of clause 4(i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. As the Company does not have any inventory, the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. As informed to us, the Company has not taken / granted any loan, secured or unsecured, from / to companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Companies Act, 1956, the particulars of which are required to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. As the Company is not a listed Company and / or does not have a paid up capital and reserves exceeding Rs 50 lakhs as at the commencement of the financial year concerned, or does not have an average annual turnover exceeding Rs 5 crores for a period of three consecutive financial years, immediately preceding the financial year concerned, the provisions of clause 4 (vii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
8. The Central Government has not prescribed for the Company the maintenance of cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956 and hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
9. a) According to the records of the Company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it .
According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.
9. b) According to the records of the Company examined by us and according to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. Since the Company has been registered for a period of less than five years, the provisions of clause 4 (x) of Companies (Auditor's Report) Order 2003, are in our opinion, not applicable to the Company.
11. As the Company has no amount due to any financial institution, bank or debenture holder, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society, hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions and hence the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. As the Company has not raised any term loans for any purpose, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
17. As the Company has not raised any short term or long term loans for any purpose, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
18. As the Company made no preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money by public issue the provisions relating to end use thereof as per clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For & on Behalf of
A. PURI & ASSOCIATES
Chartered Accountants

Rajesh Kumar Jain
Partner
Membership No.: 095764

Place : NEW DELHI
Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	Current Period (Rs)
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	1	250,100,000
RESERVES & SURPLUS		
Profit & Loss Account		<u>231,552</u>
		<u>250,331,552</u>
APPLICATION OF FUNDS		
DEFERRED TAX ASSET		
	2	17,996
CURRENT ASSETS, LOANS & ADVANCES		
Cash & Bank Balances	3	248,108,019
Loans & Advances		<u>3,326,377</u>
		251,434,396
Less: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	4	(56,180)
Provisions		<u>(1,064,660)</u>
NET CURRENT ASSETS		<u>250,313,556</u>
		<u>250,331,552</u>
SIGNIFICANT ACCOUNTING POLICIES & CONTINGENT LIABILITIES AND NOTES		
	7	

"AS PER OUR REPORT ATTACHED"

ON BEHALF OF THE BOARD OF DIRECTORS

For & on Behalf of
A. PURI & ASSOCIATES
Chartered Accountants

RAJESH KUMAR JAIN
Partner

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

PROFIT & LOSS ACCOUNT FOR THE PERIOD 11TH MAY, 2007 (i.e. Date of Incorporation) TO 31ST MARCH, 2008

	Schedule	Current Year (Rs)
INCOME		
Dividend Received		3,198,044
Interest Income	5	<u>3,293,115</u>
		6,491,159
EXPENDITURE		
Administrative & Other Expenses	6	5,212,943
		<u>5,212,943</u>
PROFIT BEFORE TAX		1,278,216
Provision for Taxation		1,064,660
Deferred Tax Asset Created		(17,996)
PROFIT AFTER TAX		<u>231,552</u>
PROFIT CARRIED OVER TO BALANCE SHEET		<u>231,552</u>
Earning per share		
– basic		0.02
– diluted		0.02
SIGNIFICANT ACCOUNTING POLICIES & NOTES		
	7	

"AS PER OUR REPORT ATTACHED"

ON BEHALF OF THE BOARD OF DIRECTORS

For & on Behalf of
A. PURI & ASSOCIATES
Chartered Accountants

RAJESH KUMAR JAIN
Partner

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Current Period (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES	
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	1,278,216
Adjustments for:	
Depreciation	-
Interest & Finance Expense	-
Interest Income	(3,293,115)
Income from Investment - Dividends	(3,198,044)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>(5,212,943)</u>
Adjustments for changes in working capital :	
- (Increase)/Decrease in Sundry Debtors	-
- (Increase)/Decrease in Other Receivables	(33,262)
- (Increase)/Decrease in Inventories	-
- Increase/(Decrease) in Trade and Other Payables	56,180
CASH GENERATED FROM OPERATIONS	<u>(5,190,225)</u>
- Taxes (Paid) / Received {Net of withholding taxes(TDS)}	-
NET CASH USED IN OPERATING ACTIVITIES	<u>(5,190,025)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets	
Additions during the period	-
Proceeds from Sale of fixed assets	-
Proceeds from Sale of investments	-
Interest Received (Revenue)	-
Dividend Received	3,198,044
NET CASH GENERATED FROM INVESTING ACTIVITIES	<u>3,198,044</u>
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issuance of share capital	250,100,000
Proceeds from long term borrowings	
RECEIPTS	-
PAYMENTS	-
Proceeds from short term borrowings	
RECEIPTS	-
PAYMENTS	-
Interest Paid	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>250,100,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>248,108,019</u>
CASH AND CASH EQUIVALENTS - OPENING	-
CASH AND CASH EQUIVALENTS - CLOSING	<u>248,108,019</u>

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India
- Cash and Cash Equivalents at the end of the year consist of cash in hand and Balance with Banks and are net of short term loans and advances from banks as follows:

	As at 31st March 2008
Cash, Cheques & Drafts (in hand) and Remittances in transit	-
Short term loans and advances from banks	-
Balance with Scheduled Banks	248,108,019
	<u>248,108,019</u>

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

AUDITORS' CERTIFICATE

"This is the Cash Flow Statement referred to in our report of even date"

RAJESH KUMAR JAIN

Partner

For & On Behalf of

A. Puri & Associates

Chartered Accountants

Place : New Delhi

Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND PROFIT & LOSS ACCOUNT FOR THE PERIOD 11TH MAY, 2007 (i.e Date of Incorporation) TO 31ST MARCH, 2008

Current Period
(Rs.)

1. SHAREHOLDERS FUND

SHARE CAPITAL

AUTHORISED

7,50,00,000 Equity Shares of Rs 10 each

750,000,000

ISSUED,SUBSCRIBED AND PAID UP

250,10,000* Equity Shares of Rs 10 each fully paid up

250,100,000

250,100,000

* out of the above 25,009,990 Equity Shares are held by Asian Hotels Limited (AHL), the Holding Company and 10 Equity Shares are held by Asian Hotels Limited (AHL), the Holding Company jointly with a nominee of AHL (pursuant to section 49(3) of the Companies Act, 1956.)

2. NET DEFERRED TAX ASSET/ (LIABILITY)

Tax Asset / (liability) due to timing difference on account of :

Preliminary Expenses

17,996

17,996

3. CURRENT ASSETS, LOANS & ADVANCES

CASH & BANK BALANCES

Cash in hand

—

With Scheduled Banks

— In Current Accounts

108,019

— Fixed Deposits

248,000,000

248,108,019

LOANS & ADVANCES

Advances Recoverable in cash or in kind or for value to be received*

33,262

Interest accrued on Fixed Deposits

3,293,115

3,326,377

* includes

Due from Asian Hotels Limited, the Holding Company

33,262

Maximum Balance due during the year

5,051,838

4. CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Other Liabilities

56,180

56,180

PROVISIONS

Income Tax

1,064,660

1,064,660

5. INTEREST INCOME

From :

— Bank

3,293,115

3,293,115

6. ADMINISTRATIVE AND OTHER EXPENSES

Legal and Professional Charges

43,738

Amortization of Preliminary Expenses

72,798

Payment to Auditors

— As Audit Fee

50,000

— As reimbursement of service tax

6,180

Bank charges

75,125

Rates & Taxes

4,964,250

Printing & Stationary

750

Postage

102

5,212,943

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

7. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES

I. SIGNIFICANT ACCOUNTING POLICIES

1. System Of Accounting

The financial statements have been prepared to comply in all material respects in respect with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Recognition of Income and Expenditure

All income and expenses have been accounted for on accrual basis.

4. Taxation

(i) Provision for income tax liability is estimated at the income tax rate applicable for the financial year as per provisions of the Income Tax Act, 1961.

(ii) No provision for fringe benefit tax is required to be made as per the provisions of Income Tax Act, 1961.

(iii) Deferred tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax basis of assets and liabilities and their carrying amounts for the financial reporting purposes. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets and liability are measured at the rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates (and the tax laws) that have been enacted or subsequently enacted at the Balance Sheet date.

5. Earnings per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

6. Preliminary Expenses

Preliminary expenses representing the expenses incurred for the incorporation of the Company has been fully written off during the period in accordance with the Accounting Standards 26 on " Intangible assets " .

7. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event ;it is probable that an outflow of resources will be required to settle the obligation , in respect of which a reliable estimate can be made.Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

8. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and cash /cheques in hand and short term deposits with Banks.

II. CONTINGENT LIABILITIES AND NOTES

9. As per the information available with the management and as certified by them, there is no outstanding Capital Commitment as on 31st March, 2008.

10. As per information available with the Company and as certified by the Management, there is no amount due to any Small Scale Industrial Undertaking as on 31st March, 2008.

11. As per the information available and explanations provided to us and as certified by the Management there are no amounts due to Micro, Small and Medium Enterprises which are outstanding for more than 45 days together with interest at the Balance Sheet date as defined under the Micro, Small and Medium Enterprise Development Act, 2006.

12. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on " Impairment of Assets " since in the opinion of the management there is no reduction in value of any assets.

13. Investment bought/ subscribed and sold or redeemed during the year :

24,530,999 Units of HSBC Cash Fund of Rs.250,044,379

31,781,032 Units of HSBC Liquid Fund of Rs.318,198,048

14. Related Party Disclosure

a) Parties which significantly influence the company (either individually or with others)

(i) Asian Hotels Limited, the Holding Company

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

b) Related Party Transactions

Holding Company
Current Period
(Rs.)

Issue of Shares	250,000,000
Advances Given	33,262
Reimbursement of expenses	5,066,738
Receivables	33,262

15. During the year , the company changed its name from Aria Consultancy Services India Pvt Ltd to Aria Hotels and Consultancy Services Pvt.Ltd. so that the name is in consonance with the main objects to be pursued by the Company.

16. Computation of Earning per Share

Profit after tax as per Profit & Loss Account	Rs	231,552
No of equity shares outstanding	Nos	11,909,816
Nominal value per share	Rs	10
Earning per share - basic	Rs	0.02
Earning per share - diluted	Rs	0.02

17. The Company is in the process of selecting a suitable candidate to be appointed as a Wholetime Company Secretary as is required under the statutory provisions of the Companies Act, 1956.

18. The Company has not yet appointed a Managing Director as is required under the statutory provisions of the Companies Act, 1956 as the Company has not yet started its operations.

19. Since the Company was incorporated on 11th May ,2007, this being the first year of operations of the Company, comparative figures for previous year are not available.

Schedule 1 to 7 form an intregal part of the Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the period ended on that date.

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Reg No. U74140DL200PTC163275

Balance Sheet date 31.03.2008

State Code 055

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
NIL	NIL	Nil	250100

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	Total Assets
250332	250332

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
250100	232	Nil	Nil

Application of Funds

Net Fixed Assets	Investments	Net Current Assets (after adjustment of deferred tax liability)	Misc. Expenditure	Accumulated Losses
NIL	NIL	250332	Nil	Nil

IV. Performance of Company (Amount in Rs. thousands)

Turnover	Total Expenditure	Earnings per share in Rs.
6491	5213	0.02
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
1278	232	Nil

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
N.A.	Owning & operating Hotels and Consultancy Services. However, the Company has not commenced any operations

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

BOARD OF DIRECTORS

SURENDER JAI NARAYAN KAPUR
FARHATH SURENDER KAPUR
JOY S. KAPUR
UMESH SARAF
AMIT SARAF
BIMAL KUMAR JHUNJHUNWALA
AMIT MODI

AUDITORS

M/S V. VAIDYANATHAN & CO.
CHARTERED ACCOUNTANTS

BANKERS

NEW INDIA CO-OPERATIVE BANK LIMITED

REGISTERED OFFICE

1A, VANDHNA, 11, TOLSTOY MARG, NEW DELHI - 110001

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Fifteenth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2009.

OBJECTS, OPERATIONS & FINANCIAL RESULTS

During the period under review, Asian Hotels Limited, an existing shareholder of the Company acquired 16,652 equity shares of the Company from Mr M H Merchant and Mr Tanveer Merchant. With the acquisition of the shares, Asian Hotels Limited's holding became 58.994% possessing 91,652 equity shares and consequently your Company has become a subsidiary of Asian Hotels Limited.

The Company has not started commercial operations till date. The Company has handed over the property to the Government and as per the understanding with the Government the land will be leased back to the Company for its operations. The administrative expenses to the extent of Rs 2,79,941/- have been capitalized with the property at Sahar, Mumbai.

The Registered Office of the Company was shifted from C-37, Atmaram House, Connaught Place, New Delhi-110001 to 1A, Vandhna Building, 11 Tolstoy Marg, New Delhi-110001.

STATUS OF SCHEME OF ARRANGEMENT AND DEMERGER

Your Company is a subsidiary of Asian Hotels Limited and accordingly has become a part of '**Kolkata Undertaking**' as defined in the Scheme of Arrangement and De-merger (The Scheme) between Asian Hotels Limited (Transferor Company) and its shareholders and creditors; Chillwinds Hotels Limited (Transferee Company-I) and its shareholders; and Vardhman Hotels Limited (Transferee Company-II) and its shareholders as sanctioned by the High Court of Delhi vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008, was further sought to be amended vide joint application made by the Company on 27th May, 2009.

In response to the above, the Hon'ble Court vide its Order dated 29th May, 2009 directed the Transferor Company to seek approval of its equity shareholders by convening a meeting on 30th September, 2009. The said Court also stayed the effect and implementation of the Scheme approved vide its Order dated 29th February, 2008 and amended vide its Orders dated 9th April, 2008 and 18th August, 2008. One of the major amendments sought related to introduction of 31st July, 2009 as 'the Appointed Date' under the Scheme.

However, in August, 2009, the Company made yet another joint application for further amendment to the Scheme shifting the Appointed Date to 15 October, 2009, and the Hon'ble Court was pleased to accept the said application and directed that the equity shareholders' meeting of the Transferor Company be convened on 28th January, 2010. Once the Scheme is approved by the equity shareholders of the Transferor Company, and by the said Court, the Scheme shall become effective the day Court's Order is filed with the Registrar of Companies, NCT of Delhi & Haryana.

Upon the Scheme becoming effective, the '**Kolkata Undertaking**' shall stand demerged from the Transferor Company and be vested in Transferee Company-II, without any further deed or act, together with all properties, assets, rights, benefits and interest therein, subject to existing charges or lis pendens and the Company, immediately after the Scheme is effective, shall become a wholly owned subsidiary of Transferee Company II, which would be post effectiveness of the scheme, be re-named as M/s Asian Hotels (East) Limited.

DIRECTORS

During the period under review, Mr. Amit Saraf and Mr Bimal Kumar Jhunjunwala were appointed as Additional Directors of the Company w.e.f. 31/10/2008 under Section 260 of the Companies Act, 1956 read with Article 11 of the Articles of Association of the Company. Both Mr. Amit Saraf and Mr Bimal Kumar Jhunjunwala vacate office in terms of Section 260 of the Companies Act, 1956 at the forthcoming Annual General Meeting of the Company. It is proposed to re-appoint them as Directors, liable to retire by rotation and resolutions to this effect are being moved at the Company's forthcoming Annual General Meeting.

Mr Sushil Gupta and Mr Shiv Kumar Jatia ceased to become the Directors of the Company w.e.f. 31/10/2008 in view of their resignation. The Board places on record its appreciation for the services rendered by Mr Sushil Gupta and Mr Shiv Kumar Jatia during their tenure as Directors of the Company.

In accordance with the provisions of Section 256 of the Companies Act, 1956 Mr. Surendra Jai Narayan Kapur and Mrs Farhath Surendra Kapur, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for re-appointment. Your Directors recommend their appointment to the Board in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

REGENCY CONVENTION CENTRE AND HOTELS LIMITED _____

- that in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. V. Vaidyanathan & Co., Chartered Accountants, the present auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible for re-appointment. The Company has received a certificate under Section 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made, will be in accordance with the limits specified in the said section.

COMPLIANCE CERTIFICATE UNDER THE COMPANIES ACT, 1956

A certificate issued by M/s. A. Chadha & Associates, Company Secretaries, in terms of proviso to Section 383A(1) of the Companies Act, 1956 is attached to this report.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Dated : 1st September, 2009

UMESH SARAF
Director

AMIT MODI
Director

S N KAPUR
Director

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

A. CHADHA & ASSOCIATES

Company Secretaries
29 A/I Asaf Ali Road, New Delhi - 110 002
Phone: 2323-1847

COMPLIANCE CERTIFICATE

The Members,
Regency Convention Centre & Hotels Limited,
C/o 1-A Vandhna Building
Tolstoy Marg,
New Delhi-110001.

We have examined the registers, records, books and papers of Regency Convention Centre & Hotels Limited, as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure-A to this certificate.
2. The Company has filed forms and returns as stated in Annexure-B to this certificate, with the Registrar of Companies.
3. The Company being a public Company has the minimum prescribed paid-up capital.
4. The board of Directors met on
 - a) 04.06.08
 - b) 04.07.08
 - c) 31.10.08
 - d) 18.03.09and the proceedings were recorded and signed in the Minute Books.
5. As informed to us the Company has not closed its register of member during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.08 was held on 04.07.08.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors and /or persons or firms of Companies referred to in section 295 of the Act during the financial year.
9. The Company has not entered into any contract falling within the purview of section 297 of the Act during the financial year.
10. The Company has not entered into any contract requiring making of entries in the register under section 301 of the Act during the financial year.
11. The Company is not required to obtain approval under section 314 of the Act;
12. No duplicate share certificate has been issued during the financial year;
13.
 - a) There was no transfer / allotment of securities during the financial year.
 - b) The Company has not deposited any amount in separate bank account as no dividend was declared during the year.
 - c) In view of the above this clause is not applicable
 - d) The Company was not required to transfer any amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon as such there are no such sum which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - e) The Company has complied with the requirement of the section 217 of the Act;
14. The Board of Directors of the Company is duly constituted and the appointments/resignations of Directors were duly recorded.
15. The Company has not appointed any managing Director during the financial year.
16. The Company has not appointed any sole selling agent.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms, Companies.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As there is no preference/debentures so question of their redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not borrowed money falling within the provision of section 293(1) (d) of the act during the financial year.
25. The Company has not made any investment during the year.
26. The Company has not shifted its registered office from one state to another during the year.
27. The Company has not altered its Memorandum with respect to change in object clause.

REGENCY CONVENTION CENTRE AND HOTELS LIMITED _____

28. The Company has not altered its Memorandum with respect to change in name clause during the year.
29. The Company has not altered its Memorandum with respect to change in capital clause.
30. The Company has not altered its Articles during the year.
31. As informed to us there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for the offences under the Act.
32. The Company has not received any security from its employees under the provision of section 417(1) of the Act.
33. The Company has not deducted contribution towards provident fund during the financial year.

PLACE: New Delhi
DATE : 01.09.09

For A.Chadha & Associates
Company Secretaries

ARVIND CHADHA
Prop.
CP-3732

Annexure-A

Statutory registers as maintained by the Company

1. Register of Members
2. Minute Books under section 193
3. Register of Directors under section 303
4. Register of Directors share holding u/s 307

Annexure-B

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended 31.03.2009. (As per the records of Company)

Sl No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time	Whether If delay in filing
1.	Annual Return (form-20B)	159	04.07.08	28.08.08	Yes	No
2.	Balance Sheet (form 23AC and ACA)	220	31.03.08	01.08.08	Yes	No
3.	Compliance Certificate F-66	383A	31.03.08	22.08.08	No	Yes
4.	Form-32	303	11.03.08	04.08.08	No	Yes
			04.07.08	08.08.08	No	Yes
			04.07.08	21.08.08	No	Yes
			04.07.08	26.08.08	No	Yes
			04.07.08	01.09.08	No	Yes
			31.10.08	04.02.09	No	Yes

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

AUDITORS' REPORT

To,
The Shareholders,
REGENCY CONVENTION CENTRE & HOTELS LIMITED
New Delhi.

- I. We have audited the attached Balance Sheet of M/s. REGENCY CONVENTION CENTRE & HOTELS LIMITED as at 31st March, 2009. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- II. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes-
 - a) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
 - b) assessing the accounting principles used in the preparation of financial statements;
 - c) assessing the significant estimates made by the Management in the preparation of financial statements; and
 - d) evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

- III. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books of the Company.
- c) The Balance Sheet dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956.
- e) Based on the written representations made by the Directors of the Company and taken on record by the Board of Directors, the information and explanations as made available, the Directors of the Company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of Balance Sheet, of the state affairs of the Company as at 31st March, 2009.

For **V. Vaidyanathan & Co.**
Chartered Accountants

V. Vaidyanathan
(Partner)
Membership No. 017905

Place : Mumbai
Dated : 1st September, 2009

ANNEXURE TO THE AUDITORS REPORT:

(Referred to in paragraph (3) of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) Fixed assets

- a) The amount shown under investments in property represents the earnest money paid for the property and the expenditure incurred by the promoters on the property. The Company had handed over the property to the Government on December 2001. As per the understanding with the Government the land will be leased back to the Company for its operations. The expenditure incurred on this property till date is to be capitalized with the fixed assets. The administrative expenses to the extent of Rs. 2,79,941/- have been capitalized with the property during the year.
- b) None of the fixed assets have been revalued during the year.
- c) Since the Company does not have any other assets other than rights in the property referred to above, the question of maintenance of property records of its fixed assets showing full particulars, including quantitative details and their location or physical verification etc does not arise.

(ii) Loans & advances

- a) The project has been funded by M/s. Asian Hotels Limited an associate Company and an erstwhile Director by incurring expenses on Companies behalf. The amount due to them as on 31st March, 2009 was Rs. 1,01,62,138/- The Company has not taken any other loans, secured or unsecured loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 are/or from the Companies under the same management, as defined in section 370 1(B), the rate of interest or other terms and conditions on which are, prima facie prejudicial to the interest of the Company.
- b) There is an overdue amount of Rs. 84,770/- The amount appears to be doubtful of recovery. But no provision had been made in the accounts.

REGENCY CONVENTION CENTRE AND HOTELS LIMITED _____

(iii) Internal controls

- a) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(iv) Transaction with parties u/s 301

- a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register(s) maintained u/s. 301 of the Companies Act, 1956 (1 of 1956), and exceeding the value of Rs. five lakhs or more in respect of any party, during the year in respect of each party.

(v) Deposits

The Company has not accepted deposits from public within the meaning of Sec. 58A and 58AA of the Companies Act, 1956, and the rules framed there under.

(vi) Internal Audit

In our opinion, the Company has an internal audit system commensurate with its size and nature of its business;

(vii) Cost Records

The Company has not started commercial operations till date and hence the provision regarding maintenance of cost records u/s. 209(1) (d) of the Company Act, 1956 does not arise.

(viii) Statutory dues

- a) The Company has deposited with the appropriate authorities undisputed statutory dues applicable.
- b) According to the information and explanations given to us, there is no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty which are outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year, in repayment of dues to any financial institution, banks or debenture-holders.

(x) The Company has not granted any loans or advances on the basis of the security by way of pledge of shares, debentures and other securities.

(xi) The Company has not given guarantees for loans taken by others.

(xii) The Company has not raised any additional term loans during the year.

(xiii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

(xiv) According to the information and explanations given to us, during the year, the Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xv) The Company has not raised funds during the year by way of public issue or debenture issue.

(xvi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **V. Vaidyanathan & Co.**
Chartered Accountants

V. Vaidyanathan
(Partner)
Membership No. 017905

Place : Mumbai
Dated : 1st September, 2009

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31 March 2009	As at 31 March 2008
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS :			
Share Capital	1	1,553,570	1,553,570
Reserves & Surplus	2	—	—
TOTAL		1,553,570	1,553,570
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block	3	11,578,971	11,299,030
Less : Depreciation		—	—
Net Block		11,578,971	11,299,030
INVESTMENTS	4	—	—
<i>CURRENT ASSETS, LOANS & ADVANCES :</i>			
Cash/ Bank Balances	5	42,761	42,761
Loans & Advances	6	84,770	84,770
		127,531	127,531
<i>LESS: CURRENT LIABILITIES & PROVISIONS</i>			
Current Liabilities	7	10,198,432	9,918,491
Provisions		—	—
		10,198,432	9,918,491
NET CURRENT ASSETS		(10,070,901)	(9,790,960)
<i>MISCELLANEOUS EXPENDITURE</i>			
(To the extent not written off or adjusted)	8	45,500	45,500
TOTAL		1,553,570	1,553,570

AS PER OUR REPORT ATTACHED

For **V.Vaidyanathan & Co.**
Chartered Accountants

For **REGENCY CONVENTION CENTRE & HOTELS LIMITED**

UMESH SARAF
Director

AMIT MODI
Director

S N KAPUR
Director

Place : Mumbai
Dated : 1st September, 2009

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

SCHEDULE TO BALANCE SHEET

	Schedule	As at 31 March 2009	As at 31 March 2008
SHARE CAPITAL	1		
<i>Authorised</i>			
250000 Equity shares of Rs. 10 each		<u>2,500,000</u>	<u>2,500,000</u>
<i>Issued</i>			
155357 Equity shares of Rs. 10 each		<u>1,553,570</u>	<u>1,553,570</u>
<i>Subscribed and Paid-up</i>			
155357 Equity shares of Rs. 10 each fully paid-up		<u>1,553,570</u>	<u>1,553,570</u>
FIXED ASSETS			
Property at Sahar		11,299,030	11,216,079
Add: Expenses capitalised during the year			
Professional and legal fees		227,423	35,000
Travelling Expenses & Conveyance		15,570	13,070
Payment to Auditors as Audit fees		22,448	22,448
Filing Fees		14,500	10,653
Bank Charges		-	1,780
		<u>11,578,971</u>	<u>11,299,030</u>
CASH/ BANK BALANCES	5		
A. <i>Balance with Scheduled Banks in Current a/c</i>		1	1
New India Co-op Bank Ltd.		1	1
B. <i>Cash Balance</i>		42,760	42,760
Cash in hand		42,760	42,760
		<u>42,761</u>	<u>42,761</u>
LOANS & ADVANCES	6		
(Unsecured, Considered good)			
<i>Other Advances</i>			
Advances recoverable in cash or in kind		84,770	84,770
		<u>84,770</u>	<u>84,770</u>
Notes			
<i>Advance / Loans Outstanding for a period exceeding six months:</i>			
<i>Other Advances / Loans:</i>		84,770	84,770
<i>Of the above -</i>			
<i>Advances/Loans due by firms in which any Director is a Partner:</i>			
CURRENT LIABILITIES	7		
A. <i>Other Current Liabilities</i>		10,198,432	9,918,491
Creditors for expenses		26,438	43,315
Creditors for others		9,856	9,856
Asian Hotels Ltd (Associate Company)		5,546,354	5,249,536
M. H. Merchant		4,615,784	4,615,784
		<u>10,198,432</u>	<u>9,918,491</u>
MISCELLANEOUS EXPENDITURE	8		
<i>(to the extent not written-off)</i>			
<u>Preliminary Expenses</u>			
Balance b/f		45,500	45,500
Less: Amount written-off		-	-
		<u>45,500</u>	<u>45,500</u>

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

SCHEDULE "IX"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009.

1.0 SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on historical cost convention on the accrual basis based on Going Concern concept. Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

1.1 Fixed Assets:

The cost of land represents the earnest money paid for the property, the incidental expenditure, and the pre-operative expenditures capitalized. The Company has handed over the property to the Government. As per the understanding with the Government the land will be leased back to the Company for its operations. The expenditure incurred on this property till date is to be capitalized with fixed assets as preoperative expenditure to be written off on commencement of commercial operation.

1.2 Revenue Recognition:

Revenue is recognized when no significant uncertainty as to measurability or collectability exists.

1.3 Expenses:

Material known liabilities are provided for on the basis of available information/ estimates.

1.4 Income:

The Company has not started commercial operation till date.

1.5 Provision Of Retirement Benefits:

The Company is not liable for Provident Fund or any other retirement benefit.

1.6 Depreciation:

Since there are no assets other than the expenditures related to land referred to above no depreciation has been provided.

1.7 Foreign Currency Transactions:

The Company does not have any transactions involving foreign exchange during the year.

1.8 Amortization Of Expenses:

The deferred expenditure under the head Preliminary Expenses will be amortized at one fifth of the amount to be written off over five years.

1.9 Provision For Taxation:

Income tax is computed on the basis that taxes accrue in the same period, the related revenue and expenses arise. Since the Company has not commenced operations no provision has been made.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized. Since the Company has not commenced commercial operations and there is no loss or deferred expenditure during the current year the Company has not made any provisions for deferred taxation.

2.0 OTHER NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT:

2.1 Managerial Remuneration under Section 198 of the Companies Act, 1956 to the Directors (Value in lacs of Rs): NIL

2.2 Payment to Auditors (Value in lacs of Rs):

Particulars	Current year	Previous year
Amount paid or payable		
(a) as Auditors under Companies Act	22,448	22,448
(b) For Tax audit	0.00	0.00
(c) For Other services		
Total	22,448	22,448

2.3 The previous year's figures have been regrouped/recast wherever necessary to make them comparable.

2.4 Schedules I to IX form an integral part of Balance Sheet as at 31-03-2009.

AS PER OUR REPORT ATTACHED OF EVEN DATE

For V.Vaidyanathan & Co.
Chartered Accountants

For REGENCY CONVENTION CENTRE & HOTELS LIMITED

UMESH SARAF
Director

AMIT MODI
Director

S N KAPUR
Director

Place : Mumbai
Dated : 1st September, 2009

REGENCY CONVENTION CENTRE AND HOTELS LIMITED _____

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting here with their 14th Annual Report of the Company together with the audited statements of Accounts for the financial year ended 31st March, 2008.

PROJECT PROGRESS

The Company has incurred an expenditure of Rs. 0.83 Lacs on administrative overheads and site expenses, which are capitalized with the assets.

DIRECTORS

Mr Mohamed Merchant and Mr Tanvir Merchant Directors of the Company have resigned on, 25th October 2007. Mr. Mohamed Merchant and Mr. Tanvir Merchant were associated with the company its formative years.

In accordance with the relevant and overriding provisions of the Companies Act, 1956 two of the Directors of the Company viz. Mr. Sushil Gupta and Joy S. Kapur retire by rotation and, being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment.

AUDITORS

The Auditors of the Company, M/s. V. Vaidyanathan & Co., Chartered Accountants, retires at the conclusion of the ensuing Forteenth Annual General Meeting and, being eligible offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished under the Companies (Disclosure of particulars in the report of the Board of Directors) rules 1988.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

The Directors' state that:-

- in the preparation of annual accounts for the year ended 31st March, 2008, the applicable Accounting Standards have been followed along with proper explanation relating to any material departures;
- appropriate accounting policies were selected and applied consistently. Reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review and of the profit and loss of the company for that period;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts are prepared on a going concern basis;

The required disclosures and the significant policies are appearing in schedules to the annual accounts.

PERSONNEL

The Company has no employees of the category mentioned in Section 217 (2A) of the Companies Act, 1956.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Dated : 4th June, 2008

SUSHIL GUPTA
Director

S KAPUR
Director

UMESH SARAF
Director

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

AUDITORS' REPORT

To,
The Shareholders,
REGENCY CONVENTION CENTRE & HOTELS LIMITED
New Delhi.

- I. We have audited the attached Balance Sheet of M/s. REGENCY CONVENTION CENTRE & HOTELS LIMITED as at 31st March, 2008 and the Annexure annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- II. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes-
- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
 - assessing the accounting principles used in the preparation of financial statements;
 - assessing the significant estimates made by the Management in the preparation of financial statements; and
 - evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

- III. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books of the Company.
- The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
- In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956.
- Based on the written representations made by the Directors of the Company and taken on record by the Board of Directors, the information and explanations as made available, the Directors of the Company do not *prima facie* have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Act.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of Balance Sheet, of the state affairs of the Company as at 31st March, 2008.

For **V. Vaidyanathan & Co.**
Chartered Accountants

V. Vaidyanathan
(Partner)
Membership No. 017905

Place : Mumbai

ANNEXURE TO THE AUDITORS REPORT:

(Referred to in paragraph (3) of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) Fixed assets

- The amount shown under investments in property represents the earnest money paid for the property and the expenditure incurred by the promoters on the property. The Company had handed over the property to the Government on December 2001. As per the understanding with the Government the land will be leased back to the Company for its operations. The expenditure incurred on this property till date is to be capitalized with the fixed assets. The administrative expenses to the extent of Rs. 82,951/- have been capitalized with the property during the year.
- None of the fixed assets have been revalued during the year.
- Since the Company does not have any other assets other than rights in the property referred to above, the question of maintenance of proper records of its fixed assets showing full particulars, including quantitative details and their location or physical verification etc does not arise.

(ii) Loans & advances

- The project has been funded by M/s. Asian Hotels Limited an associate Company and an erstwhile Director by incurring expenses on Companies behalf. The amount due to them as on 31st March, 2008 was Rs. 98,65,320/- The Company has not taken any other loans, secured or unsecured loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 are/or from the Companies under the same management, as defined in section 370 1(B), the rate of interest or other terms and conditions on which are, prima facie prejudicial to the interest of the Company.
- There is an overdue amount of Rs. 84,770/- The amount appears to be doubtful of recovery. But no provision had been made in the accounts.

REGENCY CONVENTION CENTRE AND HOTELS LIMITED _____

(iii) Internal controls

- a) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(iv) Transaction with parties u/s 301

- a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register(s) maintained u/s. 301 of the Companies Act, 1956 (1 of 1956), and exceeding the value of Rs. five lakhs or more in respect of any party, during the year in respect of each party.

(v) Deposits

The Company has not accepted deposits from public within the meaning of Sec. 58A and 58AA of the Companies Act, 1956, and the rules framed there under.

(vi) Internal Audit

In our opinion, the Company has an internal audit system commensurate with its size and nature of its business;

(vii) Cost Records

The Company has not started commercial operations till date and hence the provision regarding maintenance of cost records u/s. 209(1) (d) of the Company Act, 1956 does not arise.

(viii) Statutory dues

- a) The Company has deposited with the appropriate authorities undisputed statutory dues applicable.
- b) According to the information and explanations given to us, there is no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty which are outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year, in repayment of dues to any financial institution, banks or debenture-holders.

(x) The Company has not granted any loans or advances on the basis of the security by way of pledge of shares, debentures and other securities.

(xi) The Company is not a chit fund or a *nidhi*, mutual benefit fund or society. Therefore the provisions of Clause 4(xiii) of Companies (Auditor's Report) order, 2003 are not applicable.

(xii) The Company has not given guarantees for loans taken by others.

(xiii) The Company has not raised any additional term loans during the year.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

(xv) According to the information and explanations given to us, during the year, the Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xvi) The Company has not raised funds during the year by way of public issue or debenture issue.

(xvii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Mumbai

For **V. Vaidyanathan & Co.**
Chartered Accountants

V. Vaidyanathan
(Partner)
Membership No. 017905

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31 March 2008	As at 31 March 2007
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS :			
Share Capital	I	<u>1,553,570</u>	<u>1,553,570</u>
TOTAL		<u>1,553,570</u>	<u>1,553,570</u>
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block	II	11,299,030	11,216,079
Less : Depreciation		-	-
Net Block		<u>11,299,030</u>	<u>11,216,079</u>
<i>CURRENT ASSETS, LOANS & ADVANCES :</i>			
Cash/ Bank Balances	III	42,761	44,540
Loans & Advances	IV	<u>84,770</u>	<u>84,770</u>
		<u>127,531</u>	<u>129,310</u>
<i>LESS: CURRENT LIABILITIES & PROVISIONS</i>			
Current Liabilities	V	9,918,490	9,837,319
Provisions		-	-
		<u>9,918,490</u>	<u>9,837,319</u>
NET CURRENT ASSETS		(9,790,960)	(9,708,009)
<i>MISCELLANEOUS EXPENDITURE</i>			
(To the extent not written off or adju:)	VI	45,500	45,500
TOTAL		<u>1,553,570</u>	<u>1,553,570</u>
Notes on Accounts	VII		

AS PER OUR REPORT ATTACHED

For **V.Vaidyanathan & Co.**
Chartered Accountants

For **REGENCY CONVENTION CENTRE & HOTELS LIMITED**

UMESH SARAF
Director

SUSHIL GUPTA
Director

S N KAPUR
Director

Place : Mumbai

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

SCHEDULE TO BALANCE SHEET

	Schedule	As at 31 March 2008	As at 31 March 2007
SHARE CAPITAL	I		
<i>Authorised</i>			
250000 Equity shares of Rs. 10 each		<u>2,500,000</u>	<u>2,500,000</u>
<i>Issued</i>			
155357 Equity shares of Rs. 10 each		<u>1,553,570</u>	<u>1,553,570</u>
<i>Subscribed and Paid-up</i>			
155357 Equity shares of Rs. 10 each fully paid-up		<u>1,553,570</u>	<u>1,553,570</u>
FIXED ASSETS	II		
Property at Sahar		<u>11,216,079</u>	10,885,364
Add: Expenses capitalised during the year			
Professional and legal fees		<u>35,000</u>	264,490
Travelling Expenses & Conveyance		<u>13,070</u>	38,552
Payment to Auditors as Audit fees		<u>22,448</u>	22,448
Filing Fees		<u>10,653</u>	2,630
FBT		-	2,595
<i>Bank Charges</i>		<u>1,780</u>	-
		<u>11,299,030</u>	<u>11,216,079</u>
CASH/ BANK BALANCES	III		
A. <i>Balance with Scheduled Banks in Current a/c</i>		<u>1</u>	1,780
New India Co-op Bank Ltd.		<u>1</u>	1,780
B. <i>Cash Balance</i>		<u>42,760</u>	42,760
Cash in hand		<u>42,760</u>	42,760
		<u>42,761</u>	<u>44,540</u>
LOANS & ADVANCES	IV		
(Unsecured, Considered good)			
<i>Other Advances</i>			
Advances recoverable in cash or in kind		<u>84,770</u>	84,770
		<u>84,770</u>	<u>84,770</u>
Notes			
<i>Advance / Loans Outstanding for aperiod exceeding six months:</i>		<u>84,770</u>	84,770
<i>Other Advances / Loans:</i>		-	-
CURRENT LIABILITIES	V		
<u>Other Current Liabilities</u>			
Creditors for expenses		<u>43,315</u>	45,933
Creditors for others		<u>9,856</u>	9,856
Asian Hotels Ltd (Associate Company)		<u>5,249,536</u>	5,200,746
M. H. Merchant (Director)		<u>4,615,784</u>	4,580,784
		<u>9,918,490</u>	<u>9,837,319</u>
MISCELLANEOUS EXPENDITURE	VI		
<i>(to the extent not written-off)</i>			
<u>Preliminary Expenses</u>			
Balance b/f		<u>45,500</u>	45,500
Less: Amount written-off		-	-
		<u>45,500</u>	<u>45,500</u>

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

SCHEDULE "VII"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008 AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

1.0 SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on historical cost convention on the accrual basis. Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

1.1 Fixed Assets:

The cost of land represents the earnest money paid for the property, the incidental expenditure, and the pre-operative expenditures capitalized. The Company has handed over the property to the Government. As per the understanding with the Government the land will be leased back to the Company for its operations. The expenditure incurred on this property till date is to be capitalized with fixed assets as preoperative expenditure to be written off on commencement of commercial operation.

1.2 Revenue Recognition:

Revenue is recognized when no significant uncertainty as to measurability or collectability exists.

1.3 Expenses:

Material known liabilities are provided for on the basis of available information/ estimates.

1.4 Income:

The Company has not started commercial operation till date.

1.5 Provision Of Retirement Benefits:

The Company is not liable for Provident Fund or any other retirement benefit.

1.6 Depreciation:

Since there are no assets other than the expenditures related to land referred to above no depreciation has been provided.

1.7 Foreign Currency Transactions:

The Company does not have any transactions involving foreign exchange during the year.

1.8 Amortization Of preliminary Expenses:

Preliminary expenses are to be amortised at one-tenth of the amount spent so as to write-off the same over ten years. There being no profit during the year, no amortization is done.

1.9 Provision For Taxation:

Income tax is computed on the basis that taxes accrue in the same period, the related revenue and expenses arise. Since the Company has not commenced operations no provision has been made.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realised. Since the company has not commenced commercial operations and there is no loss or deferred expenditure during the current year the company has not made any provisions for deferred taxation.

2.0 OTHER NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT:

2.1 Dues to Small Scale Industries:

As per the information available with the company, amount owed by the Company to small scale industrial undertakings of a sum exceeding Rs. one lakh in individual case and which is outstanding for more than 30 days. Rs. Nil (Previous year Rs. Nil)

2.2 SINCE THE COMPANY HAS NOT COMMENCED OPERATIONS PROVISION OF QUANTITATIVE INFORMATION WITH RESPECT TO QUANTITATIVE BREAK UP IN RESPECT OF OPENING AND CLOSING OF GOODS PRODUCED RAW MATERIALS CONSUMED DOES NOT ARISE.

2.3 EARNINGS/ EXPENDITURE IN FOREIGN EXCHANGE:

There was neither earnings nor expenditure in foreign exchange during the year

2.4 Managerial remuneration under section 198 of the Companies Act, 1956 to the directors: Nil

2.5 PAYMENT TO AUDITORS:

	Current year	Previous year
Amount paid or payable		
(a) as Auditors under Companies Act	22,448	22,448
(b) For Tax audit	-	-
(c) For Other services	-	-

2.6 The previous year's figures have been regrouped/ recast wherever necessary to make them comparable.

2.7 Schedules I to VII form an integral part of Balance Sheet as at 31-03-2008.

2.8 CONTINGENT LIABILITIES: Nil

AS PER OUR REPORT ATTACHED

For **V.Vaidyanathan & Co.**
Chartered Accountants

For **REGENCY CONVENTION CENTRE & HOTELS LIMITED**

V. Vaidyanathan
(Partner)

UMESH SARAF
Director

SUSHIL GUPTA
Director

S. N. KAPUR
Director

Place : Mumbai

ASIAN HOTELS LIMITED

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ASIAN HOTELS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN HOTELS LIMITED AND ITS SUBSIDIARY COMPANIES

1. We have examined the attached Consolidated Balance Sheet of **ASIAN HOTELS LIMITED, AND ITS SUBSIDIARY COMPANIES** as at 30th September 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the eighteen months period ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company had obtained approval of the Registrar of Companies, NCT of Delhi & Haryana for extension of accounting year to a period of 18 months from April 01, 2008 to September 30, 2009. However, Chillwind Hotels Limited, Vardhman Hotels Limited, Aria Hotels & Consultancy Private Limited and GJS Hotels Limited, wholly owned subsidiaries of the Company, finalised their respective accounts for the fifteen month period ended 30th June, 2009. Further, Regency Convention Centre and Hotels Limited, which became the Company's subsidiary during the period, finalised its accounts for the year ended 31st March, 2009. The subsidiaries have drawn their accounts for the eighteen months period ended 30th September, 2009 only to facilitate consolidation of their accounts with the holding Company as 'Fit for Consolidation' (FFC) accounts, duly approved by the respective Boards and certified by the Statutory Auditors of the respective subsidiaries. The Company's consolidated accounts as on 30th September, 2009 are based on the said FFC accounts.
4. We did not audit the financial statements of subsidiary companies whose financial statements reflect total assets of Rs.30138.23 Lakhs as at 30th September 2009, total revenues of Rs.212.60 Lakhs and net cash outflow of Rs 1533.61 Lakhs for the period ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiary companies are based solely on the report of the other auditors.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on 'Consolidated Financial Statements' and on the basis of the separate audited financial statements of Asian Hotels Limited and its subsidiary companies included in the consolidated financial statements.
6. We draw attention to Note (h) in Schedule 5 and Note 16 of Schedule 21 of the Consolidated Financial Statements regarding the goodwill arising on consolidation of Regency Convention Centre and Hotels Limited (a subsidiary company) amounting to Rs.2569.85 Lakhs and other receivables amounting to Rs. 389.82 Lakhs relating thereto. As elucidated in the said note, considering that the value of the aforesaid assets, including goodwill, cannot be reasonably ascertained at present, resultantly, no provision for impairment has been made in the said financial statements.
7. Further, we invite attention to Note 18 of Schedule 21 of the Notes annexed to the Accounts, suggesting that upon receipt of necessary approval of the Scheme of Arrangement and Demerger (the Scheme), both the Kolkata Undertaking and Mumbai Undertaking would get demerged as of the Appointed Date i.e. 31st October, 2009, and resultantly, the Company would comprise only residuary operation i.e. primarily the Hyatt Regency, Delhi.
8. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Asian Hotels Limited and its aforesaid subsidiary companies, we are of the opinion that :
 - a. the Consolidated Balance Sheet, read with observation given in para 6 above, gives a true and fair view of the Consolidated state of affairs of Asian Hotels Limited and its such subsidiary companies as at 30th September 2009;
 - b. the Consolidated Profit and Loss Account, read with observation given in para 6 above, gives a true and fair view of the Consolidated results of operations of Asian Hotels Limited and its such subsidiary companies for the year ended on that date.
 - c. the Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of Asian Hotels Limited and its such subsidiary companies for the year ended on that date.

For **MOHINDER PURI AND COMPANY**
Chartered Accountants

Place : NEW DELHI
Dated : 25th November, 2009

(VIKAS VIG)
Partner
Membership No.: 16920

ASIAN HOTELS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2009

	Schedule		Rs. in lakhs	Prior Year Rs. in lakhs
SOURCES OF FUNDS				
SHAREHOLDER'S FUND				
Share Capital	1		3280.36	4280.36
Reserves and Surplus	2		145320.01	146084.54
			148600.37	150364.90
MINORITY INTEREST			6.37	0.00
LOAN FUNDS	3			
Secured Loans			25839.41	13848.53
NET DEFERRED TAX LIABILITY	4		6265.96	5690.00
SHOP SECURITY DEPOSITS			595.97	196.08
			181308.08	170099.51
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5		164745.30	157079.98
Less : Depreciation			17736.12	14103.31
Net Block			147009.18	142976.67
Capital Work-in-Progress			5243.75	4012.03
			152252.93	146988.70
INVESTMENTS	6		18721.99	2867.88
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7		887.22	977.80
Sundry Debtors	8		2019.59	1621.61
Cash and Bank Balances	9		4209.27	4550.79
Loans and Advances	10		30585.00	34163.24
			37701.08	41313.44
Less:				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11		14836.57	7145.39
Provisions	12		12531.81	13925.12
			27368.38	21070.51
NET CURRENT ASSETS			10332.70	20242.93
MISCELLANEOUS EXPENDITURE			0.46	0.00
(to the extent not written off)				
			181308.08	170099.51
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES				
	21			

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner
For & On Behalf of
MOHINDER PURI & COMPANY
Chartered Accountants

JYOTI SUBARWAL
President-Finance and Operations
DINESH KUMAR JAIN
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS
R. K. BHARGAVA Chairman
SUSHIL GUPTA Managing Director (West)
SHIV JATIA Managing Director (North)
UMESH SARAF Managing Director (East)

Place : New Delhi
Dated : 25th November, 2009

ASIAN HOTELS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED 30TH SEPTEMBER 2009

	Schedule	Rs. in lakhs	Prior Year Rs. in lakhs
INCOME			
Rooms, Food, Beverages and Other Services	13	64190.05	51383.37
Less:Excise Duty paid		(36.35)	(30.78)
NET SALES		64153.70	51352.59
Other Income	14	921.94	2197.37
		65075.64	53549.96
EXPENDITURE			
Consumption of Provisions, Beverages, Smokes & Others	15	5653.10	4045.07
Direct Operating Expenses	16	842.33	502.45
Payment to and Provision for Employees	17	12750.58	8628.00
Operating and General Expenses	18	23327.84	15426.07
		42573.85	28601.59
PROFIT BEFORE INTEREST, DEPRECIATION, EXTRA ORDINARY ITEMS			
		22501.79	24948.37
Interest & Finance Charges	19	2949.77	2138.27
Depreciation		4215.76	2516.61
Less : Transferred from Revaluation Reserve (Refer Note 15 of Schedule 21)		(80.87)	(53.91)
Prior Year Adjustments	20	(20.52)	51.27
PROFIT BEFORE TAX		15437.65	20296.13
Provision for taxation		5135.40	5921.74
Provision for taxation for earlier years		250.74	0.00
Provision for Fringe Benefit Tax		74.09	77.50
Provision for Deferred tax Liability	4	575.96	1041.76
PROFIT AFTER TAX		9401.46	13255.13
Profit brought forward from Prior Year		23910.86	11891.91
PROFIT AVAILABLE FOR APPROPRIATION		33312.32	25147.04
Transfer to Capital Redemption Reserve for Redeemed NCPS		1000.00	0.00
Transfer to Capital Redemption Reserve for Redeemable NCPS		3124.00	0.00
Transfer to General Reserve		710.00	951.70
Proposed Dividend on Equity Shares		228.04	228.04
Dividend on Preference Shares		22.50	15.12
Corporate Dividend tax		42.58	41.32
SURPLUS CARRIED TO BALANCE SHEET		28185.20	23910.86
		33312.32	25147.04
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		41.11	58.05
SIGNIFICANT ACCOUNTING POLICIES AND NOTES	21		

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner
For & On Behalf of
MOHINDER PURI & COMPANY
Chartered Accountants

JYOTI SUBARWAL
President-Finance and Operations
DINESH KUMAR JAIN
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS
R. K. BHARGAVA Chairman
SUSHIL GUPTA Managing Director (West)
SHIV JATIA Managing Director (North)
UMESH SARAF Managing Director (East)

Place : New Delhi
Dated : 25th November, 2009

ASIAN HOTELS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE EIGHTEEN MONTH PERIOD ENDED 30TH SEPTEMBER 2009

	Rs. in lakhs	Prior Year Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/ EXTRA ORDINARY ITEMS	15,437.65	20,296.13
Adjustments for:		
Depreciation	4,134.89	2,462.70
Interest & Finance Expense	2,949.77	2,138.26
Interest Income	(542.87)	(126.31)
Income from Investment - Dividends	(115.48)	(35.13)
Loss on Fixed Assets sold/ discarded (net)	301.04	108.63
Gain on sale of Investments	(104.64)	(472.08)
Bad Debts / Advances Written off	56.70	6.02
Provision for Bad & Doubtful Debts/advances	22.51	(4.13)
Liability no longer required written back	(35.00)	(1,550.01)
Provision no longer required written back	(89.05)	-
Provision for Gratuity & Leave Encashment	129.60	338.20
Prior Period Expenses/(Income) (Net)	(20.52)	51.27
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	22,124.60	23,213.55
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	(435.85)	(293.71)
- (Increase)/Decrease in Other Receivables	2,408.87	(17,620.46)
- (Increase)/Decrease in Inventories	90.58	(146.40)
- Increase/(Decrease) in Trade and Other Payables	7,561.03	1,680.90
CASH GENERATED FROM OPERATIONS	31,749.23	6,833.88
- Taxes (Paid) / Received (Net of withholding taxes(TDS))	(5,830.62)	(6,362.95)
- Prior Period (Expenses)/Income (Net)	20.52	(51.27)
NET CASH FROM OPERATING ACTIVITIES	25,939.13	419.66
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Additions during the year	(5,509.47)	(8,144.25)
Capital Work in Progress		
Deductions/(additions) during the year	(4,419.76)	394.88
Proceeds from Sale of fixed assets	90.59	22.25
Proceeds from Sale of investments	5,696.94	34,657.72
Purchase of investments	(21,280.68)	(34,695.65)
Share Application Money	-	-
Loans/Intercorporate Deposits/refunds received	145.00	-
Interest Received (Revenue)	471.34	82.88
Miscellaneous Expenditure	(0.46)	-
Dividend Received	115.48	35.13
NET CASH USED IN INVESTING ACTIVITIES	(24,691.02)	(7,647.04)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings		
RECEIPTS	-	-
PAYMENTS	14,232.91	(5,492.45)
Proceeds from short term borrowings		
RECEIPTS	-	-
PAYMENTS	-	-
Redemption of Preference Shares	(9,000.00)	-
Additional Premium paid on redemption of Preference Shares	(1,792.00)	-
Proceeds from issue of shares (including Share Premium)	-	18,000.00
Interest & Finance charges Paid	(2,851.18)	(2,109.46)
Minority Interest	6.37	-
Dividend Paid	(261.05)	(482.86)
Dividend Tax Paid	(43.86)	(77.51)
NET CASH USED IN FINANCING ACTIVITIES	291.19	9,837.72
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,539.30	2,610.34
CASH AND CASH EQUIVALENTS - OPENING	1,589.23	(1,021.11)
CASH AND CASH EQUIVALENTS - CLOSING	3,128.53	1,589.23
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,539.30	2,610.34

- NOTES:
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement.
 - Cash and Cash Equivalents at the end of the year consist of cash in hand and Balance with Banks and are net of short term loans and advances from banks as follows:

	As at 30th September 2009	As at 31st March 2008
Cash, Cheques & Drafts (in hand) and Remittances in transit	200.79	151.87
Short term loans and advances from banks	(1,080.74)	(2,961.56)
Balance with Scheduled Banks	4,008.48	4,398.92
	3,128.53	1,589.23

ON BEHALF OF THE BOARD OF DIRECTORS

	JYOTI SUBARWAL	R. K. BHARGAVA	Chairman
Place : New Delhi	President-Finance and Operations	SUSHIL GUPTA	Managing Director (West)
Dated : 25th November, 2009	DINESH KUMAR JAIN	SHIV JATIA	Managing Director (North)
	Company Secretary	UMESH SARAF	Managing Director (East)

AUDITORS' CERTIFICATE

This is the Cash Flow Statement referred to in our report of even date

VIKAS VIG

Partner

For & On Behalf of Mohinder Puri & Company

Chartered Accountants

Place : New Delhi

Dated : 25th November, 2009

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

			Rs. in lakhs	Prior Year Rs. in lakhs
1. SHARE CAPITAL				
AUTHORISED				
40,000,000 Equity Shares of Rs 10 each			4000.00	4000.00
30,000,000 Preference Shares of Rs. 10 each			3000.00	3000.00
ISSUED, SUBSCRIBED & PAID-UP				
22,803,564 Equity Shares of Rs 10 each fully paid (of the above 6,515,304 Shares were allotted as fully paid up Bonus Shares by capitalisation of Share Premium and a part of General Reserve)			2280.36	2280.36
10,000,000 (Prior year 20,000,000) 1% Cumulative Redeemable Non-Convertible Preference Shares of Rs.10 each fully paid			1000.00	2000.00
			<u>3280.36</u>	<u>4280.36</u>
2. RESERVES AND SURPLUS				
	31.3.2008	Additions	Deductions	30.9.2009
Capital Reserve	4.23	0.00	0.00	4.23.00
Capital Redemption Reserve for Redeemed NCPS	0.00	1000.00	0.00	1000.00
Capital Redemption Reserve for Redeemable NCPS	0.00	3124.00	1792.00	1332.00
Securities Premium Account	16000.00	0.00	8000.00	8000.00
General Reserve	8100.00	710.00	0.00	8810.00
Tourism Development Utilised Reserve	15996.06	0.00	0.00	15996.06
Revaluation Reserve (Refer Note 15 of Schedule 21)	82073.39	0.00	80.87	81992.52
Surplus in Profit & Loss Account	23910.86	9401.46	5127.12	28185.20
	<u>146084.54</u>	<u>14235.46</u>	<u>14999.99</u>	<u>145320.01</u>
Note :				
1) Capital Redemption Reserve for Redeemed has been created during the period for part redemption (50%) of 1% Cumulative Redeemable Non-Convertible Preference Shares (Refer Note 29 of Schedule 21)				
2) Capital Redemption Reserve for Redeemable NCPS has been created during the period towards the redemption of 1% Cumulative Redeemable Non-Convertible Preference Shares and for the premium payable on their redemption over and above the amount available in Securities Premium Account.				
3) Deduction to Securities Premium Account and Preference Share Redemption Reserve amounting to Rs. 8000 Lakhs and Rs.1792 Lakhs respectively represents premium paid on part redemption (50%) of 1% Cumulative Redeemable Non-Convertible Preference Shares during the period.				
4) Addition to General Reserve represents transfer during the period from Consolidated Profit and Loss Account.				
5) Deduction to Revaluation Reserve represents amount withdrawn on account of depreciation during the period.				
3. LOAN FUNDS				
SECURED LOANS				
TERM LOANS				
From Banks				
– UTI Bank Limited			0.00	1781.78
– Punjab National Bank			0.00	3567.19
– Canara Bank			0.00	3219.44
– Jammu & Kashmir Bank Limited (Secured by hypothecation of whole of plant, machinery, construction material, equipments and other movable assets of the Company both present and future {save and except book debts} alongwith a charge on the immovable asset of the Company situated at Hyatt Regency Mumbai and Hyatt Regency Kolkata, pari passu with other term lending banks)			0.00	629.53
DBS Bank Limited (Secured by exclusive equitable mortgage of Hyatt Regency, Delhi property and Personal guarantee of one of the directors of the Company)			9000.00	0.00
– ICICI Bank Limited Secured against hypothecation of certain vehicles			43.97	102.82
– Punjab National Bank (For business of generation of electricity) Secured by first charge by way of mortgage of land and hypothecation of windmills situated at Sinner & Sangli, Maharashtra			1422.81	1557.00

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
– HDFC Bank Limited (Secured by first equitable mortgage of the hotel land & building at Delhi and first charge on the cash flows of the Company subject to prior charge in favor of IDBI Bank Limited to the extent of Rs. 10 crores)	0.00	0.00
– IDBI Bank Limited - Rupee Loan (Secured by first pari passu charge (hypothecation) of whole of plant & machinery, construction material, equipments and other assets of the Company both present and future {save and except book debts} at Hyatt Regency, Delhi)	5224.00	0.00
– Infrastructure Development Finance Co Ltd. (Secured by mortgage by way of second pari passu charge created by the Company on its immovable property situated at Mumbai namely Hotel Hyatt Regency, Mumbai; first pari passu charge created by the Company on Credit card Receivables of Hyatt Regency, Mumbai; pledge of Investment of the Company in its subsidiary, Aria Hotels & Consultancy Services Private Limited; and Personnel Gaurantees of three of the directors of the company.	5000.00	0.00
– Kotak Mahindra Bank Limited (Secured by mortgage by way of second pari passu charge created by the Company on its immovable property situated at Mumbai namely Hotel Hyatt Regency, Mumbai; first pari passu charge created by the Company on Credit card Receivables of Hyatt Regency, Mumbai; pledge of Investment of the Company in its subsidiary, Aria Hotels & Consultancy Services Private Limited; and Personnel Gaurantees of three of the directors of the company.	4000.00	0.00
Interest accrued and due	67.89	29.21
OTHER LOANS		
Short Term Loans and Advances		
From Banks		
– IDBI Bank Limited - Foreign Currency Loan (Secured by first pari passu charge (hypothecation) of whole of plant & machinery, construction material, equipments and other assets of the Company both present and future {save and except book debts} at Hyatt Regency, Delhi)	0.00	2857.71
Bank of Baroda	0.53	0.00
– Secured against Fixed Deposit Receipts		
From IDBI Bank Limited		
– Secured against hypothecation of inventories and book debts(both present & future)	752.06	58.26
– Secured against credit card collection*	328.15	45.59
	<u>25839.41</u>	<u>13848.53</u>
* net of balances in collection accounts	200.93	619.86
– Term loans due within one year	8291.08	558.72
4. NET DEFERRED TAX LIABILITY		
	Created Liability / (Asset) Rs in lakhs	Prior year Rs in lakhs
Tax Liability /(Asset) due to timing difference in respect of:		
Depreciation	803.11	6155.62
Provision for Retirement Benefits	(44.06)	(284.14)
Provision for doubtful debts / advances	22.61	(34.55)
Statutory Dues	(205.76)	(146.75)
Preliminary Expenses	0.06	(0.18)
	<u>575.96</u>	<u>6265.96</u>
	<u>6958.73</u>	<u>6155.62</u>
	<u>(328.20)</u>	<u>(284.14)</u>
	<u>(11.94)</u>	<u>(34.55)</u>
	<u>(352.51)</u>	<u>(146.75)</u>
	<u>(0.12)</u>	<u>(0.18)</u>
	<u>6265.96</u>	<u>5690.00</u>

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

Rs. in Lakhs

5. FIXED ASSETS - AT COST

	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As on 1.4.2008	Additions	Deductions/ Adjustments	As on 30.9.2009	Upto 31.3.2008	For the year	Written back on deductions/ adjustments	Upto 30.9.2009	As on 30.9.2009	As on 31.3.2008
Goodwill	165.74	2404.11	0.00	2569.85	0.00	0.00	0.00	0.00	2569.85	165.74
Land - Leasehold	1855.21	157.89	0.00	2013.10	0.00	0.00	0.00	0.00	2013.10	1855.21
Land - Freehold	88833.27	528.32	0.00	89361.59	0.00	0.00	0.00	0.00	89361.59	88833.27
Buildings	32212.66	2053.89	36.50	34230.05	3097.18	819.03	2.95	3913.26	30316.79	29115.48
Furniture, Fixtures and Furnishings	8180.70	1131.92	317.70	8994.92	3828.90	1061.78	271.17	4619.51	4375.41	4351.80
Plant and Machinery	24372.55	1724.25	432.36	25664.44	6803.21	1958.98	213.68	8548.51	17115.93	17569.34
Vehicles	1459.85	639.52	188.02	1911.35	374.02	375.97	95.15	654.84	1256.51	1085.83
Total	157079.98	8639.90	974.58	164745.30	14103.31	4215.76	582.95	17736.12	147009.18	142976.67
Prior Year	150932.20	6371.16	389.12	156914.24	11844.94	2516.61	258.24	14103.31		
CAPITAL WORK-IN-PROGRESS - Refer Note 14 of Schedule 21									5243.75	4012.03
									152252.93	146988.7

- a) Gross Block includes Rs. 82131.81 Lakhs being the amount added on revaluation of land and buildings with effect from 28th February, 2007 (Refer Note 15 of Schedule 21)
- b) Depreciation for the period includes an additional depreciation amounting to Rs.80.87 Lakhs (Prior year Rs. 53.91Lakhs) on revalued building that has been withdrawn from Revaluation Reserve Account and credited to the Profit and Loss Account (Refer Note 15 of Schedule 21)
- c) Land-Freehold includes amount paid to Delhi Development Authority (DDA) since recovered by the Company but not decapitalised as matter is under an appeal filed by DDA. 10.90 10.90
- d) Addition to Land -Freehold represent 50% of Rs.1056.64 Lakhs paid in earlier years as stamp duty on land & building at Mumbai, which till prior year was shown as recoverable from Maharashtra Toursim Development Corporation, included in loans & advances. Subsequent to September 30, 2009, the Maharashtra Toursim Development Corporation has agreed and admitted Rs.528.32 Lakhs to be refunded back to the Company.
- e) Building includes leasehold improvement gross block 33.34 20.68
net block 23.34 13.78
- f) Vehicles includes those financed gross block 297.29 289.47
net block 183.21 238.07
- g) Land-Freehold and Plant & Machinery includes assets relating to the business of generation of electricity Land-Freehold
- gross block 34.00 34.00
- net block 34.00 34.00
Plant & Machinery
- gross block 1857.02 1857.02
- net block 1709.94 1857.02
- h) Goodwil represents the difference between the net assets of Regency Convention Centre & Hotels Ltd (RCC) as at the date of its becoming subsidiary of the Company and Company's investment therein as at that date. The principal asset of RCC comprise of an interest in a parcel of land at Mumbai. This interest is the subject matter of dispute and litigation pending in the Bombay High Court. However, RCC has been legally advised by its lawyers that it has a good chance of success. An independent broker has also made an indicative offer to the Company for its interest in RCC at a value which is higher than the related book value in the books of the Company.
- The value of assets included in these Consolidated Financial Statements in respect of RCC is primarily dependent on the settlement of the legal dispute and is, therefore, subject matter of significant uncertainty at this juncture. As such, the ultimate outcome of the matter and, therefore, whether there is impairment, if any, in the value of the goodwill and other assets relating to RCC (including an advance of Rs. 334 Lakhs made for acquiring of further shares of RCC from their existing shareholders and expenses incurred by the Company on behalf of the RCC amounted to Rs.55.82 Lakhs) can not be reasonably determined at present.
- In view of the above, no provision for impairment, if any, in value of aforementioned assets including goodwill has been made in these financial statements.

ASIAN HOTELS LIMITED

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	Face Value		Rs. in lakhs	Prior Year Rs. in lakhs
	Rs. in lakhs	Prior Year Rs. in lakhs		
6. INVESTMENTS				
Long Term				
Trade, Unquoted				
In Associate Company				
Nil (Prior Year 75,000) Equity Shares of Rs 10 each of Regency Convention Centre & Hotels Ltd. (an erstwhile associate company, now subsidiary company)	0.00	7.50	0.00	173.02
Less: Goodwill regrouped as Fixed Assets				(165.74)
Short Term				
Non -Trade, Quoted				
Nil (Prior Year 19,722,798) Units of Rs. 10 each of LIC MF Income Plus Fund-Growth Plan (earlier LIC MF Liquid Fund-Growth Plan)				
– Net Asset Value as on 30.9.2009 Rs Nil (Prior Year Rs.2,903 lakhs)	0.00	1972.28	0.00	2860.00
3,506,386 (Prior Year Nil) Units of Rs. 10 each of HDFC Cash Management Fund -Treasury Advantage Plan -Week				
– Net Asset Value as on 30.9.2009 Rs 351.72 Lakhs (Prior Year Rs.Nil)	350.64	0.00	351.56	0.00
9,129,348 (Prior Year Nil) Units of Rs. 10 each of LIC MF Income Plus Fund - Weekly Dividend Plan				
– Net Asset Value as on 30.09.2009 Rs 913.35 Lakhs (Prior Year Rs.Nil)	912.93	0.00	913.34	0.00
Non-Trade Unquoted				
Nil (Prior Year 600) 6.75% Tax Free US64 Bonds of Rs 100/- each of Unit Trust of India	0.00	0.60	0.00	0.60
0.001% 8,119,575 (Previous Year Nil) Cumulative Redeemable Optional Convertible Preference Shares of Rs 10/- each fully paid up Robust Hotel Private Limited	811.96		17457.09	0.00
			18721.99	2867.88
Note:				
Investment bought / subscribed and sold / redeemed during the period				
60.73 lakhs Units of LIC MF Liquid Fund-Growth Plan (Prior year 492.86 lakhs units)				
29.88 lakhs Units of LIC MF Interval Fund-Series I (Prior year Nil units)				
855.15 lakhs Units of LIC MF Liquid Plus Daily Dividend (Prior year Nil units)				
9.98 lakhs Units of DWS Credit Opportunities Cash Fund (Prior year Nil units)				
10 lakhs Units of JM FMF Series X Quarterly Plan (Prior year Nil units)				
120 lakhs Units of SBI Debt Fund Series 90 days (Prior Year Nil)				
1.08 lakhs Units of HDFC MF Weekly Dividend Plan (Prior Year Nil)				
0.31 lakhs Units of ICICI Prudential Weekly Dividend Plan (Prior Year Nil)				
Nil Units of SBI Magnum Insta Cash Fund (Prior Year 62.35 lakhs units)				
Nil Units of HDFC Liquid Fund - Growth (Prior year 494.28 lakhs units)				
Nil Units of HDFC Short Term Plan-Growth (Prior year 287.49 lakhs units)				
Nil Units of Templeton FRIF Short Term Plan (Prior year 324.60 lakhs units)				
Nil Units of PNB Floating Rate Fund - FMP (Prior year 374.45 lakhs units)				
Nil Units of DSPML Liquid Plus Daily Dividend (Prior year 35.11 lakhs units)				
Nil Units of HSBC Cash Fund (Prior year 245.31 lakhs units)				
Nil Units of HSBC Liquid Fund (Prior year 317.81 lakhs units)				
4.89 lakhs Units of HSBC Ultra Short term Bond Fund - Regular Growth (Prior year Nil units)				
7. INVENTORIES				
Wines & Liquor			260.90	307.85
Provisions, Other Beverages and Smokes			147.20	167.12
Crockery, Cutlery, Silverware, Linen etc.			312.41	316.75
General Stores and Spares			166.71	186.08
			887.22	977.80

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
8. SUNDRY DEBTORS		
Outstanding for over six months	84.49	68.16
Others	1968.77	1574.67
	<u>2053.26</u>	<u>1642.83</u>
Less :Provision for doubtful debts	(33.67)	(21.22)
	<u>2019.59</u>	<u>1621.61</u>
Unsecured considered good	2019.59	1621.61
Unsecured considered doubtful	33.67	21.22
9. CASH AND BANK BALANCES		
Cash in hand	49.97	51.09
Cheques in hand	150.82	100.78
With Scheduled Banks :		
Current Accounts	290.19	80.78
Unpaid Dividend Current Accounts	77.73	80.62
	<u>4209.27</u>	<u>4550.79</u>
* Include :		
– under lien against loan / overdraft facilities	552.00	10.00
– pledged with Government authorities	0.00	0.20
– pledged against bank guarantees / letter of credit	50.00	0.00
10. LOANS & ADVANCES		
Inter-Corporate Loans	0.00	176.28
Advances recoverable in cash or in kind or for value to be received	11348.10	20744.73
Advance income tax	11963.73	13125.28
Fringe benefit tax (net)	17.93	0.00
Security Deposits	7141.72	153.96
Interest accrued on Fixed Deposits	114.96	43.43
	<u>30586.44</u>	<u>34243.68</u>
Provision for doubtful advances/deposits	(1.44)	(80.44)
	<u>30585.00</u>	<u>34163.24</u>
Unsecured considered good	30585.00	34163.24
Unsecured considered doubtful	1.44	80.44
11. CURRENT LIABILITIES		
Sundry Creditors		
– for capital projects	226.21	118.08
– others *	1189.93	1196.92
Advances from Customers	7864.99	1026.63
Interest accrued but not due on loans	60.47	0.56
Security Deposits received	24.65	32.05
Other Liabilities **	5470.32	4771.15
	<u>14836.57</u>	<u>7145.39</u>
* includes due to Micro, Small & Medium Enterprises (Refer Note 31 of Schedule 21)	0.00	0.00
**includes due to		
– Unclaimed Dividends	77.73	80.62
– Directors (including commission)	1100.75	1226.43
12. PROVISIONS		
Gratuity	781.33	678.21
Leave Encashment	184.24	157.76
Income Tax	11290.66	12799.19
Fringe Benefit Tax(net)	0.00	5.48
Proposed dividend on Equity Shares	228.04	228.04
Dividend on Preference Shares	7.50	15.12
Corporate Dividend Tax	40.04	41.32
	<u>12531.81</u>	<u>13925.12</u>

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
13. ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Rooms	38651.90	33790.64
Wines and Liquor	3718.71	2557.91
Food, Other Beverages, Smokes & Banquets	15290.40	10741.76
Communications	807.05	674.11
Others *	5721.99	3618.95
	<u>64190.05</u>	<u>51383.37</u>
*includes :		
– gain/(loss) on account of foreign exchange translation (net)	(11.25)	(1.89)
– income related to generation of electricity business (Refer Note 23 of Sechedule 21)	280.49	0.16
14. OTHER INCOME		
Interest earned *	542.87	126.31
Dividends	115.48	35.13
Gain on sale of short term investments (net)	104.64	472.08
Excess provisions written back	7.00	1453.68
Provision for Doubtful Debts / Advances written back	89.05	0.00
Provision for Diminution in value of Investments written back	0.00	69.21
Credit balances written back	28.00	27.12
Miscellaneous	34.90	13.84
	<u>921.94</u>	<u>2197.37</u>
* Tax deducted at source	98.55	17.30
15. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS		
WINES & LIQUOR		
Opening Stock	307.85	265.27
Add : Purchases	1043.09	845.91
	<u>1350.94</u>	<u>1111.18</u>
Closing Stock	(260.90)	(307.85)
	<u>1090.04</u>	<u>803.33</u>
PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	167.12	80.94
Add : Purchases	4543.14	3327.92
	<u>4710.26</u>	<u>3408.86</u>
Closing Stock	(147.20)	(167.12)
	<u>4563.06</u>	<u>3241.74</u>
	<u>5653.10</u>	<u>4045.07</u>
Indigenous 83.89%	(Prior Year 83.78 %)	4742.42
Imported 16.11%	(Prior Year 16.22 %)	910.67
		<u>3388.99</u>
		<u>656.10</u>
16. DIRECT OPERATING EXPENSES		
Telephone	283.26	122.42
Guest Transportation	559.07	380.03
	<u>842.33</u>	<u>502.45</u>
17. PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Ex gratia	9186.61	6107.53
Provident and other Funds	562.20	297.88
Gratuity	159.50	323.97
Rent - staff accommodation	63.12	53.16
Workmen and Staff Welfare *	1226.06	849.97
Contract Labour & Service	1385.01	887.14
Recruitment & Training	168.08	108.35
	<u>12750.58</u>	<u>8628.00</u>
* includes :		
Cost of provisions consumed in staff cafeteria	583.73	418.46
Realisation on sale of food coupons to staff	(27.95)	(21.70)

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SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
18. OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering and Other supplies/services	1478.19	1103.14
Operating equipment and Supplies written off	504.01	453.14
Fuel, Power and Light (net)	4646.55	2608.97
Repairs, Maintenance and Refurbishing *	3881.93	1943.49
Rent	78.06	20.90
Rates and Taxes	2366.80	1329.37
Insurance	358.44	236.30
Directors' sitting fee	18.48	12.24
Legal and Professional	1958.96	1331.22
Artist Fee	18.10	40.66
Stationery and Printing	212.61	164.48
Travelling and Conveyance	655.11	451.34
Communication	202.35	145.17
Technical Services	3142.39	2853.99
Advertisement and Publicity	1026.53	805.49
Commission and Brokerage	2154.77	1670.01
Charity & Donation	159.70	22.11
Bad debts / advances written off	56.70	6.02
Provision for doubtful debts / advances	22.51	(4.13)
Loss on Fixed Assets sold/discarded (net)	301.04	108.63
Difference in Exchange	(43.70)	59.72
Miscellaneous	128.31	61.88
	<u>23327.84</u>	<u>15426.07</u>
* includes:		
Repairs & Maintenance - Buildings	961.38	383.19
Repairs & Maintenance - Plant & Machinery	1578.00	945.57
** includes:		
Travel of Directors	0.00	87.05
19. INTEREST AND FINANCE CHARGES		
Interest on – fixed loans	2491.86	1263.61
– others	299.12	853.31
Bank & Finance charges	158.79	21.35
	<u>2949.77</u>	<u>2138.27</u>
20. PRIOR YEAR ADJUSTMENTS		
Repair, maintenance and refurbishing	1.71	1.84
Rates and Taxes	(30.42)	44.82
Legal & Professional Expenses	0.00	0.23
Advertisement & Publicity	0.00	5.42
Other adjustments	8.19	(1.04)
	<u>(20.52)</u>	<u>51.27</u>
21. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES		
1. (i) Basis of Accounting		
The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standards Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.		
(ii) Use of Estimates		
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.		
(iii) Revenue Recognition		
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.		

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Rs. in lakhs Prior Year
Rs. in lakhs

- (a) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- (b) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- (c) Dividend income from investments is recognized when the Company's right to receive payment is established.
- (d) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.
- (e) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

(iv) Income in Foreign Exchange

The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.

(v) Preliminary Expenses

Preliminary expenses representing expenses incurred for the incorporation of subsidiaries has been fully written off during the prior year in accordance with the Accounting Standard 26 on "Intangible Assets".

(vi) Interest on Income Tax Refunds / Demands

It is accounted for as income in the period / year when granted and as tax expense when determined by the Department.

(vii) Claims Recoverable

Claims recoverable are accrued only to the extent as admitted by the parties subject to note 20 regarding certain claim relating to stamp duty on certain land.

(viii) Expenses remittable in foreign exchange

These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.

(ix) Principles of Consolidation

The Consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements".

The Consolidated financial statements comprise the financial statements of Asian Hotels Limited (Parent Company) and the following subsidiaries: -

Name of the Company	Country of Incorporation	% of holding as at	
		30th Sep. 2009	31st Mar. 2008
GJS Hotels Ltd (Subsidiary)	India	100	100
Aria Hotels & Consultancy Services Private Ltd. (Subsidiary)	India	100	100
Chillwinds Hotels Ltd. (Subsidiary)	India	100	100
Vardhman Hotels Ltd. (Subsidiary)	India	100	100
Regency Convention Centre and Hotels Ltd (erstwhile an Associate in the prior year)	India	58.89	48.28

The Consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line by the basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.
- The Consolidated Financial Statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- Goodwill arising in Consolidated Financial Statements on consolidation of financial statements of the Company and its subsidiary companies has been capitalised and shown as part of fixed assets to the extent not impaired in the books of the Company.

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
2. (i) Foreign Exchange Transaction		
Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the period/year end are translated at the period/year end rates resulting in exchange differences being recognized as income /expense (net).		
(ii) Foreign Currency Balances		
Foreign Currency balances at the period/year end have been converted at the period/year end rate of exchange except those covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.		
3. Employee Benefits		
(i) Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet.		
(ii) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to Profit and Loss Account of the period/year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.		
4. Taxation		
(i) Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current period/year timing differences between taxable income and accounting income for the period/year and reversal of timing differences of earlier years.		
(ii) Deferred Tax is provided during the period/year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with Accounting Standard 22 (AS-22).		
(iii) Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.		
(iv) Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.		
5. Fixed Assets and Depreciation		
(a) Fixed Assets		
Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortisation. Cost represents the direct expenses incurred on acquisition /construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.		
(b) Depreciation		
(i) Depreciation as per straight line method has been charged in the accounts based on circular no 1/86 of the Department of Company Affairs;		
(ii) On the assets acquired on or after 2.4.87 at the rates as prescribed under Schedule XIV of the Companies Act, 1956 pro rata from the month of purchase. If purchased before or on 15th of the month, depreciation is charged from the month of purchase otherwise depreciation is charged from the month following the month of purchase.		
(iii) On the assets prior to 2.4.87 at the rates computed in the respective years of acquisition of those assets on the basis of rates specified by the Income Tax Act, 1961 and the rules made thereunder in terms of Section 205(2) (b) of the Companies Act, 1956 without making any adjustment in respect of excess depreciation provided for in the earlier years amounting to Rs.244.16 Lakhs.		
(iv) Depreciation on leasehold improvements is being charged equally over the period of the lease.		
(v) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve Account.		
(vi) No depreciation is charged on the assets sold/ discarded during the period/year.		
(vii) The period in respect of leases of leasehold lands is either perpetual or for substantially long term and hence no depreciation has been charged on the premiums paid.		

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
6. Investments		
Investments that are readily realisable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.		
7. Inventory		
(a) Inventory is valued at cost or net realizable value whichever is lower.		
(b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.		
8. Impairment		
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.		
9. Earnings per share		
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.		
10. Provisions		
A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.		
11. Cash and Cash Equivalents		
Cash and cash equivalents in the cash flow comprise of cash at bank and cash/cheques in hand and short term deposits with banks less short term advances from banks.		
12. Dividend		
Proposed Dividend, if any, is accounted for pending approval at the Annual General Meeting.		
13. Contingent Liabilities :		
(a) Outstanding Capital Expenditure Commitments	2,001.99	1,577.29
(b) Claims against the Company not acknowledged as debts	617.18	653.01
(c) Demand for income tax (exclusive of interest amounting to Rs. Nil (Prior Year Rs 109.59 Lakhs) not provided for pending appeals	-	113.25
14. Capital Work-in-Progress consists of:		
(a) Renovation/refurbishing work / other work in progress	615.39	681.31
(b) Advances for capital contracts (unsecured, considered good)	4,628.36	3,330.72
	5,243.75	4,012.03
15. The Company, based on the report by a Certified Valuer, had revalued land and building of Hotel Hyatt Regency Delhi by adopting Cost of Contractor's method, on 28th February 2007 at Rs. 85,700.00 Lakhs, the same resulted in an increase in the value of land and building of an amount of Rs. 82,131.81 Lakhs, and therefore an equivalent amount had been credited to the Revaluation Reserve Account. Due to increase in the value of assets, there was an additional charge of Rs. 80.87 Lakhs (Prior year Rs.53.91 Lakhs), for the current period, on account of depreciation. Resultantly, an equivalent amount of Rs 80.87 Lakhs (Prior year Rs.53.91 Lakhs) has been withdrawn from the Revaluation Reserve Account and credited to the Profit & Loss Account.		
16. At the beginning of the current period, the Company held 75000 equity shares of Rs.10/- each of Regency Convention Centre and Hotels Ltd (RCC), representing 48.28% of paid up equity capital of RCC, acquired for a consideration of Rs. 173.02 Lakhs. During the current period, the Company acquired a further 16652 equity shares of RCC for a consideration amounting to Rs.2400 Lakhs, by virtue of which the aggregate share holding		

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTH PERIOD ENDED ON THAT DATE

Rs. in lakhs Prior Year
Rs. in lakhs

of the Company in RCC stood at 58.99% of the paid up capital of RCC, thus making it a subsidiary of the Company. Apart from the above, the Company, during the prior years, had also made an advance of Rs. 334 Lakhs for acquiring further shares of RCC from their existing shareholders and incurred expenditure on behalf of RCC amounting to Rs. 55.82 Lakhs upto the balance sheet date.

17. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management, as confirmed by the Audit Committee, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of subsidiaries such a decision is based on the management accounts / audited accounts of the subsidiaries, as available and as examined by the audit committee on the basis of the information and explanations available.

18. Presently, the Company is operating an integrated hotel business at three geographical locations. These hotels namely Hyatt Regency Delhi, Hyatt Regency Kolkata and Hyatt Regency Mumbai are governed by the same set of risks and returns and hence have been considered as representing a Single Segment.

A Scheme of Arrangement and Demerger (the Scheme) was approved by the Board of Directors of the Company on 14th May, 2007.

The Scheme envisaged the trifurcation of the Company in the following manner:-

- i) Kolkata Undertaking as defined in clause 1.2.1 of the Scheme, comprising interalia of Hotel Hyatt Regency Kolkata and investments in the shares held in GJS Hotels Limited and Regency Convention Centre and Hotels Limited, and appropriate cash liquidity.
- ii) Mumbai Undertaking as defined in clause 1.2.1 of the Scheme, comprising interalia of Hotel Hyatt Regency Mumbai, investments in the shares held in Aria Hotels & Consultancy Services Private Limited and deposits/advances paid towards acquisition of immovable property in Bangalore.
- iii) AHL Residual as would emerge immediately after the transfer of and vesting in of Mumbai Undertaking and the Kolkata Undertaking in Chillwinds Hotels Limited (Transferee Company -I) and Vardhman Hotels Limited (Transferee Company-II) respectively.

The Scheme, which was approved by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide Orders dated 9th April, 2009 and 18th August, 2009, was filed with the Registrar of Companies, NCT of Delhi & Haryana, but could not take effect as certain conditions precedent were yet to be fulfilled. In order to overcome the impediments in implementation of the Scheme and to determine a fixed date which should be the Appointed Date for the purpose of drawing up the undertaking wise balance sheets in terms of the Scheme, the Company made an application to the Hon'ble Court in May 2009, introducing 'the Appointed Date' and incorporated certain clauses to define how the business of the three undertakings would be conducted between 'the Appointed Date' and 'the Effective Date'. The Hon'ble High Court vide its order dated 29th May, 2009, stayed the effect and implementation of the Scheme, as approved earlier and directed the Company to obtain the approval of its equity shareholders for the amended Scheme. The Company made additional applications in August 2009 and November 2009, for further amendments, before the equity shareholders' meeting could be convened in terms of Order dated 29th May, 2009, and the Hon'ble Court vide its Order dated 10th November, 2009, directed the Company to convene a meeting of its equity shareholders on 11th December, 2009, to obtain their approval for the amended Scheme. Pursuant to the directions of the Hon'ble Court, the Company has called its equity shareholders meeting on 11th December, 2009. Once the amended Scheme is approved by the equity shareholders and sanctioned by the Hon'ble Court, the amended Scheme is expected to be implemented by the end of January 2010 having retrospective effect from 'the Appointed Date' i.e. '31st October, 2009'. Subsequent thereto, the Promoter Groups intend to transfer their shareholding inter-se in the three demerged entities as provided in Clause 5.8 of the Scheme.

In view of the above, within the meaning of Accounting Standard (AS) 24 on "Discontinuing Operations", the operations of Kolkata undertaking and Mumbai undertaking constitute discontinuing operations. As at 30th September, 2009, the carrying amount of the assets of the Kolkata undertaking were Rs 40182.92 Lakhs (prior year Rs 37621.47 Lakhs), and of the Mumbai undertaking were Rs 48625.50 Lakhs (prior year Rs 42018.05 Lakhs) and their liabilities were Rs 22099.58 Lakhs (prior year Rs 19984.38 Lakhs) and Rs 38307.25 Lakhs (prior year Rs 30366.02 Lakhs) respectively.

The following statement shows the revenue and expenditure of continuing and discontinuing operations of the Company.

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(Rs. in Lakhs)

Particulars	Continuing Operations		Discontinuing Operations				Total	
	(AHL Residual)		(Kolkata Undertaking)		(Mumbai Undertaking)			
	Current Period	Prior Year	Current Period	Prior Year	Current Period	Prior Year	Current Period	Prior Year
Turnover	32,211.81	25,070.43	11,715.63	9,980.31	21,148.20	18,499.22	65,075.64	53,549.96
Operating Expenses	21,048.51	13,345.68	7,958.61	5,420.44	13,566.73	9,835.47	42,573.85	28,601.59
Pre-tax profit from operating activities	11,163.30	11,724.75	3,757.02	4,559.87	7,581.47	8,663.75	22,501.79	24,948.37
Interest expenses	2,938.74	2,119.37	3.20	7.22	7.83	11.68	2,949.77	2,138.27
Profit before depreciation and tax	8,224.56	9,605.38	3,753.82	4,552.65	7,573.64	8,652.07	19,552.02	22,810.10
Income tax expenses	2,581.84	2,987.68	1,133.60	1,320.71	2,320.75	2,732.61	6,036.19	7,041.00
Profit from operating activities after tax	5,642.72	6,617.70	2,620.22	3,231.94	5,252.89	5,919.46	13,515.83	15,769.10

19. Letters for confirmation of balances sent to parties have been received back only in a few cases and discrepancies, if any, pointed out by the parties are being investigated for necessary adjustments to be carried out.

20. Loans and advances include a claim in respect of stamp duty lodged with Maharashtra Tourism Development Corporation (MTDC) by the Company relating to land of Hyatt Regency, Mumbai, considered to be fully recoverable in the opinion of the Management and as confirmed by the Audit Committee, as per letter subsequent to the balance sheet date received from MTDC.

528.32 1056.64

21. Out of the Service Tax demand raised and paid during the prior year for Rs.146.11 Lakhs, Rs. 95.94 Lakhs had been paid under protest. In the opinion of the Company, amount paid under protest is not liable to be paid and hence has been included under "Loans & Advances" as "Claims Recoverable" vide application dated May 9, 2008. The Company has also received notices with regard to Service Tax demands on certain services aggregating to Rs.482.54 Lakhs considered to be not tenable in the opinion of the Company. These are thus included under "Contingent Liabilities" as "Claims against the Company not acknowledged as debts" and no provision has been made against the same.

22. Managerial Remuneration (excluding provision for gratuity) to Directors :

Salaries	225.00	130.40
House Rent Allowance	135.00	71.94
Commission	1,078.72	1226.59
Provident Fund Contribution	27.00	15.65
Monetary value of Perquisites	1.15	4.89
	<u>1,466.87</u>	<u>1,449.47</u>

23. The Company is presently operating an integrated hotel business at three geographical locations namely Hyatt Regency, Delhi, Hyatt Regency, Kolkata and Hyatt Regency, Mumbai. The entire operations are governed by the same set of risks and returns hence have been considered as representing a Single Segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17). The Company, during the prior year, had altered its object clause of memorandum of association and entered into a different business segment, viz., power generation, governed by different risks and returns. However, it is not a reportable segment as defined under the said Accounting Standard, hence no separate disclosures have been made. The assets, liabilities and revenues relating to the said business have however, been disclosed in the accounts separately.

24. Municipal Corporation of Delhi introduced a new method for payment of property tax under 'Unit Area Scheme' w.e.f. 1st April, 2004. The Federation of Hotels and Restaurants Association of India (FHRAI) and the Company filed a writ petition in the High Court of Delhi against the said new method, which is still pending. However, in terms of the interim order dated 10th September, 2004 passed by the Hon'ble High Court, the Company has been paying a sum of Rs. 54.52 Lakhs per annum based on the Ratable Value method then existing. However, as a matter of abundant caution, and based on the legal opinion obtained by the Company, the Company has provided for the difference in property tax as per Unit Area Scheme and the payments made since introduction of the said new method, alongwith interest thereon. Such calculations are based on usage factor of 10.

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25. The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

i) Provident fund

During the year, the Company has recognized the following amounts in the profit and loss account:

Employers' contribution to provident fund Rs. 527.52 Lakhs (prior year Rs. 272.33 Lakhs)

(b) Defined benefit plans

a) Contribution to Gratuity funds

b) Compensated absences - Earned leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 0 years. For the current valuation a discount rate of 8 % p.a. compound, has been used in consultation with the employer.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarised in the following table:

	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	2008-09	2007-08	2008-09	2007-08
Discount rate (per annum)	8%	8%	8%	8%
Future salary increase	7%	8%	7%	8%
Expected rate of return on plan assets	0%	0%	0%	0%
In service mortality	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates:	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%
				Rs. in Lakhs
I. Expense recognised in profit and loss account	2008-09	2007-08	2008-09	2007-08
Current service cost	131.45	84.37	58.46	36.74
Interest cost	84.34	32.40	19.26	7.42
Expected return on plan assets	-	-	-	-
Net actuarial(gain) / loss recognised in the period	(56.13)	214.96	(15.27)	42.85
Total expense	159.66	331.73	62.45	87.01
	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	2008-09	2007-08	2008-09	2007-08
II. Net asset/(liability) recognised in the balance sheet as at September 30, 2009				
Present value of Defined benefit obligation	781.33	678.21	184.24	157.76
Fair value of plan assets	-	-	-	-
Funded status [surplus/(deficit)]	(781.33)	(678.21)	(184.24)	(157.76)
Net asset/(liability) as at September 30, 2009	(781.33)	(678.21)	(184.24)	(157.76)
III. Change in the present value of obligation during the year				
Present value of obligation as at the beginning of the period/year	678.21	405.03	157.78	92.74
Interest cost	84.34	32.40	19.26	7.42
Current service cost	131.45	84.37	58.46	36.74
Benefits paid	(56.54)	(58.55)	(35.99)	(21.97)
Actuarial (gains) / losses on obligation	(56.13)	214.96	(15.27)	42.85
Present value of obligation as at the end of the period/year	781.33	678.21	184.24	157.78

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26. Related Party Disclosures

- a) Parties which significantly influence the Company (either individually or with others)
- Yans Enterprises (H.K.) Ltd, Guernsey
 - DSO Ltd, Guernsey
 - Saraf Industries Ltd, Mauritius
- b) Parties which are significantly influenced by the Company (either individually or with others)
- GJS Hotels Limited - a subsidiary company
 - Aria Hotels & Consultancy Services Private Limited - a subsidiary company
 - Chillwinds Hotels Limited - a subsidiary company
 - Vardhman Hotels Limited - a subsidiary company
 - Regency Convention Centre & Hotels Ltd - a subsidiary company (an erstwhile associate company in the prior year)

c) Related Party Transactions

(Rs in lakhs)

Particulars	Associate Company		Relatives of Key Management Personnel		Key Management Personnel		Entities controlled by Directors or their relatives	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Purchase of Services							5.77	5.00
Sale of Services (Room, Food, Beverages and other services)			2.42				144.97	40.73
Remuneration					1406.87	1,409.47		
Professional Charges							10.80	8.64
Advances received back							2,000.00	
Advances given		0.48					2,002.25	16,057.00
Sale of Capital Goods							7.25	
Sharing of Expenses								10.65
Rent							67.81	16.88
Reimbursement of Expenses							9.94	14.09
Dividend -Preference Shares							11.25	7.56
Redemption of Preference Shares (including premium)							4,500	
Issue of Preference shares (at premium)								9,000.00
Investment in Shares							17457.09	
Balance Outstanding								
Payables					1,018.72	1,186.43	0.57	0.70
Receivables		52.50	2.49	0.10			15.71	16,063.07
Provision for doubtful advances								

Note :1. In view of the multiplicity of transactions / information, it is not practicable to identify and disclose the food / beverage / room or other sales to the employees / guests of the related parties at any of the outlets of the Hotels of the Company.

Note :2. In view of the legal opinion taken by the Company, the above said transactions does not require prior approval from Central Government under Section 297 of the Companies Act, 1956.

d) Related Parties

- Associate Company Regency Convention Centre & Hotels Ltd
(an erstwhile associate company in the prior year)
- Key Management Personnel Mr. Sushil Gupta Managing Director (West)
Mr. Shiv Jatia Managing Director (North)
Mr. Umesh Saraf Managing Director (East)
- Relatives of Key Management Personnel Mr. Sandeep Gupta Son of Mr. Sushil Gupta
Mr. R.G. Saraf Uncle of Mr. Umesh Saraf
- Entities controlled by Directors or their relatives Bell Ceramics Limited Magus Estates & Hotels Limited
M/s Bhasin & Co Nepal Travel Agency Private Limited
Choice Hospitality (India) Limited Ram Pyari Devi Charitable Trust
Energy Infrastructure (I) Limited WEL Intertrade Limited
Godfrey Philips Limited Eden Park Hotels Private Limited
Juniper Hotels Private Limited CLG Hotels and Resorts Pvt Ltd.
Robust Hotels Private Limited

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	Rs. in lakhs	Prior Year Rs. in lakhs
d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the year as follows:		
Particulars		
Purchase of Services		
– Nepal Travel Agency Private Limited	5.77	5.00
Sale of Services (Room, Food, Beverages and other services)		
– Godfrey Philips Limited	22.63	16.57
– Juniper Hotels Private Limited	–	2.61
– M/s Bhasin & Co.	0.00	17.43
Remuneration		
– Mr. Sushil Gupta	469.21	468.26
– Mr. Shiv Jatia	469.01	468.26
– Mr. Umesh Saraf	468.65	472.95
Professional Charges		
– M/s Bhasin & Co.	10.80	8.64
Advances given		
– Robust Hotels Private Limited	–	16,057.00
– CLG Hotels and Resorts Pvt Ltd.	2,005.81	–
Advances received back		
– CLG Hotels and Resorts Pvt Ltd.	2,000.00	–
Sharing of Expenses		
– WEL Intertrade Limited	–	10.65
Rent		
– Eden Park Hotels Private Limited	67.81	16.88
Reimbursement of Expenses		
– Magus Estates & Hotels Limited	4.12	14.09
– Eden Park Hotels Pvt. Ltd	5.02	
Dividend-Preference Shares		
– Magus Estates & Hotels Ltd.	11.25	7.56
Redemption of Preference Shares (including premium)		
– Magus Estates & Hotels Ltd.	4,500.00	–
Issue of Preference Shares		
– Magus Estates & Hotels Limited	–	9,000.00
Investment in Shares		
– Robust Hotels Private Limited	17,457.09	
Outstanding Payables		
– Mr. Sushil Gupta	339.57	395.53
– Mr. Shiv Jatia	339.57	395.37
– Mr. Umesh Saraf	339.58	395.53
– Magus Estates & Hotels Limited	0.00	0.70
– M/s Bhasin & Co.	0.57	–
Outstanding Receivables		
– Magus Estates & Hotels Limited	4.88	–
– Regency Convention Centre & Hotels Limited	0.00	52.50
– M/s Bhasin & Co.	0.00	5.97
– Mr. R.G. Saraf	0.10	0.10
– Mr. Sandeep Gupta	2.39	–
– WEL Intertrade Ltd.	0.54	–
– Energy Infrastructure (I) Limited	8.04	–
– Eden Park Hotels Pvt. Ltd	2.25	–
– Bell Ceramics Limited	–	0.10
– Robust Hotels Private Limited	–	16,057.00
27. (a) Future commitments in respect of minimum lease payments payable for non cancellable operating leases (other than land) entered into by the Company :		
(i) Not later than one year	33.00	31.40
(ii) Later than one year and not later than five years	41.25	45.00
(b) Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	31.80	84.05
later than one year but not later than five years	16.21	25.62
Present value of minimum installments payable within one year	15.52	24.13
later than one year but not later than five years	28.45	78.69
(c) Future minimum lease payments receivable by the Company in respect of non cancellable operating leases (other than land) for shops and vehicles entered into by the Company :		
(i) Not later than one year	89.23	34.71
(ii) Later than one year and not later than five years	65.68	60.30

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	Rs. in lakhs	Prior Year Rs. in lakhs
(d) Future commitments in respect of minimum payments (License Fees) payable in case of non cancellable development agreement entered in to by the Company with Delhi International Airport Private Limited (DIAL) :		
(i) Not later than one year	693.64	0.00
(ii) Later than one year and not later than five years	3,177.61	0.00
(iii) Later than five years	34,499.13	0.00
28. Payment to Auditors :		
As Audit Fee	21.57	13.00
As Tax Audit Fee	3.75	2.50
As Certification Charges	15.21	5.23
As Advisors on legal matters	1.28	1.85
As IFRS Audit Fees	7.50	16.00
As reimbursement of service tax	4.96	4.58
As reimbursement of out of pocket expenses	0.90	0.54
29. During the prior year, the Company with an object to facilitate trifurcation under the Scheme had allotted 2 crores 1% Cumulative Redeemable Non Convertible Preference Shares (NCPS) of Rs 10/- each at a premium of Rs 80/- per share. As per the respective Subscription Agreement with Infrastructure Development Finance Company Limited (IDFC) and Magus Estate and Hotels Limited (Magus), a Company in two of the directors are interested for subscription to the said preference shares, the Company is to redeem the said Preference Shares in three installments of 25%, 25% and 50% (including premiums) respectively as under :		
Date of Redemption	Amount of Redemption including Redemption Premium (Rs. in Lakhs)	
	IDFC	MAGUS (as per agreed revised terms)
June 30, 2008	3303.00	2250.00
June 30, 2009	2989.00	2250.00
June 30, 2010	4832.00	4500.00
During the period, 50% of such NCPS have already been redeemed.		
An amount of Rs.17,458 lakhs, out of the proceeds from the above said preference shares had been subscribed as equity in GJS Hotels Ltd, a subsidiary of the Company which is to be a part of the Kolkata undertaking in terms of the Scheme.		
30. Subsequent to 30th September, 2009, the Company has received Rs. 3000 lakhs on October 14, 2009 and Rs.31100 Lakhs on October 16, 2009 as subscription money against the Fully Convertible Preference Shares (FCPS) which are to be issued pursuant to the Scheme.		
The Object of the aforesaid proposed issue on preferential allotment basis is to facilitate the trifurcation of the Company as envisaged in the Scheme. The above proceeds may be allocated, for the proposes of the utilisation, by the Board of Directors of the Company, to their undertakings as per their expansion/ financial plans or otherwise.		
The FCPS shall be convertible, in one or more tranches, into equity shares of face value of Rs.10/- each of the respective companies, i.e. AHL Residual Company, Transferee Company-I or Transferee Company-II, as the case may be, based on allocation of FCPS in terms of the Scheme.		
31. In the prior year, Government of India had promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) which came in to force with effect from October 2, 2006. The Company had sent letters to its suppliers for confirmations of their registration in MSMED Act, 2006 and on the basis of reply received from suppliers the disclosure is given below.		
The Disclosure relating to Micro and Small Enterprises are as follows:		
a) Principal amount remaining unpaid to any supplier as at the period end	0.00	0.00
b) Interest due thereon	0.00	0.00
c) Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to supplier beyond the appointed day during the period	0.00	0.00
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	0.00	0.00
e) Amount of interest accrued and remaining unpaid at the end of the period.	0.00	0.00

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Particulars	Rs. in lakhs	Prior Year Rs. in lakhs
32. Computation of Earnings per share - (Basic & Diluted)		
Profit after taxation	9,401.46	13255.13
Less : Dividend on Preference Shares (including Corporate Dividend Tax)	<u>26.32</u>	<u>17.69</u>
Profit available for equity shareholders	9,375.14	13237.44
Weighted average number of shares outstanding	22,803,564	22803564
Nominal value per share (in Rupees)	10.00	10.00
Earnings per share - Basic and Diluted (in Rupees)	41.11	58.05

33. During the period, Term Loans taken by Aria Hotels and Consultancy Services Private Limited, a subsidiary company, from a financial institution and bank are secured by way of:-

- (a) Mortgage by way of second pari passu charge created by the Company on its immovable property situated at Mumbai namely Hotel Hyatt Regency, Mumbai.
- (b) First pari passu charge created by the Company on credit card receivables of Hyatt Regency, Mumbai.
- (c) Pledge of Investment of the Company in Aria Hotels and Consultancy Services Private Limited, a subsidiary company.
- (d) Personal Guarantees of the two of the directors of the Company.

34. The Company had obtained approval of the Registrar of Companies, NCT of Delhi & Haryana under Section 210 of the Companies Act, 1956, for extension of accounting year 2008-09. Accordingly, the current accounting period is for eighteen months from 1st April, 2008 to 30th September, 2009 and hence the prior year figures are not comparable.

35. Prior year figures have been regrouped and rearranged wherever necessary.

Schedules 1 to 21 form an integral part of the Consolidated Balance Sheet as at 30th September, 2009 and Consolidated Profit & Loss Account for the eighteen months ended on that date.

ON BEHALF OF THE BOARD OF DIRECTORS

JYOTI SUBARWAL
President-Finance and Operations

R. K. BHARGAVA
SUSHIL GUPTA
SHIV JATIA
UMESH SARAF

Chairman
Managing Director (West)
Managing Director (North)
Managing Director (East)

Place : New Delhi
Dated : 25th November, 2009

DINESH KUMAR JAIN
Company Secretary

ASIAN HOTELS LIMITED

Regd. Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 607

PROXY FORM

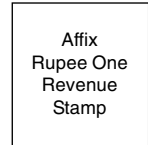
I / We.....resident(s) ofbeing a Member / Members of Asian Hotels Limited, hereby appoint Mr./Mrs.resident of..... as my / our proxy to attend and vote for me / us, on my / our behalf, at the 28th Annual General Meeting of the Company to be held on Friday, the 19th March, 2010, and at any adjournment thereof in the following manner:

Item No. of the notice convening this meeting	Vote 'FOR'	Vote 'AGAINST'	NOTE
	(Tick in the appropriate column)		
Item No. 1.			In case the member does not exercise his option instructing the proxy to vote in a specific manner, the proxy would be free to exercise his options.
Item No. 2.			
Item No. 3.			
Item No. 4.			
Item No. 5.			
Item No. 6.			
Item No. 7.			
Item No. 8.			
Item No. 9.			

As witness my / our hands this day of, 2010.
(Date) (Month)

Registered Folio No./ DP ID No. and Client ID No.....

No. of shares held.....



Signature(s)

Note: This proxy form must be deposited at the Registered Office of the Company not less than forty eight hours before the time of holding the meeting.

----- TEAR HERE -----

ASIAN HOTELS LIMITED

Regd. Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 607

ATTENDANCE SLIP

Name of the person (s) attending (1) (2)

Father / Husband's Name (1) (2)

Registered Folio No./ Client ID No. and DP ID No. No. of shares held

If proxy or second / third joint holders, name of first shareholder

I / We hereby record my / our presence at the 28th Annual General Meeting of the Company held at Regency Ball Room, Hotel Hyatt Regency, Delhi on this 19th March, 2010 at 11.30 A.M.

Signature(s)

IMPORTANT

- i) This attendance slip duly filled in and signed may please be handed over at the entrance of the meeting hall.
- ii) If the particulars contained herein are incorrect / missing, the Company reserves the right to withhold entry.
- iii) Accompanying children / non-members will not be allowed.
- iv) **Shareholders are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons.**

Asian Hotels Limited

Regd. Office : Bhikaiji Cama Place, M.G. Marg, New Delhi - 110 607
Phone : 91-11-2679 1234 Fax : 011-2679 1017