

CONTENTS

Notice	2-4
Directors' Report (including Corporate Governance Report)	5-17
Auditors' Report	18-19
Audited Accounts	
– Balance Sheet	20
– Profit & Loss Account	21
– Schedules forming part of Balance Sheet and Profit & Loss Account	22-41
– Balance Sheet Abstract	42
– Cash Flow Statement	43-44
Proxy Form & Attendance Slip	

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

Registered Office: Bhikaiji Cama Place, M. G. Marg, New Delhi- 110 066

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of ASIAN HOTELS (NORTH) LIMITED will be held on Tuesday, the 28th September, 2010, at 11:30 a.m. at Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, M. G. Marg, New Delhi-110 066 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, and the Profit and Loss Account for the six month period ended on that date along with the Auditors' Report and Directors' Report thereon.
2. To approve and ratify the payment of final dividend @ 1% to the holders of 1% cumulative redeemable non-convertible preference shares.
3. To approve the payment of final dividend @ 1% to the holders of 1% fully convertible preference shares.
4. To declare a dividend of Rs. 5/- per equity share.
5. To appoint a Director in place of Mr. Ramesh Jatia, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Adarsh Jatia, who retires by rotation, and being eligible, offers himself for re-appointment.
7. 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 (Firm Registration No.: 000204N), 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

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (the Act), as amended or restated from time to time, consent of the Company be and is hereby accorded to the re-appointment of Mr. Shiv Jatia as the Managing Director of the Company for a period of five years w.e.f. 10th April, 2011, on such remuneration and other terms and conditions as are detailed below:

Salary: Rs. 6,00,000/- per month in the scale of Rs. 6,00,000-60,000-9,00,000; to be reviewed by the Remuneration Committee, and based on its recommendations, the same may be revised, effective 1st April every year, at the discretion of the Board.

Perquisites: Following perquisites shall be allowed in addition to the salary:

A. Housing :

Company's expenditure on providing accommodation (furnished or otherwise) shall not exceed 60% of Salary. Alternately, house rent allowance equivalent to 60% of the salary shall be paid.

B. Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of three months' salary over a period of three years.

C. Leave Travel Assistance:

First class air fare for self and family once in a year, to any destination.

D. Club Fees:

Fees, excluding life membership fees and expenses at clubs subject to a maximum of two clubs shall be paid/ reimbursed.

E. Personal Accident Insurance:

In accordance with the Company's policy.

F. Employer's Contribution to Provident Fund / Superannuation Fund:

In accordance with the Company's policy.

G. Gratuity:

Gratuity shall be payable at the rate of 15 days' salary for each completed year of service in accordance with the Company's policy.

H. Car / Telephone:

Car with driver for use on Company's business, and telephone / telefax facility at residence shall be provided. Personal long distance calls and use of car for private purposes shall be recoverable.

Explanation: Family is defined as spouse and two dependent children.

Commission: At a rate not exceeding 3% (three percent) of the net profit of the Company, as may be decided by the Board of Directors based upon the recommendations of the Remuneration Committee, for each financial year, provided that the aggregate remuneration, inclusive of Commission, for any financial year shall not exceed 5% of the net profits of the Company computed in the manner as described under Section 198 read with Section 349 and 350 of the Act.

RESOLVED FURTHER THAT in case of no profits or inadequacy of profits in respect of any financial year in terms of Section 198(4) of the Act, the Company shall, subject to requisite approvals of the Central Government, pay the salary and perquisites as mentioned hereinabove as the minimum remuneration for the relevant year.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required, considered necessary and incidental thereto and to settle any question(s), difficulty(s) or matter(s) that may arise in interpretation, implementation or execution of the intent of the aforesaid resolution and to seek and obtain requisite consents and / or approvals as the Board of Directors may deem fit and appropriate to give effect to the same.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 314 and other applicable provisions of the Companies Act, 1956 (the Act), as amended or restated from time to time, consent of the Company be and is hereby accorded to the appointment of Mr. Amrithesh Jatia, a relative of Mr. Shiv Jatia, Chairman & Managing Director of the Company, for holding an office or place of profit, as Vice President (Business Development) and officer in-charge of the Company's proposed overseas office at London, for a period of one year w.e.f. 1st November, 2010, at an annual gross remuneration not exceeding Rs. 30 lacs, payable in foreign currency equivalent not exceeding Pound Sterling 3000 per month.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required, considered necessary and incidental thereto and to settle any question(s), difficulty(s) or matter(s) that may arise in interpretation, implementation or execution of the intent of the aforesaid resolution and to seek and obtain requisite consents and / or approvals as the Board of Directors may deem fit and appropriate to give effect to the same.”

By order of the Board
for **ASIAN HOTELS (NORTH) LIMITED**



Dinesh K. Jain
Vice-President (Corporate) &
Company Secretary

Place: New Delhi
Date: 30th August, 2010

NOTES:

- 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.**
- 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.
- In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 24th September, 2010 till Tuesday the 28th September, 2010, inclusive of both days.
- 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:
 - Beneficial owners as at the end of business on 23rd September, 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
 - 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 23rd September, 2010.
- The unclaimed and unpaid amount of Dividend declared for the financial year 2003-2004, which remains unclaimed and unpaid as on 8th October, 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.
- Members are requested to notify change in their address, if any, with pin code, quoting their folio number to the Registrar and Transfer Agents/Company.
 - Members holding shares in electronic form should notify any change in their residential address or Bank details directly to their respective Depository Participants.
- Non-Resident Indian Shareholders are requested to inform the Registrar and Transfer Agents/Company:
 - Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
 - Change, if any, in their Residential status.
- 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 National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS 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 Registrar and Transfer Agents/Company so that requisite details could be printed on all future dividend warrants:
 - Name of the Sole / First Joint Holder, and
 - Particulars of his / her Bank account, viz. account number, name of Bank and complete address of the Branch with Pincode Number.
- As per the provisions of the Act, facility for making nominations in prescribed Form 2B is available to individuals holding shares in the Company.
- 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 (NORTH) LIMITED

(Formerly Asian Hotels Limited)

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

Item No. 8

Mr. Shiv Kumar Jatia was appointed as a Managing Director in the 24th Annual General Meeting of the Company for a period of five years, which tenure ends on 9th April, 2011. In view of the above, the Board, based upon the recommendations of the Remuneration Committee, decided in its meeting held on 30th August, 2010, to re-appoint Mr. Shiv Kumar Jatia, as the Managing Director of the Company for a further period of five years effective 10th April, 2011, on the remuneration and terms and conditions as detailed in the resolution proposed at Item No. 8 of the Notice.

Post business restructuring in terms of the Scheme of Arrangement and Demerger, Mr. Shiv Kumar Jatia is the only managing director at the helm of affairs of your Company. He is seized of the fact that the Company at present has only one hotel undertaking namely Hyatt Regency Delhi, and therefore, is spearheading new business initiatives and expansion plans reported earlier. Construction of the new building complex, meant for Serviced Apartments, as also the expansion of the existing facilities has commenced.

Mr. Jatia has been associated with the Company since its inception. He has vast business experience especially in the hospitality sector. It is imperative at this juncture to maintain the continuity of leadership to ensure momentum of growth through expansion and fresh ideas. Therefore, your Directors recommend approval of the Ordinary Resolution at item no. 8.

Remuneration and other terms and conditions of appointment of the Managing Director as detailed in the proposed resolution read with this explanatory statement may be considered as the abstract referred to in Section 302 of the Act.

Mr. Shiv Kumar Jatia is interested in the proposed resolution. Mr. Ramesh Jatia and Mr. Adarsh Jatia may also be considered interested or concerned in the said resolution. None of the other directors is directly or indirectly interested or concerned in the said resolution.

Item No. 9

In view of the economic revival in the country, the Board in its meeting held on 12th July, 2010, had decided to open a Business Development office in London, initially for one year, primarily to look out for possible business ventures / joint ventures in the hospitality sector in India and abroad, and also to augment the efforts of the operator to get additional business for the existing hotel. In addition, the said office may also assist in the area of imports both for operations as well as for the expansion / new projects.

The Remuneration Committee of the Board of the Company in its meetings held on 12th July, 2010 and 27th July, 2010, had considered the appointment of Mr. Amritesh Jatia as Vice President (Business Development) and officer in-charge of the overseas office, and had recommended to the Board to appoint him at an annual gross remuneration not exceeding Rs. 30 lacs, payable in foreign currency equivalent not exceeding Pound Sterling 3000 per month for a period of one year. Accepting the recommendations of the Remuneration Committee, the Board in its meeting held on 30th August, 2010, approved the said appointment with effect from 1st November, 2010. Since Mr. Amritesh Jatia is the son of Mr. Shiv Kumar Jatia, the proposed appointment amounts to holding an office or place of profit by a relative of a director, and is subject to the approval of the shareholders and the Central Government pursuant to Section 314 of the Act.

Mr. Amritesh Jatia graduated in Business Management from Babson College, USA in May, 2007, and worked for a year as an analyst with Ernst & Young LLP, New York. Since returning to India, he has been monitoring execution and progress of various projects initiated by the Jatia Group. Your Directors are confident that he will successfully carry the responsibilities of the overseas office, and therefore, recommend approval of the Special Resolution at item no. 9.

Mr. Shiv Kumar Jatia, Mr. Ramesh Jatia and Mr. Adarsh Jatia may be considered interested or concerned in the proposed resolution. None of the other directors is directly or indirectly interested or concerned in the said resolution.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to submit their 29th Report together with the Audited Accounts for the period of six-month ended 31st March, 2010.

Financial Results

(Rupees in Crores)

	2009-2010	2008-2009
	(Six-month period)	(Eighteen-month period)
Sales Turnover (Net)	145.02	641.53
Profit Before Interest & Depreciation, Prior period adjustments & Extra-ordinary /Exceptional Item etc.	60.57	232.09
Interest	11.52	29.49
Depreciation	6.86	41.35
Prior Year Adjustments	0.01	(0.21)
Extra-ordinary /Exceptional Items	7.95	7.61
Profit Before Tax	34.23	153.85
Provision for Taxation (Net)	7.36	59.66
Net Profit	26.87	94.19
Surplus Brought Forward	281.51	238.59
Profit Available for Appropriation	308.38	332.78
Transfer to Capital Redemption Reserve for NCPS - redeemed / redeemable	0.00	41.24
Transfer to General Reserve	2.55	7.10
Proposed / Paid Dividend – Preference Shares	0.04	0.22
Proposed /Paid Dividend – Equity	5.70	2.28
Corporate Dividend Tax	0.95	0.43
Deduction on re-organization as per Scheme	186.79	0.00
Surplus Carried Forward	112.35	281.51
Earning per share - Basic & Diluted (Rs.)	20.17	41.19
Earning per share – Basic & Diluted (Rs.) - Annualised	40.34	27.46

For the six month period under review, the Company achieved sales turnover of Rs. 145.02 Crores as compared to Rs. 641.53 Crores achieved over previous accounting period of eighteen months ended 30th September, 2009. Similarly, for the period under review profit before tax was registered at Rs. 34.23 Crores as against Rs. 153.85 Crores of the previous accounting period.

Your Directors have already apprised in their previous report that the 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 to Section 391-394 of the Companies Act, 1956 (the Act), was approved by the Hon'ble High Court of Delhi vide Order dated 13th January, 2010, and became effective on 11th February, 2010. Consequently, the Mumbai Undertaking and Kolkata Undertaking of the Company were transferred to and vested in the Transferee Company-I and Transferee Company-II respectively. Since such transfer took effect retrospectively from the "Appointed Date", i.e. 31st October, 2009, the financial results for the period under review reflect the operational results of all the three Undertakings of the Company prior to de-merger only for the month ended 31st October, 2009, and operational results of the Delhi Undertaking alone for the five months, beginning 1st November, 2009 to 31st March, 2010.

Net profits for the period under review were significantly affected due to exceptional items primarily comprising of de-merger expenses. After transfer of Rs. 2.55 crores to the General Reserve, and adjustments /deductions on accounts of reorganization pursuant to the Scheme amounting to Rs. 186.79 crores, your Company carries forward a surplus of Rs. 112.35 crores in its Profit & Loss Account at the end of the period under review.

DIVIDEND

After providing for obligatory dividend of 1% on the outstanding preference shares, both convertible as well as non-convertible, your Directors are pleased to recommend a dividend of Rs. 5/- per equity shares, aggregating to Rs. 5.70 crores.

FOREIGN EXCHANGE RECEIPTS

The Company's earnings in foreign exchange for the six-month period under review amounted to Rs. 143.89 crores as against Rs. 425.76 crores during the previous eighteen-month period.

RESTRUCTURING THE COMPANY

Your Directors, in their previous report, had notified the book-closure dates to ascertain the shareholders entitled to receive fresh shares of the Company in lieu of 22803564 equity shares existing prior to de-merger, which stood extinguished in pursuance of the Scheme. Accordingly, your Directors issued 11401782 fresh equity shares on 28th February, 2010. Trading in equity shares of the Company re-commenced w.e.f. 7th April, 2010, both at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Post de-merger, your Company's name was changed to Asian Hotels (North) Limited (AHNL). Equity Shares of Transferee Company-I and Transferee Company-II, which companies were renamed as Asian Hotels (West) Limited (AHWL) and Asian Hotels (East) Limited (AHEL), have since been

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

listed on BSE and NSE and trading in their equity shares commenced on 5th August, 2010, and 11th August, 2010, respectively. Subsequently, by virtue of undertaking inter-se transfer of shares, as envisaged in Clause 5.8 of the Scheme, each of the promoter groups, namely the Jatia Group, the Gupta Group and the Saraf Group respectively acquired independent control of AHNL, AHWL and AHFL. Consequently, the Jatia Group controls over 59% shares in your Company.

Post de-merger, your Company has no subsidiaries.

The Company has obtained a certificate from the Statutory Auditors on the allocation of original Cost of Acquisition incurred by the shareholders in acquiring shares of Asian Hotels Limited vis-à-vis shares allotted to them in the Transferor Company and Transferee Companies in pursuance of the Scheme. Your Directors have taken note of the said certificate and the same is uploaded on Company's website for the benefit of the shareholders.

ISSUE / REDEMPTION OF CAPITAL

During the period under review, 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 in terms of the Scheme. Out of these, 5759260 FCPS were allotted to Fineline Holdings Limited, a foreign corporate body wholly owned by the Jatia group; and 555555 FCPS to UDT Enterprises Pty. Ltd., Australia, nominee of Global Operations Pte Ltd., Singapore, which are independent equity investors, and are not promoters or persons acting in concert with the promoters, directly or indirectly.

Post allocation of capital in pursuance of the Scheme, your Company carries the obligation to service 6259255 FCPS and 4950000 1% Non-convertible Redeemable Preference Shares (NCPS).

All outstanding NCPS were due for redemption on 30th June, 2010. Your Company redeemed 50000 NCPS held by Infrastructure Development Finance Company Ltd. on the due date, and extended the redemption date by one year, with mutual consent, in respect of 4900000 NCPS held by Magus Estates and Hotels Limited, a Jatia Group Company. In view of on going expansion activities detailed in the following paragraphs, redemption of NCPS was re-scheduled.

EXPANSION PLANS / FUTURE PROSPECTS

Your Company plans of making a foray into "Serviced Apartments" and has commenced construction of a new building/complex, which is expected to be completed during the financial year 2011-12, with a built-up area of approximately 14000 sq. mtrs., housed in a separate stand-alone tower.

Additionally, the Company also plans to renew and expand its existing facilities at Hyatt Regency Delhi. Such renovation and expansion shall be carried in two phases spanning over the years 2010 to 2013, for operational expediency and to avoid inconvenience to the guests during peak season. The first phase includes expansion of existing facilities by adding 24 bays and a multi-cuisine restaurant, and up-gradation of fitness center and renovation of existing suites, which is expected to be over by 31st March, 2012. The second phase comprising construction of new ballroom, pre-function area, additional meeting rooms and additional 24 bays, is expected to be carried out between April 2012 and August 2013.

In addition to the above, your Company is also exploring substantial acquisitions in Companies having operational undertakings in hospitality sector.

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

In the previous Annual General Meeting held on 19th March, 2010, Mr. Ramesh Jatia, Director was re-appointed, and Mr. Adarsh Jatia, Mr. Lalit Bhasin, Mr. Dinesh C. Kothari and Mr. Gautam R. Divan were appointed as Directors u/s 257 of the Act, in the given order. In accordance with the requirement of the Act, and pursuant to Article 116 of the Article of Association, two of the Directors viz. Mr. Ramesh Jatia and Mr. Adarsh Jatia retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Shiv Jatia completes his current tenure as Managing Director on 9th April, 2011. It is proposed to appoint him for further period of five years w.e.f. 10th April, 2011 on such remuneration and terms and conditions as are detailed in the resolution forming part of the notice for the ensuing Annual General Meeting.

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 31st March, 2010, 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

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

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'.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance, together with Auditors' Certificate thereon, is 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

Despite financial crisis emerging in various European countries and otherwise average growth rate in the global economy, hospitality industry in India has recovered from global economic downturn and tourist arrival has improved with a positive impact on the room rates and occupancy in the current year.

The tourism industry in the country has unlimited opportunities coming its way. India is witnessing rapid development and strong economic growth; and increasing political and economic affluence at the global level.

As a result of the increase in tourist arrivals, robust industrial activity, fast recovering capital market, and increased foreign direct investment, the outlook for the hospitality sector looks quite positive.

Opportunities, Threats, Risks and Concerns

Despite the apparent strides taken by the tourism industry in India, some worries remain. There is a sizeable mismatch between the demand and supply of star category rooms. The existing infrastructure in the country to support the requirements of the foreign traveler is far behind adequacy. There has to be a rapid improvement in the airport facilities, road and transport network and facilities at tourist locales if the momentum in the growth of the industry has to be sustained.

Although prospects are promising, any changes in the global geo-political situations have an adverse impact on the performance of the sector.

Review of Operational and Financial performance

The Company has achieved an aggregate turnover of Rs. 145.02 crores for the six-month period ended 31st March, 2010. The turnover in the previous eighteen-month period ended was Rs. 641.53 crores.

Profit after taxes for the year under review was Rs. 26.87 crores.

Segment wise performance

As explained earlier, your Company operated an integrated hotel business at three different locations viz. Delhi, Mumbai and Kolkata only for a part of the period under review. 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 31st March, 2010 was 1067.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation and gratitude to the Company's valued customers, the Government of India, Government of NCT of Delhi, 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: 30th August, 2010

Shiv Jatia
Chairman & Managing Director

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

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 measures taken during the accounting year 2009-2010 (six month period)	Impact (savings in Lac Rs. per annum)
1	Cove lights / wall washer lights changed in Business Centre and Pre-function areas	3.00
2	WC cisterns installed in public areas to reduce flush water consumption	0.75

S. No.	Additional Investment-proposal for the year 2010-2011	Impact (savings in Lac Rs. per annum)
1	Cove lights to be changed in the Regency Ball Room	2.20
2	To install Solar Panel for Water Heating	1.00

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 Board 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

- i) The Company has a strong commitment to international business and is continuously exploring avenues to increase its foreign exchange earnings.
- ii) Current period earnings amounted to Rs. 143.89 Crores (Rs. 425.76 crores in previous period) against which the outgo in foreign exchange was equivalent to Rs. 22.09 crores (Rs. 98.84 crores in previous period).
- iii) Details of foreign exchange earnings and outgo are given at Note 25 C to 25 F of Schedule 21.

ASIAN HOTELS (NORTH) LIMITED

(Formerly 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 PERIOD								
1	Shiv Jatia	55	Chairman and Managing Director	1,54,78,196	B.COM	37	10.04.1981	Industrialist
2	Jyoti Subarwal	57	President-Finance & Operations	46,68,216	F.C.A.	32	01.08.1983	Mohinder Puri & Co., Chartered Accountants, New Delhi, Audit Manager (5 Yrs.)
3	Dinesh K. Jain	50	Vice-President (Corporate) & Company Secretary	29,21,266	F.C.S.	31	27.06.2006	Ray Ban Sun Optics India Limited Company Secretary and Legal Manager (6 Years)
4	Arun N Tandon	51	Chief Operating Officer-Projects	26,04,600	MOT – I Class (Motor) Bombay DMET (Marine), Bombay, BE (Mech) Ravi Shankar University.	30	01.09.2008	DLF Hotel Holdings Limited (8 months)
5	Deepak Gupta	33	General Manager-Finance	14,77,000	A.C.A.	12	01.09.2007	WEL Intertrade Pvt. Ltd., Finance Controller (9 years)
6	Timothy Bruce	48	General Manager – Hyatt Regency, Delhi	70,26,931	7GCE'O Levels City & Guilds 706 1/706 2 Diploma of Hotel Management, Canberra	24	07.09.2004	Park Hyatt Canberra, Director of Food & Beverage (2Yrs.)
7	Narottam Sharma	51	Director of Materials	15,69,515	M.Com	27	21.11.1981	–
8	Anil Virmani	49	Director of Finance	14,72,438	B.Com, MBA	27	04.02.1985	Indian Hotels Co.
9	Cheng Hui Liu	38	Chef De Cuisine	16,07,792	Diploma in F & B Production	17	01.01.2008	Sous Chef in China
10	Dieter Lengauer	47	Executive Chef	53,05,697	Hotel Management from Hotel School in Austria	29	04.10.2008	Executive Chef in Hyatt on the Bund, Shanghai (2 and half Year)
11	Elizabeth Fleming	35	Resident Manager	39,10,679	Bachelor of Business Admin, Edith Cowan University, Australia	10	10.09.2009	EAM Rooms in Hyatt Regency Melbourne (2 Years)
12	Anuradha Kumar	40	Director of Marketing	13,27,544	Bachelors in Economics and MBA	14	15.01.2003	Sales Manager in Grand Hyatt Delhi (2 Years)
13	Puneet Bajjal	33	Director of Food & Beverage	13,10,832	Bachelors in Hotel Management & MBA	12	17.01.2005	Beverage Manager in Hotel Leela Kempinski Mumbai (2 Years)

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

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 PART OF THE PERIOD								
1	Sushil Gupta	66	Managing Director (west)	7,75,667	F.C.S., CHA	46	10.04.1981	Industrialist
2	Umesh Saraf	46	Managing Director (East)	7,74,000	B.Sc	24	07.07.2005	Industrialist
3	Aseem Kapoor	41	General Manager, Hyatt Regency, Mumbai	7,91,250	Diploma in Hotel Management, IHM Mumbai	21	01.06.2008	Resident Manager, Park Hyatt Dubai (3 Years)
4	Hoffmeyer Sven	45	General Manager, Hyatt Regency, Kolkata	8,00,330	Graduate Hotel Management	16	20.10.2008	Grand Hyatt Dubai / Director of Marketing (4 Years)
5	Wladimiro Gadioli	28	Chef De Cuisine	2,48,933	1. Certificate professional Kitchen Operator. 2. Certificate professional specialization in techniques of kitchen & pastry shop in complex hotel structure.	10	02.04.2007	Atahotel Quark in Milan Italy – Sous Chef (1 Year 4 Months)
6	Alessandro Sandrolini	40	Chef De Cuisine	12,48,383	Master Degree in Culina	22	24.11.2009	Grand Hyatt Muscat as Chef De Cuisine
7	Giuseppe Zanotti	32	Italian Chef, Hyatt Regency, Mumbai	6,38,978	Diploma in Hotel Management	4	21.12.2007	Italian Chef, Pasta Fresca da Salvatore, Singapore
8	Amit Gupta	37	General Manager, Finance	5,58,600	FCA, ACWAI	14	02.01.2008	AVP Finance, City Max Hotels, Landmark Group, Mumbai (1 Yr)

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, Exgratia payments and commission to Managing Directors. Performance incentive, Exgratia payments to the executives and commission to the Managing Directors are included on payment basis.
- All appointments except that of Mr. Jyoti Subarwal, Mr. Dinesh K. Jain, Mr. Deepak Gupta, Mr. Anil Virmani, Mr. Narottam Sharma, Mr. Amit Gupta, Ms. Anuradha Kumar, Mr. Puneet Bajjal and Mr. Arun N Tondon are on Contractual basis.
- None of the employees is a relative of the Company except in following cases:
Mr. Sushil Gupta is a relative of Mr. Sudhir Gupta, Director for a part of the period; Mr. Shiv Jatia is a relative of Mr. Ramesh Jatia, Mr. R. K. Jatia and Mr. Adarsh Jatia, last two being Directors for a part of the period; and Mr. Umesh Saraf is a relative of Mr. Radhey Shyam Saraf, Director for a part of the period.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

ANNEXURE "C" FORMING PART OF DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good governance practices while conducting its business and has upheld the core concept of Corporate Governance. The four pillars on which corporate governance rests are transparency, integrity, accountability and compliance of laws, which Asian Hotels (North) Limited, as a Company has imbibed and endeavors to follow.

The Company's status regarding 'Corporate Governance' as is required under Clause 49 of the Standard Listing Agreement is enumerated herein below:

BOARD OF DIRECTORS

In terms of the requirements of Clause 49 of the Listing Agreement, the Board is 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. Presently, the Board comprises of six Directors, out of which three are Independent Non-executive Directors and two Promoters, Non-executive directors. Mr. Shiv Jatia, Managing Director is the only executive director, who was also appointed as the Chairman of the Board on 15th February, 2010.

During the period under review, Mr. Adarsh Jatia was appointed as an additional director, who was later appointed u/s 257 of the Act, as director liable to retire by rotation in the annual general meeting held on 19th March, 2010. Mr. R. K. Jatia resigned as director on 10th February, 2010.

Post effectiveness of the Scheme of Arrangement and De-merger, and restructuring of business pursuant thereto, all independent directors namely Mr. R. K. Bhargava, Mr. S. K. Chhibber, Mr. Lalit Bhasin and Mr. S.S. Bhandari; and Directors constituting the Gupta Group and Saraf Group namely, Mr. Sushil Gupta, Mr. Sudhir Gupta, Mr. R. S. Saraf and Mr. Umesh Saraf resigned on 11th February, 2010. Consequently, the Board was re-constituted with the appointment of Mr. Lalit Bhasin, Mr. Gautam R. Divan and Mr. Dinesh C. Kothari, as additional directors, who were later appointed as Directors u/s 257 of the Act, as directors liable to retire by rotation, in the annual general meeting held on 19th March, 2010. Mr. Ramesh Jatia who was liable to retire by rotation, was re-appointed in the said annual general meeting.

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

S. No.	Nature of Directorship	Number during the year	
		Pre-restructuring of the Board	Post- restructuring of the Board
1.	Number of executive directors	Three	One
2.	Number of non-executive directors	Eight, including four independent directors	Five, including three 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 13 meetings of the Board of Directors took place. These meetings were convened on 13th October, 2009, 31st October, 2009, 13th November, 2009, 25th November, 2009, 30th November, 2009, 16th January, 2010, 23rd January, 2010, 10th February, 2010, 11th February, 2010, 12th February, 2010, 15th February, 2010, 28th February, 2010 and 19th March, 2010.

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	Board meetings attended vis-à-vis meetings held during their respective tenure	Last AGM attended: 19th March, 2010	No. of Directorships held in private companies ^	No. of 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	9/9	N.A.	3	8	7	2
2.	Mr. Sushil Gupta	Managing Director	8/9	N.A.	5	5	1	0
3.	Mr. Shiv Jatia	Managing Director \$	12/13	YES	19	6	0	0
4.	Mr. Umesh Saraf	Managing Director	8/9	N.A.	4	8	1	0
5.	Mr. R.S. Saraf	Non -Executive	3/9#	N.A.	3	3	0	0
6.	Mr. R.K.Jatia	Non-Executive	0/8	N.A.	3	2	0	0
7.	Mr. Sudhir Gupta	Non-Executive	5/9	N.A.	1	2	0	0
8.	Mr. Ramesh Jatia	Non -Executive	0/13	NO	2	1	0	0
9.	Mr. S.K. Chhibber	Independent Non-Executive	8/9	N.A.	1	6	2	1
10.	Mr. Lalit Bhasin	Independent Non-Executive	12/12*	YES	3	10	8	1
11.	Mr. S. S. Bhandari	Independent Non-Executive	7/9	N.A.	1	4	4	2
12.	Mr. Adarsh Jatia	Non-Executive	4/5+	YES	8	2	0	0
13.	Mr. Gautam R. Divan	Independent Non-Executive	0/3	NO	3	4	1	0
14.	Mr. Dinesh C. Kothari	Independent Non-Executive	2/3	YES	4	6	4	2

@ Mr. Sushil Gupta & Mr. Sudhir Gupta (brothers); Mr. Shiv Jatia, Mr. R. K. Jatia & Mr. Ramesh Jatia (brothers); Mr. R. S. Saraf & Mr. Umesh Saraf (father and son) are related to each other respectively. Mr. Adarsh Jatia is son of Mr. R. K. Jatia and Mr. Shiv Jatia's nephew.

Includes a meeting attended by Mr. Bimal Jhunjunwala as his alternate.

* Excludes the meeting in which Mr. Bhasin was appointed as additional director.

+ Includes a meeting attended by Mr. Amritesh Jatia (son of Mr. Shiv Jatia) as his alternate.

^ Directorships includes directorship/membership/chairmanship in the Company; and excludes bodies corporate.

\$ Presently Chairman & Managing Director.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

COMMITTEES OF DIRECTORS

The Company's Board has constituted the following Committees:

a) AUDIT COMMITTEE:

Initially the Audit Committee of the Company comprised of four independent directors namely Mr. R. K. Bhargava, Mr. S. K. Chhibber, Mr. Lalit Bhasin and Mr. S. S. Bhandari. Post restructuring the Audit Committee was reconstituted and comprises of Mr. Lalit Bhasin as its Chairman, and Mr. Dinesh C. Kothari and Mr. Gautam R. Divan, as its Members.

Mr. Bhasin is an eminent lawyer having over 40 years of law practice. Both Mr. Kothari and Mr. Divan are Chartered Accountants by profession having rich experience in financial restructuring and accounting and assurance services.

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.

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

During the period under review, seven meetings of the Committee were held viz. 31st October, 2009, 13th November, 2009, 25th November, 2009, 30th November, 2009, 16th January, 2010, 23rd January, 2010 and 16th March, 2010.

Name of the Director	Category	No. of Meetings Attended
MR. R. K. BHARGAVA*	Independent Non-Executive	6/6
MR.. S. K.CHHIBBER*	Independent Non-Executive	6/6
MR. LALIT BHASIN*^	Independent Non-Executive	7/7
MR. S. S. BHANDARI*	Independent Non-Executive	5/6
MR. DINESH C. KOTHARI^	Independent Non-Executive	1/1
MR. GAUTAM R. DIVAN^	Independent Non-Executive	1/1

* Resigned as director effective 11th February, 2010.

^ Were appointed as directors effective 12th February, 2010; Constitutes the Committee effective 15th February, 2010.

b) SHARE TRANSFER & SHAREHOLDERS GRIEVANCES COMMITTEE:

Before restructuring, the Share Transfer and Shareholders Grievances Committee comprised of Mr. S.K. Chhibber (as Chairman of the Committee), Mr. R. K. Bhargava, Mr. Sushil Gupta, Mr. Shiv Jatia and Mr. Umesh Saraf.

Presently, the Committee comprises of Mr. Dinesh C. Kothari, Mr. Lalit Bhasin and Mr. Shiv Jatia. Mr. Kothari chairs the Committee's meetings.

Mr. Dinesh K. Jain, Vice President (Corporate) and Company Secretary is the Compliance Officer of the Company and acts as Secretary to the Committee.

The Committee approves and monitors transfers, transmissions, splits and consolidation of shares, and also supervises redressal of shareholders' grievances. The Committee met twice in the said period.

The Company received 10 complaints during the period, which have been resolved and/or appropriately replied to. None of the investor complaints is lying unresolved at the financial period-end.

c) REMUNERATION COMMITTEE:

On reconstitution of the Remuneration Committee, post restructuring, it comprises of three Independent Non-Executive Directors viz. Mr. Lalit Bhasin, as Chairman of the Committee, and Mr. Dinesh C. Kothari and Mr. Gautam R. Divan as members. Previously, the Committee comprised of Mr. S. K. Chhibber, Mr. R. K. Bhargava and Mr. S. S. Bhandari.

The Remuneration Committee determines the Company's policy towards remuneration payable to the whole-time director(s). On the recommendation of the Committee, the Board, subject to requisite approvals, decides the remuneration of the whole-time director(s). The Remuneration package of the Whole time Director(s) comprises a fixed component viz. salary, perquisites and allowances and a variable component viz. commission on profits. No meeting of the Committee was held during the period under review. However, subsequent to the period under review, the terms of reference of the Committee were revised to include considering remuneration and terms and conditions of employment and/or for holding office or place of profit falling within the purview of Section 314 of the Companies Act, 1956 (the Act).

Non-Executive Directors are entitled to remuneration by way of commission on profit, aggregate of which shall not exceed 1% of the net profits of the Company calculated in terms of Section 198 of the Act, subject to the ceiling of Rs. 5,00,000/- (Rupees five lacs only) for each such director, in respect of the period under review. For next four financial years i.e. upto Financial Year 2013-2014, non-executive directors shall be entitled to receive such sums, as commission, as the Board of Directors may deem fit, based on the financial performance of the Company for the relevant year. However, aggregate commission payable to non-executive directors shall be within the prescribed limit of 1% of the net profits of the Company calculated in terms of Section 198 of the Act. Proposal to pay such commission to non-executive directors was approved by the shareholders in the extra-ordinary general meeting held on 12th July, 2010, and necessary application has been made to the Central Government for its approval.

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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

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

FEES & REMUNERATION (in Rs.)				
Name of Director	Sitting Fees	Salary & Perks (in Rs.)	Commission Total (in Rs.)	Total (in Rs.)
Mr. Sushil Gupta	N.A.	7,75,667		7,75,667
Mr. Shiv Jatia*	N.A.	46,87,296	10,790,900	1,54,78,196
Mr. Umesh Saraf	N.A.	7,74,000		7,74,000
Mr. R.S. Saraf	16,000	–	–	16,000
Mr. R.K. Jatia	–	–	–	–
Mr. Sudhir Gupta	28,000	–	–	28,000
Mr. Ramesh Jatia	–	–	500,000	500,000
Mr. S.K. Chhibber	84,000	–	–	84,000
Mr. R.K. Bhargava	88,000	–	–	88,000
Mr. Lalit Bhasin	1,32,000	–	500,000	6,32,000
Mr. S S. Bhandari	48,000	–	–	48,000
Mr. Dinesh C. Kothari	48,000	–	131,868	179,868
Mr. Gautam R. Divan	12,000	–	131,868	143,868
Mr. Adarsh Jatia	36,000	–	137,363	173,363
Mr. Bimal Jhunjhunwala	4,000	–	–	4,000
Mr. Amritesh Jatia	12,000	–	–	12,000

*Current tenure of five years expires on 9th April, 2011; proposed to be re-appointed for another term of five years.

Details of shares held by the Non-Executive Directors of the Company, as on 31st March, 2010, was as under:

Name of Director	Category	Shareholding as on 31st March, 2010	%age of total Shareholding
Mr. Lalit Bhasin	Independent Non-Executive	NIL	NIL
Mr. Gautam R. Divan	Independent Non-Executive	NIL	NIL
Mr. Dinesh C. Kothari	Independent Non-Executive	NIL	NIL
Mr. Ramesh Jatia	Non-Executive	75190	0.659
Mr. Adarsh Jatia	Non-Executive	NIL	NIL

GENERAL BODY MEETINGS: -

Financial Year	Nature of Meeting	Venue	Date	Time
2006-07	AGM	Hotel Hyatt Regency, Bhikaji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	21.09.2007	11.30 a.m.
2007-08	EGM	Ditto	25.06.2007	11.30 a.m.
	Court Convened Meetings: Equity Shareholders, Secured Creditors and Unsecured Creditors	Ditto	07.01.2008 07.01.2008 07.01.2008	10.30 a.m. 3.00 p.m. 4.00 p.m.
2007-08	AGM	Ditto	24.09.2008	11.30 a.m.
	Court Convened Meeting of Equity Shareholders	Ditto	11.12.2009	10.30 a.m.
2008-09	AGM	Ditto	19.03.2010	11.30 a.m.
2010-11	EGM	Ditto	12.07.2010	11.30 a.m.

None of the special resolutions passed in the above mentioned meetings were required to be put through a postal ballot. However, the resolutions at the Court convened meetings 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, a declaration to this effect by the Managing Director of the Company is annexed to this report.

Material Disclosures

• Related Party Transaction

In compliance with the Accounting Standard – 18, transactions pertaining to related parties are given under Note No. 23 of Schedule 21 (Significant Accounting Policies, Contingent Liabilities and Notes) to the Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the 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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

• Utilization of Proceeds of Securities issued on Preferential Allotment basis/ Outstanding Convertible Securities

In terms of Clause 5.3.1 of the Scheme of Arrangement and De-merger (the Scheme), the Company, prior to effectiveness of the Scheme, had issued and allotted 63,14,815 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/-. Said proceeds have been utilized for the designated purposes of facilitating the restructuring envisaged in the Scheme.

Out of the above, the Company was allocated 62,59,255 FCPS in pursuance of the Scheme, which are compulsorily convertible into equity shares of the Company between 7th November, 2010 and 30th April, 2011, at a price to be determined in terms of provisions relating to Preferential Issue contained in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

• Risk Assessment and Minimization Procedures

As part of the risk assessment and minimization procedures, the Company had, in the previous year 2008-09, identified certain major risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimization. While reviewing this report, the Board of Directors noted that its previous observations are still valid and expressed its satisfaction over preventive measures taken, wherever possible.

The Company's Board is conscious of the need to review the risk assessment and minimization 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 Director and President Finance & Operations in respect of the period under review was placed before the Board and was taken on record.

Means of Communication

Presently, the quarterly financial results are published in the Business Standard (English and Hindi), which were earlier published in Economic Times and the Nav Bharat Times. All other official news releases are first forwarded to the Stock Exchanges and, if considered necessary, subsequently released to the media. Further, all periodic statutory reports and other official news releases are uploaded on the Company's official website www.asianhotelsnorth.com

• 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	Business Standard (English & Hindi)
• Any website where displayed	As mentioned above, the financial results and other statutory reports are uploaded on the Company's website.
Whether it also displays official news Releases	Yes
Presentation made to the institutional investors or the analysts	Shall be displayed 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:

Tuesday, the 28th September, 2010 at 11.30 a.m.

Venue:

Hyatt Regency, Delhi
Bhikaji Cama Place, M.G. Marg,
New Delhi – 110 066

Financial Calendar

The current financial year 2010-11 is proposed as under:

Financial Reporting for the quarter ending 30th June, 2010	27th July, 2010
Financial Reporting for the half yearly ending 30th September, 2010	By the end of October, 2010
Financial Reporting for the third quarter ending 31st December, 2010	By the end of January, 2011
Financial Reporting for the year ending 31st March, 2011	By the end of May, 2011

Book Closure	Friday, the 24th September, 2010 to Tuesday, the 28th September, 2010 (inclusive of both days)
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Dividend Payment Date:

Around 18th October, 2010

Listing on Stock Exchanges:

Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The Company has paid upto date Annual Listing Fees to the respective Stock Exchanges.

Stock Code/Scrip ID:

BSE – 500023/ ASIANHOT

NSE – 233/ASIANHOTNR

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

Directors' Profile

Name of Director	Expertise in Specific Functional Area/Other details	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.	<ul style="list-style-type: none"> Magus Estates & Hotels Limited. Ascent Hotels Private Limited Avenue Technologies Private Limited Zeus Developers Private Limited Swastik Laundry Services Private Limited Searock Developers Private Limited Emerald City Developers Private Limited South Shore Developers Private Limited Srinivasa Developers Private Limited 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. Ramesh Jatia	Mr. Ramesh Jatia is a Graduate. He is an entrepreneur having rich business experience. Mr. Ramesh Jatia is related to Mr. Shiv Jatia, Managing Director. He holds 75190 shares in the Company in his individual capacity and/or as Karta of an HUF.	<ul style="list-style-type: none"> Deepak Garden Fresh Pvt. Ltd. Grandeur Hotels Pvt. Ltd.

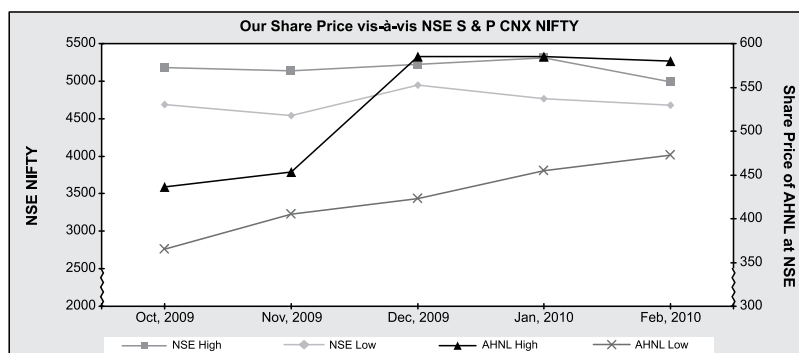
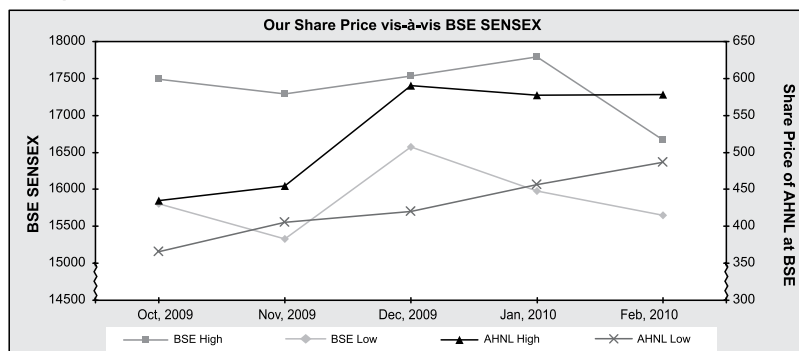
Stock Market Data

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.)
Oct, 2009	435.00	365.25	148438	436.00	365.00	220546
Nov, 2009	455.00	405.00	84493	453.00	405.05	157806
Dec, 2009	590.00	420.50	60600	585.00	423.30	129141
Jan, 2010	577.40	456.80	159397	585.00	455.00	217548
Feb, 2010	578.00	486.70	73288	580.00	472.50	170613
Mar, 2010	Trading in the shares of the Company was suspended from 24th February, 2010, in view of the book closure from 26th February, 2010 to 19th March, 2010 for ascertaining the shareholders entitled to fresh shares in lieu of the existing shares in terms of the Scheme of Arrangement and De-merger, as approved by the High Court of Delhi. Trading in the fresh equity shares of the Company was permitted w.e.f. 7th April, 2010.					

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

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



ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

Distribution of shareholders

Number of equity shares held	As on 31st March, 2010				As on 30th September, 2009			
	No. of Shareholders	% of Total Shareholders	Number of shares held	% Share holding	No. of Shareholders	% of Total Shareholders	No. of shares held	% share holding
Upto 250	17209	93.370	773656	6.785	16472	85.667	1050037	4.605
251 - 500	708	3.841	260517	2.285	1505	7.827	523174	2.294
501 - 1000	285	1.546	202284	1.774	730	3.797	532592	2.336
1001 – 2000	110	0.597	151076	1.325	297	1.545	422224	1.852
2001 – 3000	32	0.174	76115	0.667	82	0.426	205222	0.900
3001 – 4000	22	0.119	76612	0.672	26	0.135	91093	0.399
4001 – 5000	10	0.054	43387	0.381	23	0.120	103618	0.454
5001 –10000	16	0.087	114580	1.005	42	0.218	288626	1.266
10001 - above	39	0.212	9703555	85.106	51	0.265	19586978	85.894
TOTAL	18431	100	11401782	100	19228	100	22803564	100

Category wise shareholding

CATEGORY	As on 31st March, 2010		As on 30th September, 2009	
	No. of shares held	% age of shareholding	No. of shares held	% age of shareholding
A. Promoters Shareholding				
– Indian	1910657	16.758	3821316	16.758
– Foreign	5336880	46.807	10673763	46.807
Total Promoters shareholding	7247537	63.565	14495079	63.565
B. Public Shareholding				
– Mutual Funds/Financial Institutions/ Banks and Insurance Companies	438899	3.850	921068	4.039
– FII's	91391	0.802	61100	0.268
– NRI's	273608	2.400	661041	2.899
– Bodies Corporate (Domestic)	2062978	18.093	4115501	18.047
– Individuals (Indian Public)	1286743	11.285	2528609	11.089
– Clearing Members	626	0.005	21166	0.093
Total Public shareholding	4154245	36.435	8308485	36.435
GRAND TOTAL	11401782	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
- 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
www.karvy.com
Tel No. 040-23312454/23320751, Fax No. 040-23311968
e-mail : mailmanager@karvy.com

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

Dematerialisation of Shares

10911989 shares (equivalent to 95.70 %) of the total outstanding shares of the Company are held in dematerialized form as on 31st March, 2010. The Company's shares are actively traded at BSE as well as NSE.

Dividend Information

- The unclaimed and unpaid amount of dividend declared for the financial year 2001-2002 (Final), which remains unclaimed and unpaid as on 18th September, 2009 has been transferred to IEPF.
- 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 is 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., number of shares held etc.

Plant Locations:

The Company has only one five-star deluxe hotel namely

HYATT REGENCY DELHI
Bhikaiji Cama Place, M. G. Marg,
New Delhi -110 066

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

Registered Office/Address for correspondence: -

The investors may address their queries directly to the Share Transfer Agent at the addresses mentioned herein above or to the Company's registered office at:

ASIAN HOTELS (NORTH) LIMITED

Bhikaiji Cama Place, M. G. Marg,

New Delhi – 110 066

Telephone No.011-66771225/66771226

Fax No. 011-26791033

Email Id. Investorrelations@asianhotelsnorth.com

Adoption of Non-Mandatory Requirements of Clause 49 of the Listing Agreement and Corporate Governance Voluntary Guidelines, 2009: *Besides constituting the Remuneration Committee, the Company has so far not implemented other non-mandatory requirements of Clause 49 of the Listing Agreement and other provisions of the Corporate Governance Voluntary Guidelines, 2009. The Company endeavors to explore adoption and implementation of certain other provisions contained therein.*

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

Date: 30th August, 2010

The Board of Directors
Asian Hotels (North) Limited
Bhikaiji Cama Place, M.G. Marg,
New Delhi – 110 066

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 six-month period ended 31st March, 2010.

SHIV JATIA
CHAIRMAN & 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 (North) Limited

We have examined the compliance of the mandatory conditions of Corporate Governance by Asian Hotels (North) Limited for the six-month period ended 31st March, 2010 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 grievances received during the six-month period ended 31st March, 2010, no investor grievance is generally 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
FIRM REGISTRATION NO. 000204N

Place : New Delhi
Date : 30th August, 2010

VIKAS VIG
PARTNER
Membership No.: 16920

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

AUDITORS' REPORT

To the Members of **ASIAN HOTELS (NORTH) LIMITED (Formerly Asian Hotels Limited)**

We have audited the attached Balance Sheet of **ASIAN HOTELS (NORTH) LIMITED** as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the six 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) Further, we invite attention to Note 15 of Schedule 21 of the Notes annexed to the Accounts, mentioning thereby that the necessary approval of the Scheme of Arrangement and Demerger (the Scheme) has been received, hence both the Kolkata Undertaking and Mumbai Undertaking have got demerged as of the Appointed Date i.e. 31st October, 2009, and resultantly, the Company thereafter comprise only of residuary operations i.e. primarily the Hyatt Regency, Delhi.
- (vi) 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 31st March 2010 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956;
- (vii) 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, 2010;
 - b) in the case of the Profit and Loss Account of the **Profit** for the six months period ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the six months period ended on that date.

For MOHINDER PURI & COMPANY
Chartered Accountants
Firm Registration No.: 000204N

Place : New Delhi
Dated: 26th May, 2010

VIKAS VIG
PARTNER
M NO: 16920

ANNEXURE TO THE AUDITORS' REPORT OF ASIAN HOTELS (NORTH) LIMITED FOR THE SIX MONTHS PERIOD ENDED 31st MARCH, 2010

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 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.
 - c. During the period, upon receipt of necessary approval of the Scheme of Arrangement and Demerger (the Scheme), both the Kolkata Undertaking and Mumbai Undertaking had got demerged as of the Appointed Date i.e. 31st October, 2009, and resultantly, the Company now comprise only of residuary operation i.e. primarily the Hyatt Regency, Delhi. The Company had been reorganised and a substantial part of the fixed assets had got transferred to the new entities as per the terms of the Scheme. 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/ reorganisation of fixed assets, 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.
 - 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.
 - 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

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

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.
- 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.
- 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 the following demand of service tax demand:

Name of Statute	Year to which it relates	Amount unpaid (Rs in lakhs)	Forum where dispute is pending
The Central Excise Act, 1994	2002-2007	467.96	Commissioner of Central Excise (Appeals)

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 had given guarantees for loans taken by others from banks or financial institutions were not prejudicial to the interest of the Company. However, as at the balance sheet date, there are no guarantees given for loans taken by others from banks or financial institutions.
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
Firm Registration No.: 000204N

Place : New Delhi
Dated: 26th May, 2010

VIKAS VIG
PARTNER
M NO: 16920

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	Current Period 31st March 2010 Rs in Lakhs	Prior Period 30th September 2009 Rs in Lakhs
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	2261.10	3280.36
Reserves and Surplus	2	77058.75	145285.71
		79319.85	148566.07
LOAN FUNDS			
Secured Loans	3	15133.49	16839.41
NET DEFERRED TAX LIABILITY			
	4	698.64	6266.08
SHOP SECURITY DEPOSITS			
		581.73	595.97
		95733.71	172267.53
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	105251.43	161630.06
Less : Depreciation		7296.21	17736.12
Net Block		97955.22	143893.94
Capital Work-in-Progress		989.57	753.56
		98944.79	144647.50
INVESTMENTS			
	6	0.00	23817.92
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	588.63	887.22
Sundry Debtors	8	969.05	2019.59
Cash and Bank Balances	9	722.60	3203.43
Loans and Advances	10	2765.08	13650.87
		5045.36	19761.11
Less:			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	6885.33	14717.85
Provisions	12	1371.11	1241.15
		8256.44	15959.00
NET CURRENT ASSETS			
		(3211.08)	3802.11
		95733.71	172267.53
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

NEW DELHI
DATED: 26th May 2010

JYOTI SUBARWAL
President- Finance
& Operations

DINESH KUMAR JAIN
Vice President-Corporate &
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

SHIV JATIA Chairman & Managing Director
ADARSH JATIA Director
LALIT BHASIN Director

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

PROFIT AND LOSS ACCOUNT FOR PERIOD ENDED 31ST MARCH, 2010

	Schedule	Current Period 1st October 2009 to 31st March 2010 Rs in Lakhs	Prior Period 1st April 2008 to 30th September 2009 Rs in Lakhs
INCOME			
Rooms, Food, Beverages and Other Services	13	14509.16	64190.05
Less: Excise Duty paid		(7.61)	(36.35)
Net Sales		14501.55	64153.70
Other Income	14	56.38	709.34
		14557.93	64863.04
EXPENDITURE			
Consumption of Provisions, Beverages, Smokes & Others	15	1443.45	5653.10
Direct Operating Expenses	16	192.93	842.33
Payment to and Provision for Employees	17	2496.70	12750.58
Operating and General Expenses	18	4367.46	22407.62
		8500.54	41653.63
PROFIT BEFORE INTEREST, DEPRECIATION, PRIOR PERIOD ADJUSTMENTS & EXTRA ORDINARY/ EXCEPTIONAL ITEMS			
		6057.39	23209.41
Interest & Finance Charges	19	1151.50	2949.42
Depreciation		712.72	4215.76
Less : Transferred from Revaluation Reserve (Refer Note 16 of Schedule 21)		(26.96)	(80.87)
PROFIT BEFORE PRIOR PERIOD ADJUSTMENTS & EXTRA ORDINARY/ EXCEPTIONAL ITEMS			
		4220.13	16125.10
Prior Year Adjustments	20	1.29	(20.52)
Demerger Expenses		795.35	760.84
PROFIT BEFORE TAX			
		3423.49	15384.78
Provision for taxation		1,280.00	5065.00
Provision for taxation for earlier years		-	250.74
Provision for Fringe Benefit Tax		-	74.09
Provision for Deferred tax Liability / (Asset created)	4	(544.07)	575.90
PROFIT AFTER TAX			
		2687.56	9419.05
(Refer Note 15 of Schedule 21)			
Profit brought forward from Prior Year		28150.90	23858.97
PROFIT AVAILABLE FOR APPROPRIATION			
		30838.46	33278.02
Transfer to Capital Redemption Reserve A/c for Redeemed NCPS		0.00	1000.00
Transfer to Capital Redemption Reserve A/c for Redeemable NCPS		0.00	3124.00
Transfer to General Reserve		255.00	710.00
Proposed Dividend on Equity Shares		570.09	228.04
Dividend on Preference Shares		3.81	22.50
Dividend Distribution Tax		95.30	42.58
Deduction on reorgainsation as per Scheme (refer Clause 5.5.5 (b) of the Scheme)		18678.81	0.00
SURPLUS CARRIED TO BALANCE SHEET			
		11235.45	28150.90
		30838.46	33278.02
EARNINGS PER SHARE – BASIC AND DILUTED (Rupees)		20.17	41.19
EARNINGS PER SHARE – BASIC AND DILUTED (Rupees) – annualised (Refer note 30 of Schedule 21)		40.34	27.46
SIGNIFICANT ACCOUNTING POLICIES AND NOTES	21		

AS PER OUR REPORT ATTACHED

VIKAS VIG
Partner

**For & on Behalf of
Mohinder Puri & Company**
Chartered Accountants

NEW DELHI
DATED: 26th May 2010

JYOTI SUBARWAL
President- Finance
& Operations

DINESH KUMAR JAIN
Vice President-Corporate &
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

SHIV JATIA Chairman & Managing Director
ADARSH JATIA Director
LALIT BHASIN Director

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Period 31st March 2010	Prior Period 30th September 2009
	Rs in Lakhs	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	2280.36	2280.36
Add: Transferred from General Reserve as per Contra (Refer clause 5.5.5(a) of the Scheme)	1140.18	
	3420.54	
Less : Transferred on account of reorganisation pursuant to the Scheme of Arrangement and Demerger (Refer clause 5.5.1 of the Scheme)	(2,280.36)	
	1140.18	
11,401,782 Equity Shares of Rs. 10 each fully paid reissued as per clause 5.4.6 of the Scheme (refer note 26 of Schedule 21)	1140.18	
(of the above 5,972,362 (Prior period 6,515,304) Equity Shares were allotted as fully paid up Bonus Shares by capitalisation of Share Premium and a part of General Reserve)		
10,000,000 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each fully paid	1000.00	1000.00
Less : Transferred on account of reorganisation pursuant to the Scheme of Arrangement and Demerger (Refer clause 5.4.2 of the Scheme)	(505.00)	
	495.00	0.00
4,950,000 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each fully paid (Refer Note 27 of schedule 21)	631.48	
6,314,815 (prior period Nil) 1% Cumulative Fully Convertible Preference Share Capital (FCPS) of Rs. 10 each fully paid (Refer Note 28 of schedule 21)	(5.56)	
Less : Transferred on account of reorganisation pursuant to the Scheme of Arrangement and Demerger (Refer clause 5.4.2 of the Scheme)		
6,259,255 (prior period Nil) 1% Cumulative Fully Convertible Preference Share Capital (FCPS) of Rs. 10 each fully paid (Refer Note 28 of schedule 21)	625.92	0.00
	2261.10	3280.36

2. RESERVES & SURPLUS

	Additions / (Deductions)	Transferred on re-organisation as per Scheme		
Capital Reserve (Refer clause 5.5.5 of the Scheme)	0.00	(2.82)	1.41	4.23
Capital Redemption Reserve for redeemed NCPS (Refer Note 27 of the Schedule 21)	0.00	(505.00)	495.00	1000.00
Capital Redemption Reserve for redeemable NCPS (Refer Note 27 of the Schedule 21)	0.00	(833.68)	498.32	1332.00
Securities Premium Account (Refer Note 1 below)	33468.52	(4334.47)	37134.05	8000.00
General Reserve (Refer Note 2 below) (Also Refer clause 5.5.5 (b) of the Scheme)	(885.18)	(5113.21)	2811.61	8810.00
Tourism Development Utilised Reserve (Refer clause 5.5.5 (b) of the Scheme)	0.00	(10,664.04)	5332.02	15996.06
Revaluation Reserve (Refer Note 3 below)	(26.96)	(62414.67)	19550.89	81992.52
Surplus in Profit & Loss Account (Also Refer clause 5.5.5 (b) of the Scheme)	1763.36	(18678.81)	11235.45	28150.90
	34319.74	(102546.70)	77058.75	145285.71

Note :

- 1) Addition to Securities Premium Account represents premium on issue of FCPS during the period.
- 2) Deduction to General Reserve comprise Rs. 1140.18 lakhs transferred to Equity Shares Capital as per Contra (Refer clause 5.5.5(a) of the Scheme) net of addition of Rs 255 lakhs being transfer from Profit & Loss Account.
- 3) Deduction to Revaluation Reserve represents amount withdrawn on account of depreciation during the period.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Period 31st March 2010 Rs in Lakhs	Prior Period 30th September 2009 Rs in Lakhs		
3. LOAN FUNDS				
SECURED LOANS				
TERM LOANS				
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)	8357.14	9000.00		
– ICICI Bank Limited Secured against hypothecation of certain vehicles	175.53	43.97		
– Kotak Mahindra Bank Limited Secured against hypothecation of certain vehicles	47.64	0.00		
– 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	1324.69	1422.81		
– IDBI Bank Limited	0.00	5224.00		
– Yes Bank Limited (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)	4100.00	0.00		
Interest accrued and due	0.00	67.89		
OTHER LOANS				
Short Term Loans and Advances				
From Banks				
Bank of Baroda – Secured against Fixed Deposit Receipts From IDBI Bank Limited	0.00	0.53		
– Secured against hypothecation of inventories and book debts (both present & future)	422.88	752.06		
– Secured against credit card collection*	705.61	328.15		
	15133.49	16839.41		
* net of balances in collection accounts	99.95	200.93		
– Term loans due within one year	1553.49	3978.58		
4. NET DEFERRED TAX LIABILITY				
	Created Liability/(Asset)	Transferred on re-organisation as per Scheme		
Tax Liability /(Asset) due to timing difference in respect of:				
Depreciation	53.51	(5140.78)	1871.46	6958.73
Provision for Retirement Benefits	(8.70)	105.20	(231.70)	(328.20)
Provision for doubtful debts / advances	(1.12)	12.21	(0.85)	(11.94)
Statutory Dues	(33.18)	0.00	(385.69)	(352.51)
Demerger expenses	(554.58)	0.00	(554.58)	0.00
	(544.07)	(5023.37)	698.64	6266.08

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

5. FIXED ASSETS - At Cost

Rs in Lakhs

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.10.2009	Additions	Deductions/ Adjust- ments	Deductions (Reorgani- sation as per the Scheme)	As on 31.03.2010	Upto 30.09.2009	For the period	Written back on deduc- tions / adjust- ments	Deduc- tions (Reorgani- sation as per the Scheme)	Upto 31.03.2010	As on 31.03.2010	As on 30.09.2009
Land - Leasehold	1467.71	0.00	0.00	1467.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1467.71
Land - Freehold	89361.59	0.00	0.00	9287.31	80074.28	0.00	0.00	0.00	0.00	0.00	80074.28	89361.59
Buildings	34230.05	26.93	0.00	24657.14	9599.84	3913.26	112.73	0.00	2664.77	1361.22	8238.62	30316.79
Furniture, Fixtures and Furnishings	8994.92	47.04	1.00	4467.80	4573.16	4619.51	192.93	0.96	2678.42	2133.06	2440.10	4375.41
Plant and Machinery	25664.44	63.07	8.97	16091.47	9627.07	8548.51	303.74	4.93	5535.55	3311.77	6315.30	17115.93
Vehicles	1911.35	50.42	6.32	578.37	1377.08	654.84	103.32	3.55	264.45	490.16	886.92	1256.51
Total	161630.06	187.46	16.29	56549.80	105251.43	17736.12	712.72	9.44	11143.19	7296.21	97955.22	143893.94
Prior Year	156526.74	6077.90	974.58	0.00	161630.06	14103.31	4215.76	582.95	0.00	17736.12		
CAPITAL WORK-IN-PROGRESS - Refer Note 14 of Schedule 21											989.57	753.56
											98944.79	144647.50

- 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 16 of Schedule 21)
- b) Depreciation for the period includes an additional depreciation amounting to Rs.26.96 Lakhs (Prior period Rs. 80.87 Lakhs) on revalued building that has been withdrawn from Revaluation Reserve Account and credited to the Profit and Loss Account (Refer Note 16 of Schedule 21)
- c) Capital work in progress includes Rs 211.65 lakh paid for repossession of areas for construction of spa, being part of project cost of spa
- d) 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
- e) Building includes leasehold improvement 20.68 33.34
net block 9.65 23.34
- f) Vehicles includes those financed 154.26 297.29
net block 125.97 183.21
- g) Land -Freehold and Plant & Machinery includes assets relating to the business of generation of electricity 34.00 34.00
- gross block 34.00 34.00
- net block
Plant & Machinery
- gross block 1857.02 1857.02
- net block 1660.91 1709.94

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Face Value	Prior Period	Transferred on re-organisation as per Scheme	Current Period 31st March 2010	Prior Period 30th September 2009
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
6. INVESTMENTS					
Long Term					
Trade, Unquoted					
In Erstwhile Subsidiary Companies					
Nil (Prior Period 91,652) Equity Shares of Rs 10 each of Regency Convention Centre & Hotels Ltd.	0.00	9.16	(2,579.02)	0.00	2579.02
Nil (Prior Period 8,170,000) Equity Shares of Rs 10 each of GJS Hotels Limited	0.00	817.00	(17,463.00)	0.00	17463.00
(Of the above, 8,120,000 Equity Shares of Rs.10 each have been issued at a premium during the prior period)					
Nil (Prior Period 2,50,10,000) Equity Shares of Rs 10 each of Aria Hotels & Consultancy Services Private Limited	0.00	2501.00	(2,501.00)	0.00	2501.00
Nil (Prior Period 50,000) Equity Shares of Rs 10 each of Chillwinds Hotels Limited	0.00	5.00	(5.00)	0.00	5.00
Nil (Prior Period 50,000) Equity Shares of Rs 10 each of Vardhman Hotels Limited	0.00	5.00	(5.00)	0.00	5.00
Short Term					
Non -Trade, Quoted					
Nil (Prior Period 3,506,386) Units of Rs. 10 each of HDFC Cash Management Fund -Treasury Advantage Plan -Week -Net Asset Value as on 31.03.2010 Rs. Nil (Prior Period Rs. 351.72 Lakhs)	0.00	350.64	(351.56)	0.00	351.56
Nil (Prior Period 9,129,348) Units of Rs. 10 each of LIC MF Income Plus Fund - Weekly Dividend Plan -Net Asset Value as on 31.03.2010 Rs. Nil (Prior Period Rs. 913.35 Lakhs)	0.00	912.93	(913.34)	0.00	913.34
			(23,817.92)	0.00	23817.92

Note:

Investment bought / subscribed and sold / redeemed during the period
 Nil Units of LIC MF Liquid Fund-Growth Plan (Prior period 60.73 lakhs units)
 Nil Units of LIC MF Interval Fund-Series I (Prior period 29.88 lakhs units)
 Nil Units of LIC MF Liquid Plus Daily Dividend (Prior period 855.15 lakhs units)
 Nil Units of DWS Credit Opportunities Cash Fund (Prior period 9.98 lakhs units)
 Nil Units of JM FMF Series X Quarterly Plan (Prior period 10 lakhs units)
 Nil Units of SBI Debt Fund Series 90 days (Prior period 120 lakhs)
 Nil Units of HDFC MF Weekly Dividend Plan (Prior period 1.08 lakhs)
 Nil Units of ICICI Prudential Weekly Dividend Plan (Prior period 0.31 lakhs)

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Period 31st March 2010 Rs in Lakhs	Prior Period 30th September 2009 Rs in Lakhs
7. INVENTORIES		
Wines & Liquor	242.07	260.90
Provisions, Other Beverages and Smokes	86.49	147.20
Crockery, Cutlery, Silverware, Linen etc.	162.48	312.41
General Stores and Spares	97.59	166.71
	<u>588.63</u>	<u>887.22</u>
8. SUNDRY DEBTORS		
Outstanding for over six months	29.79	84.49
Others	941.82	1968.77
	<u>971.61</u>	<u>2053.26</u>
Less :Provision for doubtful debts	(2.56)	(33.67)
	<u>969.05</u>	<u>2019.59</u>
Unsecured considered good	969.05	2019.59
Unsecured considered doubtful	2.56	33.67
9. CASH AND BANK BALANCES		
Cash in hand	26.56	49.33
Cheques in hand	111.94	150.82
With Scheduled Banks :		
Current Accounts	110.96	165.55
Unpaid Dividend Current Accounts	298.12	77.73
Fixed Deposits *	175.02	2760.00
	<u>722.60</u>	<u>3203.43</u>
* Include :		
– under lien against overdraft facilities	10.00	260.00
– given as security deposit	129.05	0.00
10 LOANS & ADVANCES		
Advances to erstwhile subsidiary companies *	0.00	741.36
Advances recoverable in cash or in kind or for value to be received **	1494.13	11347.25
Advance income tax (Net of provisions)	861.37	674.67
Fringe benefit tax (net)	5.91	17.91
Security Deposits	402.83	770.59
Interest accrued on Fixed Deposits	0.84	100.53
	<u>2765.08</u>	<u>13652.31</u>
Provision for doubtful advances/deposits	0.00	(1.44)
	<u>2765.08</u>	<u>13650.87</u>
Unsecured considered good	2765.08	13650.87
Unsecured considered doubtful	0.00	1.44
*includes advance given to		
– GJS Hotels Limited	0.00	535.27
maximum balance due during the period	0.00	1277.34
– Asian Hotels (West) Limited, Previously Chillwinds Hotels Limited	0.00	72.67
maximum balance due during the period	0.00	72.67
– Asian Hotels (East) Limited, Previously Vardhman Hotels Limited	0.00	65.44
maximum balance due during the period	0.00	65.44
– Aria Hotels & Consultancy Services Private Limited	0.00	12.16
maximum balance due during the period	0.00	12.16

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Period 31st March 2010 Rs in Lakhs	Prior Period 30th September 2009 Rs in Lakhs
- Regency Convention Centre & Hotels Limited maximum balance due during the period	0.00 0.00	55.82 55.82
**includes recoverable from		
- Asian Hotels (West) Limited, Previously Chillwinds Hotels Limited maximum balance due during the period	10.36 14.64	0.00 0.00
- Asian Hotels (East) Limited, Previously Vardhman Hotels Limited maximum balance due during the period	18.95 18.95	0.00 0.00
- Aria Hotels & Consultancy Services Private Limited maximum balance due during the period	0.03 0.03	0.00 0.00
11 CURRENT LIABILITIES		
Sundry Creditors		
- for capital projects	133.57	226.21
- others *	728.55	1188.20
Advances from Customers	2126.37	7864.99
Interest accrued but not due on loans	82.61	0.33
Security Deposits received	19.85	24.65
Other Liabilities **	3794.38	5413.47
	6885.33	14717.85
* includes due to Micro, Small & Medium Enterprises (Refer Note 29 of Schedule 21)	0.95	0.00
**includes due to		
- Unclaimed Dividends	298.12	77.73
- Directors (including commission)	464.01	1078.73
12 PROVISIONS		
Gratuity	547.16	781.33
Leave Encashment	150.36	184.24
Proposed dividend on Equity Shares	570.09	228.04
Dividend on Preference Shares	7.56	7.50
Corporate Dividend Tax	95.94	40.04
	1371.11	1241.15

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	1st October 2009 to 31st March 2010 Rs in Lakhs	Prior Period 1st April 2008 to 30th September 2009 Rs in Lakhs
13. ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Rooms	8301.95	38651.90
Wines and Liquor	1019.31	3718.71
Food, Other Beverages, Smokes & Banquets	3758.31	15290.40
Communications	152.89	807.05
Others *	1276.70	5721.99
	14509.16	64190.05
*includes :		
- gain/(loss) on account of foreign exchange translation (net)	5.81	(11.25)
- income related to generation of electricity business (Refer note 20 of Schedule 21)	48.54	280.49
14. OTHER INCOME		
Interest earned *	40.06	330.51
Dividends	3.10	115.48
Gain on sale of short term investments (net)	(0.07)	104.40
Excess provisions written back	0.00	7.00
Provision for Doubtful Debts / Advances written back	4.80	89.05
Credit balances written back	8.49	28.00
Miscellaneous	0.00	34.90
	56.38	709.34
* Tax deducted at source	5.87	49.52
15. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS		
WINES & LIQUOR		
Opening Stock	260.90	307.85
Add : Purchases	262.44	1043.09
	523.34	1350.94
Closing Stock	(242.07)	(260.90)
	281.27	1090.04
PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	147.20	167.12
Add : Purchases	1101.47	4543.14
	1248.67	4710.26
Closing Stock	(86.49)	(147.20)
	1162.18	4563.06
	1443.45	5653.10
Indigenous 77.02% (Prior Period 83.89%)	1111.70	4742.43
Imported 22.98% (Prior Period 16.11%)	331.75	910.67

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	1st October 2009 to 31st March 2010 Rs in Lakhs	Prior Period 1st April 2008 to 30th September 2009 Rs in Lakhs
16. DIRECT OPERATING EXPENSES		
Telephone	53.26	283.26
Guest Transportation	139.67	559.07
	<u>192.93</u>	<u>842.33</u>
17. PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Ex gratia	1773.92	9186.61
Provident and other Funds	116.87	562.20
Gratuity	45.34	159.50
Rent - staff accommodation	20.86	63.12
Workmen and Staff Welfare *	264.77	1226.06
Contract Labour & Service	253.33	1385.01
Recruitment & Training	21.61	168.08
	<u>2496.70</u>	<u>12750.58</u>
* includes :		
Cost of provisions consumed in staff cafeteria	106.09	583.73
Realisation on sale of food coupons to staff	(2.65)	(27.95)
18. OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering and Other supplies/services	347.84	1478.19
Operating equipment and Supplies written off	169.01	504.01
Fuel, Power and Light (net)	654.11	4646.55
Repairs, Maintenance and Refurbishing *	718.01	3881.93
Rent	3.93	78.06
Rates and Taxes	372.10	2335.08
Insurance	71.03	358.44
Directors' sitting fee	5.08	18.48
Legal and Professional	266.56	1076.67
Artist Fee	13.28	18.10
Stationery and Printing	48.78	212.60
Travelling and Conveyance	146.57	654.81
Communication	45.78	202.25
Technical Services	758.32	3142.39
Advertisement and Publicity	214.69	1026.53
Commission and Brokerage	432.21	2154.77
Charity & Donation	9.14	154.70
Bad debts / advances written off	1.00	56.70
Provision for doubtful debts / advances	5.59	22.51
Loss on Fixed Assets sold/discarded (net)	3.41	301.04
Difference in Exchange	0.00	(43.70)
Miscellaneous	81.02	127.51
	<u>4367.46</u>	<u>22407.62</u>
* includes:		
Repairs & Maintenance - Buildings	209.95	961.38
Repairs & Maintenance - Plant & Machinery	373.55	1578.00

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	1st October 2009 to 31st March 2010 Rs in Lakhs	Prior Period 1st April 2008 to 30th September 2009 Rs in Lakhs
19. INTEREST AND FINANCE CHARGES		
Interest on - fixed loans	858.18	2491.86
- others	262.51	299.12
Bank & Finance charges	30.81	158.44
	1151.50	2949.42
20. PRIOR YEAR ADJUSTMENTS		
Repair, maintenance and refurbishing	0.90	1.71
Rates and Taxes	0.00	(30.42)
Legal & Professional Expenses	0.36	0.00
Other adjustments	0.03	8.19
	1.29	(20.52)

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 period.

(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.

(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

(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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

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 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, 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 there under 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 lease of leasehold lands is either perpetual or for substantially long term and hence no depreciation has been charged on the premiums paid.
 - (c) Capital Work in Progress
Capital work in progress represents expenditure directly relating to construction activity to be capitalized. All indirect expenditure including interest incurred during construction period to be capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto
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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

7. Inventory

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

8. Impairment of Assets

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.

For the purposes of calculating diluted earning per share, the net profits or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any.

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 on equity shares and Fully Convertible Preference Shares (FCPS) is accounted for pending approval at the Annual General Meeting.

13. Contingent Liabilities :

	Rs in Lakhs	Prior Period Rs in Lakhs
(a) Outstanding Capital Expenditure Commitments	660.64	718.10
(b) Claims against the Company not acknowledged as debts *	508.49	617.18

* includes demand raised by the Service Tax authorities on Hotel Hyatt Regency Delhi amounting to Rs.467.96 lakhs (excluding interest and penalties) for earlier years upto 2007, against which the Company has filed an appeal with the said authorities. The Company may, however, be not be liable to pay the demand for the periods till 18 April, 2006 in view of the judgement of the Hon'ble Supreme Court of India in the case of Indian National Shipowners Association whereby it held that no service tax is leviable on certain foreign services prior to 18th April 2006.

14. Capital Work-in-Progress consists of:

	Rs in Lakhs	Prior Period Rs in Lakhs
(a) Renovation/refurbishing work / other work in progress	733.01	615.39
(b) Advances for capital contracts (unsecured, considered good)	256.56	138.17
Total	989.57	753.55

15. The Scheme of Arrangement and Demerger (the Scheme) mooted by the Company 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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

The Scheme has been approved by the Hon'ble High Court of Delhi vide order pronounced on 13th January 2010 and has become effective on 11th February 2010, the day formal order sanctioning the Scheme was filed with the Registrar of Companies, NCT of Delhi and Haryana and the same relates back to the Appointed Date i.e 31st October 2009. The Promoter Groups are in the process of transferring their shareholding inter-se in the three de-merged entities as provided in Clause 5.8 of the Scheme.

On effectiveness of the Scheme, the operations of Kolkata Undertaking and Mumbai Undertaking have been discontinued from 1st November, 2009. Further, operations of the Kolkata Undertaking and Mumbai Undertaking till 31st October 2009, as defined in terms of the Scheme, constitute discontinuing operations within the meaning of Accounting Standard (AS) 24 on "Discontinuing Operations".

As at 31st October, 2009, the carried amount of the assets of the Kolkata undertaking were Rs 77,302.14 Lakhs (prior period Rs 40,112.29 Lakhs), and of the Mumbai undertaking were Rs 38,106.76 Lakhs (prior period Rs 39,429.73 Lakhs) and their liabilities were Rs 22,184.84 Lakhs (prior period Rs 22,028.95 Lakhs) and Rs 30,809.39 Lakhs (prior period Rs 29,111.48 Lakhs) respectively. The following statement shows the revenue and expenses of continuing and discontinuing operations: -

(Rs. in Lakhs)								
Particulars	Continuing Operations		Discontinued/ Discontinuing Operations *				Total	
	AHL Residual		Kolkata Undertaking		Mumbai Undertaking		Current Period	Prior Period
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period		
Turnover	12,806.87	32,211.81	714.89	11,701.18	1,036.17	20,950.05	14,557.93	64,863.04
Operating Expenses	7,858.61	22,450.76	488.61	8,784.35	839.08	14,553.41	9,186.30	45,788.52
Pre-tax profit / (loss) from operating activities	4,948.26	11,163.30	226.28	3,817.25	197.09	7,468.02	5,371.63	19,074.52
Interest expenses	1,151.02	2,938.74	0.27	3.12	0.21	7.56	1,151.50	2,949.42
Demerger Expenses	264.91	141.76	256.03	141.75	274.41	477.33	795.35	760.84
Prior Period Adjustments	1.29	(3.16)	-	(5.75)	-	(11.61)	1.29	(20.52)
Profit / (Loss) before tax	3,531.04	8,085.96	(30.02)	3,678.13	(77.53)	6,994.74	3,423.49	15,384.78
Income tax expenses	591.53	2,581.84	76.65	1,066.70	67.75	2,317.19	735.93	5,965.73
Profit/(Loss) after tax	2,939.51	5,642.72	(106.67)	2,747.43	(145.28)	5,143.27	2,687.56	9,419.05

* Figures for the current period are for the period of one month, i.e., October 1, 2009 to October 31, 2009 and for the period of eighteen months, i.e., April 1, 2008 to September 30, 2009 for prior period.

Rs in Lakhs Prior Period
Rs in Lakhs

16. 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. 26.96 Lakhs (Prior period Rs. 80.87 Lakhs), for the current period, on account of depreciation. Resultantly, an equivalent amount of Rs 26.96 Lakhs (Prior period Rs. 80.87 Lakhs) has been withdrawn from the Revaluation Reserve Account and credited to the Profit & Loss Account. The Loss arising to the Company from restructuring and transfer of the Kolkata undertaking and the Mumbai undertaking has been set off against the Revaluation Reserve Account in terms of the Scheme (Refer clause 5.5.5(g) & 5.5.6 of the Scheme).
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.
18. 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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Rs in Lakhs	Prior Period Rs in Lakhs
19. (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	3423.49	15384.78
Add/ (Less):		
Loss on Fixed Assets sold / discarded (net)	3.41	301.04
Loss/(Gain) on sale of investments (net)	0.07	(104.40)
Provision no longer required written back	(4.80)	(96.05)
Provision for Doubtful debts / advances	5.59	22.51
Provision for Wealth Tax (net)	0.48	3.99
NET PROFIT AS PER SECTION 349	3428.24	15511.87
Managerial Remuneration (as stated below)	168.72	1466.87
PROFIT AS PER SECTION 198	3596.96	16978.74
Commission @ 3% (prior period 2%) of the profits as above amounting to Rs.101.56 Lakhs (prior period Rs. 346.92 Lakhs) payable to the Managing Director (prior period each of the three Managing Directors) included under the head "Salaries, Wages and Ex Gratia" aggregating to :	107.91	1018.72
Commission payable to each of the five (prior period eight) Non Executive Directors @ 1% of Profit as above subject to maximum of Rs. 5 Lakhs(prior period Rs.5 Lakhs per annum) per Director included under the head "Salaries, Wages and Ex Gratia" aggregating to :	14.01	60.00
Note : Increase in Commission during the period payable to the Managing Director and Commission payable during the period to non-executive directors is subject to approval of the members and the Central Government.		
(b) Managerial Remuneration (excluding provision for gratuity) to Directors :		
Salaries	27.00	225.00
House Rent Allowance	16.20	135.00
Commission	121.92	1078.72
Provident Fund Contribution	3.24	27.00
Monetary value of Perquisites	0.36	1.15
	168.72	1466.87

20. The Company operated an integrated hotel business at three geographical locations upto the Appointed Date in terms of the Scheme, i.e., 31st October 2009. 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. Post effectiveness of the Scheme, the Company operates only one hotel, namely Hotel Hyatt Regency Delhi. The power generation business of the Company is governed by different set of 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.

The above treatments are in accordance with the guiding principles enunciated in the Accounting Standard (AS-17) on Segment Reporting.

21. 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 Rateable Value method then existing. However, as a matter of abundant caution, based on usage factor of ten, 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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

22. 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. 110.66 Lakhs (prior period Rs. 527.33 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)	
	Current period	Prior period	Current period	Prior period
Discount rate (per annum)	8%	8%	8%	8%
Future salary increase	7%	7%	7%	7%
Expected rate of return on plan assets	0%	0%	0%	0%
In service mortality	LIC (1994-96)	LIC (1994-96) duly modified	LIC (1994-96)	LIC (1994-96) duly modified
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates:	Upto 30 years 3%	Upto 30 years 3%	Upto 30 years 3%	Upto 30 years 3%
	Upto 44 years 2%	Upto 44 years 2%	Upto 44 years 2%	Upto 44 years 2%
	Above	Above	Above	Above
	44 years 1%	44 years 1%	44 years 1%	44 years 1%
	Rs. in Lakhs			
I. Expense recognised in profit and loss account	Current period	Prior period	Current period	Prior period
Current service cost	25.07	131.45	15.89	58.46
Interest cost	22.75	84.34	5.74	19.26
Expected return on plan assets	-	-	-	-
Net actuarial(gain) / loss recognised in the period	(2.25)	(56.13)	8.52	(15.27)
Total expense	<u>45.57</u>	<u>159.66</u>	<u>30.15</u>	<u>62.45</u>
	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	Current period	Prior period	Current period	Prior period
II. Net asset/(liability) recognised in the balance sheet as at March 31, 2010				
Present value of Defined benefit obligation	547.16	781.33	150.36	184.24
Fair value of plan assets	-	-	-	-
Funded status [surplus/(deficit)]	<u>(547.16)</u>	<u>(781.33)</u>	<u>(150.36)</u>	<u>(184.24)</u>
Net asset/(liability) as at September 30, 2009	<u>(547.16)</u>	<u>(781.33)</u>	<u>(150.36)</u>	<u>(184.24)</u>

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

III. Change in the present value of obligation during the Period/Year	Current period	Prior period	Current period	Prior period
Present value of obligation as at the beginning of the period/year	781.33	678.21	184.24	157.78
Adjustments *	(257.51)		(52.01)	
Interest cost	22.75	84.34	5.74	19.26
Current service cost	25.07	131.45	15.89	58.46
Benefits paid	(22.22)	(56.54)	(12.02)	(35.99)
Actuarial (gains) / losses on obligation	(2.25)	(56.13)	8.52	(15.27)
Present value of obligation as at the end of the period/year	547.16	781.33	150.36	184.24

*Note: - Transfer of obligations as on 31st October 2009 relating to Mumbai Undertaking and Kolkata Undertaking pursuant to the Scheme: -

Unit	Present value of Gratuity obligation as on 31st October 2009	Present value of Earned Leave obligation as on 31st October 2009
Mumbai Undertaking	175.05	31.77
Kolkata Undertaking	82.46	20.24
Total	257.51	52.01

23. Related Party Disclosures

- a) Parties which significantly influence the Company (either individually or with others)
 - (i) Yans Enterprises (H.K.) Ltd.
 - (ii) DSO Ltd.
 - (iii) Saraf Industries Ltd.
- b) Related Party Transactions

Particulars	(Rs in Lakhs)							
	Erstwhile Subsidiaries		Relatives of Key Management Personnel		Key Management Personnel		Entities controlled by Directors or their relatives	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Purchase of Services							1.28	5.77
Sale of Services (Room, Food, Beverages and other services)			1.15	2.42	0.00		43.02	144.97
Remuneration					170.19	1406.87		
Professional Charges							2.72	10.80
Advances received back		900.00						
Advances given		1,588.87						2.25
Sale of Capital goods							1.47	7.25
Rent							3.58	67.81
Reimbursement of Expenses by Us							1.94	9.94
Reimbursement of Expenses by Related Party	0.05						195.21	
Dividend - Preference Shares							1.19	11.25
Repair & Maintenance							0.90	
Redemption of Preference Shares (including premium)								4,500.00
Investment in shares	6000.65	17458.00						
Balance Outstanding								
Payables					447.48	1018.72	495.77	0.57
Receivables	0.03	741.36		2.49			33.90	15.71

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.

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

c) Related Parties

–	Erstwhile Subsidiaries of the Company	GJS Hotels Limited Aria Hotels & Consultancy Services Private Limited Chillwinds Hotels Limited Vardhman Hotels Limited Regency Convention Centre & Hotels Ltd
–	Key Management Personnel	Mr. Sushil Gupta Managing Director (West), for part of the period Mr. Shiv Jatia Managing Director (North) Mr. Umesh Saraf Managing Director (East), for part of the period
–	Relatives (other than directors) 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/Erstwhile Directors or their relatives (with whom transactions entered into during current or prior period)	Asian Hotels (East) Limited Juniper Hotels Pvt Ltd (previously Vardhman Hotels Limited) Magus Estates & Hotels Ltd Asian Hotels (West) Limited Nepal Travel Agency Pvt Ltd (previously Chillwind Hotels Limited) Ram Pyari Devi Charitable Trust Bell Ceramics Ltd WEL Intertrade Ltd M/s Bhasin & Co Eden Park Hotels Pvt. Ltd Choice Hospitality (India)Pvt Ltd Energy Infrastructure (I) Limited Godfrey Philips Ltd

d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the period as follows:

Particulars	Current Period Rs in Lakhs	Prior Period Rs in Lakhs
Purchase of Services		
– Nepal Travel Agency Pvt Ltd.	1.28	5.77
Sale of Services (Room, Food, Beverages and other services)		
– Magus Estates & Hotels Ltd.	32.02	105.36
– Pergo India	0.00	2.65
– Bell Ceramics Limited	0.00	0.12
– Choice Hospitality (India)Pvt Ltd	0.00	0.43
– Energy Infrastructure (I) Limited	7.22	12.78
– Mr. Sandeep Gupta	1.15	2.42
– Eden Park Hotels Pvt. Ltd	0.50	0.99
– Godfrey Philips Ltd.	3.29	22.63
– Juniper Hotels Pvt. Ltd.		
Remuneration		
– Mr. Sushil Gupta	7.74	469.21
– Mr. Shiv Jatia	154.71	469.01
– Mr. Umesh Saraf	7.74	468.65
Professional Charges		
– M/s Bhasin & Co.	2.72	10.80
Advances Received back		
– GJS Hotels Ltd.	0.00	900.00
Advances given		
– GJS Hotels Ltd.	0.00	1,435.27
– Aria Hotels & Consultancy Services Private Limited	0.00	12.16
– Magus Estates & Hotels Ltd.	0.00	-
– Eden Park Hotels Pvt. Ltd	0.00	2.25
– Regency Convention Centre & Hotels Ltd.	0.00	3.33
– Chillwinds Hotels Limited	0.00	72.66
– Vardhman Hotels Limited	0.00	65.43
Sale Of Capital Goods		
– Eden Park Hotels Pvt. Ltd	1.47	7.25
Rent		
– Eden Park Hotels Pvt. Ltd	3.58	67.81
Reimbursement of Expenses By us		
– Magus Estates & Hotels Ltd.	1.81	4.12

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

Particulars	Current Period Rs in Lakhs	Prior Period Rs in Lakhs
– Eden Park Hotels Pvt. Ltd	0.12	5.02
Reimbursement of Expenses to us		
– Asian Hotels (East) Limited, previously Vardhman Hotels Limited	34.80	-
– Asian Hotels (West) Limited, previously Chillwind Hotels Limited	159.67	-
– Magus Estates & Hotels Ltd.	0.18	-
– WEL Intertrade Ltd.	0.55	0.80
– Aria Hotels & Consultancy Services Private Limited	0.04	-
– Vardhman Hotels Limited	0.01	-
Dividend - Preference Shares		
– Magus Estates & Hotels Ltd.	1.19	11.25
Repair & Maintenance		
– Bell Ceramics Limited	0.90	-
Redemption of Preference Shares (including premium)		
– Magus Estates & Hotels Ltd.	0.00	4,500.00
Investment in Shares		
– GJS Hotels Ltd.	6000.65	17458.00
Issue of Preference Shares		
– Magus Estates & Hotels Ltd.	0.00	0.00
Outstanding Payables		
– Mr. Sushil Gupta	0.00	339.57
– Mr. Shiv Jatia	447.48	339.57
– Mr. Umesh Saraf	0.00	339.58
– Magus Estates & Hotels Ltd.	494.90	500.00
– M/s Bhasin & Co.	0.65	0.57
– Bell Ceramics Limited	0.22	-
Outstanding Receivables		
– GJS Hotels Ltd.	0.00	535.27
– Regency Convention Centre & Hotels Ltd.	0.00	55.82
– Magus Estates & Hotels Ltd.	3.25	4.88
– Chillwinds Hotels Limited	0.00	72.67
– Vardhman Hotels Limited	0.00	65.44
– Aria Hotels & Consultancy Services Private Limited	0.03	12.16
– Mr. R.G. Saraf	0.00	0.10
– Mr. Sandeep Gupta	0.00	2.39
– WEL Intertrade Ltd.	0.00	0.54
– Energy Infrastructure (I) Limited	1.33	8.04
– Eden Park Hotels Pvt. Ltd	0.00	2.25
– Asian Hotels (East) Limited, previously Vardhman Hotels Limited	18.95	0.00
– Asian Hotels (West) Limited, previously Chillwind Hotels Limited	10.36	0.00
24. (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
(ii) Later than one year and not later than five years	-	41.25
(b) Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	98.77	31.80
later than one year but not later than five years	151.61	16.21
Present value of minimum installments payable within one year	83.87	28.45
later than one year but not later than five years	139.30	15.52
(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	49.98	89.23
(ii) Later than one year and not later than five years	53.43	65.68

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Period Rs in Lakhs	Prior Period Rs in Lakhs
25. 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. Payment to Auditors :		
As Audit Fee	6.60	19.80
As Tax Audit Fee	1.25	3.75
As Certification Charges	0.85	15.21
As Advisors on other matters	0.42	1.28
As IFRS Audit Fees	2.50	7.50
As reimbursement of service tax	1.22	4.96
As reimbursement of out of pocket expenses	0.21	0.90
C. C.I.F. Value of Imports		
a) Food and Beverages	56.46	159.95
b) Stores and Spares	100.98	417.01
c) Capital Goods	168.59	2513.62
d) Beverages - through canalising agencies	288.36	775.97
D. Expenditure in Foreign Currency - On payment basis		
a) Technical Services	840.65	3202.11
b) Advertisement & Publicity	309.84	445.97
c) Commission & Brokerage	221.46	598.01
d) Recruitment & Training	17.49	148.14
e) Others	205.00	1515.97
E. Earnings in Foreign Exchange - On receipt basis		
As certified and reported by the Management to the Department of Tourism	14389.35	42575.86
F. Details of dividends paid to Non Resident Shareholders holding shares on repatriation basis		
Final Dividend		
a) Year to which dividend relates	-	2007-08
b) Number of non resident shareholders	0.00	641
c) Number of shares held by them	0.00	11179889
d) Rupees (in Lakhs) equivalent of amount paid in foreign currency	0.00	107.38
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	0.00	4.41
26. Upon the scheme becoming effective on 11th February 2010, the existing 22,803,564 equity shares of the Company stood cancelled and extinguished and 11,401,782 fresh equity shares of Rs 10/- each were issued in lieu thereof to those shareholders who held the existing shares as on the entitlement date, in terms of the Scheme.		
27. In the financial year 2007-08, 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 Agreements 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 NCPS, the Company was obligated to redeem the said Preference Shares in three installments of 25%, 25% and 50% (including premiums) respectively beginning June 30, 2008 in three annual installments		
Upto the end of the prior period, 50% of such NCPS have already been redeemed.		
Capital Redemption Reserve for redeemed NCPS represents reserve created on redemption of NCPS		
Capital Redemption Reserve for redeemable NCPS represents the amount payable on redemption of NCPS yet to be redeemed over and above the amount available in Securities Premium Account.		

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Current Period	Prior Period
	Rs in Lakhs	Rs in Lakhs
<p>Aforesaid NCPS, Securities premium on NCPS, Capital Redemption Reserve for redeemed NCPS and Capital Redemption Reserve for redeemable NCPS, have been allocated to Transferee Company-I and Transferee Company-II as per the terms of the Scheme (Refer clause 5.4.2 (ii) and also clause 5.5.5.(c) and (d) of the Scheme). Consequently, the remaining redemption liability of the Company is as under: -</p>		
Date of Redemption	Amount of Redemption including Redemption Premium (Rs. in Lakhs)	
	IDFC	MAGUS (as per agreed revised terms)
June 30, 2010	48.32	4410.00
28.	<p>The Company had issued and allotted 5,759,260 and 555,555 1 % Cumulative Fully Convertible Preference Shares (FCPS) of Rs.10/- each to Finline Holdings Limited and UDT Enterprises Pty Ltd. respectively for cash at an issue price of Rs.540/- each, aggregating to an amount of Rs.34,100 lakhs (FCPS) on preferential allotment basis to facilitate the trifurcation of the Company as envisaged in the Scheme and proceeds thereof had been allocated, for the proposes of the utilisation, by the Board of Directors of the Company, to it's undertakings pre-demerger as per their expansion/ financial plans or otherwise. These FCPS are deemed to have been allotted on October 31, 2009, being the Appointed date under the Scheme.</p> <p>Further, pursuant to the Scheme, 27780 FCPS each were allocated to Transferee Company-I and Transferee Company-II, and the balance 6,259,255 FCPS remain outstanding with the Company, which are liable to be converted in one or more tranches, into equity shares of Rs.10/- each during the period commencing November 07, 2010 and ending April 30, 2011, as may be decided by the respective subscriber. In the event any subscriber does not exercise the option to convert the FCPS within the aforesaid period, the FCPS held by such subscriber shall compulsorily get converted into equity shares on April 30, 2011. Conversion shall be made at a price computed in accordance with provisions relating to Preferential Allotment under SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.</p>	
29.	<p>Pursuant to the provisions of Micro, Small and Medium Enterprises Development Act, 2006, the Company had sent letters to its suppliers for confirmations of their registration under the said Act, and on the basis of replies received from them, the disclosure is given below: -</p>	
	a)	Principal amount remaining unpaid to any supplier as at the period end
	0.95	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
30.	<p>Computation of Earnings per share - (Basic & Diluted)</p>	
	2687.56	9419.05
	Profit after taxation	
	4.44	26.32
	Less : Dividend on Preference Shares (including Corporate Dividend Tax)	
	2683.12	9392.73
	Profit available for equity shareholders	
	13302079	22803564
	Weighted average number of shares outstanding	
	10.00	10.00
	Nominal value per share (In Rupees)	
	20.17	41.19
	Earnings per share - Basic and Diluted (In Rupees) - non annualised	
	40.34	27.46
	Earnings per share - Basic and Diluted (In Rupees) - annualised	
	<p>In view of the uncertainties as regards the conversion price for the Conversion of 1% Cumulative Fully Convertible Preference Shares (As detailed in Note 28 above), these have not been considered for the calculation of diluted earning per share</p>	

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

			Current Period	Prior Period
			Rs in Lakhs	Rs in Lakhs
31. The amount of foreign currency exposures that are not hedged by a derivative instruments or otherwise as on 31st March 2010 are as under:				
Particulars	Foreign Currency Amount	Foreign Currency Amount (Prior Period)		
Advances given				
(in Dollars)	126,108.82	33,368.72	56.33	15.72
(in Euro)	3,350.73	10,651.78	2.03	7.51
(in GBP)	0.00	212.00	-	0.16
Payables				
(in Dollars)	394,314.52	530,475.00	176.14	249.96
Closing rate of conversion as at the balance sheet date are as under:				
Currency	Rate of Conversion			
One Euro	Rs. 60.54 (Prior Period 70.53)			
One US Dollar	Rs. 44.67 (Prior Period 47.12)			
One GBP	Rs. Nil (Prior Period 76.96)			
32. The name of the Company has been changed from Asian Hotels Limited to Asian Hotels (North) Limited w.e.f 16th February 2010.				
33. The Company vide Notification No. 2034E dated 12.08.2008 issued by the Delhi Development Authority has been granted an additional FSI of approx. 15000 square meters. The Company is in the process of utilizing the aforesaid additional FSI for expansion of the existing facilities at Hyatt Regency Delhi and build a new tower, comprising of serviced apartments and commercial space.				
34. The current accounting period is for six months from 1st October, 2009 to 31st March, 2010, whereas, the prior accounting period is for eighteen months from 1st April, 2008 to 30th September, 2009. As referred to in note no. 15 above, prior period figures also include those for the two demerged undertakings whereas current period figures include those demerged undertakings only for one month. Hence, the figures for prior period are not comparable with those of the current period.				
35. Prior period figures have been regrouped and rearranged wherever necessary.				
Schedules 1 to 21 form an integral part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the six month period ended on that date.				

ON BEHALF OF THE BOARD OF DIRECTORS

JYOTI SUBARWAL
President- Finance
& Operations

SHIV JATIA Chairman & Managing Director
ADARSH JATIA Director
LALIT BHASIN Director

DINESH KUMAR JAIN
Vice President-Corporate &
Company Secretary

NEW DELHI
DATED: 26th May 2010

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 11037

Balance Sheet as a 31st March 2010

State Code 055

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

Public Issue	Rights Issue	Bonus Issue	Private Placement	Cancellation of shares
NIL	NIL	114018	63148	(279092)

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

Total Liabilities	Total Assets
9573371	9573371

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Net Deferred tax Liability	Deposits
226110	7705875	1513349	69864	58173

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Accumulated Losses
9894479	0	(321108)	0	0

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

Turnover	Total Expenditure	Earnings per share in Rs.
1455793	1113444	20.17
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
342349	268756	50%

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

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

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NEW DELHI
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ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

	Current Period Rs. in Lakhs	Prior Period Rs. in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/ EXTRA ORDINARY ITEMS	3,423.49	15,384.78
Adjustments for:		
Depreciation	685.76	4,134.89
Interest & Finance Expense	1,151.50	2,949.42
Interest Income	(40.06)	(330.19)
Income from Investment – Dividends	(3.10)	(115.48)
Loss on Fixed Assets sold/ discarded (net)	3.41	301.04
Loss/ (Gain) on sale of Investments	0.07	(104.40)
Bad Debts / Advances Written off	1.00	56.70
Provision for Bad & Doubtful Debts/advances	5.59	22.51
Liability no longer required written back	(8.49)	(35.00)
Provision no longer required written back	(4.80)	(89.05)
Provision for Gratuity & Leave Encashment	41.47	129.60
Prior Period Expenses/(Income) (Net)	1.29	(20.52)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,257.13	22,284.30
Adjustments for changes in working capital :		
– (Increase)/Decrease in Sundry Debtors	(127.84)	(435.85)
– (Increase)/Decrease in Other Receivables	5,615.53	(8,017.61)
– (Increase)/Decrease in Inventories	(106.47)	90.58
– Increase/(Decrease) in Trade and Other Payables	(3,645.40)	6,481.82
CASH GENERATED FROM OPERATIONS	6,992.95	20,403.24
– Taxes (Paid) / Received (Net of withholding taxes(TDS))	(1,454.70)	(5,750.31)
– Prior Period (Expenses)/Income (Net)	(1.29)	20.52
NET CASH FROM OPERATING ACTIVITIES	5,536.96	14,673.45
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Additions during the period	(280.10)	(2,777.22)
Capital Work in Progress		
Deductions/(additions) during the period	(410.38)	65.92
Proceeds from Sale of fixed assets	3.44	90.59
Proceeds from Sale of investments	351.99	5,636.70
Purchase of investments	(6,003.75)	(6,342.60)
Loans/Inter corporate Deposits/refunds received	–	145.00
Interest Received (Revenue)	53.67	240.16
Dividend Received	3.10	115.48
NET CASH USED IN INVESTING ACTIVITIES	(6,282.04)	(2,825.98)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings		
RECEIPTS	–	–
PAYMENTS	(1,700.02)	5,232.91
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)	34,100.00	–
Interest & Finance charges Paid	(1,137.11)	(2,910.97)
Dividend Paid	(7.65)	(261.05)
Dividend Tax Paid	(38.76)	(43.86)
NET CASH USED IN FINANCING ACTIVITIES	31,216.46	(8,774.97)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	30,471.38	3,072.50
Less: Transferred on Demerger	(32,999.96)	–
BALANCE NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,528.58)	3,072.50
CASH AND CASH EQUIVALENTS – OPENING	2,122.69	(949.81)
CASH AND CASH EQUIVALENTS – CLOSING	(405.89)	2,122.69
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,528.58)	3,072.50

ASIAN HOTELS (NORTH) LIMITED

(Formerly Asian Hotels Limited)

NOTES:

- 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	As at
	31st March 2010	30th September 2009
Cash, Cheques & Drafts (in hand) and Remittances in transit	138.50	200.15
Short term loans and advances from banks	(1,128.49)	(1,080.74)
Balance with Scheduled Banks	584.10	3,003.28
	(405.89)	2,122.69

- 3 The current period is for six months from 1st October, 2009 to 31st March, 2010, whereas, the prior period is for eighteen months from 1st April, 2008 to 30th September, 2009. As referred to in note no. 15 of Schedule 21, prior period figures also include those for the two demerged undertakings whereas current period figures include those demerged undertakings only for one month. Hence, the figures for prior period are not comparable with those of the current period.

ON BEHALF OF THE BOARD OF DIRECTORS

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Vice President-Corporate &
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NEW DELHI
DATED: 26th May 2010

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

NEW DELHI
DATED: 26th May 2010