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# ASIAN HOTELS LIMITED

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(Registered Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 066)

## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of ASIAN HOTELS LIMITED will be held on Friday, the 21st September, 2007, at 11.30 a.m. at Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi-110066 to transact the following business:

### ORDINARY BUSINESS

- i) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007, and the Profit and Loss Account for the year ended on that date along with the Auditors' Report and Directors' Report thereon.
- ii) To confirm and ratify the payment of interim dividend of Rs 8/- per equity share and to declare a final dividend of Rs. 2/- per equity share.
- iii) To appoint a Director in place of Mr. R. K. Jatia, who retires by rotation, and being eligible, offers himself for re-appointment.
- iv) To appoint a Director in place of Mr. Sudhir Gupta, who retires by rotation, and being eligible, offers himself for re-appointment.
- v) To appoint a Director in place of Mr. S. K. Chhibber, who retires by rotation, and being eligible, offers himself for re-appointment.
- vi) To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

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

By order of the Board  
for **ASIAN HOTELS LIMITED**



**Dinesh K. Jain**  
Company Secretary

Place: New Delhi  
Date: 30th July, 2007

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives u/s 187 of the Companies Act, 1956, are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
3. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
4. All documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. & 5.00 p.m on all working days, for a period of twenty one days before the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 18th September, 2007 to Friday, the 21st September, 2007 (inclusive of both days).
6. The final dividend, if declared by the Company in the Annual General Meeting, will be paid to those members or to their mandates whose names stand registered as:
  - a) Beneficial owners as at the end of business on 17th September, 2007, as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form, and
  - b) Members whose names stand in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company, as at the end of business on 17th September, 2007.
7. The unclaimed and unpaid amount of Dividend declared for the financial year 1999-2000 (2nd Interim) and 2000-2001 (1st Interim), which remain unclaimed and unpaid as on 22nd September, 2007, would be liable to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Therefore, shareholders who have not so far received and / or encashed the dividend warrant(s) are specifically requested to apply for duplicate dividend warrant(s) by writing to the Company providing details of Folio No. / Client ID No., No. 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 the Central Government.
8.
  - a) Members are requested to notify the Company change in their address, if any, with pin code, quoting their folio number.
  - b) Members holding shares in electronic form should notify any change in their residential address or Bank details directly to their respective Depository Participants.
9. Non Resident Indian Shareholders are requested to inform the Company:
  - a. The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
  - b. The Change, if any, in their Residential status.
10. The Securities and Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company prints the bank account details, if available, on the warrant for distribution of dividend. Therefore, to avoid any fraudulent encashment of warrants, the members are requested to furnish, quoting their folio number, the following information to the Company so that the details could be printed on all future dividend warrants:
  - a) Name of the Sole / First Joint Holder, and
  - b) Particulars of his / her Bank account, viz. name of Bank and complete address of the Branch with Pincode Number.
11. As per the provisions of the Companies Act, 1956, facility for making nominations in prescribed Form 2B, is available to individuals holding shares in the Company.

# ASIAN HOTELS LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to submit their 26th Report together with the Audited Accounts for the financial year ended 31st March, 2007.

## FINANCIAL RESULTS

(Rupees in Crores)

	2006-07	2005-06
<b>Sales Turnover (Net)</b>	<b>413.41</b>	328.99
<b>Profit Before Interest &amp; Depreciation etc.</b>	<b>184.37</b>	127.23
Interest	17.35	19.16
Depreciation	22.11	21.00
Prior Year Adjustments	4.04	(0.04)
<b>Profit Before Tax</b>	<b>140.86</b>	87.11
Provision for Taxation (Net)	49.37	30.41
<b>Net Profit</b>	<b>91.49</b>	56.70
Surplus Brought Forward	62.72	37.70
<b>Profit Available for Appropriation</b>	<b>154.21</b>	94.40
Transfer to General Reserve	9.15	5.68
Interim Dividend	18.24	18.24
Proposed Dividend	4.56	4.56
Corporate Dividend Tax	3.33	3.20
<b>Surplus Carried Forward</b>	<b>118.93</b>	62.72
<b>Earning per share (Rupees)</b>	<b>40.12</b>	24.87

Your Directors are pleased to report a healthy growth of over 25% in Sales Turnover, which has increased from Rs. 328.99 crores for the year ended 31st March, 2006, to Rs. 413.41 crores during the year ended 31st March, 2007.

Growth in Profit after tax has been exceptionally good which increased from Rs. 56.70 crores in the previous year to Rs. 91.49 crores during the year under review, registering an increase of over 61% over the previous year.

### DIVIDEND

Your Directors recommend, subject to the shareholders' approval, a final dividend of Rs. 2/- per share over and above the interim dividend of Rs. 8/- per share already paid, for the financial year ended 31st March, 2007.

This results into an overall distribution of Rs. 26.13 crores, including Corporate Dividend Tax, for the year under review.

### FURTHER ISSUE OF CAPITAL

There was no change in the authorised, issued and paid-up capital of the Company during the year under review. However, post balance sheet date, the Company by obtaining requisite approval of the shareholders in the Extra-ordinary General Meeting (EGM) held on 25th June, 2007, had increased and altered its authorised share capital, which presently stands at Rs. 70,00,00,000/- comprising of 40000000 equity shares of Rs. 10/- each and 30000000 preference shares of Rs. 10/- each.

In the aforesaid EGM, the Company also obtained your consent to issue upto 2 crore 1% Cumulative Redeemable Non-convertible Preference Shares of Rs. 10/- each (NCPS) at a premium of Rs. 80/- per share aggregating to Rs. 180 crores, on preferential allotment basis.

In the meantime, the Company has made allotment of 1 Crore NCPS to Infrastructure Development Finance Company Limited on 30th June, 2007. The Company has also received the subscription money in respect of the balance 1 Crore NCPS from Magus Estates & Hotels Private Limited for which allotment is expected to be made shortly.

### FOREIGN EXCHANGE RECEIPTS

The Company's earnings in foreign exchange for the year under review was Rs. 269.49 crores as against Rs. 193.09 crores during the year prior thereto.

### SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956 (the 'Act'), the audited Annual Accounts for the year ended 31st March, 2007, of the Company's subsidiary GJS Hotels Limited along with the Auditors' Report and Directors' Report thereon, forms part of the Annual Report.

During the current financial year, i.e., 2007-08, the Company has acquired two wholly owned subsidiaries, namely Chillwinds Hotels Private Limited and Vardhman Hotels Private Limited, which are in the process of being converted into public limited companies.

### RESTRUCTURING THE COMPANY

Your Company has been a well known name in the hospitality industry and presently operates three five-star deluxe hotels namely Hyatt Regency Delhi, Hyatt Regency Mumbai and Hyatt Regency Kolkata.

Since inception, the promoters of your Company are constituted in three major groups namely, the Jatia Group, the Gupta Group and the Saraf Group, which are presently represented by Mr. Shiv Jatia, Mr. Sushil Gupta and Mr. Umesh Saraf respectively.

# ASIAN HOTELS LIMITED

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In due course of time, each of the three groups, as mentioned above, have acquired independent interests in the hospitality industry, which may create potential conflict of interest situations amongst the three groups inter-se. This may affect the Company's and/or the shareholders' interest. In view thereof and for optimizing the future profitability of the Company the Board of Directors (the 'Board'), in its meeting held on 4th December, 2006, appointed the firm of M/s. S.S. Kothari Mehta & Co., Chartered Accountants (SSKM) and the firm of M/s. Amarchand & Mangaldas & Suresh A Shroff & Co., Advocates & Solicitors (AMSS) to submit a report suggesting ways and means to achieve this objective which inter-alia may include suggestions to restructure and/or reconstruct the Company for optimizing the future profitability of the Company. The Board also constituted a Committee of Directors, which was later named as Corporate Restructuring Committee (the Committee). The Committee, in its meeting held on 8th January, 2007, submitted a concept report to the Board outlining the restructuring of the Company by way of a scheme of arrangement.

In pursuance of the above, the Board in its meeting held on 8th January, 2007, accepted the recommendations of the Committee, and approved the proposal to restructure the Company by way of a Scheme of Arrangement and De-merger, as advised by SSKM, with inputs received from AMSS. The outline for the scheme of arrangement and demerger proceeded on the basis that the interests of the shareholders, creditors and other stakeholders of the Company will be protected. The Board empowered/authorized the Committee to get AMSS to prepare a draft scheme of arrangement for the purposes of restructuring the Company.

Your Directors deliberated over the matter in several meetings of the Committee and the Board, and on 28th April, 2007, the Board approved a draft Scheme of Arrangement and De-merger proposing the trifurcation of the Company into three separate undertakings. However, due to change in the Government Policy relating to External Commercial Borrowings, the draft Scheme was revised by the Board on 14th May, 2007, which was finalized by the Committee in its meeting held on 29th May, 2007 exercising the powers conferred upon it by the Board. The Committee while finalising the draft Scheme considered the final Fairness Report on Allocation of Share Capital and Advisory Report on Valuation of three Undertakings submitted by SSKM, and approved the Scheme of Arrangement and De-merger as finalised in consultation with AMSS.

The Board also continued the tenure of the Committee and empowered it, inter-alia, to carry out such modifications to the draft scheme as may be required in consultation with the legal advisors and financial consultants of the Company; to file the scheme with the stock exchanges for approval and once approved by the stock exchanges, to file the same with the High Court of Delhi for its sanction; and to do all acts, deeds and things as may be necessary for filing, sanction and implementation of the scheme.

The Scheme of Arrangement and Demerger as approved has been filed with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). Once the Scheme is approved by the said Stock Exchanges, shall then be filed with the High Court of Delhi at New Delhi, and would come up before you all shareholders for your approval pursuant to Section 391 of the Act.

The salient features of the Scheme of Arrangement and De-merger are as follows:

- a) It envisages the trifurcation of the Company into three undertakings in the following manner:
  - (i) Delhi undertaking (ii) Kolkata undertaking together with the investments and development options in Bhubaneswar and Regency Convention Centre and Hotels Limited, and appropriate cash liquidity; and (iii) Mumbai undertaking together with the investments and development options in Bangalore.SSKM, who are experts appointed by the Board, have considered that the three undertakings would be broadly equal in their economic earning power.
- b) It envisages that the Mumbai Undertaking and the Kolkata Undertaking would be transferred to and vested in Chillwinds Hotels Pvt. Ltd. (Transferee Company-I) and Vardhman Hotels Private Limited (Transferee Company-II), both of which are being converted into Public Limited Companies. Your Company would then be left with the residual Delhi Undertaking.
- c) It provides for an appropriation of general reserves of the Company to the extent of Rs. 11,40,17,820 to increase the paid-up equity share capital of the Company, pre-de-merger, to Rs. 34,20,53,460.
- d) The resultant deemed increased equity share capital of the Company shall be equally allocated to the three undertakings at De-merger.
- e) For every three equity shares of Rs. 10/- each held in the increased equity share capital of the Company pre-de-merger, every equity shareholder of the Company shall be entitled to receive one equity share of Rs. 10/- each credited as fully paid-up, in each of the three undertakings.
- f) The shareholding of all the three resultant companies would be a mirror image of each other.
- g) Issuance of Fully Convertible Preference Shares (FCPS) of the total value of Rs. 311 crores, on preferential allotment basis, to Yans Enterprises (H.K) Limited, a foreign body corporate and one of the promoters.
- h) Issuance of FCPS of the total value of Rs. 30 crores, on preferential allotment basis, to independent private equity investor which is not a person acting in concert.

## FUTURE PROSPECTS

As mentioned above that each of the three major promoter groups have acquired independent interests in the hospitality industry, your Directors envision that the restructuring would ultimately result in enhancement of the shareholder value as the proposed trifurcation would lead to operational efficiencies and synergies, and enable each of the three major promoter groups to vigorously pursue growth and acquisition opportunities for the three resultant undertakings.

## AUDITORS

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

## INTERNAL AUDIT

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

## DIRECTORS

In accordance with the requirement of the Act, read with Article 116 of the Articles of Association, Mr. R.K. Jatia, Mr. Sudhir Gupta and Mr. S.K. Chhibber retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

# ASIAN HOTELS LIMITED

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

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

- that in the preparation of annual accounts for the year ended 31st March, 2007, 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 estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with 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 and the required disclosures are detailed in the Schedules to the Accounts.

## **INFORMATION REGARDING CONSERVATION OF ENERGY ETC.**

The information required pursuant to Section 217(1)(e) of the Act, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, pertaining to the conservation of energy, technology absorption, and foreign exchange earnings and outgo, to the extent possible in the opinion of your Directors, and forming part of this Report, is given in Annexure 'A'.

## **PARTICULARS OF EMPLOYEES**

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

## **LISTING**

Pursuant to the special resolution adopted by the Company in its 24th Annual General Meeting held on 6th August, 2005, and its application for voluntary delisting, the Company's equity shares were de-listed from the Delhi Stock Exchange Association Limited with effect from 23rd January, 2007.

Accordingly, your Company's equity shares are presently listed with BSE and NSE.

## **CORPORATE GOVERNANCE**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **Industry Structure, Development & Outlook**

The performance of the Indian hospitality sector remained robust during the year under review. In most of the metros, the demand-supply gap ensured high occupancy levels and improved Average Room Rates.

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

The current 8-9% annual growth rate of the Indian Economy, which is likely to continue at that level over the next few years should ensure increased flow of business visitors. Though India accounts for a fraction of global tourist flow at present, its market share is likely to increase steadily over next few years.

As a result of the increase in tourist arrivals, robust industrial activity, a booming capital market, increased foreign direct investment, the outlook for the hospitality industry 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 traveller 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 change in the global geo-political situations can have an adverse effect on the performance of the sector.

### **Review of Operational and Financial performance**

The Company has achieved an aggregate turnover of Rs. 413.41 crores for the financial year ended 31st March, 2007, (of which Rs. 197.68 crores pertains to Hyatt Regency Delhi, Rs. 143.62 crores to Hyatt Regency Mumbai, Rs. 70.08 crores to Hyatt Regency Kolkata and Rs. 2.03 crores pertains to other sources). The turnover in the previous year was Rs. 328.99 crores.

Profit after taxes for the year under review was Rs. 91.49 crores as against Rs. 56.70 crores during the previous year.

### **Segment wise performance**

The Company is presently operating in only one segment of the business at three different locations viz. Delhi, Mumbai and Kolkata.

### **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, regularly conduct exhaustive internal audits pertaining to all operational areas and their reports are periodically placed before the Audit Committee for its review and recommendations.

The Company has in place adequate internal controls and systems.

# ASIAN HOTELS LIMITED

## 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, 2007, was 1400.

## ACKNOWLEDGMENT

Your Directors place on record their sincere appreciation and gratitude to the Company's valued customers, the Government of India, respective State Governments of Delhi, Maharashtra and West Bengal, and the Financial Institution 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 July, 2007

**R.K. Bhargava**  
Chairman

## ANNEXURE "A" FORMING PART OF DIRECTORS' REPORT

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

#### A) CONSERVATION OF ENERGY

S. No.	Energy conservation measure taken during the year 2006-2007	Impact (savings in Rs. per annum)
1	Installation of energy savers in 131 guest rooms at Hyatt Regency Delhi (HRD)	2,65,000
2	Lighting wattage reduced in 160 guest rooms at Hyatt Regency Mumbai (HRM)	2,00,000
3	Standby Boiler Firing Schedule replaced with warming up at HRM	2,44,000
4	Steam traps installed in the steam line of the laundry equipment at Hyatt Regency Kolkata (HRK)	11,83,680

S. No.	Additional Investment Proposals for the year 2007-2008	Impact (savings in Rs. per annum)
1	Installation of 3-D Treaser system to control the stress in the cooling tower water & automate the chemical dosing, water filling & draining of cooling tower water at HRD.	1,09,500
2	Installation of energy savers in 120 guest rooms at HRD	2,40,000
3	Lighting sensors to be installed in Back Office at HRM	2,50,000
4	Lighting wattage to be reduced in 160 guest rooms at HRM	2,00,000
5	Duct design of public area air conditioning system to be changed at HRM	5,00,000
6	STP plant renovation enabling HRM to utilise / recycle maximum waste water without ground water replenishment	2,00,000
7	Rain water harvesting to improve the water table at HRM	-

#### B) TECHNOLOGY ABSORPTION

In the opinion of the Board, the required particulars, pertaining to technology absorption in terms of Rule 2 of the Companies (Disclosure 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

- The Company has a strong commitment to international business and is continuously exploring avenues to increase its foreign exchange earnings.
- Foreign exchange earnings (on receipt basis) amounted to Rs. 269.49 crores in the financial year ended 31<sup>st</sup> March, 2007 (previous year Rs.193.09 crores) against which the outgo in foreign exchange was equivalent to Rs. 65.00 crores (previous year Rs. 42.32 crores).
- Details of foreign exchange earnings and outgo are given at Note 23B to 23E of Schedule 21, annexed to the Balance Sheet.

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

S. NAME NO.	AGE (YRS)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION IN (RS.)	QUALIFICATION	EXPERIENCE IN (YRS)	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD/DESIGNATION/PERIOD
<b>EMPLOYED THROUGHOUT THE YEAR</b>							
1	Sushil Gupta 64	Managing Director (West)	2,53,02,131	F.S.C., CHA	44	10.04.1981	Industrialist
2	Shiv Jatia 53	Managing Director (North)	2,53,02,131	B.COM	35	10.04.1981	Industrialist
3	Umesh Saraf 43	Managing Director (East)	2,00,56,710	B.Sc	22	07.07.2005	Industrialist
4	Jyoti Subarwal 54	President-Finance & Operations	61,95,280	F.C.A.	29	01.08.1983	Mohinder Puri & Co., Chartered Accountants, New Delhi, Audit Manager (5 Years)
5	Timothy Bruce 46	General Manager Hyatt Regency, Kolkata	1,25,52,436	7GCEO' Levels City & Guilds 706 1/706 2 Diploma of Hotel Management Canberra TAFF	22	07.09.2004	Director of Food & Beverage, Park Hyatt Canberra (2 Years)
6	Jiri Kobos 49	General Manager Hyatt Regency, Mumbai	1,67,14,196	Diploma in Technical Services University of Germany	32	19.09.2004	General Manager, Park Hyatt, Moscow (2 Years)
7	Roger Lienhard 46	General Manager Hyatt Regency, Delhi	1,46,11,359	Catering School Swiss CDI, New York	30	06.08.2005	Hyatt Regency, Jakarta
8	Mitele Sbardellini 33	Italian Chef Hyatt Regency, Delhi	36,02,050	Professional Institute of Hotel Catering, Kitchen & Barmen Course	13	08.09.2003	Chef De Cuisine, Zigolini Italian Restaurant & Bar Mandanine, Jakarta (2 Years)
9	Giovanni Parella 30	Italian Chef, Hyatt Regency, Mumbai	42,46,361	Diploma in Food & Beverage	11	23.05.2005	Chef De Cuisine, Ristorante Saporito, Naples, Italy (3 Years)
10	Marcus Mathyssek 38	Executive Chef Hyatt Regency, Delhi	82,74,642	Graduate from Hospitality & Hotel Management College, Saalburg Schule, Germany	18	08.08.2005	Executive Chef, Hyatt Regency, Perth, Australia (4 Years)
<b>EMPLOYED PART OF THE YEAR</b>							
1	Arun K. Saraf 48	Executive Director	50,78,583	Graduate in Business Administration	25	05.02.1991	Industrialist
2	Richard Todd 36	Director of Training	20,02,554	Various Post Graduation, Australia	17	01.05.2006	Director of Human Resources, Park Hyatt, Sydney (2 Years)
3	Zanusso Mauro 27	Chef De Cuisine Hyatt Regency, Kolkata	12,68,325	Degree on Restauration Services	12	04.12.2006	Chef De Cuisine, Ristorante Busker & Vino, Verona Italy (9 Months)

**Notes:**

- Total remuneration comprises Basic Salary, HRA, Special Allowance, Company's contribution to provident fund, LTA, monetary value of other perquisite on the basis of Income Tax Rules, performance incentive & exgratia payments on separation and commission to Managing Directors / Executive Director.
- All the appointments except that of Mr. Jyoti Subarwal are on contractual basis.
- None of the employees is a relative of any Director of the Company except in the following cases :  
Mr. Sushil Gupta is a relative of Mr. Sudhir Gupta, Director; Mr. Shiv Jatia is a relative of Mr. R. K. Jatia and Mr. Ramesh Jatia, Directors; and Mr. Umesh Saraf is a relative of Mr. Radhe Shyam Saraf, Director.



# ASIAN HOTELS LIMITED

## ANNEXURE “C” FORMING PART OF DIRECTORS’ REPORT

### CORPORATE GOVERNANCE REPORT

#### Company’s Philosophy on Corporate Governance

The Company is committed to good governance practices while conducting its business and has upheld the core concept of the Corporate Governance i.e. transparency, integrity, honesty, accountability and compliance of laws, so as to strengthen the investors confidence, and enhance the long-term sustainable value for its shareholders.

Good Corporate governance policies have further guided the Company to not only work towards the enhancement of shareholder value but for the overall betterment of all its stakeholders viz. it’s customers, creditors, employees and the society at large.

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

#### Board of Directors

The Board of Directors of the Company comprises of eleven directors having an appropriate mix of executive and non-executive directors. In terms of the requirements of Clause 49 of the Listing Agreement, more than fifty percent of the Board comprises of non-executive directors - of which four are independent directors, i.e. one-third of the total Board strength.

Mr. R.K. Bhargava, an independent non-executive director, is the Chairman of the Board.

The Company is following prescribed Board procedures and provides detailed notes in advance on all the businesses proposed to be dealt with at the Board meetings. The Board meets at least once every calendar quarter ensuring that the gap between any two meetings does not exceed four months.

During the year under review, the Board met eight times. These meetings were held on 25th May 2006, 5th June 2006, 29th July 2006, 26th October 2006, 4th December 2006, 19th December 2006, 8th January 2007 and 22nd January 2007.

Pursuant to the provisions of Clause 49, the composition of the Board, details of directorships held, committee memberships / chairmanships held, and attendance of the Directors at the Board meetings and the last Annual General Meeting are given below:

Name of the Director	Category	No. of other Directorships held +	No. of Committee memberships held #	No. of Chairmanships held in Committees #	No. of Board meetings attended	Whether last AGM attended
Mr. R.K. Bhargava	Independent Non - Executive	4	5	2	8	Yes
Mr. Sushil Gupta	Managing Director (West)*	5	1	Nil	8	Yes
Mr. Shiv Jatia	Managing Director (North)*	6	Nil	Nil	6	Yes
Mr. Umesh Saraf	Managing Director (East)*	3	1	Nil	8	Yes
Mr. R.S. Saraf	Non - Executive	2	Nil	Nil	5**	Yes
Mr. R.K.Jatia	Non - Executive	1	Nil	Nil	5	Yes
Mr. Sudhir Gupta	Non - Executive	Nil	Nil	Nil	7	Yes
Mr. Ramesh Jatia	Non - Executive	1	Nil	Nil	3	No
Mr. S.K. Chhibber	Independent Non - Executive	3	1	1	8	Yes
Mr. Lalit Bhasin	Independent Non - Executive	9	4	1	7	No
Mr.S.S.Bhandari	Independent Non - Executive	3	2	3	6	Yes

\* Re-designated w.e.f. 28th April, 2007; Mr. Sushil Gupta as Managing Director (West), Mr. Shiv Jatia as Managing Director (North) and Mr. Umesh Saraf as Managing Director (East)

+ in public limited companies; excludes directorship in private limited companies, foreign companies and companies under section 25 of the Act, if any.

\*\*Includes representation by Mr. Arun Saraf, as Alternate Director on 8th January, 2007.

# Includes committee memberships/chairmanships of Asian Hotels Limited.

#### Committee of Directors

The following Committees of the Board of Directors of the Company have been constituted: -

##### a) Audit Committee:

The Audit Committee comprises of four Independent Non – Executive Directors, namely Mr. R. K. Bhargava, Mr. S. K. Chhibber, Mr. Lalit Bhasin and Mr. S.S. Bhandari, who is a Chartered Accountant with over 34 years of experience in Financial and Accounting matters.

The Committee functions under the chairmanship of Mr. R K Bhargava, a retired IAS Officer who has held various portfolios during his tenure in the Central Government and has adequate knowledge of the Finance & Accounts function.

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 Companies Act, 1956 (the Act).

The Managing Directors and the President-Finance & Operations are the permanent invitees to the Committee meetings. The Company Secretary acts as Secretary to the Committee.

Six meetings of the Committee were held during the year under review viz. 24th May, 2006, 5th June, 2006, 26th July, 2006, 7th October, 2006, 25th October, 2006 and 22nd January, 2007.

Name of the Director	Category	No. of Meetings Attended
Mr. R.K. Bhargava	Independent Non Executive	6
Mr.. S.K.Chhibber	Independent Non Executive	6
Mr. Lalit Bhasin	Independent Non Executive	6
Mr. S.S. Bhandari	Independent Non Executive	4



# ASIAN HOTELS LIMITED

## b) Share Transfer & Shareholders Grievance Committee:

Share Transfer and Shareholders Grievance Committee comprises of Mr. S.K. Chhibber, Mr. R. K. Bhargava, Mr. Sushil Gupta, Mr. Shiv Jatia and Mr. Umesh Saraf. Mr. S.K. Chhibber an Independent Non-Executive Director is the Chairman of the Committee. Mr. Dinesh K. Jain, Company Secretary is the Compliance Officer of the Company and acts as Secretary to the Committee.

Besides monitoring and approving bulk transfers, transmissions, splits and consolidation of shares and issuance of duplicate shares, it also pursues status of redressal of shareholders' grievances.

During the year under review the Company received 62 complaints, which have been resolved / replied to, to the satisfaction of the investors. None of the investor complaints is lying unresolved at the year-end.

## c) Remuneration Committee and Remuneration of the Directors

At the commencement of the year under review, the Remuneration Committee comprised of two Independent Non-Executive Directors viz. Mr. S.K. Chhibber, Chairman of the Committee, and Mr. R.K. Bhargava, Member.

During the year under review the Remuneration Committee was reconstituted and presently, it comprises of three Independent Non-Executive Directors, namely Mr. S.K. Chhibber, Mr. R.K. Bhargava and Mr. S.S. Bhandari. The terms of reference of the Committee is to determine, on behalf of the Board, the Company's policy governing remuneration payable to whole-time directors, and recommend their remuneration subject to requisite approvals. No meeting of the Committee was held during the year under review. The Committee will decide its Chairman whenever it meets.

On the recommendations of the Committee, the Board, subject to requisite approvals, decides the remuneration of the whole-time directors. The Remuneration package of the whole time directors comprises of a fixed component viz. salary, perquisites and allowances and a variable component viz. commission on profits.

The Non-executive Directors are collectively entitled to commission at the rate of 1% of the net profits of the Company as computed under Section 349 and 350 of the Act, subject to a maximum of Rs. 5,00,000/- (Rupees five lacs only) each. 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 options are offered to the Directors.

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

Amount in Rupees

Name of the Directors	Salary including perquisites	Commission(payable)	Sitting Fees	Total
Mr. Sushil Gupta*	62,46,467	3,13,17,701	–	3,75,64,168
Mr. Shiv Jatia *	62,46,468	3,13,17,701	–	3,75,64,169
Mr. Umesh Saraf**	60,47,610	3,13,17,701	–	3,73,65,311
Mr. R.S. Saraf	–	5,00,000	44,000	5,44,000
Mr. R.K. Jatia	–	5,00,000	56,000	5,56,000
Mr. Sudhir Gupta	–	5,00,000	80,000	5,80,000
Mr. Ramesh Jatia	–	5,00,000	36,000	5,36,000
Mr. S.K. Chhibber	–	5,00,000	2,76,000	7,76,000
Mr. R.K. Bhargava	–	5,00,000	3,24,000	8,24,000
Mr. Lalit Bhasin	–	5,00,000	1,48,000	6,48,000
Mr. S.S. Bhandari	–	5,00,000	1,12,000	6,12,000

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

\*\*Appointed for a term of five years ending 6th July, 2010

Details of shareholdings of the Non-executive Directors of the Company are as under:

Name of Director	Category	Shareholding as on 31st March, 2007	%age of Total Shareholding
Mr. R.K. Bhargava	Independent Non- executive	7653	0.034
Mr. S.K. Chhibber	Independent Non- executive	140	0.001
Mr. Lalit Bhasin	Independent Non- executive	NIL	NIL
Mr. S.S. Bhandari	Independent Non- executive	NIL	NIL
Mr. R.S. Saraf	Non- executive	NIL	NIL
Mr. R.K. Jatia	Non- executive	NIL	NIL
Mr. Sudhir Gupta	Non- executive	126920*	0.557
Mr. Ramesh Jatia	Non- executive	10430	0.046

\*includes shares held jointly

## d) Finance Committee:

The Company has a Finance Committee comprising of Mr. R.K.Bhargava, Mr. Sushil Gupta, Mr. Shiv Jatia, and Mr. Umesh Saraf. The Committee meets under the Chairmanship of Mr. R.K. Bhargava, as and when required to consider and finalise debt-restructuring alternatives to minimize the interest out go on the long-term borrowings of the Company.

## e) Corporate Restructuring Committee

As detailed in the Directors' Report, a Committee of Directors, subsequently renamed as Corporate Restructuring Committee, was constituted on 4th December, 2006. The Committee comprises of Mr. R.K.Bhargava, Mr. Sushil Gupta, Mr. Shiv Jatia, and Mr. Umesh Saraf. Till the year end, the Committee has met four times respectively on 4th December, 2006, 12th December, 2006, 19th December, 2006 and 8th January, 2007.

# ASIAN HOTELS LIMITED

## General Body Meetings:

The details of the General Body Meetings held during the last three financial years and the current financial year are given below:

Financial Year	Nature of Meeting	Venue	Date	Time
2003-04	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	28.08.2004	11.30 a.m.
2004-05	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	06.08.2005	11.30 a.m.
2005-06	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	29.07.2006	11.30 a.m.
2006-07	EGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	25.06.2007	11.30 a.m.

None of the special resolutions passed in the above mentioned meetings were required to be put through a postal ballot. Moreover, no resolution is required to be put through a postal ballot at the ensuing Annual General Meeting.

## 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 year under review. As required, a declaration to this effect by the Managing Directors 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. 21 of Schedule 21 (Significant Accounting Policies, Contingent Liabilities and Notes) to the Balance Sheet as at 31st March, 2007, and the Profit & Loss Account for the year ended on that date.

### • Legal Compliances

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

### • Risk Assessment and Minimisation Procedures

As part of the risk assessment and minimisation procedures, the Company has identified certain major risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimisation. The Company's Board is conscious of the need to review the risk assessment and minimisation procedures on regular intervals.

### • Conflict of Interest

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

### • CEO/CFO Certification

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

## Means of Communication

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

- |  |   |
|--|---|
| ➤ Half-Yearly report sent to each shareholder:                   | No. The financial results are displayed on the Company's website.   |
| ➤ Publication of Quarterly results                               | Yes   |
| Which newspaper normally published in:                           | 1) The Economic Times (English)<br>2) Nav Bharat Times (Hindi)  |
| ➤ Any website where displayed                                    | As mentioned above, the financial results and other statutory reports are uploaded on the Company's website. Further, these are also uploaded on the Electronic Data Information Filing and Retrieval (EDIFAR) website namely <a href="http://www.sebiedifar.nic.in">www.sebiedifar.nic.in</a> . This website is also accessible through a hyper link 'EDIFAR' from SEBI's official website, <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> . |
| 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 : Friday, the 21st September, 2007 at 11.30 a.m.

Venue : Hyatt Regency, Delhi  
Bhikaiji Cama Place, Mahatma Gandhi Marg,  
New Delhi – 110066

# ASIAN HOTELS LIMITED

## Financial Calendar

The financial calendar for the financial year 2007-08 is proposed as under:

Financial Reporting for the quarter ending 30th June, 2007	30th July, 2007
Financial Reporting for the half yearly ending 30th September, 2007	End October, 2007
Financial Reporting for the third quarter ending 31st December, 2007	End January, 2008
Financial Reporting for the year ending 31st March, 2008	End June, 2008

<b>Book Closure</b>	<b>Tuesday, the 18th September, 2007 to Friday, the 21st September, 2007 (both days inclusive)</b>
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DIVIDEND PAYMENT DATE

Second week of October, 2007

LISTING ON STOCK EXCHANGES:

Bombay Stock Exchange Ltd,  
National Stock Exchange of India Ltd, and  
The Delhi Stock Exchange Association Ltd\*

\*Pursuant to Company's application for voluntary de-listing, the equity shares of the Company have been de-listed w.e.f. 23rd January 2007.

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

STOCK CODE :

BSE – 500023, NSE - 233

## Profile of Directors proposed to be re-appointed:

Name of Director	Expertise in Specific Functional Areas	Companies in which Directorships held*
Mr.R.K. Jatia	Mr R.K.Jatia is an Industrialist having rich business experience. He does not hold any shares in the Company.	Bell Ceramics Ltd., Plash Foods Pvt Ltd., Magus Estates & Hotels Pvt. Ltd. and Ascent Hotels Pvt. Ltd
Mr.Sudhir Gupta	Mr. Sudhir Gupta is an industrialist having rich business experience. He holds 126920 shares** (0.557%) in the Company.	Chillwinds Hotels Pvt. Ltd.
Mr.S.K.Chhibber	Mr S.K.Chhibber is a retired I.A.S. Officer. He has held various portfolios during his tenure in the Central Government. He has also served as Lt. Governor of Mizoram. He holds 140 shares in the Company.	Mount Shivalik Breweries Ltd., Mount Shivalik Investments Ltd. and Mount Shivalik Industries Ltd.

\*excludes foreign companies

\*\* includes shares held jointly

## Stock Market Data

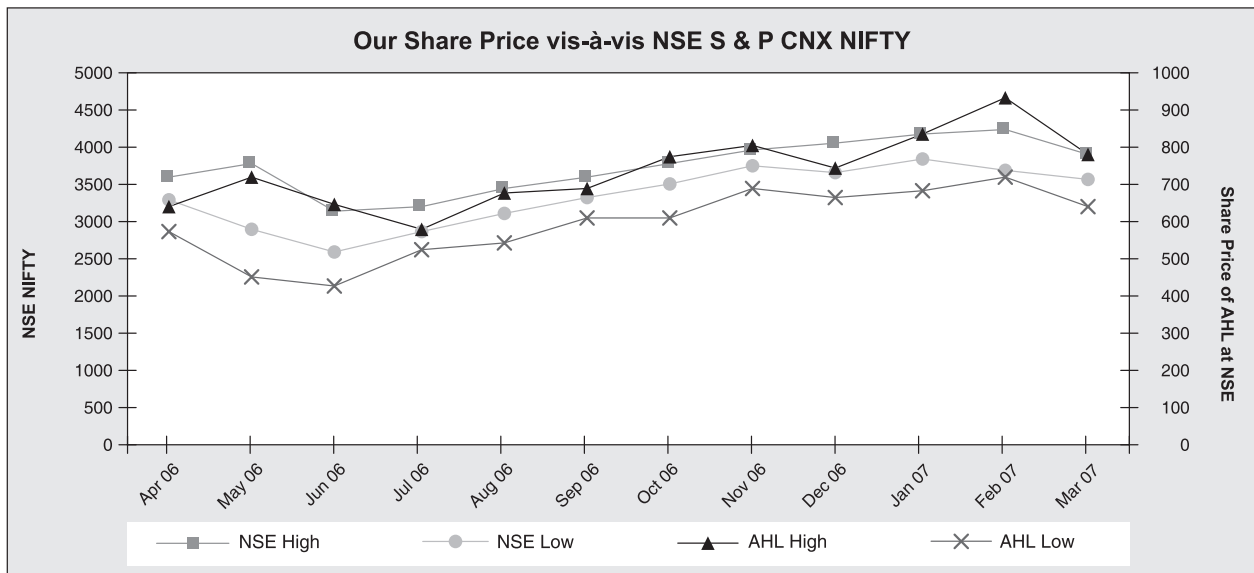
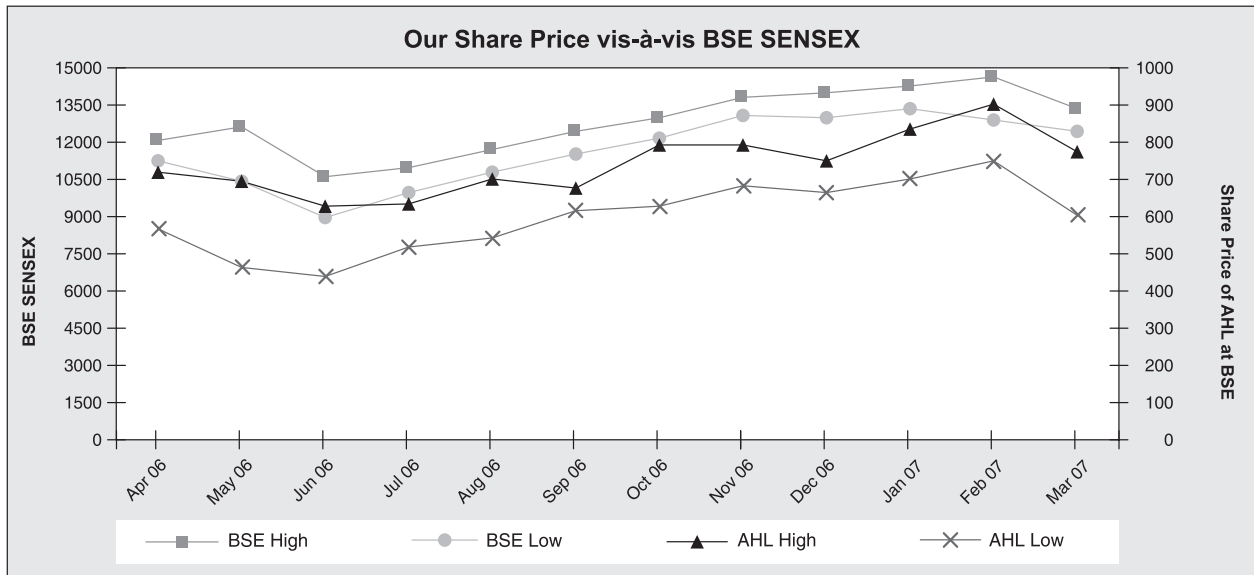
The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE are as follows:

Month	BSE			NSE		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)
Apr, 2006	722.00	565.10	342045	640.00	570.55	231944
May, 2006	695.00	463.30	47919	719.00	452.80	98521
Jun, 2006	626.70	436.00	95899	644.90	424.00	107579
Jul, 2006	635.05	516.30	166601	582.00	524.00	277856
Aug, 2006	704.20	545.00	54620	678.50	541.40	92607
Sep, 2006	674.80	614.00	39936	690.00	612.45	84977
Oct, 2006	790.00	625.50	50674	775.00	610.00	79578
Nov, 2006	790.00	683.35	176769	805.00	691.20	45500
Dec, 2006	752.95	663.85	63770	745.00	665.00	91330
Jan, 2007	832.90	703.65	383998	835.00	680.00	55254
Feb, 2007	899.50	750.00	183346	934.00	722.00	66250
Mar, 2007	775.00	606.00	124323	783.00	639.25	42052

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

# ASIAN HOTELS LIMITED

## Share Price Performance in Comparison to BSE SENSEX & NSE S & P CNX NIFTY



### Distribution of shareholders as on 31st March, 2007:

Number of equity shares held	No. of Shareholders	% of Total Shareholders	Number of shares held	% shareholding
Upto 250	11933	81.166	912905	4.003
251 – 500	1483	10.087	508302	2.229
501 – 1000	729	4.959	522953	2.293
1001 – 2000	328	2.231	466957	2.048
2001 – 3000	81	0.551	201165	0.882
3001- 4000	28	0.190	99004	0.434
4001 – 5000	16	0.109	69783	0.306
5001- 10000	34	0.231	237277	1.041
10001- above	70	0.476	19785218	86.764
<b>TOTAL</b>	<b>14702</b>	<b>100.000</b>	<b>22803564</b>	<b>100.000</b>

# ASIAN HOTELS LIMITED

## Category wise shareholding as on 31st March, 2007:

CATEGORY	No. of shares held	% age of shareholding
<b>A. Promoters Shareholding</b>		
– Indian	3821066	16.757
– Foreign	10673763	46.807
<b>Total Promoters shareholding</b>	<b>14494829</b>	<b>63.564</b>
<b>B. Public Shareholding</b>		
– Mututal Funds/Financial Institutions/Banks and Insurance Companies	861059	3.776
– FII's	777031	3.407
– NRI's	627569	2.752
– Bodies Corporate(Domestic)	3665772	16.076
– Individuals (Indian Public)	2374861	10.414
– Clearing Members	2443	0.011
<b>Total Public shareholding</b>	<b>8308735</b>	<b>36.436</b>
<b>GRAND TOTAL</b>	<b>22803564</b>	<b>100.000</b>

### Share Transfer System

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

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

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

### Share Transfer Agent

#### Karvy Computershare Pvt Ltd.

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

### Dematerialisation of Shares

As on 31st March, 2007, 1,29,51,183 shares equivalent to 56.79 % of the total outstanding shares of the Company are held in dematerialized form. The Company's shares are actively traded both at BSE as well as NSE.

### Dividend Information

- The unclaimed and unpaid amount of Dividend declared for the financial year 1998-99 (Final) /1999-2000 (Interim) has been transferred by the Company on 16th September, 2006 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
- The unclaimed and unpaid amount of Dividend declared for the financial year 1999-2000 (2nd Interim) and 2000-2001 (1st Interim), which remain unclaimed and unpaid as on 22nd September, 2007, would be liable to be transferred to IEPF.\*

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

### Plant Locations

The Company has three five-star deluxe hotels as per details given below:

#### HYATT REGENCY, DELHI

Bhikaiji Cama Place, Mahatma Gandhi Marg,  
New Delhi -110 066.

#### HYATT REGENCY, KOLKATA

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

#### HYATT REGENCY, MUMBAI

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

### Address for Correspondence:

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

### Registered Office:

#### ASIAN HOTELS LIMITED

Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066  
Telephone No.011-66771225/66771226, Fax No. 011-26791017  
Email Id. [Investorrelations@asianhotelslimited.in](mailto:Investorrelations@asianhotelslimited.in)

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

# ASIAN HOTELS LIMITED

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## ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

30th July, 2007

The Board of Directors  
Asian Hotels Limited  
Bhikaiji Cama Place,  
Mahatma Gandhi 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 financial year ended 31st March, 2007.

**SUSHIL GUPTA**  
MANAGING DIRECTOR (WEST)

**SHIV JATIA**  
MANAGING DIRECTOR (NORTH)

**UMESH SARAF**  
MANAGING DIRECTOR (EAST)

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## ANNEXURE “D” TO DIRECTORS’ REPORT

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

To

The Members of Asian Hotels Limited.

We have examined the compliance of the mandatory conditions of Corporate Governance by Asian Hotels Limited during the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India.

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

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

We state that in respect of investor grievance received during the year ended 31st March, 2007 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders’ Grievance Committee.

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

For **MOHINDER PURI & COMPANY**  
CHARTERED ACCOUNTANTS

Place : New Delhi  
Date : 30th July, 2007

**VIKAS VIG**  
PARTNER  
Membership No. : 16920



# ASIAN HOTELS LIMITED

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## AUDITORS' REPORT

### To the Members of ASIAN HOTELS LIMITED

We have audited the attached Balance Sheet of ASIAN HOTELS LIMITED as at 31st March, 2007, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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) 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 2007 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956 ;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007; and
  - b) in the case of the Profit and Loss Account of the **Profit** for the year ended on that date.
  - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **MOHINDER PURI & COMPANY**  
Chartered Accountants

Place : New Delhi  
Date : 13th June 2007

**VIKAS VIG**  
Partner  
Membership No.: 16920

# ASIAN HOTELS LIMITED

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## ANNEXURE TO THE AUDITORS' REPORT OF ASIAN HOTELS LIMITED FOR THE YEAR ENDED 31 ST MARCH 2007

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) 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 year, the Company has not disposed off substantial part of the fixed assets. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of fixed assets, if any, has not affected the going concern status of the Company.
- 2 (a) The stocks of stores, provisions, beverages, crockery etc., have been physically verified during the year 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 was 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 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 the major weaknesses 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 as compared to the 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 year and it is commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed 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 undisputed 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 with appropriate authorities. There are no undisputed amounts payable in respect of the aforesaid dues that were outstanding as at 31st March 2007 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 on account of any dispute.
10. The Company had no accumulated losses as at the end of the current financial year and has not incurred any cash losses in such financial year and in the immediately preceding financial year and 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 due 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.

# ASIAN HOTELS LIMITED

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15. The Company has not given any guarantee for any loans taken by others from banks and financial institution, hence the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. In our opinion, the term loans were applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. As the Company made no preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money by public issues the provisions relating to end use thereof as per clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **MOHINDER PURI & COMPANY**  
Chartered Accountants

Place : New Delhi  
Date : 13th June 2007

**VIKAS VIG**  
Partner  
Membership No.: 16920

# ASIAN HOTELS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule		Rs. in lakhs	Prior Year Rs. in lakhs
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDER'S FUND</b>				
Share Capital	1		2280.36	2280.36
Reserves and Surplus	2		<u>117168.44</u>	<u>28505.35</u>
			<b>119448.80</b>	<b>30785.71</b>
<b>LOAN FUNDS</b>				
Secured Loans	3		<b>20776.10</b>	20232.52
<b>NET DEFERRED TAX LIABILITY</b>				
	4		<b>4648.24</b>	4377.38
<b>SHOP SECURITY DEPOSITS</b>				
			<b>206.88</b>	206.88
			<u>145080.02</u>	<u>55602.49</u>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	5		150544.70	65434.30
Less : Depreciation			<u>11844.94</u>	<u>9972.24</u>
Net Block			138699.76	55462.06
Capital Work-in-Progress			<u>2633.05</u>	<u>1072.63</u>
			<b>141332.81</b>	<b>56534.69</b>
<b>INVESTMENTS</b>				
	6		<b>2459.40</b>	109.40
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	7		831.40	796.13
Sundry Debtors	8		1329.79	964.25
Cash and Bank Balances	9		3415.48	394.32
Loans and Advances	10		<u>9138.77</u>	<u>4468.94</u>
			14715.44	6623.64
Less:				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	11		5517.95	4460.63
Provisions	12		<u>7909.68</u>	<u>3204.61</u>
			13427.63	7665.24
<b>NET CURRENT ASSETS</b>				
			<b>1287.81</b>	(1041.60)
			<u>145080.02</u>	<u>55602.49</u>
<b>SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>				
	21			

"AS PER OUR REPORT ATTACHED"

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

**DINESH KUMAR JAIN**  
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

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

Place : New Delhi  
Dated : June 13, 2007

# ASIAN HOTELS LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	Rs. in lakhs	Prior Year Rs. in lakhs
<b>INCOME</b>			
Rooms, Food, Beverages and Other Services	13	41378.12	32926.62
Less: Excise Duty paid		(36.67)	(27.34)
<b>NET SALES</b>		<b>41341.45</b>	<b>32899.28</b>
Other Income	14	134.21	141.15
		<b>41475.66</b>	<b>33040.43</b>
<b>EXPENDITURE</b>			
Consumption of Provisions, Beverages, Smokes & Others	15	3351.79	2947.47
Direct Operating Expenses	16	523.07	546.65
Payment to and Provision for Employees	17	6525.31	6682.59
Operating and General Expenses	18	12638.62	10140.49
		<b>23038.79</b>	<b>20317.20</b>
<b>PROFIT BEFORE INTEREST, DEPRECIATION ETC.</b>		<b>18436.87</b>	<b>12723.23</b>
Interest & Finance Charges	19	1735.29	1915.56
Depreciation		2215.60	
Less : Transferred from Revaluation Reserve (Refer Note 4 of Schedule 21)		4.51	
Prior Year Adjustments	20	403.61	(3.78)
<b>PROFIT BEFORE TAX</b>		<b>14086.88</b>	<b>8711.87</b>
Provision for taxation		4550.00	1580.00
Provision for taxation for earlier years		58.10	1.07
Provision for Fringe Benefit Tax		58.41	51.08
Provision for Deferred tax	4	270.86	1409.35
<b>NET PROFIT</b>		<b>9149.51</b>	<b>5670.37</b>
Profit brought forward from Prior Year		6271.71	3769.52
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>15421.22</b>	<b>9439.89</b>
Transfer to General Reserve		914.95	568.00
Interim Dividend		1824.28	1824.29
Proposed Dividend		456.07	456.07
Corporate Dividend tax		333.37	319.82
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<b>11892.55</b>	<b>6271.71</b>
		<b>15421.22</b>	<b>9439.89</b>
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		40.12	24.87
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES</b>	21		

"AS PER OUR REPORT ATTACHED"

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

**DINESH KUMAR JAIN**  
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

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

Place : New Delhi  
Dated : June 13, 2007

# ASIAN HOTELS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2007

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL / EXTRA ORDINARY ITEMS	14086.88	8711.87
Adjustments For:		
Depreciation	2211.09	2099.58
Interest Expense	1735.29	1915.56
Interest Income	(15.00)	(14.94)
Income from Investments - Dividends	(0.05)	(0.01)
Loss on Fixed Assets sold /discared (net)	259.28	59.78
Gain on sale of investments	(33.85)	(9.02)
Bad Debts / Advances written off	6.02	18.89
Provision for bad & doubtful debts / advances	180.23	3.79
Liability no longer required written back	(49.88)	(102.29)
Provision for Gratuity and Leave Encashment	58.12	(44.17)
Prior Period Expenses / (Income) (Net)	403.61	(3.78)
TDS on service / other operating income	(660.34)	(457.35)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>18181.40</u>	<u>12177.91</u>
Adjustments For Changes in Working Capital:		
(Increase) / Decrease in Sundry Debtors	(371.35)	(329.11)
(Increase) / Decrease in Other Receivables	274.16	391.64
(Increase) / Decrease in Inventories	(35.27)	7.10
Increase / (Decrease) in Trade and Other Payables	1093.29	1305.51
<b>CASH GENERATED FROM OPERATIONS</b>	<u>19142.23</u>	<u>13553.05</u>
Taxes (Paid)/ Received (net of withholding taxes (TDS))	(4,074.58)	(840.64)
Prior Period (Expenses)/ Income Net	(403.61)	3.78
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>14664.04</u>	<u>12716.19</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets		
Additions of Fixed Assets	(4,898.88)	(1611.08)
Capital Work In Progress		
Deductions during the Year	(763.34)	(140.82)
Proceeds from sale of Fixed Assets	87.44	76.54
Proceeds from sale of Investments	4526.85	12.32
Purchase of Investments	(6,843.00)	0.00
Loans / Inter Corporate Deposits refunds received	32.5	3.00
Interest received (revenue)	14.88	14.82
Dividend received	0.05	0.01
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(7843.50)	(1645.21)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings		
RECEIPTS	168.80	147.04
PAYMENTS	(4080.90)	(4911.19)
Interest Paid	(1738.27)	(1931.86)
Dividend Paid	(2287.87)	(3156.82)
Corporate Dividend Tax Paid	(319.82)	(447.75)
<b>NETCASH USED IN FINANCING ACTIVITIES</b>	<u>(8258.06)</u>	<u>(10300.58)</u>
<b>NET INCREASE / ( DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<u>(1437.52)</u>	<u>770.40</u>
<b>CASH AND CASH EQUIVALENTS - OPENING</b>	<u>416.31</u>	<u>(354.09)</u>
<b>CASH AND CASH EQUIVALENTS -CLOSING</b>	<u>(1021.21)</u>	<u>416.31</u>

### Notes:

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

	As at 31 st March 2007	As at 31 st March 2006
Cash, cheques, drafts (in hand) and remittances in transit	375.58	207.86
Short term loans and advances from banks	(4436.69)	21.99
Balance With Scheduled Banks	3039.90	186.46
	<u>(1021.21)</u>	<u>416.31</u>

### ON BEHALF OF THE BOARD OF DIRECTORS

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

Place : New Delhi  
Dated : June 13, 2007

**DINESH KUMAR JAIN**  
Company Secretary

### AUDITORS' CERTIFICATE

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

### VIKAS VIG

Partner  
For & On Behalf of Mohinder Puri & Company  
Chartered Accountants  
Place : New Delhi  
Dated : June 13, 2007



# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

				Rs. in lakhs	Prior Year Rs. in lakhs
<b>1. SHARE CAPITAL</b>					
AUTHORISED					
50,000,000 Equity Shares of Rs 10 each				5000	5000
ISSUED, SUBSCRIBED AND PAID UP					
22,803,564 Equity Shares of Rs 10 each fully paid (of the above 6,515,304 Shares were allotted as fully paid up Bonus Shares by capitalisation of Share Premium and a part of General Reserve)				2280.36	2280.36
<b>Total</b>				<b>2280.36</b>	<b>2280.36</b>
<b>2. RESERVES AND SURPLUS</b>					
	31.03.2006	<b>Addition</b>	<b>Deduction</b>	<b>31.03.2007</b>	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	
Capital Reserve	4.23	0.00	0.00	4.23	
General Reserve	6233.35	914.95	0.00	7148.30	
Tourism Development Utilised Reserve	15996.06	0.00	0.00	15996.06	
Revaluation Reserve (Refer Note 4 & 11 of Schedule 21)	0.00	82131.81	4.51	82127.30	
Surplus in Profit & Loss Account	6271.71	9149.51	3528.67	11892.55	
	<u>28505.35</u>	<u>92196.27</u>	<u>3533.18</u>	<u>117168.44</u>	
Addition to General Reserve is transferred from Profit and Loss Account					
<b>3. LOAN FUNDS</b>					
<b>SECURED LOANS</b>					
<b>TERM LOANS</b>					
From Banks					
– UTI Bank Limited				2672.68	2850.86
– Punjab National Bank				6660.94	8124.31
– Canara Bank				5765.00	6381.00
– Andhra Bank				0.00	1414.78
– Jammu & Kashmir Bank Limited				1060.07	1242.86
(Secured by hypothecation of whole of plant, machinery, construction material, equipments and other movable assets of the Company both present and future {save and except book debts} alongwith a charge on the immovable asset of the Company situated at Hyatt Regency Mumbai and Hyatt Regency Kolkata, on pari passu with other term lending banks)					
– ICICI Bank Limited				180.72	237.70
Secured against hypothecation of certain vehicles					
Interest accrued and due				0.00	3.00
<b>OTHER LOANS</b>					
Short Term Loans and Advances					
From Banks					
– IDBI Bank Limited				2900.00	0.00
(Secured by first charge (hypothecation) of whole of plant & machinery, construction material equipments and other assets of the Company both present and future {save and except book debts} at Hyatt Regency Delhi)					
From Other Banks					
– Secured against fixed deposits				0.00	4.20
– Secured against hypothecation of inventories and book debts (both present & future) *				1431.69	(68.42)
– Secured against credit card collection				105.00	42.23
				<u>20776.10</u>	<u>20232.52</u>
* net of balances in collection accounts				288.55	574.30
– Term loans due within one year				1695.03	905.28

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

		Rs. in lakhs	Prior Year Rs. in lakhs
<b>4. NET DEFERRED TAX LIABILITY</b>	Created Liability / (Asset) Rs in lakhs		
Tax Liability /(Asset) due to timing difference in respect of:			
Depreciation	463.46	<b>5445.32</b>	4981.86
Provision for Retirement Benefits	(28.96)	<b>(169.19)</b>	(140.23)
Provision for doubtful debts / advances	(65.81)	<b>(530.06)</b>	(464.25)
Statutory Dues	(97.83)	<b>(97.83)</b>	0.00
	<u>270.86</u>	<u><b>4648.24</b></u>	<u>4377.38</u>

## 5. FIXED ASSETS - AT COST

Rs. in Lakhs

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As on 1.4.06	Revaluation	Additions	Deductions/ Adjustments	As on 31.3.07	Upto 31.3.06	For the year	Written back on deductions/ adjustments	Upto 31.3.07	As on 31.3.07	As on 31.3.06
Land - Leasehold	1615.72	0.00	315.00	463.01	<b>1467.71</b>	0.00	0.00	0.00	<b>0.00</b>	<b>1467.71</b>	1615.72
Land - Freehold	8942.88	78824.40	1031.99	0.00	<b>88799.27</b>	0.00	0.00	0.00	<b>0.00</b>	<b>88799.27</b>	8942.88
Buildings	27456.88	3307.41	549.76	100.40	<b>31213.65</b>	2135.13	455.02	11.73	<b>2578.42</b>	<b>28635.23</b>	25321.75
Furniture, Fixtures and Furnishings	6426.21	0.00	928.14	198.76	<b>7155.59</b>	2953.29	550.12	159.80	<b>3343.61</b>	<b>3811.98</b>	3472.92
Plant and Machinery	20260.40	0.00	1083.43	317.19	<b>21026.64</b>	4703.13	1130.59	148.08	<b>5685.64</b>	<b>15341.00</b>	15557.27
Vehicles	732.21	0.00	209.23	59.60	<b>881.84</b>	180.69	79.87	23.29	<b>237.27</b>	<b>644.57</b>	551.52
Total	65434.30	82131.81	4117.55	1138.96	<b>150544.70</b>	9972.24	2215.60	342.90	<b>11844.94</b>	<b>138699.76</b>	55462.06
Prior Year	64996.14	0.00	764.80	326.64	<b>65434.30</b>	8066.80	2099.58	194.14	<b>9972.24</b>		
CAPITAL WORK-IN-PROGRESS - Refer Note 10 of Schedule 21										<b>2633.05</b>	1072.63
										<b>141332.81</b>	56534.69

- a) During the year, leasehold land of Hyatt Regency Delhi, a unit of the Company has been converted to freehold has been hence regrouped
- b) 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 11 of Schedule 21)
- c) Depreciation for the year includes an additional depreciation amounting to Rs. 4.51 lakhs on revalued building that has been withdrawn from Revaluation Reserve Account and credited to the Profit and Loss Account
- d) Land -Freehold includes amount paid to Delhi Development Authority (DDA) since recovered by the Company but not decapitalised as under an appeal filed by DDA. As security, the Company has lodged title deed of certain land at New Delhi costing Rs 40.28 lakhs (Prior Year Rs 40.28 lakhs) 10.90 10.90
- e) Building includes leasehold improvement gross block  
net block **20.68** 20.68  
**16.52** 17.92
- f) Vehicles includes those financed gross block  
net block **284.88** 634.64  
**261.13** 469.29

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Face Value		Rs. in lakhs	Prior Year Rs. in lakhs
	Rs. in lakhs	Prior Year Rs. in lakhs		
<b>6. INVESTMENTS</b>				
<b>Long Term</b>				
<b>Trade, Unquoted</b>				
75,000 Equity Shares of Rs 10 each of Regency Convention Centre & Hotels Ltd.				
– an Associate Company	<b>7.50</b>	7.50	<b>173.02</b>	173.02
49,940 Equity Shares of Rs 10 each of GJS Hotels Limited (subsidiary company)	<b>4.99</b>	4.99	<b>4.99</b>	4.99
<b>Short Term</b>				
<b>Non-Trade, Quoted</b>				
11,100,000 (Prior Year Nil) Units of Rs. 10 each of SBI Debt Fund Series-90 days-Growth				
– Net Asset Value as on 31.3.07 Rs. 1119.27 Lakhs	<b>1110.00</b>	0.00	<b>1110.00</b>	0.00
10,400,000 (Prior Year Nil) Units of Rs. 10 each of SBI Debt Fund Series-60 days-Growth				
– Net Asset Value as on 31.3.07 Rs.1046.74 Lakhs	<b>1040.00</b>	0.00	<b>1040.00</b>	0.00
1,471,140 (Prior Year Nil) Units of Rs. 10 each of LIC MF Liquid Fund-Growth Plan				
– Net Asset Value as on 31.3.07 Rs. 200.15 Lakhs	<b>200.00</b>	0.00	<b>200.00</b>	0.00
<b>Non-Trade Unquoted</b>				
600 6.75% Tax Free US64 Bonds of Rs 100/- each of Unit Trust of India	<b>0.60</b>	0.60	<b>0.60</b>	0.60
			<b>2528.61</b>	178.61
Less: Provision for diminution in value of investments (Refer Note 5(b) of Schedule 21)			<b>(69.21)</b>	(69.21)
			<b>2459.40</b>	109.40
Note:				
Investment bought / subscribed and sold or redeemed during the year				
Units of HDFC Liquid Fund - Growth of 50.92 lakhs (Prior year Nil)				
Units of DSP ML Liquidity Fund - Regular Growth of 99.38 lakhs (Prior year 35.10 Lakhs)				
Units of Kotak Liquid (Institutional) Growth of 17.70 lakhs (Prior year Nil)				
Units of Sundaram BNP Paribas Money Fund Institutional of 22.38 lakhs (Prior year Nil)				
Units of LIC MF Liquid Fund-Growth Plan of 103.29 lakhs (Prior year Nil)				
Units of HDFC Floating Rate Income Fund of Nil (Prior year 39.97 lakhs)				
Units of DSP ML Floating Rate Fund - Growth of Nil (Prior Year 18.04 lakhs)				
Units of Kotak Floater Short Term - Growth of Nil (Prior year 28.60 lakhs)				
Units of Kotak Liquid (Regular) Growth of Nil (Prior Year 61.44 lakhs)				
<b>7. INVENTORIES</b>				
Wines & Liquor			<b>265.27</b>	247.49
Provisions, Other Beverages and Smokes			<b>80.94</b>	77.68
Crockery, Cutlery, Silverware, Linen etc.			<b>307.82</b>	334.14
General Stores and Spares			<b>177.37</b>	136.82
			<b>831.40</b>	796.13

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>8. SUNDRY DEBTORS</b>		
Outstanding for over six months	56.82	48.29
Others	1298.32	941.52
	<b>1355.14</b>	989.81
Less :Provision for doubtful debts	(25.35)	(25.56)
	<b>1329.79</b>	964.25
Unsecured considered good	1329.79	964.25
Unsecured considered doubtful	25.35	25.56
<b>9. CASH AND BANK BALANCES</b>		
Cash in hand	37.15	37.02
Cheques in hand	338.43	170.84
With Scheduled Banks :		
Current Accounts	22.05	61.09
Unpaid Dividend Current Accounts	107.40	114.92
Fixed Deposits *	2910.45	10.45
	<b>3415.48</b>	394.32
* Include :		
– under lien against overdraft facilities	10.00	10.00
– pledged with Government authorities	0.45	0.45
<b>10. LOANS &amp; ADVANCES</b>		
Loan to subsidiary company *		
– GJS Hotels Limited	383.15	0.40
Inter-Corporate Loans	176.28	208.78
Advances recoverable in cash or in kind or for value to be received	3142.85	3308.13
Advance income tax	6833.16	2131.23
Security Deposits	137.45	174.08
	<b>10672.89</b>	5822.62
Provision for doubtful advances/deposits	(1534.12)	(1353.68)
	<b>9138.77</b>	4468.94
Unsecured considered good	9138.77	4468.94
Unsecured considered doubtful	1534.12	1353.68
*maximum balance due during the year	383.15	0.40
<b>11. CURRENT LIABILITIES</b>		
Sundry Creditors		
– for capital projects	117.31	101.56
– others *	566.51	519.88
Advances from Customers **	941.23	566.82
Interest accrued but not due on loans	0.97	0.95
Security Deposits received	32.05	44.33
Other Liabilities ***	3859.88	3227.09
	<b>5517.95</b>	4460.63
* includes due to Small Scale Industrial Undertakings (Refer Note 24 of Schedule 21 )	5.67	0.24
** includes received from GJS Hotels Ltd (subsidiary company)	0.00	4.85
***includes		
– unclaimed Dividends	107.40	114.92
– due to Directors (including commission)	979.54	594.85
<b>12. PROVISIONS</b>		
Gratuity	405.03	354.75
Leave Encashment	92.74	84.90
Income Tax	6877.45	2239.85
Fringe Benefit Tax	0.88	5.08
Proposed dividend	456.07	456.07
Corporate Dividend Tax	77.51	63.96
	<b>7909.68</b>	3204.61

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>13. ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Rooms	26508.11	20075.56
Wines and Liquor	2014.41	1862.85
Food, Other Beverages, Smokes & Banquets	9027.70	7947.51
Communications	818.17	828.61
Others *	3009.73	2212.09
	<u>41378.12</u>	<u>32926.62</u>
*includes :		
– gain(net) on account of foreign exchange translation	0.62	0.58
<b>14. OTHER INCOME</b>		
Interest earned *	15.00	14.94
Dividends	0.05	0.01
Gain/ (Loss) on sale of investments (net)	33.85	9.02
Excess provisions written back	5.93	47.39
Credit balances written back	43.95	54.90
Bad Debts Recovered	6.50	1.00
Miscellaneous	28.93	13.89
	<u>134.21</u>	<u>141.15</u>
* Tax deducted at source	0.12	0.12
<b>15. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES &amp; OTHERS</b>		
<b>WINES &amp; LIQUOR</b>		
Opening Stock	247.49	226.18
Add : Purchases	619.28	456.19
	<u>866.77</u>	<u>682.37</u>
Closing Stock	(265.27)	(247.49)
	<u>601.50</u>	<u>434.88</u>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	77.68	77.23
Add : Purchases	2753.55	2513.04
	<u>2831.23</u>	<u>2590.27</u>
Closing Stock	(80.94)	(77.68)
	<u>2750.29</u>	<u>2512.59</u>
	<u>3351.79</u>	<u>2947.47</u>
Indigenous 86.06% (Prior Year 89.97 %)	2884.47	2651.98
Imported 13.94% (Prior Year 10.03 %)	467.32	295.49
<b>16. DIRECT OPERATING EXPENSES</b>		
Telephone	115.06	87.83
Guest Transportation	408.01	458.82
	<u>523.07</u>	<u>546.65</u>
<b>17. PAYMENT TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages and Ex gratia	4647.30	5050.33
Provident and other Funds	225.20	213.90
Gratuity	87.08	168.15
Rent - staff accommodation	24.24	21.07
Workmen and Staff Welfare *	678.74	647.30
Contract Labour & Service	757.21	482.05
Recruitment & Training	105.54	99.79
	<u>6525.31</u>	<u>6682.59</u>
* includes :		
Cost of provisions consumed in staff cafeteria	339.83	286.64
Realisation on sale of food coupons to staff	(23.08)	(15.71)

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>18. OPERATING AND GENERAL EXPENSES</b>		
Linen, Room, Catering and Other supplies/services	953.20	790.07
Operating equipment and Supplies written off	416.73	357.29
Fuel, Power and Light (net)	2226.11	2160.03
Repairs, Maintenance and Refurbishing *	1555.68	1222.83
Rent	3.12	26.47
Rates and Taxes	1126.48	877.62
Insurance	260.68	217.01
Directors' sitting fee	10.76	5.60
Legal and Professional	522.35	418.73
Artist Fee	21.52	72.75
Stationery and Printing	150.25	139.10
Travelling and Conveyance **	403.15	305.41
Communication	143.52	118.47
Technical Services	2206.54	1537.11
Advertisement and Publicity	707.17	541.54
Commission and Brokerage	1388.09	1133.68
Charity & Donation	46.09	90.37
Bad debts / advances written off	6.02	18.89
Provision for doubtful debts / advances	180.23	3.79
Loss on Fixed Assets sold/discarded (net)	259.28	59.78
Miscellaneous	51.65	43.95
	<b>12638.62</b>	<b>10140.49</b>
* includes:		
Repairs & Maintenance - Buildings	331.82	282.92
Repairs & Maintenance - Plant & Machinery	804.95	619.90
** includes:		
Travel of Directors	56.48	57.54
<b>19. INTEREST AND FINANCE CHARGES</b>		
Interest on – fixed loans	1692.77	1881.32
– others	29.58	14.00
Bank & Finance charges	12.94	20.24
	<b>1735.29</b>	<b>1915.56</b>
<b>20. PRIOR YEAR ADJUSTMENTS</b>		
Repair, maintenance and refurbishing	0.70	0.53
Rates and Taxes	401.83	0.26
Legal & Professional Expenses	0.75	0.00
Technical Services	0.00	(4.54)
Other adjustments	0.33	(0.03)
	<b>403.61</b>	<b>(3.78)</b>
<b>21. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>		
1. (i) Basis of Accounting		
The Company follows mercantile system of accounting.		
(ii) Revenue Recognition		
Income is recognized on accrual basis.		
(iii) 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.		
(iv) Interest on Income Tax Refunds / Demands		
It is accounted for as income in the year when granted and as tax expense when determined by the Department.		
(v) Claims Recoverable		
Claims recoverable are accrued only to the extent as admitted by the parties subject to note 15 regarding claim relating to stamp duty on land & building.		
(vi) 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.		
(vii) Retirement Benefits		
Provision for retirement benefits has been made based on actuarial valuation		



# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
2. (i) Foreign Exchange Transaction		
Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year end are translated at the year end rates resulting in exchange differences being recognized as income / expenses (net). Exchange difference (Hedging charges) arising on forward contracts in respect of Foreign currency loans is included in Bank & Finance Charges to the extent of :	0.00	6.02
(ii) Foreign Currency Balances		
Foreign Currency balances at the year end have been converted at the year end rate of exchange except covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.		
3. Taxation		
(i) Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with Mandatory Accounting Standard 22 (AS-22).		
(ii) 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.		
(iii) 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.		
4. Fixed Assets and Depreciation		
Fixed Assets		
(a) Fixed assets are stated at cost adjusted by revaluation of certain assets. 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.		
Depreciation		
(b) Depreciation as per straight line method has been charged in the accounts based on circular no. 1/86 of the Department of Company Affairs;		
(i) 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 a month depreciation is charged from the month of purchase otherwise depreciation is charged from the month following the month of purchase.		
(ii) On the assets prior to 2.4.87 at the rates computed in the respective years of acquisition of those assets on the basis of rates specified by the Income Tax Act, 1961 and the rules made thereunder in terms of section 205(2) (b) of the Companies Act, 1956 without making any adjustment in respect of excess depreciation provided for in the earlier years amounting to	244.16	244.16
(iii) Depreciation on leasehold improvements is being charged equally over the period of the lease.		
(iv) Depreciation on the increase 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.		
(c) No depreciation is charged on the assets sold/ discarded during the year.		
(d) The period in respect of leases of leasehold lands is either perpetual or for substantially long term and hence no depreciation has been charged on the premiums paid.		
5. Investments		
(a) Long term investments are stated at cost, including the brokerage and other charges paid for their acquisition unless there is a permanent decline in the value. Short-term investments are valued at cost or market value whichever is lower.		
(b) Provision has been made for decline in the value of investments as under: Long Term - Trade, unquoted - Associate Company (as estimated by the Management and as confirmed by the Audit Committee)	69.21	69.21
6. Inventory		
(a) Inventory is valued at cost or net realizable value whichever is lower		
(b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.		
7. Dividend		
Proposed Dividend, if any, is accounted for pending approval at the Annual General Meeting.		

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
8. Contingent Liabilities & Provisions: In terms of the requirements of the Accounting Standard 29 (AS-29) on "Provisions, Contingent Liabilities and Contingent Assets" :		
(a) where, as a result of past events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation - an appropriate provision is created and disclosed ;		
(b) where as a result of past events, there is a possible obligation that may, but probably will not require an outflow of resources - no provision is recognised but appropriate disclosure made as contingent liability unless the possibility of outflow is remote.		
9. Contingent Liabilities :		
(a) Outstanding Capital Expenditure Commitments	1,434.09	227.31
(b) Claims against the Company not acknowledged as debts	110.67	81.28
(c) Outstanding bank guarantees	15.59	21.33
(d) Demand for income tax (exclusive of interest amounting to Rs.109.59 Prior Year Rs 183.06 lakhs ) not provided for pending appeals	113.25	299.61
10. Capital Work-in-Progress consists of:		
(a) Renovation/refurbishing work / other work in progress	1,076.20	312.86
(b) Advances for capital contracts (unsecured, considered good)	1,556.85	759.77
	<b>2,633.05</b>	<b>1,072.63</b>
11. The Company, based on the report by a Certified Valuer, has revalued land and building of Hyatt Regency Delhi, one of the units of the Company, as at 28th February, 2007 at Rs. 85,700.00 lakhs, thereby increasing the value of land and building by an amount of Rs. 82,131.81 lakhs, and therefore an equivalent amount has been credited to the Revaluation Reserve Account. The method adopted by the Certified Valuer for revaluation purpose, was the Cost of Contractor's method for building and estimated market value for land.		
12. The Board of Directors of the Company in its meeting held on 14th May, 2007 approved the Scheme of Arrangement and De-merger (the Scheme) in accordance with Section 391 to 394 of the Companies Act, 1956, subject to modifications, if any, as may be required in consultation with the legal advisors and the financial consultants. The Scheme envisages trifurcation of the Company into three undertakings namely the Delhi Undertaking, the Mumbai Undertaking and the Kolkata Undertaking. The Scheme, as finalised , has been filed with the Bombay Stock Exchange and the National Stock Exchange for their approval. The Scheme shall become effective on the date on which the certified copy of the orders of the Hon'ble High Court sanctioning this Scheme is filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana.		
13. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" issued by The Institute of Chartered Accountants of India, since in the opinion of the Management the reduction in value of any asset, to the extent required, has already been provided for in the books.		
14. Letters for confirmation of balances sent to parties have been received back in a few cases and discrepancies, if any, pointed out by the parties are being investigated for necessary adjustments to be carried out.		
15. Loans and advances include a claim in respect of stamp duty lodged with Maharashtra Tourism Development Corporation by the Company relating to land at Mumbai, considered to be fully recoverable in the opinion of the Management and as confirmed by the Audit Committee	1056.64	1056.64
16. (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	14,086.88	8,711.87
Add/ (Less):		
Loss on Fixed Assets sold / discarded (net)	259.28	59.78
Gain on sale of investments (net)	(33.85)	(9.02)
Provision for Doubtful debts / advances	180.23	3.79
Provision for Wealth Tax	1.38	1.73
NET PROFIT AS PER SECTION 349	<b>14,493.92</b>	<b>8,768.15</b>
Managerial Remuneration (as stated below)	1,164.94	786.93
PROFIT AS PER SECTION 198	<b>15,658.86</b>	<b>9,555.08</b>
Commission @ 2% of the above payable to each of the Managing Directors included under the head "Salaries, Wages and Ex Gratia".	313.18	191.10
Commission payable to Eight Non Executive Directors @ 1% of Profit as above subject to maximum of Rs 5 lakhs (prior year Rs.3 lakhs) per Director per annum(pro rata) included under the head "Salaries, Wages and Ex Gratia".	40.00	21.55

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
(b) Managerial Remuneration (excluding provision for gratuity) to Directors :		
Salaries	112.40	101.20
House Rent Allowance	43.20	44.90
Commission	979.54	594.85
Provident Fund Contribution	13.49	12.14
Gratuity Paid	0.00	22.21
Monetary value of Perquisites	16.31	11.63
	<b>1,164.94</b>	<b>786.93</b>
17. The Company is presently operating an integrated hotel business at three geographical locations namely Hyatt Regency Delhi, Hyatt Regency Kolkata and Hyatt Regency Mumbai. The entire operations are governed by the same set of risks and returns hence have been considered as representing a Single Segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17).		
18. 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	16.50	0.00
(ii) Later than one year and not later than five years	0.00	0.00
(iii) Later than five years	0.00	0.00
19. Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	89.08	203.07
later than one year but not later than five years	109.67	489.04
Present value of minimum instalments payable within one year	102.82	42.16
later than one year but not later than five years	77.90	195.54
20. Future minimum lease payments receivable by the Company in respect of non cancellable operating leases (other than land) for shops entered into by the Company :		
(i) Not later than one year	32.58	20.24
(ii) Later than one year and not later than five years	67.36	24.09
(iii) Later than five years	0.00	0.00

### 21. Related Party Disclosures

- a) Parties which significantly influence the Company (either individually or with others)
- (i) Yans Enterprises (H.K.) Ltd, Guernsey
  - (ii) DSO Ltd, Guernsey
  - (iii) Saraf Industries Ltd , Mauritius
- b) Parties which are significantly influenced by the Company (either individually or with others)
- (i) GJS Hotels Ltd - a subsidiary company
  - (ii) Regency Convention Centre & Hotels Ltd - an associate company
- c) Related Party Transactions

(Rs in lakhs)

Particulars	Subsidiary		Associate Company		Key Management Personnel		Entities controlled by Directors or their relatives	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Purchase of Services							4.60	4.85
Sale of Services (Room, Food, Beverages and other services)							38.99	81.94
Remuneration					1,124.94	765.38		
Professional Charges							7.34	7.13
Advances given	36.60	0.01	2.24	0.43				
Sale of Capital goods	346.55							
Donation							26.00	50.00
Sharing of Expenses							0.70	1.52
Balance Outstanding								
Payables		4.85				595.14		0.07
Receivables	383.15	0.40	52.02	49.77			7.21	11.65
Provision for doubtful advances			19.20	19.20				

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

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

### NOTES:

- Subsidiary	GJS Hotels Ltd.
- Associate Company	Regency Convention Centre & Hotels Ltd .
- Key Management Personnel	Mr Sushil Gupta            Managing Director (West) Mr Shiv Jatia                Managing Director (North) Mr Umesh Saraf             Managing Director (East) Mr. Arun K. Saraf            Executive Director (Part of the prior year)
- Entities controlled by Directors or their relatives	Bell Ceramics Ltd Bhasin & Co Country Development & Management Services (P) Ltd Choice Hospitality Ltd Chatral Jiwandan Trust Danisco Ingredients India Pvt Ltd Energy Infrastructure (I) Limited Godfrey Philips Ltd Juniper Hotels Pvt Ltd Magus Estates & Hotels Pvt Ltd Nepal Travel Agency Pvt Ltd Pergo India (P) Ltd Ram Pyari Devi Charitable Trust WEL Intertrade Ltd

Particulars	Rs in lakhs	Prior Year Rs in lakhs
d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the year as follows:		
Purchase of Services		
- Nepal Travel Agency Pvt Ltd.	3.49	4.85
- Juniper Hotels Pvt. Ltd.	1.11	-
Sale of Services (Room, Food, Beverages and other services)		
- Energy Infrastructure (I) Ltd.	-	60.10
- Magus Estates & Hotels Pvt. Ltd.	11.14	9.35
- Godfrey Philips Ltd.	9.58	9.64
- Juniper Hotels Pvt. Ltd.	12.94	-
Remuneration		
- Mr. Sushil Gupta	375.64	248.17
- Mr. Shiv Jatia	375.64	248.17
- Mr. Umesh Saraf	373.66	180.90
- Mr. Arun K. Saraf	-	88.14
Professional Charges		
- Bhasin & Co.	7.34	7.13
Advances given		
- GJS Hotels Ltd.	36.60	0.01
- Regency Convention Centre & Hotels Ltd.	2.24	0.43
Sale of Capital Goods		
- GJS Hotels Ltd.	346.55	-
Donations		
- Rampyari Devi Charitable Trust	26.00	25.00
- Chatral Jiwandan Trust	-	25.00
Sharing of Expenses		
- Magus Estates & Hotels Pvt. Ltd.	0.28	0.40
- WEL Intertrade Ltd.	0.42	1.12
Outstanding Payables		
- GJS Hotels Ltd.	-	4.85
- Mr. Sushil Gupta	313.23	191.10
- Mr. Shiv Jatia	313.23	191.10
- Mr. Umesh Saraf	313.23	191.10
- Bhasin & Co.	-	0.07
Outstanding Receivables		
- GJS Hotels Ltd.	383.15	0.40
- Regency Convention Centre & Hotels Ltd.	52.02	49.77
- Magus Estates & Hotels Pvt. Ltd.	-	2.16
- Juniper Hotels Pvt. Ltd.	7.21	9.35
- Godfrey Philips Ltd.	-	0.08
- Choice Hospitality (India) Pvt. Ltd.	-	0.06
Provision for doubtful advances		
- Regency Convention Centre & Hotels Ltd.	19.20	19.20

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
22. Payment to Auditors :		
As Audit Fee	9.00	7.00
As Tax Audit Fee	2.00	1.75
As Certification Charges	3.23	2.78
As Advisors on legal matters	0.85	0.85
As reimbursement of service tax	1.86	1.42
As reimbursement of out of pocket expenses	0.26	0.20
23. A. The Company has been exempted vide order no 46/93/2005-CL-III dated 10th March 2005 of Department of Company Affairs, Government of India u/s 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, 2005, March 31, 2006 and March 31, 2007.		
B. C.I.F. Value of Imports		
a) Food and Beverages	30.42	26.95
b) Stores and Spares	377.85	146.98
c) Capital Goods	1297.44	241.04
d) Beverages - through canalising agencies	365.79	284.02
C. Expenditure in Foreign Currency - On payment basis		
a) Technical Services	2012.79	923.42
b) Advertisement & Publicity	290.69	342.88
c) Commission & Brokerage	496.91	492.82
d) Recruitment & Training	49.67	18.65
e) Others	503.11	248.68
D. Earnings in Foreign Exchange - On receipt basis As certified and reported by the Management to the Department of Tourism	26949.36	19308.92
E. Details of dividends paid to Non Resident Shareholders holding shares on repatriation basis		
Final Dividend		
a) Year to which dividend relates	2005-06	2004-05
b) Number of non resident shareholders	656	694
c) Number of shares held by them	11256909	11315667
d) Rupees (in lakhs) equivalent of amount paid in foreign currency	215.02	645.79
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	10.12	33.15
Interim Dividend		
a) Year to which dividend relates	2006-07	2005-06
b) Number of non resident shareholders	659	669
c) Number of shares held by them	11273390	11274044
d) Rupees (in lakhs) equivalent of amount paid in foreign currency	860.08	860.43
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	41.79	41.49
24. As per the information available and explanations provided to us and as certified by the Management, there are no dues outstanding for more than 30 days to any Small Scale Industrial Undertaking as defined under clause (i) of Section 3 of Industries Development and Regulation Act, 1951.		
25. As per the information available and explanations provided to us and as certified by the Management, there are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days together with interest at the Balance Sheet date as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".		
26. Computation of Earnings per share - (Basic & Diluted)		
Profit after taxation	9149.51	5670.37
Weighted average number of shares outstanding	22803564	22803564
Nominal value per share	Rupees 10.00	10.00
Earnings per share - Basic and Diluted	Rupees 40.12	24.87
27. Prior year figures have been regrouped and rearranged wherever necessary to make them comparable. Schedules 1 to 21 form an integral part of the Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the year ended on that date.		

### ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi Dated : June 13, 2007	<b>DINESH KUMAR JAIN</b> Company Secretary	<b>R. K. BHARGAVA</b> <b>SUSHIL GUPTA</b> <b>SHIV JATIA</b> <b>UMESH SARAF</b>	Chairman Managing Director (West) Managing Director (North) Managing Director (East)
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# ASIAN HOTELS LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.11037

Balance Sheet date 31st March 2007

State Code 055

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

NIL

NIL

Nil

NIL

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

Total Liabilities

Total Assets

14508002

14508002

Sources of Funds

Paid Up Capital

Reserves & Surplus

Secured Loans

Net Deferred tax Liability

Deposits

228036

11716844

2077610

464824

20688

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

14133281

245940

128781

0

0

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

Turnover

Total Expenditure

Earnings per share  
in Rs.

4147566

2738878

40.12

+/- Profit/Loss Before Tax

+/- Profit/Loss After Tax

Dividend Rate %

1408688

914951

100%

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

Item Code No.  
(ITC Code)

Products  
Description

N.A.

Hotel Business

### ON BEHALF OF THE BOARD OF DIRECTORS

**R. K. BHARGAVA**  
**SUSHIL GUPTA**  
**SHIV JATIA**  
**UMESH SARAF**

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

Place : New Delhi  
Dated : June 13, 2007

**DINESH KUMAR JAIN**  
Company Secretary



# ASIAN HOTELS LIMITED

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

1.	Name of the Subsidiary Company	<b>GJS Hotels Limited</b>
2.	Financial Year of the Subsidiary Company ended on	<b>31<sup>st</sup> March, 2007</b>
3.	Date from which it became Subsidiary Company	<b>9<sup>th</sup> December, 2002</b>
4.	a) No. of shares of the Subsidiary Company held by the Holding Company in its own name / name of nominee(s) at the end of the financial year of the Subsidiary Company.	<b>49,940 equity shares of Rs. 10 each</b>
	b) Extent of interest of the Holding Company at the end of the financial year of the Subsidiary Company.	<b>99.88%</b>
5.	The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far it concerns the members of the Holding Company and is not dealt with in the Holdings Company's Accounts:	
	i. for the financial year ended on 31 <sup>st</sup> March, 2007	<b>(Rs. 0.10 lakhs)</b>
	ii. for prior years since becoming subsidiary	<b>(Rs. 0.53 lakhs)</b>
6.	The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far it has been dealt with in the Holdings Company's Accounts;	
	i. for the financial year ended on March 31 <sup>st</sup> , 2007	<b>NIL</b>
	ii. for prior years since becoming subsidiary	<b>NIL</b>

### ON BEHALF OF THE BOARD OF DIRECTORS

**R K BHARGAVA**  
Chairman

**SUSHIL GUPTA**  
Managing Director (West)

**SHIV JATIA**  
Managing Director (North)

**UMESH SARAF**  
Managing Director (East)

For **MOHINDER PURI & COMPANY**  
CHARTERED ACCOUNTANTS

**VIKAS VIG**  
PARTNER  
Membership No. : 16920

Place : New Delhi  
Date : 13th June, 2007

**DINESH KUMAR JAIN**  
Company Secretary

# GJS HOTELS LIMITED

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## FIFTH ANNUAL REPORT 2006-2007

### BOARD OF DIRECTORS

SUSHIL GUPTA

SHIV JATIA

ARUN K. SARAF

UMESH SARAF

### AUDITORS

M/S MOHINDER PURI & CO.

CHARTERED ACCOUNTANTS

### BANKERS

BANK OF BARODA

Citi Bank N.A.

### REGISTERED OFFICE

C/O ASIAN HOTELS LIMITED

BHIKAJI CAMA PLACE, M.G. MARG, NEW DELHI-110066

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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting here with their Fifth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March, 2007.

### FINANCIAL RESULTS

Since commercial operations had not commenced during the year under review, there has been no income. The Company incurred an expenditure of Rs.10384/- on administrative overheads, which are capitalized with the assets.

### DIRECTORS

Mr Umesh Saraf, was Co-opted as an Additional Director on 23<sup>rd</sup> May, 2007. As per Section 260 of the Companies Act, 1956, Mr Umesh Saraf will cease to hold office at the ensuing Annual General Meeting. A requisite Notice along with the prescribed fee has been received from a Member under Section 257 of the Companies Act, 1956 proposing the appointment of Mr Umesh Saraf at the ensuing Annual General Meeting. Your Directors recommend his appointment.

In accordance with the requirement of the Companies Act, 1956 and pursuant to Article 43, Mr. Sushil Gupta, Director of the Company, is liable to retire by rotation at the Fifth Annual General Meeting and, being eligible offer himself for re-appointment.

### AUDITORS

The Statutory Auditors of the Company, M/s. Mohinder Puri & Company, Chartered Accountants, are liable to retire at the conclusion of the Fifth Annual General Meeting and, being eligible, offer themselves for re-appointment.

### EXPANSION

Your Directors have pleasure in informing you that the Company has acquired leasehold rights in respect of land measuring 7 acres, at Bhubaneswar, from its holding Company namely Asian Hotels limited.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company has not commenced any commercial operations during the period in review, there are no particulars to be furnished under the Companies (Disclosure of particulars in the report of the Board of Directors) rules 1988.

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

The Directors' state that:-

- in the preparation of annual accounts for the year ended 31<sup>st</sup> March, 2007, the applicable Accounting Standards have been followed along with proper explanation relating to any material departures;
- appropriate accounting policies were selected and applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review and of the profit and loss of the company for that period;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts are prepared on a going concern basis;

### PERSONNEL

The Company has no employees of the category mentioned in Section 217 (2A) of the Companies Act, 1956.

**For and on Behalf of the Board**

Place : New Delhi

Dated : 13<sup>th</sup> June, 2007

**SUSHIL GUPTA**  
CHAIRMAN

# GJS HOTELS LIMITED

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## AUDITORS' REPORT

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

We have audited the attached Balance Sheet of **GJS HOTELS LIMITED** as at 31st March 2007 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 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 law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2007, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
- (vi) *As per the explanations furnished to us the functioning of the Company is not likely to be adversely affected by the losses in the view of the support available from the Holding Company.*
- (vii) In our opinion and to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2007; and
  - b) in the case of Profit and Loss Account, of the Loss for the year ended on that date: and
  - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For & on Behalf of

**MOHINDER PURI AND COMPANY**  
Chartered Accountants

**(VIKAS VIG)**

Partner

Membership No.: 16920

Place : NEW DELHI  
Dated : June 13, 2007

## ANNEXURE TO THE AUDITORS' REPORT OF GJS HOTELS LIMITED FOR THE YEAR ENDED MARCH 31, 2007

1. a. The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.  
b. Though all the assets have not been physically verified by the Management during the year, as per the explanations provided to us, there exists a programme of physical verification of the assets over a period. In our opinion the frequency of verification of the fixed assets by the management is at reasonable intervals having regard to the size of the Company and 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. The Company has not disposed off substantial part of the fixed assets during the current year.
2. As the Company does not have any inventory, the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. 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 hence the provisions of clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Companies Act, 1956, the particulars of which are required to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence provisions of clause 4 (vi) of the Companies (Auditor's Report) Order 2003 regarding deposits from the public are not applicable to the Company.
7. As the Company is not a listed Company and does not have a paid up capital and reserves exceeding Rs 50 lakhs as at the commencement of the financial year concerned, or does not have an average annual turnover exceeding Rs 5 crores for a period of three consecutive financial years, immediately preceding the financial year concerned, the provisions of clause 4 (vii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for the Company.
9. a. There are no dues for Provident Fund, Investors 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 during the current year.  
According to the information given to us, there are no undisputed dues outstanding as at the year end for a period of more six months from the date they became payable in respect of Income Tax, Wealth Tax, Service Tax, Sales tax, Custom Duty, Excise Duty and Cess.  
b. According to the records of the company, there are no dues outstanding of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty or Cess on account of any dispute.
10. Since the Company has been registered for a period of less than five years, the provisions of clause 4(x) of Companies (Auditor's Report) Order 2003, are in our opinion, not applicable to the Company.
11. As the Company has no amount due to any financial institution, bank or debenture holder, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities hence the provision of clause 4(xii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society, hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions, hence the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. As the Company has not raised any term loans for any purpose, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
17. As the Company has not raised any short term or long term loans for any purpose, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
18. As the Company made no preferential allotment of shares to any parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money by public issues, 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 & on Behalf of  
**MOHINDER PURI AND COMPANY**  
Chartered Accountants  
**(VIKAS VIG)**  
Partner  
Membership No.: 16920

Place : NEW DELHI  
Dated : June 13, 2007

# GJS HOTELS LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2007

	Schedule	Current Year (Rs.)	Prior Year (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUND</b>			
Share Capital	1	500,000	500,000
		<u>500,000</u>	<u>500,000</u>
<b>APPLICATION OF FIXED ASSETS</b>			
Gross Block	2	38,749,939	–
Depreciation		–	–
Net Block		<u>38,749,939</u>	–
Capital Work-in-Progress		–	485,000
		<u>38,749,939</u>	<u>485,000</u>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Cash & Bank Balances	3	10,621	10,805
		<u>10,621</u>	<u>10,805</u>
<b>Less:CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	4	38,323,832	48,693
<b>NET CURRENT ASSETS</b>		<b>(38,313,211)</b>	<b>(37,888)</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>			
		<u>63,272</u>	<u>52,888</u>
		<u>500,000</u>	<u>500,000</u>
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	7		

"AS PER OUR REPORT ATTACHED"

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

Place : New Delhi  
Dated : June 13, 2007

ON BEHALF OF THE BOARD OF DIRECTORS

**SUSHIL GUPTA** Director  
**SHIV JATIA** Director

# GJS HOTELS LIMITED

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## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	Current Year (Rs)	Prior Year (Rs)
<b>INCOME</b>		–	–
<b>EXPENDITURE</b>			
Administrative & Other Expenses	5	10,194	9,018
Interest and Finance Charges	6	190	56
Depreciation		–	–
		<u>10,384</u>	<u>9,074</u>
<b>LOSS BEFORE TAX</b>		<b>(10,384)</b>	<b>(9,074)</b>
Provision for taxation		–	–
<b>LOSS AFTER TAX</b>		<b>(10,384)</b>	<b>(9,074)</b>
Loss brought forward from prior year		<b>(52,888)</b>	<b>(43,814)</b>
<b>LOSS CARRIED OVER TO BALANCE SHEET</b>		<b>(63,272)</b>	<b>(52,888)</b>
Earning / (Loss) per share- Basic		<b>(0.21)</b>	<b>(0.18)</b>
– Diluted		<b>(0.21)</b>	<b>(0.18)</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES	7		

"AS PER OUR REPORT ATTACHED"

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

Place : New Delhi  
Dated : June 13, 2007

ON BEHALF OF THE BOARD OF DIRECTORS

**SUSHIL GUPTA** Director  
**SHIV JATIA** Director

# GJS HOTELS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Current Year (Rupee)	Prior Year (Rupee)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/ EXTRA ORDINARY ITEMS	(10,384)	(9,074)
Adjustments for:		
Depreciation	-	-
Interest Expense	-	-
Interest Income	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>(10,384)</u>	<u>(9,074)</u>
<b>Adjustments for changes in working capital :</b>		
- (INCREASE)/DECREASE in Sundry Debtors	-	-
- (INCREASE)/DECREASE in Other Receivables	-	-
- (INCREASE)/DECREASE in Inventories	-	-
- INCREASE/(DECREASE) in Trade and Other Payables	3,620,205	3,508
<b>CASH GENERATED FROM OPERATIONS</b>	<u>3,609,821</u>	<u>(5,566)</u>
- Taxes (Paid) / Received (Net of withholding taxes(TDS))	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>3,609,821</u>	<u>(5,566)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets		
Additions during the period	(3,610,005)	-
Proceeds from Sale of fixed assets	-	-
Purchase of investments	-	-
Interest Received (Revenue)	-	-
Dividend Received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(3,610,005)</u>	<u>-</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from fresh issue of Share Capital	-	-
Proceeds from long term borrowings		
RECEIPTS	-	-
PAYMENTS	-	-
Proceeds from short term borrowings		
RECEIPTS	-	-
PAYMENTS	-	-
Interest Paid	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(184)</u>	<u>(5,566)</u>
<b>CASH AND CASH EQUIVALENTS - OPENING</b>	<u>10,805</u>	<u>16,371</u>
<b>CASH AND CASH EQUIVALENTS - CLOSING</b>	<u>10,621</u>	<u>10,805</u>

### Notes:

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

	As at 31st March 2007	As at 31st March 2006
Cash, Cheques & Drafts (in hand) and Remittances in transit	-	-
Short term loans and advances from banks (net of exchange loss)	-	-
Balance with Scheduled Banks	10,621	10,805
	<u>10,621</u>	<u>10,805</u>

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA      Director  
SHIV JATIA         Director

### AUDITORS' CERTIFICATE

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

**VIKAS VIG**

Partner

For & On Behalf of Mohinder Puri & Company

Chartered Accountants

Place : New Delhi

Dated : June 13, 2007

# GJS HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Current Year (Rs.)	Prior Year (Rs.)
<b>1. SHAREHOLDERS FUND</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50,000 Equity Shares of Rs 10 each	<u>500,000</u>	<u>500,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
50,000 Equity Shares of Rs 10 each fully paid up ( of the above 49,940 Equity shares of Rs.10/-each are held by Asian Hotels Limited-the Holding Company)	<u>500,000</u>	<u>500,000</u>
	<u>500,000</u>	<u>500,000</u>
<b>2. FIXED ASSETS</b>		
Land -At cost	<u>38,749,939</u>	-
Capital Work in Progress		
- Advance for Capital Assets	-	485,000
	<u>38,749,939</u>	<u>485,000</u>
<b>3. CASH AND BANK BALANCES</b>		
Cash in hand	-	-
With Scheduled Banks		
- In current account	<u>10,621</u>	<u>10,805</u>
	<u>10,621</u>	<u>10,805</u>
<b>4. CURRENT LIABILITIES</b>		
Creditors for Capital Goods*	<u>34,654,934</u>	-
Other Liabilities**	<u>3,668,898</u>	<u>48,693</u>
	<u>38,323,832</u>	<u>48,693</u>
*Due to Asian Hotels Limited the Holding Company	<u>34,654,934</u>	-
**Due to Asian Hotels Limited the Holding Company*	<u>3,660,471</u>	<u>40,275</u>
<b>5. ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Payment to Auditors		
- As Audit fees	<u>7,500</u>	<u>7,500</u>
- As reimbursement of service tax	<u>927</u>	<u>918</u>
Filing Fees	<u>600</u>	<u>600</u>
Rates & Taxes	<u>1,167</u>	-
	<u>10,194</u>	<u>9,018</u>
<b>6. INTEREST AND FINANCE CHARGES</b>		
Bank Charges	<u>190</u>	<u>56</u>
	<u>190</u>	<u>56</u>



# GJS HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

### 7. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES

#### A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting  
The Company follows mercantile system of accounting.
2. Fixed Assets  
Fixed Assets are stated at cost and represents the land acquired during the year from Asian Hotels Limited, the Holding Company and other related incidental expenses.
3. Contingent Liabilities & Provisions:  
In terms of the requirement of the Accounting Standard 29 (AS-29) on "Provisions, Contingent Liabilities and Contingent Assets"  
(a) Where as a result of past events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation- an appropriate provision is created and disclosed.  
(b) Where as a result of past events, there is a possible obligation that may but probably will not require an outflow of resources - no provision is recognised but appropriate disclosure made as contingent liability unless the possibility of outflow is remote.
4. Taxation  
(a) Provision for income tax liability is estimated at the income tax rate applicable for the financial year as per provisions of the Income Tax Act, 1961.  
(b) Fringe Benefit Tax liability is calculated as per the provisions of the Income Tax Act, 1961.  
(c) Deferred income tax-Deferred income tax is provided 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 at the tax rates and tax laws substantively enacted at the Balance Sheet date. Deferred Tax assets are recognized only to the extent that there is a reasonable certainty that sufficient taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liability are measured at the rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.

#### B. CONTINGENT LIABILITIES & NOTES

5. As per information available with the management and as certified by them, there is no contingent liability as at March 31, 2007.
6. As per information available with the management and as certified by them, there is no outstanding capital commitment as at March 31, 2007.
7. (a) As per information available with the management and as certified by them, there are no amounts outstanding to any Small Scale Industrial Undertaking as at March 31, 2007.  
(b) As per information available with the management and as certified by them there are no amounts outstanding to any Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March 2007.
8. No provision has been made for Income tax in view of the losses during the current year. Further, no deferred tax asset has been created on unabsorbed losses in the absence of virtual certainty that the Company will have sufficient taxable income in future for setoff of deferred tax assets.
9. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" issued by The Institute of Chartered Accountants of India since in the opinion of the Management there is no reduction in value of any assets including the capital work in progress.
10. Related Party Disclosure
  - a) Parties which significantly influence the company (either individually or with others)
    - (i) Asian Hotels Limited, the Holding Company
  - b) Related party Transactions
 

	Holding Company	
	Current Year	Prior Year
	(Rs.)	(Rs.)
Purchase of fixed assets	34,654,934	0
Reimbursement of expenses	3,660,471	600
<b>Balance Outstanding</b>		
Payables	<b>38,315,405</b>	40,275
11. Earning/Loss Per Share (EPS)
 

Loss attributable in equity shareholders (Rs.)	(10,384)	(9,074)
Weighted average number of equity shares outstanding during the year	50,000	50,000
Nominal value of Share (Rs.)	10	10
Basic / Diluted earning / (loss) per share (Rs.)	(0.21)	(0.18)
12. Previous year figures have been regrouped and rearranged wherever necessary to make them comparable.

Schedule 1 to 7 form an integral part of the Balance Sheet as at March 31, 2007 and Profit and Loss Account for the year ended on that date.

Place : New Delhi  
Dated : 13th June, 2007

**SUSHIL GUPTA**      Director  
**SHIV JATIA**         Director

# GJS HOTELS LIMITED

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## BALANCE SHEET ABSRTACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS:

Registration No: 117945  
State Code : 55  
Balance Sheet Date: 31ST MARCH 2007

### II CAPITAL RAISED DURING THE YEAR

(Amount in Rs Thousand)

Public Issue: 0.00  
Rights Issue: 0.00  
Bonus Issue: 0.00  
Private Placement: 0.00

### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs Thousand)

Total Liabilities:	Rs	500.00
Total Assets:	Rs	500.00
Sources of Funds		
Paid up Capital:	Rs	500.00
Reserves & Surplus:	Rs	0.00
Secured Loans:	Rs	0.00
Unsecured Loans:	Rs	0.00
Application of Fund		
Net Fixed Assets:	Rs	38,749.94
Investments:	Rs	0.00
Net Current Assets:	Rs	(38313.21)
Miscellaneous Expenditure:	Rs	0.00
Accumulated Losses:	Rs	63.27

### IV. PERFORMANCE OF COMPANY

(Amount in Rs Thousand)

Turnover:	Rs	0.00
Total Expenditue:	Rs	10.38
Profit /Loss before Tax:	Rs	(10.38)
Profit /Loss after Tax:	Rs	(10.38)
Earning per share in Rs:	Rs	(0.21)
Dividend Rate %:		NIL

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item code No:

(ITC Code)

Product Description:

Owing & Operating Hotels.

However, the Company has not commenced any operations

ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi  
Dated : 13th June, 2007

SUSHIL GUPTA Director  
SHIV JATIA Director

# ASIAN HOTELS LIMITED

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## AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF ASIAN HOTELS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN HOTELS LIMITED AND ITS SUBSIDIARY / ASSOCIATE COMPANIES

1. We have examined the attached Consolidated Balance Sheet of **ASIAN HOTELS LIMITED, AND ITS SUBSIDIARY / ASSOCIATE COMPANIES** as at March 31<sup>st</sup> 2007, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Associate Company whose financial statements reflect total assets of Rs 113.45 lakhs as at March 31, 2007 and total revenues of Rs Nil for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the Associate Company, is based solely on the report of the other auditors.
4. We report that the Consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23 Accounting for Investments in Associates for Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Asian Hotels Limited and its subsidiary /Associate Company included in the Consolidated financial statements.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Asian Hotels Limited and its aforesaid subsidiary / Associate Company we are of the opinion that :
  - a. the Consolidated Balance Sheet gives a true and fair view of the Consolidated state of affairs of Asian Hotels Limited and its such subsidiary / Associate Company as at March 31<sup>st</sup>, 2007;
  - b. the Consolidated Profit and Loss Account gives a true and fair view of the Consolidated results of operations of Asian Hotels Limited and its such subsidiary / Associate Company for the year ended on that date.
  - c. the Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of Asian Hotels Limited and its subsidiary / Associate Company for the year ended on that date.

For & on Behalf of

**MOHINDER PURI AND COMPANY**  
Chartered Accountants

**(VIKAS VIG)**  
Partner  
Membership No.: 16920

Place : NEW DELHI  
Dated : June 13, 2007

# ASIAN HOTELS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

	Schedule		Rs. in lakhs	Prior Year Rs. in lakhs
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDER'S FUND</b>				
Share Capital	1	2280.36		2280.36
Reserves and Surplus	2	117068.36		28405.37
			<b>119348.72</b>	<b>30685.73</b>
<b>MINORITY INTEREST</b>				
			<b>0.01</b>	0.01
<b>LOAN FUNDS</b>				
Secured Loans	3		<b>20776.10</b>	20232.52
<b>NET DEFERRED TAX LIABILITY</b>				
	4		<b>4648.24</b>	4377.38
<b>SHOP SECURITY DEPOSITS</b>				
			<b>206.88</b>	206.88
			<b>144979.95</b>	<b>55502.52</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	5	150932.20		65434.30
Less : Depreciation		11844.94		9972.24
Net Block		139087.26		55462.06
Capital Work-in-Progress		2633.05		1072.63
			<b>141720.31</b>	<b>56534.69</b>
<b>INVESTMENTS</b>				
	6		<b>2354.97</b>	4.97
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	7	831.40		796.13
Sundry Debtors	8	1329.79		964.25
Cash and Bank Balances	9	3415.58		394.42
Loans and Advances	10	8755.62		4468.54
		14332.39		6623.34
Less:				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	11	5518.04		4455.87
Provisions	12	7909.68		3204.61
		13427.72		7660.48
<b>NET CURRENT ASSETS</b>				
			<b>904.67</b>	<b>(1037.14)</b>
			<b>144979.95</b>	<b>55502.52</b>
<b>SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>				
	21			

"AS PER OUR REPORT ATTACHED"

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

**DINESH KUMAR JAIN**  
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

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

Place : New Delhi  
Dated : June 13, 2007

# ASIAN HOTELS LIMITED

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	Rs. in lakhs	Prior Year Rs. in lakhs
<b>INCOME</b>			
Rooms, Food, Beverages and Other Services	13	41378.12	32926.62
Less:Excise Duty paid		(36.67)	(27.34)
<b>NET SALES</b>		<b>41341.45</b>	<b>32899.28</b>
Other Income	14	134.21	141.15
		<b>41475.66</b>	<b>33040.43</b>
<b>EXPENDITURE</b>			
Consumption of Provisions, Beverages, Smokes & Others	15	3351.79	2947.47
Direct Operating Expenses	16	523.07	546.65
Payment to and Provision for Employees	17	6525.31	6682.59
Operating and General Expenses	18	12638.72	10140.58
		<b>23038.89</b>	<b>20317.29</b>
<b>PROFIT BEFORE INTEREST, DEPRECIATION ETC.</b>			
Interest & Finance Charges	19	1735.29	1915.56
Depreciation		2215.60	
Less : Transferred from Revaluation Reserve (Refer Note 4 of Schedule 21)		4.51	2099.58
Prior Year Adjustments	20	403.61	(3.78)
<b>PROFIT BEFORE TAX</b>		<b>14086.78</b>	<b>8711.78</b>
Provision for taxation		4,550.00	1580.00
Provision for taxation for earlier years		58.10	1.07
Provision for Fringe Benefit Tax		58.41	51.08
Provision for Deferred tax	4	270.86	1409.35
<b>NET PROFIT</b>		<b>9149.41</b>	<b>5670.28</b>
Profit brought forward from Prior Year		6271.17	3769.07
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>15420.58</b>	<b>9439.35</b>
Transfer to General Reserve		914.95	568.00
Interim Dividend		1824.28	1824.29
Proposed Dividend		456.07	456.07
Corporate Dividend tax		333.37	319.82
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<b>11891.91</b>	<b>6271.17</b>
		<b>15420.58</b>	<b>9439.35</b>
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		40.12	24.87
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES</b>	21		

"AS PER OUR REPORT ATTACHED"

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

**DINESH KUMAR JAIN**  
Company Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

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

Place : New Delhi  
Dated : June 13, 2007

# ASIAN HOTELS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	14086.78	8711.78
Adjustments For:		
Depreciation	2211.09	2099.58
Interest Expense	1735.29	1915.56
Interest Income	(15.00)	(14.94)
Income from Investments - Dividends	(0.05)	(0.01)
Loss on Fixed Assets sold /discared (net)	259.28	59.78
Gain on sale of investments	(33.85)	(9.02)
Bad Debts / Advances written off	6.02	18.89
Provision for bad & doubtful debts / advances	180.23	3.79
Liability no longer required written back	(49.88)	(102.29)
Provision for Gratuity and Leave Encashment	58.12	(44.17)
Prior Period Expenses / (Income) (Net)	403.61	(3.78)
TDS on service / other operating income	(660.34)	(457.35)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>18181.30</b>	<b>12177.82</b>
Adjustments For Changes in Working Capital:		
(Increase) / Decrease in Sundry Debtors	(371.35)	(329.11)
(Increase) / Decrease in Other Receivables	341.91	391.64
(Increase) / Decrease in Inventories	(35.27)	7.10
Increase / (Decrease) in Trade and Other Payables	1098.14	1305.54
<b>CASH GENERATED FROM OPERATIONS</b>	<b>19214.73</b>	<b>13552.99</b>
Taxes (Paid)/ Received (net of withholding taxes (TDS))	(4,074.58)	(840.64)
Prior Period (Expenses)/ Income Net	(403.61)	3.78
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>14,736.54</b>	<b>12716.13</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4,971.38)	(1611.08)
Additions of Fixed Assets		
Capital Work In Progress		
Deductions during the Year	(763.34)	(140.82)
Proceeds from sale of Fixed Assets	87.44	76.54
Proceeds from sale of Investments	4526.85	12.32
Purchase of Investments	(6,843.00)	0.00
Loans / Inter Corporate Deposits refunds received	32.50	3.00
Interest received (revenue)	14.88	14.82
Dividend received	0.05	0.01
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(7916.00)</b>	<b>(1645.21)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings		
RECEIPTS	168.80	147.04
PAYMENTS	(4080.90)	(4911.19)
Interest Paid	(1738.27)	(1931.86)
Dividend Paid	(2287.87)	(3156.82)
Corporate Dividend Tax Paid	(319.82)	(447.75)
<b>NETCASH USED IN FINANCING ACTIVITIES</b>	<b>(8258.06)</b>	<b>(10300.58)</b>
<b>NET INCREASE / ( DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(1437.52)</b>	<b>770.34</b>
<b>CASH AND CASH EQUIVALENTS - OPENING</b>	<b>416.41</b>	<b>(353.93)</b>
<b>CASH AND CASH EQUIVALENTS -CLOSING</b>	<b>(1021.11)</b>	<b>416.41</b>

### Notes:

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

	As at 31 st March 2007	As at 31 st March 2006
Cash, cheques, drafts (in hand) and remittances in transit	375.58	207.86
Short term loans and advances from banks	(4436.69)	21.99
Balance With Scheduled Banks	3040	186.56
	<b>(1021.11)</b>	<b>416.41</b>

### ON BEHALF OF THE BOARD OF DIRECTORS

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

Place : New Delhi  
Dated : June 13, 2007

**DINESH KUMAR JAIN**  
Company Secretary

### AUDITORS' CERTIFICATE

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

**VIKAS VIG**

Partner

For & On Behalf of Mohinder Puri & Company

Chartered Accountants

Place : New Delhi

Dated : June 13, 2007

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

				Rs. in lakhs	Prior Year Rs. in lakhs
<b>1. SHARE CAPITAL</b>					
AUTHORISED					
50,000,000 Equity Shares of Rs 10 each				<u>5000</u>	<u>5000</u>
ISSUED, SUBSCRIBED AND PAID UP					
22,803,564 Equity Shares of Rs 10 each fully paid (of the above 6,515,304 Shares were allotted as fully paid up Bonus Shares by capitalisation of Share Premium and a part of General Reserve)				<u>2280.36</u>	2280.36
<b>Total</b>				<u>2280.36</u>	2280.36
<b>2. RESERVES AND SURPLUS</b>					
	31.03.2006	Addition	Deduction	31.03.2007	
Capital Reserve	4.23	0.00	0.00	4.23	
General Reserve	6233.35	914.95	0.00	7148.30	
Less: Goodwill of Associate netted off as per contra (Refer Note 1 (iii) of Schedule 21)	(99.44)	0.00	0.00	(99.44)	
Tourism Development Utilised Reserve	15996.06	0.00	0.00	15996.06	
Revaluation Reserve (Refer Note 4 & 11 of Schedule 21)	0.00	82131.81	4.51	82127.30	
Surplus in Profit & Loss Account	6271.17	9149.41	3528.67	11891.91	
	<u>28405.37</u>	<u>92196.17</u>	<u>3533.18</u>	<u>117068.36</u>	
Addition to General Reserve is transferred from Profit and Loss Account					
<b>3. LOAN FUNDS</b>					
<b>SECURED LOANS</b>					
<b>TERM LOANS</b>					
From Banks					
– UTI Bank Limited				2672.68	2850.86
– Punjab National Bank				6660.94	8124.31
– Canara Bank				5765.00	6381.00
– Andhra Bank				0.00	1414.78
– Jammu & Kashmir Bank Limited				1060.07	1242.86
(Secured by hypothecation of whole of plant, machinery, construction material, equipments and other movable assets of the Company both present and future (save and except book debts) alongwith a charge on the immovable asset of the Company situated at Hyatt Regency Mumbai and Hyatt Regency Kolkata, on pari passu with other term lending banks)					
– ICICI Bank Limited				180.72	237.70
Secured against hypothecation of certain vehicles					
Interest accrued and due				0.00	3.00
<b>OTHER LOANS</b>					
<b>Short Term Loans and Advances</b>					
From Banks					
– IDBI Bank Limited				2900.00	0.00
(Secured by first charge (hypothecation) of whole of plant & machinery, construction material equipments and other assets of the Company both present and future (save and except book debts) at Hyatt Regency Delhi)					
From Other Banks					
– Secured against fixed deposits				0.00	4.20
– Secured against hypothecation of inventories and book debts (both present & future) *				1431.69	(68.42)
– Secured against credit card collection				105.00	42.23
				<u>20776.10</u>	<u>20232.52</u>
* net of balances in collection accounts				288.55	574.30
– Term loans due within one year				1695.03	905.28

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

		Rs. in lakhs	Prior Year Rs. in lakhs
<b>4. NET DEFERRED TAX LIABILITY</b>	Created Liability / (Asset) Rs in lakhs		
Tax Liability /(Asset) due to timing difference in respect of:			
Depreciation	<b>463.46</b>	<b>5445.32</b>	4981.86
Provision for Retirement Benefits	<b>(28.96)</b>	<b>(169.19)</b>	(140.23)
Provision for doubtful debts / advances	<b>(65.81)</b>	<b>(530.06)</b>	(464.25)
Statutory Dues	<b>(97.83)</b>	<b>(97.83)</b>	0.00
	<b>270.86</b>	<b>4648.24</b>	4377.38

### 5. FIXED ASSETS - AT COST

Rs. in Lakhs

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 1.4.06	Revaluation	Additions	Deductions/ Adjustments	As on 31.3.07	Upto 31.3.06	For the year	Written back on deductions/ adjustments	Upto 31.3.07	As on 31.3.07	As on 31.3.06
Land - Leasehold	1615.72	0.00	387.50	148.01	<b>1855.21</b>	0.00	0.00	0.00	<b>0.00</b>	<b>1855.21</b>	1615.72
Land - Freehold	8942.88	78824.40	1031.99	0.00	<b>88799.27</b>	0.00	0.00	0.00	<b>0.00</b>	<b>88799.27</b>	8942.88
Buildings	27456.88	3307.41	549.76	100.40	<b>31213.65</b>	2135.13	455.02	11.73	<b>2578.42</b>	<b>28635.23</b>	25321.75
Furniture, Fixtures and Furnishings	6426.21	0.00	928.14	198.76	<b>7155.59</b>	2953.29	550.12	159.80	<b>3343.61</b>	<b>3811.98</b>	3472.92
Plant and Machinery	20260.40	0.00	1083.43	317.19	<b>21026.64</b>	4703.13	1130.59	148.08	<b>5685.64</b>	<b>15341.00</b>	15557.27
Vehicles	732.21	0.00	209.23	59.60	<b>881.84</b>	180.69	79.87	23.29	<b>237.27</b>	<b>644.57</b>	551.52
Total	65434.30	82131.81	4190.05	823.96	<b>150932.20</b>	9972.24	2215.60	342.90	<b>11844.94</b>	<b>139087.26</b>	55462.06
Prior Year	64996.14	0.00	764.80	326.64	<b>65434.30</b>	8066.80	2099.58	194.14	<b>9972.24</b>		
CAPITAL WORK-IN-PROGRESS - Refer Note 10 of Schedule 21										<b>2633.05</b>	1072.63
										<b>141720.31</b>	56534.69

- a) During the year, leasehold land of Hyatt Regency Delhi, a unit of the Company has been converted to freehold has been hence regrouped
- b) 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 11 of Schedule 21)
- c) Depreciation for the year includes an additional depreciation amounting to Rs. 4.51 lakhs on revalued building that has been withdrawn from Revaluation Reserve Account and credited to the Profit and Loss Account
- d) Land -Freehold includes amount paid to Delhi Development Authority (DDA) since recovered by the Company but not decapitalised as under an appeal filed by DDA. As security, the Company has lodged title deed of certain land at New Delhi costing Rs 40.28 lakhs (Prior Year Rs 40.28 lakhs) **10.90** 10.90
- e) Building includes leasehold improvement **20.68** 20.68  
net block **16.52** 17.92
- f) Vehicles includes those financed **284.88** 634.64  
net block **261.13** 469.29



# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Face Value		Rs. in lakhs	Prior Year Rs. in lakhs
	Rs. in lakhs	Prior Year Rs. in lakhs		
<b>6. INVESTMENTS</b>				
<b>Long Term</b>				
<b>Trade, Unquoted</b>				
75,000 Equity Shares of Rs 10 each of Regency Convention Centre & Hotels Ltd. – an Associate Company	7.50	7.50	173.02	173.02
Less: Goodwill netted off from General Reserve as per contra (Refer note 1 (iii) of Schedule 21)			(99.44)	(99.44)
<b>Short Term</b>				
<b>Non-Trade, Quoted</b>				
11,100,000 (Prior Year Nil) Units of Rs. 10 each of SBI Debt Fund Series-90 days-Growth – Net Asset Value as on 31.3.07 Rs.1119.27 Lakhs	1110.00	0.00	1110.00	0.00
10,400,000 (Prior Year Nil) Units of Rs. 10 each of SBI Debt Fund Series-60 days-Growth – Net Asset Value as on 31.3.07 Rs.1046.74 Lakhs	1040.00	0.00	1040.00	0.00
1,471,140 (Prior Year Nil) Units of Rs. 10 each of LIC MF Liquid Fund-Growth Plan – Net Asset Value as on 31.3.07 Rs.200.15 Lakhs	200.00	0.00	200.00	0.00
<b>Non-Trade Unquoted</b>				
600 6.75% Tax Free US64 Bonds of Rs 100/- each of Unit Trust of India	0.60	0.60	0.60	0.60
			<b>2424.18</b>	74.18
Less: Provision for diminution in value of investments (Refer Note 5(b) of Schedule 21)			(69.21)	(69.21)
			<b>2354.97</b>	4.97
<b>Note:</b>				
Investment bought / subscribed and sold or redeemed during the year				
Units of HDFC Liquid Fund - Growth of 50.92 lakhs (Prior year Nil)				
Units of DSP ML Liquidity Fund - Regular Growth of 99.38 lakhs (Prior year 35.10 Lakhs)				
Units of Kotak Liquid (Institutional) Growth of 17.70 lakhs (Prior year Nil)				
Units of Sundaram BNP Paribas Money Fund Institutional of 22.38 lakhs (Prior year Nil)				
Units of LIC MF Liquid Fund-Growth Plan of 103.29 lakhs (Prior year Nil)				
Units of HDFC Floating Rate Income Fund of Nil (Prior year 39.97 lakhs)				
Units of DSP ML Floating Rate Fund - Growth of Nil (Prior Year 18.04 lakhs)				
Units of Kotak Floater Short Term - Growth of Nil (Prior year 28.60 lakhs)				
Units of Kotak Liquid (Regular) Growth of Nil (Prior Year 61.44 lakhs)				
<b>7. INVENTORIES</b>				
Wines & Liquor			265.27	247.49
Provisions, Other Beverages and Smokes			80.94	77.68
Crockery, Cutlery, Silverware, Linen etc.			307.82	334.14
General Stores and Spares			177.37	136.82
			<b>831.40</b>	796.13

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>8. SUNDRY DEBTORS</b>		
Outstanding for over six months	56.82	48.29
Others	1298.32	941.52
	<b>1355.14</b>	989.81
Less :Provision for doubtful debts	(25.35)	(25.56)
	<b>1329.79</b>	964.25
Unsecured considered good	1329.79	964.25
Unsecured considered doubtful	25.35	25.56
<b>9. CASH AND BANK BALANCES</b>		
Cash in hand	37.15	37.02
Cheques in hand	338.43	170.84
With Scheduled Banks :		
Current Accounts	22.05	61.09
Unpaid Dividend Current Accounts	107.40	114.92
Fixed Deposits *	2910.45	10.45
	<b>3415.48</b>	394.42
* Include :		
– under lien against overdraft facilities	10.00	10.00
– pledged with Government authorities	0.45	0.45
<b>10. LOANS &amp; ADVANCES</b>		
Inter-Corporate Loans	176.28	208.78
Advances recoverable in cash or in kind or for value to be received	3142.85	3308.13
Advance income tax	6833.16	2131.23
Security Deposits	137.45	174.08
	<b>10289.74</b>	5822.22
Provision for doubtful advances/deposits	(1534.12)	(1353.68)
	<b>8755.62</b>	4468.54
Unsecured considered good	8755.62	4468.54
Unsecured considered doubtful	1534.12	1353.68
<b>11. CURRENT LIABILITIES</b>		
Sundry Creditors		
– for capital projects	117.31	101.56
– others *	566.51	519.88
Advances from Customers	941.23	561.97
Interest accrued but not due on loans	0.97	0.95
Security Deposits received	32.05	44.33
Other Liabilities **	3859.97	3227.18
	<b>5518.04</b>	4455.87
* includes due to Small Scale Industrial Undertakings	5.67	0.24
** includes		
– unclaimed Dividends	107.40	114.92
– due to Directors (including commission)	979.54	594.85
<b>12. PROVISIONS</b>		
Gratuity	405.03	354.75
Leave Encashment	92.74	84.90
Income Tax	6877.45	2239.85
Fringe Benefit Tax	0.88	5.08
Proposed dividend	456.07	456.07
Corporate Dividend Tax	77.51	63.96
	<b>7909.68</b>	3204.61

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>13. ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Rooms	26508.11	20075.56
Wines and Liquor	2014.41	1862.85
Food, Other Beverages, Smokes & Banquets	9027.70	7947.51
Communications	818.17	828.61
Others *	3009.73	2212.09
	<u>41378.12</u>	<u>32926.62</u>
* includes :		
– gain(net) on account of foreign exchange translation	0.62	0.58
<b>14. OTHER INCOME</b>		
Interest earned *	15.00	14.94
Dividends	0.05	0.01
Gain/ (Loss) on sale of investments (net)	33.85	9.02
Excess provisions written back	5.93	47.39
Credit balances written back	43.95	54.90
Bad Debts Recovered	6.50	1.00
Miscellaneous	28.93	13.89
	<u>134.21</u>	<u>141.15</u>
* Tax deducted at source	0.12	0.12
<b>15. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES &amp; OTHERS</b>		
<b>WINES &amp; LIQUOR</b>		
Opening Stock	247.49	226.18
Add : Purchases	619.28	456.19
	<u>866.77</u>	<u>682.37</u>
Closing Stock	(265.27)	(247.49)
	<u>601.50</u>	<u>434.88</u>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	77.68	77.23
Add : Purchases	2753.55	2513.04
	<u>2831.23</u>	<u>2590.27</u>
Closing Stock	(80.94)	(77.68)
	<u>2750.29</u>	<u>2512.59</u>
	<u>3351.79</u>	<u>2947.47</u>
Indigenous 86.06% (Prior Year 89.97 %)	2884.47	2651.98
Imported 13.94% (Prior Year 10.03 %)	467.32	295.49
<b>16. DIRECT OPERATING EXPENSES</b>		
Telephone	115.06	87.83
Guest Transportation	408.01	458.82
	<u>523.07</u>	<u>546.65</u>
<b>17. PAYMENT TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages and Ex gratia	4647.30	5050.33
Provident and other Funds	225.20	213.90
Gratuity	87.08	168.15
Rent - staff accommodation	24.24	21.07
Workmen and Staff Welfare *	678.74	647.30
Contract Labour & Service	757.21	482.05
Recruitment & Training	105.54	99.79
	<u>6525.31</u>	<u>6682.59</u>
* includes :		
Cost of provisions consumed in staff cafeteria	339.83	286.64
Realisation on sale of food coupons to staff	(23.08)	(15.71)

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
<b>18. OPERATING AND GENERAL EXPENSES</b>		
Linen, Room, Catering and Other supplies/services	953.20	790.07
Operating equipment and Supplies written off	416.73	357.29
Fuel, Power and Light (net)	2226.11	2160.03
Repairs, Maintenance and Refurbishing *	1555.68	1222.83
Rent	3.12	26.47
Rates and Taxes	1126.49	877.63
Insurance	260.68	217.01
Directors' sitting fee	10.76	5.60
Legal and Professional	522.44	418.81
Artist Fee	21.52	72.75
Stationery and Printing	150.25	139.10
Travelling and Conveyance **	403.15	305.41
Communication	143.52	118.47
Technical Services	2206.54	1537.11
Advertisement and Publicity	707.17	541.54
Commission and Brokerage	1388.09	1133.68
Charity & Donation	46.09	90.37
Bad debts / advances written off	6.02	18.89
Provision for doubtful debts / advances	180.23	3.79
Loss on Fixed Assets sold/discarded (net)	259.28	59.78
Miscellaneous	51.65	43.95
	<b>12638.72</b>	<b>10140.58</b>
* includes:		
Repairs & Maintenance - Buildings	331.82	282.92
Repairs & Maintenance - Plant & Machinery	804.95	619.90
** includes:		
Travel of Directors	56.48	57.54
<b>19. INTEREST AND FINANCE CHARGES</b>		
Interest on – fixed loans	1692.77	1881.32
– others	29.58	14.00
Bank & Finance charges	12.94	20.24
	<b>1735.29</b>	<b>1915.56</b>
<b>20. PRIOR YEAR ADJUSTMENTS</b>		
Repair, maintenance and refurbishing	0.70	0.53
Rates and Taxes	401.83	0.26
Legal & Professional Expenses	0.75	0.00
Technical Services	0.00	(4.54)
Other adjustments	0.33	(0.03)
	<b>403.61</b>	<b>(3.78)</b>
<b>21. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>		
1. (i) Basis of Accounting		
The Company follows mercantile system of accounting.		
(ii) Revenue Recognition		
Income is recognized on accrual basis.		
(iii) Principles of Consolidation		
The Consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) – “Consolidated Financial Statements” and Accounting Standard 23 (AS-23) – Accounting for Investments in Associates for Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India. The Consolidated financial statements comprise the financial statements of Asian Hotels Limited (Parent Company) and the following subsidiary and associates-		
Name of the Company	Country of Incorporation	% of holding as at 31st March
		2007      2006
GJS Hotels Limited (Subsidiary)	India	99.88      99.88
Regency Convention Centre & Hotels Limited (Associate)	India	48.28      48.28

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
<p>The Consolidated financial statements have been prepared on the following basis:-</p> <ul style="list-style-type: none"> <li>- the financial statements of the Company and the subsidiary have been combined on a line by the basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.</li> <li>- the financial statements of the Company and associate have been consolidated by following equity method and the goodwill amounting to Rs 165.74 lakhs arising on acquisition of associate has been included in carrying amount of investment representing the excess of the cost of the investment in the associate over the proportionate share acquired in the equity/ net asset value of the associate at the date of acquisition.</li> <li>- the consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.</li> <li>- Goodwill arising on account of acquisition of associate has been netted of from the General Reserve in the Consolidated financial statements to the extent not already provided for in the books of the Company.</li> </ul>		
(iv) Income in Foreign Exchange		
<p>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.</p>		
(v) Interest on Income Tax Refunds / Demands		
<p>It is accounted for as income in the year when granted and as tax expense when determined by the Department.</p>		
(vi) Claims Recoverable		
<p>Claims recoverable are accrued only to the extent as admitted by the parties subject to note 15 regarding claim relating to stamp duty on land and building.</p>		
(vii) Expenses remittable in foreign exchange		
<p>These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.</p>		
(viii) Retirement Benefits		
<p>Provision for retirement benefits has been made based on actuarial valuation</p>		
2. (i) Foreign Exchange Transaction		
<p>Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year end are translated at the year end rates resulting in exchange differences being recognized as income /expenses (net). Exchange difference (Hedging charges) arising on forward contracts in respect of Foreign currency loans is included in Bank &amp; Finance Charges to the extent of :</p>		
(ii) Foreign Currency Balances	0.00	6.02
<p>Foreign Currency balances at the year end have been converted at the year end rate of exchange except covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.</p>		
3. Taxation		
(i) Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with Mandatory Accounting Standard 22 (AS-22).		
(ii) 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.		
(iii) 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.		
4. Fixed Assets and Depreciation		
<p>Fixed Assets</p>		
(a) Fixed assets are stated at cost adjusted by revaluation of certain assets. 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.		

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
Depreciation		
(b) Depreciation as per straight line method has been charged in the accounts based on circular no. 1/86 of the Department of Company Affairs;		
(i) 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 a month depreciation is charged from the month of purchase otherwise depreciation is charged from the month following the month of purchase.		
(ii) On the assets prior to 2.4.87 at the rates computed in the respective years of acquisition of those assets on the basis of rates specified by the Income Tax Act, 1961 and the rules made thereunder in terms of section 205(2) (b) of the Companies Act, 1956 without making any adjustment in respect of excess depreciation provided for in the earlier years amounting to	244.16	244.16
(iii) Depreciation on leasehold improvements is being charged equally over the period of the lease.		
(iv) Depreciation on the increase 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.		
(c) No depreciation is charged on the assets sold/ discarded during the year.		
(d) The period in respect of leases of leasehold lands is either perpetual or for substantially long term and hence no depreciation has been charged on the premiums paid.		
5. Investments		
(a) Long term investments are stated at cost, including the brokerage and other charges paid for their acquisition unless there is a permanent decline in the value. Also refer Note 1 (iii) in respect of the Netting of Goodwill amount from the General Reserve relating to the Associate Company. Short term investments are valued at cost or market value whichever is lower.		
(b) Provision has been made for decline in the value of investments as under: Long Term – Trade, unquoted – Associate Company (as estimated by the Management and as confirmed by the Audit Committee)	69.21	69.21
6. Inventory		
(a) Inventory is valued at cost or net realizable value whichever is lower		
(b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.		
7. Dividend		
Proposed Dividend if any is accounted for pending approval at the Annual General Meeting.		
8. Contingent Liabilities & Provisions:		
In terms of the requirements of the Accounting Standard 29 (AS-29) on "Provisions, Contingent Liabilities and Contingent Assets":		
(a) where, as a result of past events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation - an appropriate provision is created and disclosed ;		
(b) where as a result of past events, there is a possible obligation that may, but probably will not require an outflow of resources - no provision is recognised but appropriate disclosure made as contingent liability unless the possibility of outflow is remote.		
9. Contingent Liabilities :		
(a) Outstanding Capital Expenditure Commitments	1,434.09	227.31
(b) Claims against the Company not acknowledged as debts	110.67	81.28
(c) Outstanding bank guarantees	15.59	21.33
(d) Demand for income tax (exclusive of interest amounting to Rs.109.59 Prior Year Rs 183.06 lakhs) not provided for pending appeals	113.25	299.61
10. Capital Work-in-Progress consists of:		
(a) Renovation/refurbishing work / other work in progress	1,076.20	312.86
(b) Advances for capital contracts (unsecured, considered good)	1,556.85	759.77
	<b>2,633.05</b>	<b>1,072.63</b>
11. The Company, based on the report by a Certified Valuer, has revalued land and building of Hyatt Regency Delhi, one of the units of the Company, as at 28th February, 2007 at Rs. 85,700.00 lakhs, thereby increasing the value of land and building by an amount of Rs. 82,131.81 lakhs, and therefore an equivalent amount has been credited to the Revaluation Reserve Account. The method adopted by the Certified Valuer for revaluation purpose, was the Cost of Contractor's method for building and estimated market value for land.		

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Rs. in lakhs	Prior Year Rs. in lakhs
12. The Board of Directors of the Company in its meeting held on 14th May, 2007 approved the Scheme of Arrangement and De-merger (the Scheme) in accordance with Section 391 to 394 of the Companies Act, 1956, subject to modifications, if any, as may be required in consultation with the legal advisors and the financial consultants. The Scheme envisages trifurcation of the Company into three undertakings namely the Delhi Undertaking, the Mumbai Undertaking and the Kolkata Undertaking. The Scheme, as finalised, has been filed with the Bombay Stock Exchange and the National Stock Exchange for their approval. The Scheme shall become effective on the date on which the certified copy of the orders of the Hon'ble High Court sanctioning this Scheme is filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana.		
13. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" issued by The Institute of Chartered Accountants of India, since in the opinion of the Management the reduction in value of any asset, to the extent required, has already been provided for in the books.		
14. Letters for confirmation of balances sent to parties have been received back in a few cases and discrepancies, if any, pointed out by the parties are being investigated for necessary adjustments to be carried out.		
15. Loans and advances include a claim in respect of stamp duty lodged with Maharashtra Tourism Development Corporation by the Company relating to land at Mumbai, considered to be fully recoverable in the opinion of the Management and as confirmed by the Audit Committee	<b>1056.64</b>	1056.64
16. Managerial Remuneration (excluding provision for gratuity) to Directors :		
Salaries	<b>112.40</b>	101.20
House Rent Allowance	<b>43.20</b>	44.90
Commission	<b>979.54</b>	594.85
Provident Fund Contribution	<b>13.49</b>	12.14
Gratuity Paid	<b>0.00</b>	22.21
Monetary value of Perquisites	<b>16.31</b>	11.63
	<b>1,164.94</b>	786.93
17. The Company is presently operating an integrated hotel business at three geographical locations namely Hyatt Regency Delhi, Hyatt Regency Kolkata and Hyatt Regency Mumbai. The entire operations are governed by the same set of risks and returns hence have been considered as representing a Single Segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17).		
18. 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	<b>16.50</b>	0.00
(ii) Later than one year and not later than five years	<b>0.00</b>	0.00
(iii) Later than five years	<b>0.00</b>	0.00
19. Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	<b>89.08</b>	203.07
later than one year but not later than five years	<b>109.67</b>	489.04
Present value of minimum instalments payable within one year	<b>102.82</b>	42.16
later than one year but not later than five years	<b>77.90</b>	195.54
20. Future minimum lease payments receivable by the Company in respect of non cancellable operating leases (other than land) for shops entered into by the Company :		
(i) Not later than one year	<b>32.58</b>	20.24
(ii) Later than one year and not later than five years	<b>67.36</b>	24.09
(iii) Later than five years	<b>0.00</b>	0.00
21. Related Party Disclosures		
a) Parties which significantly influence the Company (either individually or with others)		
(i) Yans Enterprises (H.K.) Ltd, Guernsey		
(ii) DSO Ltd, Guernsey		
(iii) Saraf Industries Ltd, Mauritius		
b) Parties which are significantly influenced by the Company (either individually or with others)		
(i) GJS Hotels Ltd - a subsidiary company		
(ii) Regency Convention Centre & Hotels Ltd - an associate company		

# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

c) Related Party Transactions

(Rs in lakhs)

Particulars	Associate Company		Key Management Personnel		Entities controlled by Directors or their relatives	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Purchase of Services					4.60	4.85
Sale of Services (Room, Food, Beverages and other services)					38.99	81.94
Remuneration			1,124.94	765.38		
Professional Charges					7.34	7.13
Advances given	2.24	0.43				
Sale of Capital goods						
Donation					26.00	50.00
Sharing of Expenses					0.70	1.52
Balance Outstanding						
Payables				595.14		0.07
Receivables	52.02	49.77			7.21	11.65
Provision for doubtful advances	19.20	19.20				

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

**NOTES:**

- Associate Company  
Regency Convention Centre & Hotels Ltd .
- Key Management Personnel  
Mr Sushil Gupta                      Managing Director (West)  
Mr Shiv Jatia                            Managing Director (North)  
Mr Umesh Saraf                        Managing Director (East)  
Mr. Arun K. Saraf                      Executive Director (Part of the prior year)
- Entities controlled by Directors or their relatives  
Bell Ceramics Ltd  
Bhasin & Co  
Country Development & Management Services (P) Ltd  
Choice Hospitality Ltd  
Chatral Jiwandan Trust  
Danisco Ingredients India Pvt Ltd  
Energy Infrastructure (I) Limited  
Godfrey Philips Ltd  
Juniper Hotels Pvt Ltd  
Magus Estates & Hotels Pvt Ltd  
Nepal Travel Agency Pvt Ltd  
Pergo India (P) Ltd  
Ram Pyari Devi Charitable Trust  
WEL Intertrade Ltd



# ASIAN HOTELS LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Particulars	Rs. in lakhs	Prior Year Rs. in lakhs
d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the year as follows:		
Purchase of Services		
– Nepal Travel Agency Pvt Ltd.	3.49	4.85
– Juniper Hotels Pvt. Ltd.	1.11	–
Sale of Services (Room, Food, Beverages and other services)		
– Energy Infrastructure (I) Ltd.	–	60.10
– Magus Estates & Hotels Pvt. Ltd.	11.14	9.35
– Godfrey Philips Ltd.	9.58	9.64
– Juniper Hotels Pvt. Ltd.	12.94	–
Remuneration		
– Mr. Sushil Gupta	375.64	248.17
– Mr. Shiv Jatia	375.64	248.17
– Mr. Umesh Saraf	373.66	180.90
– Mr. Arun K. Saraf	–	88.14
Professional Charges		
– Bhasin & Co.	7.34	7.13
Advances given		
– Regency Convention Centre & Hotels Ltd.	2.24	0.43
Donations		
– Rampyari Devi Charitable Trust	26.00	25.00
– Chatral Jiwandan Trust	–	25.00
Sharing of Expenses		
– Magus Estates & Hotels Pvt. Ltd.	0.28	0.40
– WEL Intertrade Ltd.	0.42	1.12
Outstanding Payables		
– Mr. Sushil Gupta	313.23	191.10
– Mr. Shiv Jatia	313.23	191.10
– Mr. Umesh Saraf	313.23	191.10
– Bhasin & Co.	–	0.07
Outstanding Receivables		
– Regency Convention Centre & Hotels Ltd.	52.02	49.77
– Magus Estates & Hotels Pvt. Ltd.	–	2.16
– Juniper Hotels Pvt. Ltd.	7.21	9.35
– Godfrey Philips Ltd.	–	0.08
– Choice Hospitality (India) Pvt. Ltd.	–	0.06
Provision for doubtful advances		
– Regency Convention Centre & Hotels Ltd.	19.20	19.20
22. Payment to Auditors :		
As Audit Fee	9.07	7.07
As Tax Audit Fee	2.00	1.75
As Certification Charges	3.23	2.78
As Advisors on legal matters	0.85	0.85
As reimbursement of service tax	1.87	1.43
As reimbursement of out of pocket expenses	0.26	0.20
23. Computation of Earnings per share - (Basic & Diluted)		
Profit after taxation	9149.41	5670.28
Weighted average number of shares outstanding	22803564	22803564
Nominal value per share	Rupees 10.00	10.00
Earnings per share - Basic and Diluted	Rupees 40.12	24.87
24. Prior year figures have been regrouped and rearranged wherever necessary to make them comparable.		

Schedules 1 to 21 form an integral part of the Consolidated Balance Sheet as at 31st March, 2007 and Consolidated Profit & Loss Account for the year ended on that date.

### ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi  
Dated : June 13, 2007

**DINESH KUMAR JAIN**  
Company Secretary

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

**NOTES**

# ASIAN HOTELS LIMITED

Regd. Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 066

## PROXY FORM

I / We .....

Resident (s) of ..... being a .....

Member / Members of Asian Hotels Limited, hereby appoint Mr. / Mrs. ....

Resident of .....

as my / our proxy to attend and vote for me / us, on my / our behalf, at the Annual General Meeting of the Company, to be held on 21st September, 2007, at 11.30 A.M. at Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi - 110066 and at any adjournment thereof.

As witness my / our hands this ..... day of September, 2007.

Registered Folio No./ DP ID No. and Client ID No. ....

No. of shares held .....

Affix  
Rupee One  
Revenue  
Stamp

Signature(s)

**Note:** This proxy form must be deposited at the Registered Office of the Company at Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi - 110 066 not less than forty eight hours before the time for holding the meeting.

# ASIAN HOTELS LIMITED

Regd. Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 066

## ATTENDANCE SLIP

Name of the person (s) attending (1) ..... (2) .....

Father / Husband's Name (1) ..... (2) .....

Registered Folio No./ Client ID No. and DP ID No. .... No. of shares held .....

If proxy or second / third joint holders, name of first shareholder .....

I / We hereby record my / our presence at the Annual General Meeting of the Company held at Regency Ball Room, Hyatt Regency Delhi, New Delhi - 110 0066 on this 21st September, 2007, at 11.30 A.M.

Signature(s)

### IMPORTANT

- i) This attendance slip duly filled in and signed may please be handed over at the entrance of the meeting hall.
- ii) If the particulars contained herein are incorrect / missing, the Company reserves the right to withhold entry.
- iii) Accompanying children / non-members will not be allowed.