

27th Annual Report 2007-2008



OWNERS OF
HYATT REGENCY HOTELS
DELHI • KOLKATA • MUMBAI

Asian Hotels Limited

BOARD OF DIRECTORS

R.K. Bhargava IAS (Retd.) Chairman

S.K. Chhibber IAS (Retd.)

Lalit Bhasin

S.S. Bhandari

Radhe Shyam Saraf

Raj Kumar Jatia

Sudhir Gupta

Ramesh Jatia

Sushil Gupta Managing Director (West)

Shiv Jatia Managing Director (North)

Umesh Saraf Managing Director (East)

AUDITORS

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

BANKERS

IDBI Bank Ltd.
Punjab National Bank
Canara Bank
Axis Bank Ltd.
Jammu & Kashmir Bank Ltd
Bank of Baroda
Honkong & Shanghai Banking Corporation Ltd.
HDFC Bank Limited

**REGISTERED OFFICE & INVESTOR
RELATIONS DEPARTMENT**

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

REGISTRAR & TRANSFER AGENTS

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

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ASIAN HOTELS LIMITED

(Registered Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 607)

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of ASIAN HOTELS LIMITED will be held on Wednesday, the 24th September, 2008, at 11.30 a.m. at Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi-110 607 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, and the Profit and Loss Account for the year ended on that date along with the Auditors' Report and Directors' Report thereon.
2. To approve and ratify the payment of interim dividend @ 1% to the holders of 1% cumulative redeemable non-convertible preference shares for the year ended 31st March, 2008.
3. To declare a dividend aggregating to Rs. 2,28,03,564/- on the total paid up equity capital of the Company.
The Board of Directors in its meeting held on 30th June, 2008, had recommended a dividend of Re. 1/- per equity share (10%), on 22803564 equity shares as were outstanding as on that date. In case the impending Scheme of Arrangement and De-merger becomes effective prior to the date of entitlement to receive dividend as defined in Note No. 6 given herein below, the aggregate amount of dividend shall be distributed amongst the shareholders of the Company at the rate of Rs. 2/- per equity share (20%) on 11401782 equity shares, being the resultant equity shares outstanding post-demerge.
4. To appoint a Director in place of Mr. Ramesh Jatia who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. R. K. Bhargava who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

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

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:
"RESOLVED THAT Mr. Radhe Shyam Saraf, who was appointed as Additional Director of the Company and whose term expires under Section 260 of the Companies Act, 1956 (the Act), read with Article 107(a) of the Articles of Association of the Company, at this Annual General Meeting, and in respect of whom the Company has received a notice u/s 257 of the Act proposing his candidature for the office of director, be and is hereby appointed as a Director liable to retire by rotation."

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



Dinesh K. Jain
Company Secretary

Place: New Delhi
Date: 30th July, 2008

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives u/s 187 of the Companies Act, 1956 (the Act), are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
3. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
4. All documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. & 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 Saturday, the 20th September, 2008 to Wednesday, the 24th September, 2008, 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 Friday, the 19th September, 2008, 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 Friday, the 19th September, 2008.
7. The unclaimed and unpaid amount of Dividend declared for the financial year 2001-2002, which remains unclaimed and unpaid as on 18th September, 2009, would be liable to be transferred by the Company to the credit of Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Act. Therefore, shareholders who have not received and / or encashed the dividend warrant(s) so far are specifically requested to apply for duplicate dividend warrant(s) by writing to the Company providing details of Folio No. / Client ID No., 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 IEPF.

8.
 - a) Members are requested to notify the Company change in their address, if any, with pin code, quoting their folio number.
 - b) Members holding shares in electronic form should notify any change in their residential address or Bank details directly to their respective Depository Participants.
9. Non Resident Indian Shareholders are requested to inform the Company:
 - a) 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 Act, facility for making nominations in prescribed Form 2B, is available to individuals holding shares in the Company.

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

Item No. 7

Mr. Radhe Shyam Saraf was appointed as an Additional Director of the Company w.e.f. 21st September, 2007. Pursuant to Article 107 (a) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 (the Act), he holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Act proposing his candidature for the office of Director of the Company.

Mr. Saraf is a well-known person in the hospitality industry and has vast experience in operating and managing large hotel properties.

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

Mr. Radhe Shyam Saraf is a relative of Mr. Umesh Saraf, Managing Director (East).

None of the other Directors, except Mr. Umesh Saraf, is directly or indirectly concerned or interested in the resolution.

ASIAN HOTELS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to submit their 27th Report together with the Audited Accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

(Rupees in Crores)

	2007-08	2006-07
Sales Turnover (Net)	513.52	413.41
Profit Before Interest & Depreciation etc.	248.58	184.37
Interest	21.37	17.35
Depreciation	24.63	22.11
Prior Year Adjustments	0.51	4.04
Profit Before Tax	202.07	140.86
Provision for Taxation (Net)	70.04	49.37
Net Profit	132.03	91.49
Surplus Brought Forward	118.92	62.72
Profit Available for Appropriation	250.95	154.21
Transfer to General Reserve	9.52	9.15
Dividend - Preference Shares	0.15	–
Proposed / Paid Dividend - Equity	2.28	22.80
Corporate Dividend Tax	0.41	3.34
Surplus Carried Forward	238.59	118.92
Earning per share (Rupees)	57.82	40.12

Your Directors are pleased to report a healthy growth of over 24% in Sales Turnover, which has increased from Rs. 413.41 crores for the year ended 31st March, 2007, to Rs. 513.52 crores during the year ended 31st March, 2008.

Growth in Profit after tax has been good which increased from Rs. 91.49 crores in the previous year to Rs. 132.03 crores during the year under review, registering an increase of over 44% over the previous year.

DIVIDEND

Your Directors are pleased to inform that an interim dividend of 1% was declared and paid to the holders of two crore 1% Cumulative Redeemable Non-convertible Preference Shares of the face value of Rs. 10/- each (NCPS).

Your Directors are also pleased to recommend, subject to your approval, a dividend aggregating to Rs. 2,28,03,564/- on the total paid up equity capital of the Company, which is equivalent to Re. 1/- per equity share (10%), on 22803564 equity shares as are outstanding as on date. In case the impending Scheme of Arrangement and De-merger becomes effective prior to the date of entitlement to receive dividend, the aggregate amount of dividend shall be distributed amongst the shareholders of the Company at the rate of Rs. 2/- per equity share (20%) on 11401782 equity shares being the resultant outstanding equity shares post de-merger.

FURTHER ISSUE OF CAPITAL

During the year under review, the authorized capital of the Company was increased and altered, 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 pursuance of shareholders' approval in the Extra-ordinary General Meeting (EGM) held on 25th June, 2007.

In the aforesaid EGM, the Company also obtained your consent to issue upto two crore NCPS at a premium of Rs. 80/- per share aggregating to Rs. 180 crores, on preferential allotment basis, which were allotted during the year under review to Infrastructure Development Finance Company Limited (IDFC) and Magus Estates and Hotels Limited (Magus).

These NCPS were issued to raise funds to facilitate the trifurcation of the Company as envisaged under the Scheme of Arrangement and De-merger. In terms of issuance thereof, NCPS were redeemable in three tranches of 25%, 25% and 50% on 30th June, 2008, 30th June, 2009 and 30th June, 2010 respectively along with the premium on redemption to IDFC and Magus. However, prior to the first redemption, with the consent of both IDFC and Magus, the premium on redemption to Magus was reduced making it redeemable at the amount equivalent to its issue price. The terms of redemption of NCPS to IDFC continue to be the same. Accordingly, fifty lac NCPS were redeemed on 30th June, 2008. Since these NCPS were issued to facilitate the trifurcation of the Company, one of the conditions of issuance and subscription thereof was that in the event, the Scheme of Arrangement and De-merger is not made effective in terms of Sections 391 and 394 of the Companies Act, 1956 (the Act) and other applicable provisions of the Act, by 30th June, 2008, the Company shall prematurely redeem the entire lot of NCPS. In view of the above, the last date of effectiveness of the demerger has also been amended to 31st December, 2008 instead of 30th June, 2008 under the NCPS subscription agreements entered into with both IDFC and Magus.

FOREIGN EXCHANGE RECEIPTS

The Company's earnings in foreign exchange for the year under review were Rs.338.25 crores as against Rs. 269.49 crores during the year prior thereto.

SUBSIDIARY COMPANIES

During the year under review, your Company acquired three wholly owned subsidiaries, namely Chillwinds Hotels Limited, Vardhman Hotels Limited and Aria Hotels and Consultancy Services Private Limited.

As required under Section 212 of the Act, the audited Annual Accounts for the year ended 31st March, 2008, of the Company's subsidiaries namely GJS Hotels Limited, Chillwinds Hotels Limited, Vardhman Hotels Limited and Aria Hotels and Consultancy Services Private Limited along with the Auditors' Report and Directors' Report thereon, forms part of the Annual Report.

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RESTRUCTURING THE COMPANY

Your Directors, in their previous report, had reported about the draft Scheme of Arrangement and De-merger (the draft Scheme) proposing the trifurcation of the Company into three separate undertakings, namely (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.

Subsequent to the approval of the draft Scheme by the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), the Company filed a petition under Section 391 (1)(b) of the Act with the High Court of Delhi at New Delhi. In pursuance of the said petition, the meetings of the shareholders and creditors of the Company were convened on 7th January, 2008 on the directions of the Hon'ble Court, wherein the Scheme of Arrangement and De-merger between Asian Hotels Limited (the Transferor Company) and its shareholders and creditors, Chillwinds Hotels Limited (the Transferee Company-I) and its shareholders and Vardhman Hotels Limited (the Transferee Company-II) and its shareholders pursuant to Sections 391-394 of the Act (the Scheme), was approved with requisite majority. The Scheme envisages that the Mumbai Undertaking and the Kolkata Undertaking would be transferred to and vested in Transferee Company-I and Transferee Company-II respectively, and that the Residual Undertaking (i.e. the Delhi Undertaking) would be retained with the Company.

Subsequent to the approval of the shareholders and creditors, your Company made an application under Sections 391-394 of the Act, which was sanctioned by the Hon'ble Court on 29th February, 2008.

The Scheme, as approved by the Hon'ble Court, was conditional upon and subject to approval of the Government of West Bengal for vesting of the leasehold property belonging to the Kolkata Undertaking. Since receipt of the said approval from the Government of West Bengal was awaited, your Company made an application under Section 392 of the Act read with Rules 6 and 9 of the Companies (Court) Rules, 1959 to the Hon'ble Court seeking approval for amendments to the Scheme modifying the first paragraph of Clause 5.3.1 and Clause 6.12 of the Scheme. The amended Clause 6.12 of the Scheme defines 'Effective Date' as the 16th day, from the receipt of approval of the West Bengal Government for vesting of the leasehold property belonging to the Kolkata Undertaking, or the date on which the certified copy of the order of the Hon'ble Court sanctioning the Scheme is filed by the Transferor Company and the Transferee Companies with the Registrar of Companies, NCT of Delhi & Haryana, whichever is later. Consequently, Clause 5.3.1 was amended to enable the Company to issue and allot Fully Convertible Preference Shares (FCPS) within the period prescribed under the SEBI (Investor Protection and Disclosure Guidelines 2000).

The Court was pleased to allow the Company's Application for modification of the Scheme, and on receipt of the final drawn-up order of the Court, your Company and the Transferee Companies filed the Scheme, as amended, with the Registrar of Companies, NCT of Delhi & Haryana on 19th May, 2008.

In the intervening period, while the Company was awaiting approval of the Government of West Bengal, redemption of first tranche of 25% of the two crore NCPS became due and payable on 30th June, 2008, as per terms of the respective subscription agreements, which were consequently paid as mentioned herein-above.

At the time of drafting the Scheme, it was not envisaged that the effective date would be delayed to such an extent, and hence the possibility of redemption of NCPS was not captured in the Scheme. Pursuant to such redemption certain consequential changes were required to be made to the Scheme. In light of the same, another application for modification of the Scheme has been made on 2nd July, 2008, seeking approval of the Hon'ble Court to insert Clause 5.9 in the Scheme to give effect to the changes necessitated by the said redemption. This application is pending before the Hon'ble Court.

The salient features of the Scheme are as follows:

- a) On the Scheme becoming effective, an amount of Rs. 11,40,17,820 shall be appropriated from the general reserves of the Company to increase the paid-up equity share capital of the Company, pre-de-merger, to Rs. 34,20,53,460.
- b) The resultant deemed increased equity share capital of the Company shall be equally allocated, at de-merger, amongst the Transferor Company, Transferee Company- I and Transferee Company- II.
- c) 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. For the sake of illustration, if a shareholder holds 100 shares as of date, his shareholding shall notionally increase to 150 shares, which shall then entitle him to receive 50 shares each in the three resultant entities post-demerge.
- d) The shareholding of all the three resultant companies would be a mirror image of each other.

FUTURE PROSPECTS

Over the years each of the three major promoter groups has acquired independent interests in the hospitality industry. Your Directors envision that restructuring of the Company would ultimately result in enhancement of the shareholder value as the impending trifurcation would lead to operational efficiencies and synergies, and enable each of the promoter groups to vigorously pursue growth and acquisition opportunities for the resultant entities.

AUDITORS

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

INTERNAL AUDIT

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

DIRECTORS

Mr. R.S. Saraf resigned from the office of Director w.e.f 30th July, 2007. Later, he was appointed as an additional director effective 21st September, 2007, and in terms of Section 260 of the Act, holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Act proposing his candidature for the office of director.

Mr. R. K. Bhargava and Mr. Ramesh Jatia retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment.

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

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

- that in the preparation of annual accounts for the year ended 31st March, 2008, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that year;

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- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis.

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

INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

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

PARTICULARS OF EMPLOYEES

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

LISTING

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

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Industry Structure, Development & Outlook

The 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 (ARR). However, the current economic slow down and inflationary trends all over the globe are likely to adversely impact the occupancy levels and ARR during the current financial year.

Opportunities, Threats, Risks and Concerns

The tourism industry in the country has unlimited opportunities coming its way. India has witnessed rapid development and strong economic growth and ever increasing political and economic affluence at the global level over last few years. Despite the current phase of economic slow down, Indian Economy has strong fundamentals and is likely to grow at a steady pace, which is likely to 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. Hence, the outlook for the hospitality industry looks quite positive.

However, 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 - well laid roads, efficient railways and airports - 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 other support facilities at tourist locales if the momentum in the growth of the industry has to be sustained.

Moreover, any change in the global geo-political situations can have further adverse effect on the performance of this sector.

Review of Operational and Financial performance

The Company has achieved an aggregate turnover of Rs.513.52 crores for the financial year ended 31st March, 2008, (of which Rs. 246.83 crores pertains to Hyatt Regency Delhi, Rs. 180.34 crores to Hyatt Regency Mumbai, Rs. 84.10 crores to Hyatt Regency Kolkata and Rs. 2.25 crores pertains to other sources). The turnover in the previous year was Rs. 413.41 crores.

Profit after taxes for the year under review was Rs. 132.03 crores as against Rs. 91.49 crores during the previous year.

Segment wise performance

During the year under review, your Company was primarily operating an integrated hotel business at three different locations viz. Delhi, Mumbai and Kolkata. Subsequent to the shareholders approval for altering its other objects, your Company entered into another business segment namely, power generation, towards the end of the year, which is governed by a different set of risks and returns. In this segment, the Company has two Wind Turbine Generators (WTGs), which were installed on 27th March, 2008 and 31st March, 2008 respectively, and therefore, the assets as well as revenues generated were not significant enough for reporting.

Internal Control Systems and their adequacy

The Company has standard operating procedures for each operational area. It has in place adequate reporting systems in respect of financial performance, operational efficiencies and reporting with respect to compliance of various statutory and regulatory matters. M/s. S.S. Kothari Mehta & Company, Chartered Accountants, 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.

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, 2008, was 1472.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation and gratitude to the Company's valued customers, the Government of India, respective State Governments of Delhi, Maharashtra and West Bengal, and the Financial 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, 2008

R.K. Bhargava
Chairman

ASIAN HOTELS LIMITED

ANNEXURE "A" FORMING PART OF DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

S. No.	Energy conservation measure taken during the year 2007-2008	Impact (savings in Rs. per annum)
1.	Installed 3-D Trasar system at Hyatt Regency Delhi (HRD) to control the stress in the cooling tower water and automate the chemical dosing, water filling and draining of cooling tower water.	1,50,000
2.	Replaced entire back of the house office lighting at HRD	2,00,000
3.	Installation of electronic device to stop wastage of water and chemicals in the laundry washers in case of power failure, at HRD	1,60,000
4.	Installation of energy savers in 120 guest rooms at HRD	2,40,000
5.	Increased frequency of condensers / cooling towers/AHU, FCU coils at Hyatt Regency Mumbai (HRM)	5,00,000
6.	Laundry AHU coils replaced at HRM	1,00,000
7.	Energy saving units for lighting circuits at HRM	12,00,000
8.	Timing the lobby lightings and AHU operations at HRM	12,00,000
9.	Replaced old capacitor banks at HRM to improve power factor	7,20,000
10.	Reduced lamp wattage in guest /public /BOH areas at HRM	10,00,000
11.	Replacement of massage room/ meeting room cove lighting from cold cathode to LED at HRM	10,00,000
12.	Introduction of timers in main porch to automate the controls for lighting and introduction of CFL lamps in 225 guest rooms at Hyatt Regency Kolkata (HRK)	4,50,000

S. No.	Energy conservation measure taken during the year 2008-2009	Impact (savings in Rs. per annum)
1.	To install WC cisterns in public areas to reduce flush water consumption at HRD	1,50,000
2.	Installation of energy savers in 131 guest rooms at HRD	2,65,000
3.	Installation of electronic motion sensors for lighting in public areas and offices at HRD	2,50,000
4.	STP plant renovation to recycle the water in gardens and flushing system at HRM	2,00,000
5.	Ineffective AHU coils to be replaced in Commissary, Bakery etc at HRM	8,00,000
6.	Replacement of signages lighting from Cold Cathode to LED at HRM	10,00,000
7.	Additional VFD / replacement of defective VFDs at HRM	12,00,000
8.	Capacitor banks in chiller panels for improving power factor at HRM	18,00,000
9.	Identifying and replacing existing motors with energy efficient motors at HRM	12,00,000
10.	Replacement of main transformers with energy efficient ones at HRM	36,00,000
11.	Replacement of cooling towers with energy efficient ones at HRM	48,00,000
12.	Introduction of CFL lamps in all office Areas and LED lamps in niches in guest corridors at HRK	2,10,000

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.338.25 crores in the financial year ended 31st March, 2008 (previous year Rs.269.49 crores) against which the outgo in foreign exchange was equivalent to Rs. 69.30 crores only (previous year Rs. 65.00 crores).
- Details of foreign exchange earnings and outgo are given at Note 30B to 30E 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. NO.	NAME	AGE (YRS)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION IN (RS.)	QUALIFICATION	EXPERIENCE IN (YRS)	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD/DESIGNATION/PERIOD
EMPLOYED THROUGHOUT THE YEAR								
1	Sushil Gupta	65	Managing Director (West)	3,85,91,147	F.S.C., CHA	45	10.04.1981	Industrialist
2	Shiv Jatia	54	Managing Director (North)	3,85,91,146	B.COM	36	10.04.1981	Industrialist
3	Umesh Saraf	44	Managing Director (East)	3,90,59,036	B.Sc	23	07.07.2005	Industrialist
4	Jyoti Subarwal	55	President-Finance & Operations	78,14,400	F.C.A.	30	01.08.1983	Mohinder Puri & Co., Chartered Accountants, New Delhi, Audit Manager (5 Yrs)
5	Timothy Bruce	47	General Manager, Hyatt Regency, Kolkata / Hyatt Regency, Delhi	1,23,89,275	7GCEO' Levels City & Guilds 706 1/706 2 Diploma of Hotel Management, Canberra TAFE	23	07.09.2004	Park Hyatt Canberra, Director of Food & Beverage (2 Yrs.)
6	Jiri Kobos	50	General Manager, Hyatt Regency, Mumbai	1,78,01,842	Diploma in Technical Services University of Germany	33	19.09.2004	Park Hyatt, Moscow, General Manager (2 Yrs.)
7	Vikas Kapai	39	Executive Assistant Manager, Rooms	31,63,639	Diploma in Hotel Management, IHM Delhi	19	01.02.2002	Leela Kempinski, Mumbai, Head Sales & Marketing
8	Marcus Mathyssek	39	Executive Chef, Hyatt Regency, Delhi	88,45,979	Graduate from hospitality & Hotel Management College, Saalburg Schule, Germany	19	08.08.2005	Hyatt Regency, Perth, Australia, Executive Chef (4 Yrs)
9	Narottam Sharma	50	Director of Materials	27,02,676	M.Com	26	21.11.1981	-
10	Prasanjit Singh	40	Resident Manager	29,79,862	Bachelors in Hotel Management & MBA	16	01.12.2003	Indian Hotels Ltd., Kolkata - EAM (9 Months)
EMPLOYED PART OF THE YEAR								
1	Roger Lienhard	47	General Manager, Hyatt Regency, Delhi	1,40,71,935	Catering School Swiss CDI, New York	31	06.08.2005	Hyatt Regency, Jakarta
2	Shaun Campbell	42	General Manager, Hyatt Regency, Kolkata	24,43,979	Undergraduate Business Degree (Bachelor Business) from Queensland University of Technology	15	05.01.2008	Hyatt International, Australia, Area Director - Sales & Marketing
3	Mitele Sbardellini	34	Italian Chef, Hyatt Regency, Delhi	7,51,839	Professional Institute of Hotel Catering, Kitchen & Barman Course	14	08.09.2003	Zigolini Italian Restaurant & Bar Mandanine, Jakarta, Chef De Cuisine, (2 Yrs.)
4	Giovanni Parella	31	Italian Chef, Hyatt Regency, Mumbai	34,93,554	Diploma in Food & Beverage	12	23.05.2005	Ristorante Saporito, Naples, Italy, Chef De Cuisine, (3 Yrs.)
5	Wladimiro Gadioli	27	Chef De Cuisine, Hyatt Regency, Delhi	23,82,724	1. Certificate professional Kitchen Operator 2. Certificate professional specialization in techniques of kitchen & pastry shop in complex hotel structure.	9	02.04.2007	Atahotel Quark in Milan Italy - Sous Chef (1 year 4 Months).
6	Giuseppe Zanotti	31	Italian Chef, Hyatt Regency, Mumbai	13,25,330	Diploma in Hotel Management	4	21.12.2007	Pasta Fresca da Salvatore, Singapore, Italian Chef
7	Arun Tandon	49	Vice President - Engineering	31,68,808	B.E. (Mech), D MET (Marine)	25	20.10.1997	Janus Engg (P) Ltd. New Delhi, Partner (5 Months)
8	O M Manohar	54	Vice President Engineering (Projects)	5,63,865	Directorate of Marine Engineering	33	16.01.2008	E.I.H.Ltd. New Delhi, Director of Engineering, 3 Years

Notes:

- Total remuneration comprises Basic Salary, HRA, Special Allowance, Company's contribution to provident fund, LTA, monetary value of other perquisites, if any, on the basis of Income Tax Rules, Performance incentive, Ex-gratia payments and Commission to Managing Directors. Performance incentives and ex-gratia payments to the executives and commission to Managing Directors are included on payment basis.
- All the appointments except that of Mr. Jyoti Subarwal, Mr. Vikas Kapai, Mr. Narottam Sharma, Mr. Prasanjit Singh, Mr. Arun Tandon and Mr. O M Manohar 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.

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 eleven times. These meetings were held on 28th April, 2007, 14th May, 2007, 13th June, 2007, 25th June, 2007, 30th July, 2007, 16th August, 2007, 21st September, 2007, 30th October, 2007, 27th November, 2007, 29th January, 2008 and 26th March, 2008.

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:

S. No.	Name of the Director@	Category	No. of other Directorships held +	No. of Committee memberships held #	No. of Board meetings attended	Whether last AGM attended
1.	Mr. R.K. Bhargava	Independent Non -Executive	6	7(2)	11	Yes
2.	Mr. Sushil Gupta	Managing Director (West)	6	1	11	Yes
3.	Mr. Shiv Jatia	Managing Director (North)	9	1	11	Yes
4.	Mr. Umesh Saraf	Managing Director (East)	6	1	10	Yes
5.	Mr. R. S. Saraf *	Non -Executive	3	Nil	7 **	No
6.	Mr. R. K. Jatia	Non-Executive	1	Nil	5	No
7.	Mr. Sudhir Gupta	Non-Executive	1	Nil	8	Yes
8.	Mr. Ramesh Jatia	Non -Executive	Nil	Nil	3	No
9.	Mr. S. K. Chhibber	Independent Non- Executive	3	2 (1)	11	Yes
10.	Mr. Lalit Bhasin	Independent Non- Executive	7	6	10	Yes
11.	Mr. S. S. Bhandari	Independent Non- Executive	3	5 (3)	6	Yes

@ Mr. Sushil Gupta & Mr. Sudhir Gupta; Mr. Shiv Jatia, Mr. R. K. Jatia & Mr. Ramesh Jatia; Mr. R. S. Saraf & Mr. Umesh Saraf are related to each other respectively.

* Resigned w.e.f. 30th July, 2007; Appointed as additional director w.e.f. 21st September, 2007.

** Attended 7 meetings out of 10 (including the one in which appointed as additional director) held during his tenure.

+ in public limited companies; excludes directorship in private limited companies, foreign companies and companies under section 25 of the Act, if any; status as on 31st March, 2008

Includes committee memberships/chairmanships of Asian Hotels Limited; figures in brackets indicate chairmanship held in such committees.

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. Mr. Bhandari is a Chartered Accountant with over 35 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. 14th May, 2007, 13th June, 2007, 13th July, 2007, 30th July, 2007, 30th October, 2007, and 29th January, 2008.

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	5
Mr. S.S. Bhandari	Independent Non Executive	5

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. The Committee met 5 times in the financial year.

During the year under review the Company received 73 complaints, which have been resolved / replied to, to the satisfaction of the investors. Except the matters that are sub-judice, none of the investor complaints is lying unresolved at the year-end.

c) Remuneration Committee and Remuneration of the Directors

The Remuneration Committee 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. 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. No meeting of the Committee was held during the year under review.

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*	72,73,446	3,95,53,443	-	4,68,26,889
Mr. Shiv Jatia *	72,73,445	3,95,53,443	-	4,68,26,888
Mr. Umesh Saraf**	77,41,335	3,95,53,443	-	4,72,94,778
Mr. R.S. Saraf	-	5,00,000	84,000	5,84,000
Mr. R.K. Jatia	-	5,00,000	60,000	5,60,000
Mr. Sudhir Gupta	-	5,00,000	96,000	5,96,000
Mr. Ramesh Jatia	-	5,00,000	36,000	5,36,000
Mr. S.K. Chhibber	-	5,00,000	2,64,000	7,64,000
Mr. R.K. Bhargava	-	5,00,000	3,72,000	8,72,000
Mr. Lalit Bhasin	-	5,00,000	1,80,000	6,80,000
Mr. S.S. Bhandari	-	5,00,000	1,32,000	6,32,000

* 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, 2008	%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

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

During the year under review, Corporate Restructuring Committee comprising of Mr. R.K.Bhargava, Mr. Sushil Gupta, Mr. Shiv Jatia, and Mr. Umesh Saraf met ten times respectively on 21st April, 2007, 14th May, 2007, 29th May, 2007, 30th June, 2007, 13th July, 2007, 23rd August, 2007, 17th September, 2007, 11th October, 2007, 27th February, 2008, and 7th March, 2008.

General Body Meetings

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

Financial Year	Nature of Meeting	Venue	Date	Time
2004-05	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	06.08.2005	11.30 a.m.
2005-06	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	29.07.2006	11.30 a.m.
2006-07	AGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	21.09.2007	11.30 a.m.
2007-08	EGM	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	25.06.2007	11.30 a.m.
2007-08	Court Convened Meetings: Equity Shareholders Secured Creditors Unsecured Creditors	Hotel Hyatt Regency Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	07.01.2008 07.01.2008 07.01.2008	10.30 a.m. 03.00 p.m. 04.00 p.m.

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. During the year under review, the Company conducted a postal ballot to obtain shareholders consent (i) pursuant to Section 17 of the Act to alter its 'Objects Clause' by inserting a new sub-clause under the other object enabling the Company to take up the business of power generation; and (ii) pursuant to Section 149(2A) of the Act to take up the new business activity of power generation.

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 Transactions

In compliance with the Accounting Standard -18, transactions pertaining to related parties are given under Note No. 28 of Schedule 21 (Significant Accounting Policies, Contingent Liabilities and Notes) to the Balance Sheet as at 31st March, 2008, 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 had identified certain major risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimisation. The Company's Board is conscious of the need to review the risk assessment and minimisation procedures on regular intervals and therefore, proposes to engage an independent agency to undertake a comprehensive study during the current financial year.

• Conflict of Interest

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

• CEO/CFO Certification

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

Means of Communication

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

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

: Wednesday, the 24th September, 2008 at 11.30 a.m.

Venue

: Hyatt Regency, Delhi
Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607

ASIAN HOTELS LIMITED

Financial Calendar

The financial calendar for the financial year 2008-09 is proposed as under:

Financial Reporting for the quarter ending 30th June, 2008	30th July, 2008
Financial Reporting for the half yearly ending 30th September, 2008	End October, 2008
Financial Reporting for the third quarter ending 31st December, 2008	End January, 2009
Financial Reporting for the year ending 31st March, 2009	End June, 2009

Book Closure	Saturday, the 20th September, 2008 to Wednesday, the 24th September, 2008 (both days inclusive)
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DIVIDEND PAYMENT DATE: Around 15th October, 2008
 LISTING ON STOCK EXCHANGES: Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd, and The Company has paid Annual Listing Fees to the Stock Exchanges.

STOCK CODE : BSE – 500023, NSE - 233

Profile of Directors proposed to be appointed / re-appointed

Name of Director	Expertise in Specific Functional Areas	Companies in which Directorships held*
Mr. Ramesh Jatia	Mr. Ramesh Jatia is an entrepreneur having rich business experience. Mr. Ramesh Jatia is related to Mr. Shiv Jatia, Managing Director (North) and Mr. R.K. Jatia Director. He holds 146180 shares in the Company in his individual capacity and/or as Karta of an HUF.	Deepak Garden Fresh Pvt. Limited Grandeur Hotels Pvt. Limited
Mr. R.K. Bhargava	Retired IAS Officer, Former Secretary, Ministry of Home Affairs, Government of India. He holds 7653 shares in the Company.	Kajaria Ceramics Limited Duncans Industries Limited HB Portfolio Limited Noida Toll Bridge Co. Limited Kribhco Shyam Fertilizers Limited WBW Consultants Private Limited Vidhi Vedika Heritage Private Limited Manju Enterprises Private Limited Jay International Private Limited Inovoa Hotels and Resorts Private Limited Andhra Cements Limited
Mr. R. S. Saraf	Mr. Saraf is a well-known person in the hospitality industry and has vast experience in operating and managing large hotel properties. He does not hold any shares in the Company.	Unison Hotels Limited Forex Finance Limited Vardhman Hotels Limited Juniper Hotels Private Limited Unison Hotels (South) Private Limited Yak & Yeti Hotels Limited, Nepal Taragaon Regency Hotels Limited, Nepal Sara International Limited, Hongkong Saraf Industries Limited, Hongkong Saraf Hotels Limited, Mauritius Saraf Industries Limited, Mauritius Saraf Investments Limited, Mauritius Denton Investments Limited, Mauritius Saraf Industries Limited, British Virgin Islands

Stock Market Data

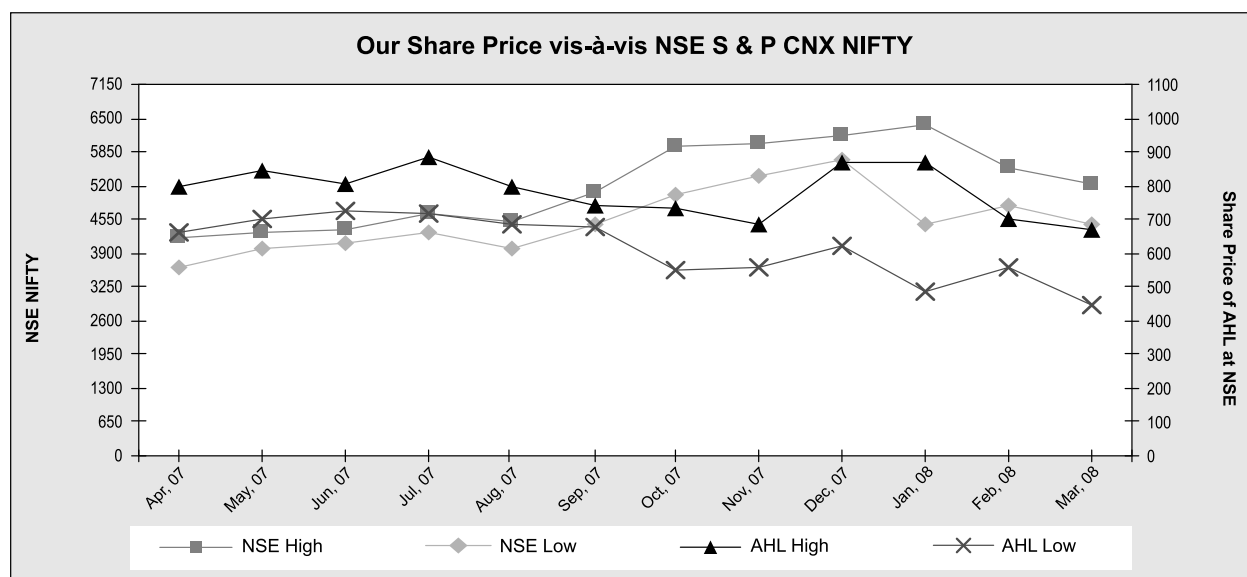
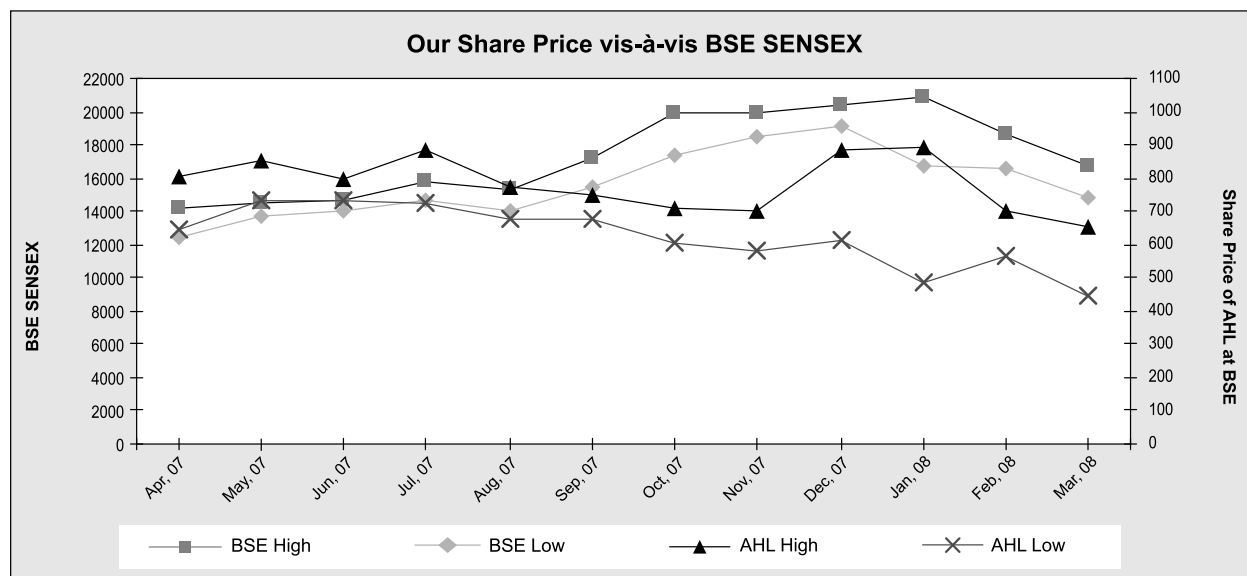
The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE are as follows:

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, 2007	808.90	643.90	28719	800.00	665.00	35413
May, 2007	849.70	731.10	107890	846.00	700.00	47716
Jun, 2007	796.00	731.00	29712	804.95	729.00	31105
Jul, 2007	888.00	725.00	80633	885.00	720.00	209158
Aug, 2007	774.80	680.05	31417	796.00	682.80	87078
Sep, 2007	745.70	677.00	71793	740.00	681.10	57370
Oct, 2007	711.00	608.45	99417	735.00	552.00	136301
Nov, 2007	699.00	580.00	194055	689.00	555.00	202043
Dec, 2007	883.80	611.50	201632	870.00	621.00	262967
Jan, 2008	895.00	485.00	172851	867.00	482.25	163982
Feb, 2008	700.00	569.00	110970	698.40	555.55	95136
Mar, 2008	650.05	444.00	111307	666.60	443.00	69630

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

Number of equity shares held	As on 31st March, 2008				As on 31st March, 2007			
	Number of Shareholders	% of Total Shareholders	Number of shares held	% shareholding	Number of shareholders	% of Total share holders	Number of shares held	% share holding
Upto 250	15663	85.190	1019515	4.471	11933	81.166	912905	4.003
251-500	1464	7.962	504163	2.211	1483	10.087	508302	2.229
501-1000	724	3.937	520219	2.281	729	4.959	522953	2.293
1001-2000	307	1.670	436928	1.916	328	2.231	466957	2.048
2001-3000	79	0.430	198734	0.871	81	0.551	201165	0.882
3001-4000	25	0.136	87911	0.386	28	0.190	99004	0.434
4001-5000	18	0.098	80433	0.353	16	0.109	69783	0.306
5001-10000	36	0.196	251098	1.101	34	0.231	237277	1.041
10001-above	70	0.381	19704563	86.410	70	0.476	19785218	86.764
TOTAL	18386	100.000	22803564	100.000	14702	100.000	22803564	100.000

ASIAN HOTELS LIMITED

Category wise shareholding

CATEGORY	As on 31st March, 2008		As on 31st March, 2007	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
A. Promoters Shareholding				
– Indian	3821066	16.757	3821066	16.757
– Foreign	10673763	46.807	10673763	46.807
Total Promoters shareholding	14494829	63.564	14494829	63.564
B. Public Shareholding				
– Mutual Funds/Financial Institutions/ Banks and Insurance Companies	862889	3.784	861059	3.776
– FII's	713800	3.130	777031	3.407
– NRI's	607084	2.662	627569	2.752
– Bodies Corporate (Domestic)	3767592	16.522	3665772	16.076
– Individuals (Indian Public)	2349241	10.302	2374861	10.414
– Clearing Members	8129	0.036	2443	0.011
Total Public shareholding	8308735	36.436	8308735	36.436
GRAND TOTAL	22803564	100.000	22803564	100.000

Share Transfer System

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

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

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

Share Transfer Agent

Karvy Computershare Pvt Ltd.

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

Karvy Computershare Pvt Ltd.

105-108 Arunachal Building, 1st Floor
19, Barakhamba Road
New Delhi-110001
Tel No. 011-43509200
e-mail : delhi@karvy.com

Dematerialisation of Shares

1,58,35,705 shares (equivalent to 69.44 %) of the total outstanding shares of the Company are held in dematerialized form as on 31st March, 2008. 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 1999-2000(2nd Interim) and for the financial year 2000-2001(1st Interim) has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Act, on 27th September, 2007.
- The unclaimed and unpaid amount of dividend declared for the financial year 2000-2001 (2nd Interim), which remain unclaimed and unpaid as on 3rd August, 2008 would be liable to be transferred to IEPF.
- The unclaimed and unpaid amount of dividend declared for the financial year 2001-2002 (Final), which remain unclaimed and unpaid as on 18th September, 2009 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 -110 607.

HYATT REGENCY, KOLKATA

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

HYATT REGENCY, MUMBAI

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

Address for Correspondence

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

Registered Office

ASIAN HOTELS LIMITED

Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607, Telephone No.011-66771225/66771226, Fax No. 011-26791017
email Id. Investorrelations@asianhotelslimited.in

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

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

30th July, 2008

The Board of Directors
Asian Hotels Limited
Bhikaiji Cama Place,
Mahatma Gandhi Marg,
New Delhi – 110 607

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

Dear Sirs,

This is to certify that pursuant to Clause 49(I)(D) of the Listing Agreement, the Board of Directors has adopted a Code of Conduct for its members and Senior Management personnel and that they have affirmed having complied with the said Code of Conduct for the financial year ended 31st March, 2008.

SUSHIL GUPTA
MANAGING DIRECTOR (WEST)

SHIV JATIA
MANAGING DIRECTOR (NORTH)

UMESH SARAF
MANAGING DIRECTOR (EAST)

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 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2008, no investor grievance is 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, 2008

VIKAS VIG
PARTNER
Membership No. : 16920

ASIAN HOTELS LIMITED

AUDITORS' REPORT

To the Members of **ASIAN HOTELS LIMITED**

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

We 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 2008 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956 ;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - b) in the case of the Profit and Loss Account of the **Profit** for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **MOHINDER PURI & COMPANY**
Chartered Accountants

VIKAS VIG
Partner

Membership No.: 16920

Place : New Delhi
Date : 30th June, 2008

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

1.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. Though all the assets have not been physically verified by the management during the year, as per the 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 were found reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. As informed to us, the Company has not taken / granted any loan, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of stores, provisions, beverages, crockery etc., plant and machinery, equipment and other assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weakness in internal control systems.
5.
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices to the extent available with the Company of similar items supplied under similar circumstances by/to other parties and sale of such services to others except where due to certain special reasons as explained to us prices have been charged with no comparison available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. Internal Audit has been conducted by an independent firm of Chartered Accountants as well as by the Company's internal audit department during the year and it is commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed for the Company the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
9. a. According to the records of the Company examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues.
According to the information and explanations given to us, there are no undisputed amounts payable in respect of the aforesaid dues that were outstanding as at 31st March 2008 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 except as follows:

Name of Statute	Year to which it relates	Amount unpaid (Rs in lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Assessment Year 1998-99	5.63	Income Tax Appellate Tribunal

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, 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.
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. The Company has made preferential allotment of preference shares to Magus Estate & Hotels Limited, a company covered in the register maintained under section 301 of the Act. The terms and conditions of the said allotment were the same as are applicable to the shares that have been allotted to an independent investor. In our opinion, the price and terms at which such shares have been issued is not prejudicial to the interest of the Company.
19. As the Company has not issued any debentures the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money during the year 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 : 30th June, 2008

VIKAS VIG
Partner
Membership No.: 16920

ASIAN HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule		Rs. in lakhs	Prior Year Rs. in lakhs
SOURCES OF FUNDS				
SHAREHOLDER'S FUND				
Share Capital	1	4280.36		2280.36
Reserves and Surplus	2	146032.65		117168.44
			150313.01	119448.80
LOAN FUNDS				
Secured Loans	3		13848.53	20776.10
NET DEFERRED TAX LIABILITY				
	4		5690.18	4648.24
SHOP SECURITY DEPOSITS				
			196.08	206.88
			170047.80	145080.02
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	156526.74		150544.70
Less : Depreciation		14103.31		11844.94
Net Block		142423.43		138699.76
Capital Work-in-Progress		4012.03		2633.05
			146435.46	141332.81
INVESTMENTS				
	6		23007.62	2459.40
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7	977.80		831.40
Sundry Debtors	8	1621.61		1329.79
Cash and Bank Balances	9	2011.75		3415.48
Loans and Advances	10	18047.98		9138.77
		22659.14		14715.44
Less:				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11	8166.02		5517.95
Provisions	12	13888.40		7909.68
		22054.42		13427.63
NET CURRENT ASSETS				
			604.72	1287.81
			170047.80	145080.02
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES				
	21			

"AS PER OUR REPORT ATTACHED"

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

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 : 30th June, 2008

ASIAN HOTELS LIMITED

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

	Schedule	Rs. in lakhs	Prior Year Rs. in lakhs
INCOME			
Rooms, Food, Beverages and Other Services	13	51383.21	41378.12
Less:Excise Duty paid		(30.78)	(36.67)
NET SALES		51352.43	41341.45
Other Income	14	2043.21	134.21
		53395.64	41475.66
EXPENDITURE			
Consumption of Provisions, Beverages, Smokes & Others	15	4045.09	3351.79
Direct Operating Expenses	16	502.45	523.07
Payment to and Provision for Employees	17	8628.00	6529.76
Operating and General Expenses	18	15361.64	12634.17
		28537.18	23038.79
PROFIT BEFORE INTEREST, DEPRECIATION, EXTRA ORDINARY ITEMS			
Interest & Finance Charges	19	2137.45	1735.29
Depreciation		2516.61	2215.60
Less : Transferred from Revaluation Reserve (Refer Note 15 of Schedule 21)		53.91	(4.51)
Prior Year Adjustments	20	51.27	403.61
PROFIT BEFORE TAX		20207.04	14086.88
Provision for taxation		5,885.00	4550.00
Provision for taxation for earlier years		-	58.10
Provision for Fringe Benefit Tax		77.50	58.41
Provision for Deferred tax Liability	4	1041.94	270.86
PROFIT AFTER TAX		13202.60	9149.51
Profit brought forward from Prior Year		11892.55	6271.71
PROFIT AVAILABLE FOR APPROPRIATION		25095.15	15421.22
Transfer to General Reserve		951.70	914.95
Interim Dividend		0.00	1824.28
Proposed Dividend on Equity Shares		228.04	456.07
Dividend on Preference Shares (Refer Note 31 of Schedule 21)		15.12	0.00
Corporate Dividend tax		41.32	333.37
SURPLUS CARRIED TO BALANCE SHEET		23858.97	11892.55
		25095.15	15421.22
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		57.82	40.12
SIGNIFICANT ACCOUNTING POLICIES AND NOTES	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 : 30th June, 2008

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL / EXTRA ORDINARY ITEMS	20207.04	14086.88
Adjustments For:		
Depreciation	2462.70	2211.09
Interest Expense	2137.45	1735.29
Interest Income	(15.34)	(15.00)
Income from Investments - Dividends	(0.02)	(0.05)
Loss on Fixed Assets sold /discarded (net)	108.63	259.28
Gain on sale of investments	(463.84)	(33.85)
Bad Debts / Advances written off	6.02	6.02
Provision for bad & doubtful debts / advances	(4.13)	180.23
Liability no longer required written back	(1550.01)	(49.88)
Provision for Gratuity and Leave Encashment	338.20	58.12
Prior Period Expenses / (Income) (Net)	51.27	403.61
TDS on service / other operating income	(960.37)	(660.34)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>22317.60</u>	<u>18181.40</u>
Adjustments For Changes in Working Capital:		
(Increase) / Decrease in Sundry Debtors	(293.71)	(371.35)
(Increase) / Decrease in Other Receivables	(1495.21)	274.16
(Increase) / Decrease in Inventories	(146.40)	(35.27)
Increase / (Decrease) in Trade and Other Payables	2701.62	1093.29
CASH GENERATED FROM OPERATIONS	<u>23083.90</u>	<u>19142.23</u>
Taxes (Paid)/ Received (net of withholding taxes (TDS))	(5376.25)	(4074.58)
Prior Period (Expenses)/ Income Net	(51.27)	(403.61)
NET CASH FROM OPERATING ACTIVITIES	<u>17656.38</u>	<u>14664.04</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Additions of Fixed Assets	(8144.25)	(4898.88)
Capital Work In Progress		
Deductions during the Year	394.89	(763.34)
Proceeds from sale of Fixed Assets	337.25	87.44
Proceeds from sale of Investments	31146.35	4526.85
Purchase of Investments	(33703.53)	(6843.00)
Share Application Money	(17458.00)	-
Proceeds from issue of shares (including Share Premium)	18000.00	-
Loans / Inter Corporate Deposits refunds received	-	32.50
Interest received (revenue)	3.76	14.88
Dividend received	0.02	0.05
NET CASH USED IN INVESTING ACTIVITIES	<u>(9423.51)</u>	<u>(7843.50)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings		
RECEIPTS	-	168.80
PAYMENTS	(5492.45)	(4080.90)
Interest Paid	(2108.65)	(1738.27)
Dividend Paid	(482.86)	(2287.87)
Corporate Dividend Tax Paid	(77.51)	(319.82)
NETCASH USED IN FINANCING ACTIVITIES	<u>(8161.47)</u>	<u>(8258.06)</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	<u>71.40</u>	<u>(1437.52)</u>
CASH AND CASH EQUIVALENTS - OPENING	<u>(1021.21)</u>	<u>416.31</u>
CASH AND CASH EQUIVALENTS -CLOSING	<u>(949.81)</u>	<u>(1021.21)</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.
- Cash and Cash Equivalents at the end of the year consist of cash in hand and Balance with banks and are net of short term loans and advances from banks as follows:

	As at 31st March 2008	As at 31st March 2007
Cash, cheques, drafts (in hand) and remittances in transit	144.22	375.58
Short term loans and advances from banks	(2961.56)	(4436.69)
Balance With Scheduled Banks	1867.53	3039.90
	<u>(949.81)</u>	<u>(1021.21)</u>

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	DINESH KUMAR JAIN	
Dated : 30th June, 2008	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 : 30th June, 2008

ASIAN HOTELS LIMITED

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

				Rs. in lakhs	Prior Year Rs. in lakhs
1. SHARE CAPITAL					
AUTHORISED					
40,000,000 (Prior Year 50,000,000) Equity Shares of Rs 10 each				4000.00	5000.00
30,000,000 (Prior Year Nil) 1% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10 each				3000.00	0.00
ISSUED, SUBSCRIBED & PAID-UP					
22,803,564 Equity Shares of Rs 10 each fully paid (of the above 6,515,304 Shares were allotted as fully paid up Bonus Shares by capitalisation of Share Premium and a part of General Reserve)				2280.36	2280.36
20,000,000 (Prior year Nil) 1% Cumulative Redeemable Non-Convertible Preference Shares of Rs.10 each fully paid				2000.00	0.00
				4280.36	2280.36
2. RESERVES AND SURPLUS					
	31.3.2007	Additions	Deductions	31.3.2008	
Capital Reserve	4.23	0.00	0.00	4.23	
Securities Premium Account *	0.00	16000.00	0.00	16000.00	
General Reserve	7148.30	951.70	0.00	8100.00	
Tourism Development Utilised Reserve	15996.06	0.00	0.00	15996.06	
Revaluation Reserve (Refer Note 15 of Schedule 21)	82127.30	0.00	53.91	82073.39	
Surplus in Profit & Loss Account	11892.55	13202.60	1236.18	23858.97	
	117168.44	30154.30	1290.09	146032.65	
* Addition to Securities Premium Account represents premium received on issue of 1% Cumulative Redeemable Non-Convertible Preference Shares (Refer Note 31 of Schedule 21)					
3. LOAN FUNDS					
SECURED LOANS					
TERM LOANS					
From Banks					
– UTI Bank Limited				1781.78	2672.68
– Punjab National Bank				3567.19	6660.94
– Canara Bank				3219.44	5765.00
– Jammu & Kashmir Bank Limited				629.53	1060.07
(Secured by hypothecation of whole of plant, machinery, construction material, equipments and other movable assets of the Company both present and future {save and except book debts} alongwith a charge on the immovable asset of the Company situated at Hyatt Regency Mumbai and Hyatt Regency Kolkata, pari passu with other term lending banks)					
– ICICI Bank Limited				102.82	180.72
Secured against hypothecation of certain vehicles					
– Punjab National Bank				1557.00	0.00
(For business of generation of electricity)					
Secured by first charge by way of mortgage of land and Hypothecation of windmills situated at Sinner & Sangli, Maharashtra					
Interest accrued and due				29.21	0.00
OTHER LOANS					
Short Term Loans and Advances					
From Banks					
– IDBI Bank Limited - Rupee Loan				0.00	2900.00
– IDBI Bank Limited - Foreign Currency Loan				2857.71	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)					

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
From Other Banks		
– Secured against hypothecation of inventories and book debts(both present & future) *	58.26	1431.69
– Secured against credit card collection	45.59	105.00
	<u>13848.53</u>	<u>20776.10</u>
* net of balances in collection accounts	619.86	288.55
– Term loans due within one year	558.72	1695.03

4. NET DEFERRED TAX LIABILITY

Created
Liability / (Asset)
Rs in lakhs

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

Depreciation	710.30	6155.62	5445.32
Provision for Retirement Benefits	(114.95)	(284.14)	(169.19)
Provision for doubtful debts / advances	495.51	(34.55)	(530.06)
Statutory Dues	(48.92)	(146.75)	(97.83)
	<u>1041.94</u>	<u>5690.18</u>	<u>4648.24</u>

5. FIXED ASSETS - AT COST

Rs. in Lakhs

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01.04.07	Revaluation	Additions	Deductions/ Adjustments	As on 31.03.08	Upto 31.03.07	For The Year	Written Back on Deductions/ Adjustments	Upto 31.03.08	As on 31.03.08	As on 31.03.07
Land-Leasehold	1467.71	0.00	0.00	0.00	1467.71	0.00	0.00	0.00	0.00	1467.71	1467.71
Land-Freehold	88799.27	0.00	34.00	0.00	88833.27	0.00	0.00	0.00	0.00	88833.27	88799.27
Buildings	31213.65	0.00	999.01	0.00	32212.66	2578.42	518.76	0.00	3097.18	29115.48	28635.23
Furniture, Fixtures and Furnishings	7155.59	0.00	1203.40	178.29	8180.70	3343.61	636.14	150.85	3828.90	4351.80	3811.98
Plant & Machinery	21026.64	0.00	3547.97	202.06	24372.55	5685.64	1222.49	104.92	6803.21	17569.34	15341.00
Vehicles	881.84	0.00	586.78	8.77	1459.85	237.27	139.22	2.47	374.02	1085.83	644.57
Total	150544.70	0.00	6371.16	389.12	156526.74	11844.94	2516.61	258.24	14103.31	142423.43	138699.76
Prior Year	65434.30	82131.81	4117.55	1138.96	150544.70	9972.24	2215.60	342.90	11844.94		
CAPITAL WORK IN PROGRESS - Refer Note 14 of Schedule 21										4012.03	2633.05
										146435.46	141332.81

- a) Gross Block includes Rs. 82131.81 lakhs being the amount added on revaluation of land and buildings with effect from 28th February, 2007. (Refer Note 15 of Schedule 21)
- b) Depreciation for the year includes an additional depreciation amounting to Rs. 53.91 lakhs (Prior year Rs. 4.51 lakhs) on revalued building that has been with drawn from Revaluation Reserve Account and credited to the Profit and Loss Account. (Refer Note 15 of Schedule 21)
- c) Land-Freehold includes amount paid to Delhi Development Authority (DDA) since recovered by the Company but not decapitalised as 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)
- d) Building includes leasehold improvement
- gross block **20.68** 20.68
- net block **13.78** 15.85
- e) Vehicles includes those financed
- gross block **289.47** 284.88
- net block **238.07** 261.13
- f) Land-Freehold and Plant & Machinery includes assets relating to the business of generation of electricity
- Land-Freehold
- gross block **34.00** 0.00
- net block **34.00** 0.00
- Plant & Machinery
- gross block **1857.02** 0.00
- net block **1857.02** 0.00

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 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		
6. INVESTMENTS				
Long Term				
Trade, Unquoted				
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
50,000 (Prior Year 49,940) Equity Shares of Rs 10 each of GJS Hotels Limited (subsidiary company)	5.00	4.99	5.00	4.99
2,50,10,000 (Prior Year Nil) Equity Shares of Rs 10 each of Aria Hotels & Consultancy Services Private Limited (subsidiary company)	2501.00	0.00	2501.00	0.00
50,000 (Prior Year Nil) Equity Shares of Rs 10 each of Chillwinds Hotels Limited (subsidiary company)	5.00	0.00	5.00	0.00
50,000 (Prior Year Nil) Equity Shares of Rs 10 each of Vardhman Hotels Limited (subsidiary company)	5.00	0.00	5.00	0.00
Share Application Money For 8,120,000 Equity Shares of Rs 10 each at a premium of Rs.205 each of GJS Hotels Limited (subsidiary company)			17458.00	0.00
Short Term				
Non -Trade, Quoted				
Nil (Prior Year 11,100,000) Units of Rs. 10 each of SBI Debt Fund Series-90 days-Growth — Net Asset Value as on 31.3.08 Rs.Nil (Prior Year Rs.1119.27 lakhs)	0.00	1110.00	0.00	1110.00
Nil (Prior Year 10,400,000) Units of Rs. 10 each of SBI Debt Fund Series-60 days-Growth — Net Asset Value as on 31.3.08 Rs.Nil (Prior Year Rs.1046.74 lakhs)	0.00	1040.00	0.00	1040.00
19,722,798 (Prior Year 1,471,140) Units of Rs. 10 each of LIC MF Liquid Fund-Growth Plan — Net Asset Value as on 31.3.08 Rs.2902.82 Lakhs (Prior Year Rs.200.15 lakhs)	1972.28	147.11	2860.00	200.00
Non-Trade Unquoted				
600 6.75% Tax Free US64 Bonds of Rs 100/- each of Unit Trust of India	0.60	0.60	0.60	0.60
			23007.62	2528.61
Less: Provision for diminution in value of investments (Refer Note 6(b) of Schedule 21)			0.00	(69.21)
			23007.62	2459.40
Note:				
Investment bought / subscribed and sold or redeemed during the year				
62.35 lakhs Units of SBI Magnum Insta Cash Fund (Prior Year Nil)				
494.28 lakhs Units of HDFC Liquid Fund - Growth (Prior year 50.92 lakhs units)				
287.49 lakhs Units of HDFC Short Term Plan-Growth (Prior Year Nil)				
492.86 lakhs Units of LIC MF Liquid Fund-Growth Plan (Prior year 103.29 lakhs units)				
324.60 lakhs Units of Templeton FRIF Short Term Plan (Prior Year Nil)				
374.45 lakhs Units of PNB Floating Rate Fund - FMP (Prior year Nil)				
Nil Units of DSP ML Liquidity Fund-Regular Growth (Prior year 99.38 Lakhs Units)				
Nil Units of Kotak Liquid (Institutional) Growth (Prior year 17.70 lakhs units)				
Nil Units of Sundaram BNP Paribas Money Fund Institutional (Prior year 22.38 lakhs units)				
7. INVENTORIES				
Wines & Liquor			307.85	265.27
Provisions, Other Beverages and Smokes			167.12	80.94
Crockery, Cutlery, Silverware, Linen etc.			316.75	307.82
General Stores and Spares			186.08	177.37
			977.80	831.40

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

	Rs. in lakhs	Prior Year Rs. in lakhs
8. SUNDRY DEBTORS		
Outstanding for over six months	68.16	56.82
Others	1574.67	1298.32
	1642.83	1355.14
Less :Provision for doubtful debts	(21.22)	(25.35)
	1621.61	1329.79
Unsecured considered good	1621.61	1329.79
Unsecured considered doubtful	21.22	25.35
9. CASH AND BANK BALANCES		
Cash in hand	44.89	37.15
Cheques in hand	99.33	338.43
With Scheduled Banks :		
Current Accounts	76.71	22.05
Unpaid Dividend Current Accounts	80.62	107.40
Fixed Deposits *	1710.20	2910.45
	2011.75	3415.48
* Include :		
– under lien against overdraft facilities	10.00	10.00
– pledged with Government authorities	0.20	0.45
10. LOANS & ADVANCES		
Advances to subsidiary company *	0.02	383.15
Inter-Corporate Loans	176.28	176.28
Advances recoverable in cash or in kind or for value to be received	4687.61	3140.78
Advance income tax	13100.05	6835.23
Security Deposits	153.96	137.45
Interest accrued on Fixed Deposits	10.50	0.00
	18128.42	10672.89
Provision for doubtful advances/deposits	(80.44)	(1534.12)
	18047.98	9138.77
Unsecured considered good	18047.98	9138.77
Unsecured considered doubtful	80.44	1534.12
*includes advance given to		
– GJS Hotels Limited (Subsidiary Company) maximum balance due during the year	0.00	383.15
– Chillwinds Hotels Limited (Subsidiary Company) maximum balance due during the year	0.01	0.00
– Vardhman Hotels Limited (Subsidiary Company) maximum balance due during the year	0.01	0.00
	0.92	0.00
11. CURRENT LIABILITIES		
Sundry Creditors		
– for capital projects	118.08	117.31
– others *	1196.92	566.51
Advances from Customers	1026.63	941.23
Interest accrued but not due on loans	0.56	0.97
Security Deposits received	32.05	32.05
Other Liabilities **	5791.78	3859.88
	8166.02	5517.95
* includes due to Small Scale Industrial Undertakings (Refer Note 32 of Schedule 21)	2.55	5.67
**includes		
– due to GJS Hotels Limited (Subsidiary Company)	1023.84	0.00
– due to Aria Hotels &Consultancy Services Private Limited (Subsidiary Company)	0.34	0.00
– unclaimed Dividends	80.62	107.40
– due to Directors (including commission)	1226.43	979.54
12. PROVISIONS		
Gratuity	678.21	405.03
Leave Encashment	157.76	92.74
Income Tax	12762.45	6877.45
Fringe Benefit Tax	5.50	0.88
Proposed dividend on Equity Shares	228.04	456.07
Dividend on Preference Shares *	15.12	0.00
Corporate Dividend Tax	41.32	77.51
	13888.40	7909.68
*Refer Note 31 of Schedule 21		

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
13. ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Rooms	33790.64	26508.11
Wines and Liquor	2557.91	2014.41
Food, Other Beverages, Smokes & Banquets	10741.76	9027.70
Communications	674.11	818.17
Others *	3618.79	3009.73
	<u>51383.21</u>	<u>41378.12</u>
*includes :		
– gain/(loss) on account of foreign exchange translation (net)	(1.89)	0.62
14. OTHER INCOME		
Interest earned *	15.34	15.00
Dividends	0.02	0.05
Gain/ (Loss) on sale of investments (net)	463.84	33.85
Excess provisions written back **	1,453.68	5.93
Provision for Diminution in value of Investments written back***	69.21	0.00
Credit balances written back	27.12	43.95
Bad Debts Recovered	0.00	6.50
Miscellaneous****	14.00	28.93
	<u>2043.21</u>	<u>134.21</u>
* Tax deducted at source	1.08	0.12
** Refer Note 20 of Schedule 21		
*** Refer Note 6(b) of Schedule 21		
**** includes income related to generation of electricity business (Refer note 24 of Sechedule 21)	0.16	0.00
15. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS		
WINES & LIQUOR		
Opening Stock	265.27	247.49
Add : Purchases	845.93	619.28
	<u>1111.20</u>	<u>866.77</u>
Closing Stock	(307.85)	(265.27)
	<u>803.35</u>	<u>601.50</u>
PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	80.94	77.68
Add : Purchases	3327.92	2753.55
	<u>3408.86</u>	<u>2831.23</u>
Closing Stock	(167.12)	(80.94)
	<u>3241.74</u>	<u>2750.29</u>
	<u>4045.09</u>	<u>3351.79</u>
Indigenous 83.78% (Prior Year 86.06 %)	3388.99	2884.47
Imported 16.22% (Prior Year 13.94 %)	656.10	467.32
16. DIRECT OPERATING EXPENSES		
Telephone	122.42	115.06
Guest Transportation	380.03	408.01
	<u>502.45</u>	<u>523.07</u>
17. PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Ex gratia	6107.53	4651.75
Provident and other Funds	297.88	225.20
Gratuity	323.97	87.08
Rent - staff accommodation	53.16	24.24
Workmen and Staff Welfare *	849.97	678.74
Contract Labour & Service	887.14	757.21
Recruitment & Training	108.35	105.54
	<u>8628.00</u>	<u>6529.76</u>
* includes :		
Cost of provisions consumed in staff cafeteria	418.46	339.83
Realisation on sale of food coupons to staff	(21.70)	(23.08)

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
18. OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering and Other supplies/services	1103.14	953.20
Operating equipment and Supplies written off	453.14	416.73
Fuel, Power and Light (net)	2608.97	2226.11
Repairs, Maintenance and Refurbishing *	1943.49	1555.68
Rent	20.90	3.12
Rates and Taxes	1272.29	1112.66
Insurance	236.30	260.68
Directors' sitting fee	12.24	10.76
Legal and Professional	1326.24	536.17
Artist Fee	40.66	21.52
Stationery and Printing	164.39	150.25
Travelling and Conveyance **	451.02	398.70
Communication	145.16	143.52
Technical Services	2853.99	2206.54
Advertisement and Publicity	805.49	707.17
Commission and Brokerage	1670.01	1388.09
Charity & Donation	22.11	46.09
Bad debts / advances written off	6.02	6.02
Provision for doubtful debts / advances	(4.13)	180.23
Loss on Fixed Assets sold/discarded (net)	108.63	259.28
Difference in Exchange	59.72	0.00
Miscellaneous	61.86	51.65
	15361.64	12634.17
* includes:		
Repairs & Maintenance - Buildings	383.19	331.82
Repairs & Maintenance - Plant & Machinery	945.57	804.95
** includes:		
Travel of Directors	87.05	56.48
19. INTEREST AND FINANCE CHARGES		
Interest on – fixed loans	1263.61	1692.77
– others	853.30	29.58
Bank & Finance charges	20.54	12.94
	2137.45	1735.29
20. PRIOR YEAR ADJUSTMENTS		
Repair, maintenance and refurbishing	1.84	0.70
Rates and Taxes	44.82	401.83
Legal & Professional Expenses	0.23	0.75
Advertisement & Publicity	5.42	0.00
Other adjustments	(1.04)	0.33
	51.27	403.61
21. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES		
1. (i) Basis of Accounting		
The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standards Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.		
(ii) Use of Estimates		
The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.		
(iii) Revenue Recognition		
Income is recognized on accrual basis.		
(iv) Income in Foreign Exchange		
The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate / rates		

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.		
(v) Interest on Income Tax Refunds / Demands It is accounted for as income in the year when granted and as tax expense when determined by the Department.		
(vi) Claims Recoverable Claims recoverable are accrued only to the extent as admitted by the parties subject to note 19 regarding certain claim relating to stamp duty on certain land.		
(vii) Expenses remittable in foreign exchange These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.		
2. (i) Foreign Exchange Transaction Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year end are translated at the year end rates resulting in exchange differences being recognized as income /expenses (net).		
(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. Employee Benefits		
(i) Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet.		
(ii) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligation other than the contributions payable to the respective fund.		
4. Taxation		
(i) Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.		
(ii) 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).		
(iii) Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.		
(iv) Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.		
5. Fixed Assets and Depreciation		
Fixed Assets		
(a) Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortisation. Cost represents the direct expenses incurred on acquisition /construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.		
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.		

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
(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 increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve Account.		
(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.		
6. Investments		
Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term 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)	0.00	69.21
7. Inventory		
(a) Inventory is valued at cost or net realizable value whichever is lower		
(b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.		
8. Impairment		
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.		
9. Earnings per share		
Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.		
10. Provisions		
A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.		
11. Cash and Cash Equivalents		
Cash and cash equivalents in the cash flow comprise cash at bank and cash/cheques in hand and short term deposits with Banks less short term advances from Bank.		
12. Dividend		
Dividend proposed on equity shares, if any, is accounted for pending approval at the Annual General Meeting.		
13. Contingent Liabilities:		
(a) Outstanding Capital Expenditure Commitments	1577.29	1434.09
(b) Claims against the Company not acknowledged as debts	653.01	110.67
(c) Outstanding bank guarantees	-	15.59
(d) Demand for income tax (exclusive of interest amounting to Rs.109.59 lakhs Prior Year Rs 109.59 lakhs) not provided for pending appeals	113.25	113.25

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
14. Capital Work-in-Progress consists of:		
(a) Renovation/refurbishing work / other work in progress	681.31	1076.20
(b) Advances for capital contracts (unsecured, considered good)	3330.72	1556.85
	<u>4012.03</u>	<u>2633.05</u>
15. The Company, based on the report by a Certified Valuer, had revalued land and building of Hyatt Regency Delhi, one of the units of the Company, during prior year 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 had been credited to the Revaluation Reserve Account. The method adopted by the Certified Valuer for revaluation purpose, was the Cost of Contractor's method . Consequently, there was an additional charge of Rs.53.91 (Prior year Rs. 4.51 lakhs) for the year on account of depreciation on increase in value of assets on account of revaluation and accordingly, an equivalent amount has been withdrawn from the Revaluation Reserve Account and credited to the Profit & Loss Account.		
16. The Board of Directors of the Company during prior year had 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 approved by the Bombay Stock Exchange and the National Stock Exchange has been approved by the Hon'ble High Court of Delhi. The Scheme has been filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana on 19th May, 2008 but in terms of the revised clause 6.12 of the Scheme, it shall become effective on the 16th day after the approval of the Government of West Bengal is received for vesting of the Leashold Property at Kolkata in the demerged entity.		
17. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management the reduction in value of any asset, to the extent required, has already been provided for in the books.		
18. Letters for confirmation of balances sent to parties have been received back only in a few cases and discrepancies, if any, pointed out by the parties are being investigated for necessary adjustments to be carried out.		
19. 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 Mangement and as confirmed by the Audit Committee	1056.64	1056.64
20. (a) During the year, the Company has entered into an agreement with the existing shareholders of Regency Convention Centre & Hotels Ltd. (RCC), an associate Company, for further acquisition of equity shares and an amount of Rs.1400 lacs has been paid, through its subsidiary company, GJS Hotels Ltd., as part payment in terms of the said agreement. The said amount in addition to amount earlier paid aggregating to Rs.2734 lakhs has been included in Loans & Advances. Further, other liabilities includes an amount of Rs.1023.84 lakhs due to GJS Hotels Ltd. with regard to the said payment. With the entering into of the fresh agreement for acquisition of such shares and consequent to the positive advise received, the amount of Rs.1353.68 lakhs earlier provided as doubtful advances relating to the said transaction is now considered good and thus written back during the year.		
(b) Loans & Advances includes an amount of Rs.176.28 lakhs for which legal proceedings had been initiated and provided as doubtful in earlier years. Subsequent to the Balance Sheet date, a settlement agreement has been entered into and Rs.100 lakhs has been received. Hence, provision amounting to Rs.100 lakhs has been written back during the year.		
21. The Company has classified the various benefits provided to employees as under:-		
(a) Defined contribution plans		
i) Provident fund		
During the year, the Company has recognized the following amounts in the profit and loss account:		
Employers' contribution to provident fund		Rs. 272.33 lakhs
(b) Defined benefit plans		
a) Contribution to Gratuity funds		
b) Compensated absences - Earned leave		

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
<p>In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-</p> <p>Economic Assumptions The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.</p> <p>Discount Rate The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 0 years. For the current valuation a discount rate of 8 % p.a. compound, has been used in consultation with the employer.</p> <p>Salary Escalation Rate The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarised in the following table:</p>		
	Gratuity (Unfunded)	Compensated absences Earned leave (Unfunded)
Discount rate (per annum)	8%	8%
Future salary increase	8%	8%
Expected rate of return on plan assets	0%	0%
In service mortality	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Retirement age	58 years	58 years
Withdrawal rates:	Upto 30 years 3%	Upto 30 years 3%
	Upto 44 years 2%	Upto 44 years 2%
	Above 44 years 1%	Above 44 years 1%
	Rs. in Lakhs	Prior Year Rs. in Lakhs
I. Expense recognised in profit and loss account		
Current service cost	84.37	36.74
Interest cost	32.40	7.42
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognised in the year	<u>214.96</u>	<u>42.85</u>
Total expense	<u>331.73</u>	<u>87.01</u>
	Gratuity (Unfunded)	Compensated absences Earned leave (Unfunded)
II. Net asset/(liability) recognised in the balance sheet as at March 31, 2008		
Present value of Defined benefit obligation	678.21	157.76
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(678.21)	(157.76)
Net asset/(liability) as at March 31, 2008	<u>(678.21)</u>	<u>(157.76)</u>
III. Change in the present value of obligation during the year		
Present value of obligation as at the beginning of the year	405.03	92.74
Interest cost	32.40	7.42
Current service cost	84.37	36.74
Benefits paid	(58.55)	(21.97)
Actuarial (gains) / losses on obligation	<u>214.96</u>	<u>42.85</u>
Present value of obligation as at the end of the year	<u>678.21</u>	<u>157.78</u>
22. Out of the Service Tax demand raised and paid for Rs.146.11 lakhs, Rs. 95.94 lakhs has been paid under protest. In the opinion of the Company, amount paid under protest is not liable to be paid and hence has been included under Loans & Advances. The Company has applied for claim of said refund vide application dated May 9, 2008. Moreover, subsequent to the Balance Sheet date, the Company has also received notices with regard to Service Tax due on certain services amounting to Rs.482.54 lakhs considered to be not tenable in the opinion of the Company and thus included along with the above said amount of Rs. 95.94 lakhs under Contingent Liabilities as Claims against the Company not acknowledged as debts as no provision has been made against the same.		

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
23 (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	20207.04	14086.88
Add/ (Less):		
Loss on Fixed Assets sold / discarded (net)	108.63	259.28
Loss/(Gain) on sale of investments (net)	(463.84)	(33.85)
Provision no longer required written back	(1453.68)	0.00
Provision for Diminution in value of Investment written back	(69.21)	0.00
Provision for Doubtful debts / advances	(4.13)	180.23
Provision for Wealth Tax (net)	2.45	1.38
NET PROFIT AS PER SECTION 349	18327.26	14493.92
Managerial Remuneration (as stated below)	1449.47	1164.94
PROFIT AS PER SECTION 198	19776.73	15658.86
Commission @ 2% of the above payable to each of the three Managing Directors included under the head "Salaries, Wages and Ex Gratia".	395.53	313.18
Commission payable to each of the Eight Non Executive Directors @ 1% of Profit as above subject to maximum of Rs 5 lakhs (prior year Rs.5 lakhs) per Director per annum included under the head "Salaries, Wages and Ex Gratia".	5.00	5.00
(b) Managerial Remuneration (excluding provision for gratuity) to Directors:		
Salaries	130.40	112.40
House Rent Allowance	71.94	43.20
Commission	1226.59	979.54
Provident Fund Contribution	15.65	13.49
Monetary value of Perquisites	4.89	16.31
	1449.47	1164.94
24. The Company is presently operating an integrated hotel business at three geographical locations namely Hyatt Regency Delhi, Hyatt Regency Kolkata and Hyatt Regency Mumbai. The entire operations are governed by the same set of risks and returns hence have been considered as representing a Single Segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17). The Company, during the year, has altered its object clause of Memorandum of Association and entered into a different business segment, viz., power generation, governed by different risks and returns. However, it is not a reportable segment as defined under the said Accounting Standard, hence no separate disclosures have been made. The assets, liabilities and revenues relating to the said business have however, been disclosed in the accounts separately.		
25. 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	31.40	16.50
(ii) Later than one year and not later than five years	45.00	0.00
26. Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	84.05	89.08
later than one year but not later than five years	25.62	109.67
Present value of minimum instalments payable within one year	24.13	102.82
later than one year but not later than five years	78.69	77.90
27. 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	34.71	32.58
(ii) Later than one year and not later than five years	60.30	67.36
28. Related Party Disclosures		
a) Parties which significantly influence the Company (either individually or with others)		
(i) Yans Enterprises (H.K.) Ltd.		
(ii) DSO Ltd.		
(iii) Saraf Industries Ltd.		
b) Parties which are significantly influenced by the Company (either individually or with others)		
(i) GJS Hotels Limited - a subsidiary company		
(ii) Aria Hotels & Consultancy Services Private Limited - a subsidiary company		
(iii) Chillwinds Hotels Limited - a subsidiary company		
(iv) Vardhman Hotels Limited - a subsidiary company		
(v) Regency Convention Centre & Hotels Ltd - an associate company		

ASIAN HOTELS LIMITED

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

c) Related Party Transactions

(Rs in lakhs)

Particulars	Subsidiary		Associate Company		Key Management Personnel		Entities controlled by Directors or their relatives	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Purchase of Services							5.00	4.60
Sale of Services (Room, Food, Beverages and other services)							40.73	38.99
Remuneration					1409.47	1124.94		
Professional Charges							8.64	7.34
Advances Received	1407.33	–						
Advances given	0.00	36.60	0.48	2.24				
Sale of Capital goods		346.55						
Donation							–	26.00
Sharing of Expenses							10.65	0.70
Rent							16.88	
Reimbursement of Expenses	53.24						14.09	
Share Application Money	17458.00							
Investment in shares	2511.01							
Issue of Preference shares (at premium)							9000.00	–
Balance Outstanding								
Payables	1024.18				1186.43	939.69	0.70	
Receivables	0.02	383.15	52.50	52.02			6.07	7.21
Provision for doubtful advances				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:

- Subsidiary
 - GJS Hotels Limited
 - Aria Hotels & Consultancy Services Private Limited
 - Chillwinds Hotels Limited
 - Vardhman Hotels Limited
- Associate Company
 - Regency Convention Centre & Hotels Limited
- Key Management Personnel
 - Mr. Sushil Gupta Managing Director (West)
 - Mr. Shiv Jatia Managing Director (North)
 - Mr. Umesh Saraf Managing Director (East)
- Entities controlled by Directors or their relatives
 - Bell Ceramics Limited
 - M/s Bhasin & Co
 - Choice Hospitality (India) Limited
 - Energy Infrastructure (I) Limited
 - Godfrey Philips Limited
 - Juniper Hotels Private Limited
 - Magus Estates & Hotels Limited
 - Nepal Travel Agency Private Limited
 - Ram Pyari Devi Charitable Trust
 - WEL Intertrade Limited
 - Eden Park Hotels Private Limited

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND 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.	5.00	3.49
– Juniper Hotels Pvt. Ltd.	–	1.11
Sale of Services (Room, Food, Beverages and other services)		
– Magus Estates & Hotels Ltd.	–	11.14
– Godfrey Philips Ltd.	16.57	9.58
– Juniper Hotels Pvt. Ltd.	2.61	12.94
– M/s Bhasin & Co.	17.43	–
Remuneration		
– Mr. Sushil Gupta	468.26	375.64
– Mr. Shiv Jatia	468.26	375.64
– Mr. Umesh Saraf	472.95	373.66
Professional Charges		
– M/s Bhasin & Co.	8.64	7.34
Advances Received		
– GJS Hotels Ltd.	1407.00	–
Advances given		
– GJS Hotels Ltd.	–	36.60
– Regency Convention Centre & Hotels Ltd.	–	2.24
Sale of capital goods		
– GJS Hotels Ltd.	–	346.55
Donations		
– Rampyari Devi Charitable Trust	–	26.00
Sharing of Expenses		
– Magus Estates & Hotels Ltd.	–	0.28
– WEL Intertrade Ltd.	10.65	0.42
Rent		
– Eden Park Hotels Pvt. Ltd	16.88	–
Reimbursement of Expenses		
– Magus Estates & Hotels Ltd.	14.09	–
– Aria Hotels & Consultancy Services Private Limited	50.67	–
Share Application Money		
– GJS Hotels Ltd.	17458.00	–
Investment in Shares		
– Aria Hotels & Consultancy Services Private Limited	2501.00	–
Issue of Preference Shares		
– Magus Estates & Hotels Ltd.	9000.00	–
Outstanding Payables		
– GJS Hotels Ltd.	1023.84	–
– Mr. Sushil Gupta	395.53	313.23
– Mr. Shiv Jatia	395.37	313.23
– Mr. Umesh Saraf	395.53	313.23
– Magus Estates & Hotels Ltd.	0.70	–
– Aria Hotels & Consultancy Services Private Limited	0.34	–
Outstanding Receivables		
– GJS Hotels Ltd.	–	383.15
– Regency Convention Centre & Hotels Ltd.	52.50	52.02
– Regency Convention Centre & Hotels Ltd.	–	7.21
– M/s Bhasin & Co.	5.97	–
– Bell Ceramics Limited	0.10	–
– Chillwinds Hotels Limited	0.01	–
– Vardhman Hotels Limited	0.01	–
Provision for doubtful advances		
– Regency Convention Centre & Hotels Ltd.	–	19.20

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
29. Payment to Auditors :		
As Audit Fee	11.00	9.00
As Tax Audit Fee	2.50	2.00
As Certification Charges	5.23	3.23
As Advisors on legal matters	0.85	0.85
As IFRS Audit Fees	16.00	0.00
As reimbursement of service tax	4.40	1.86
As reimbursement of out of pocket expenses	0.54	0.26
30. A. The Company has been exempted vide order no 46/91/2008-CL-III dated 23rd May 2008 of Ministry of Corporate Affairs, Government of India 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, 2008, March 31, 2009 and March 31, 2010.		
B. C.I.F. Value of Imports		
a) Food and Beverages	126.81	30.42
b) Stores and Spares	271.77	377.85
c) Capital Goods	2097.45	1297.44
d) Beverages - through canalising agencies	589.30	365.79
C. Expenditure in Foreign Currency - On payment basis		
a) Technical Services	2104.80	2012.79
b) Advertisement & Publicity	162.71	290.69
c) Commission & Brokerage	636.50	496.91
d) Recruitment & Training	60.51	49.67
e) Others	665.01	503.11
D. Earnings in Foreign Exchange - On receipt basis As certified and reported by the Management to the Department of Tourism	33824.83	26949.36
E. Details of dividends paid to Non Resident Shareholders holding shares on repatriation basis		
Final Dividend		
a) Year to which dividend relates	2006-07	2005-06
b) Number of non resident shareholders	628	656
c) Number of shares held by them	11197621	11256909
d) Rupees (in lakhs) equivalent of amount paid in foreign currency	214.98	215.02
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	8.97	10.12
Interim Dividend		
a) Year to which dividend relates	-	2006-07
b) Number of non resident shareholders	-	659
c) Number of shares held by them	-	11273390
d) Rupees (in lakhs) equivalent of amount paid in foreign currency	-	860.08
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
31. During the year, the shareholders of the Company in its Extra-ordinary General Meeting held on 25th June 2007 resolved to increase the authorised share capital and the issuance and allotment of 2 crore 1% cumulative redeemable non-convertible preference shares of Rs. 10/- each at a premium of Rs 80/- per share. Subsequently, the Company entered into respective subscription agreements with Infrastructure Development Finance Company Limited (IDFC) and Magus Estate and Hotels Limited (Magus), a Company in which one of the director is interested for subscription to the said preference shares. Allotment for the said Preference Shares at premium has been done during the year. The agreements stipulates that the Company shall redeem the Preference Shares in three instalments of 25%, 25% and 50% (including redemption premium in case of IDFC only) respectively as under commencing from June 30, 2008: -		
Date of Redemption	Amount of Redemption (Rs. in lakhs)	
	IDFC	MAGUS (as per revised terms)
June 30, 2008	3303.00	2250.00
June 30, 2009	2989.00	2250.00
June 30, 2010	4832.00	4500.00

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
The dividend amounting to Rs.17.69 lakhs (including corporate dividend tax of Rs.2.57 lakhs) is provided as on 31st March, 2008 on the said preference shares.		
32. 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 except as given:	1.31	0.00
– Karun Advertisers		
– L R Foods Pvt. Ltd.		
– Friends Conduit Mfg. Co.		
– Gem Sanitary Appliances Pvt. Ltd		
33. The Government of India has promulgated The Micro, Small and Medium Enterprises Development Act, 2006 in force with effect from October 2, 2006. The Company has during the year, not received any intimation from any of its suppliers regarding their status under the said Act and hence disclosures, if any, relating to amounts unpaid as at the year end alongwith interest paid / payable as required under the said Act have not been given. The Company generally makes payments to all its suppliers within the agreed credit period and thus, the Management is confident that the liability of interest under this Act, if any, would not be material.		
34. Computation of Earnings per share - (Basic & Diluted)		
Profit after taxation	13202.60	9149.51
Less : Dividend on Preference Shares (including Corporate Dividend Tax)	17.69	0.00
Profit available for equity shareholders	13184.91	9149.51
Weighted average number of shares outstanding	22803564	22803564
Nominal value per share	Rupees 10.00	10.00
Earnings per share - Basic and Diluted	Rupees 57.82	40.12
35. 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, 2008 and Profit & Loss Account for the year ended on that date.		

ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi
Dated : 30th June, 2008

DINESH KUMAR JAIN
Company Secretary

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

ASIAN HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

L55101DL1980PLC011037 Balance Sheet date 31st March 2008 State Code 055

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

Public Issue	Rights Issue	Bonus Issue	Private Placement
NIL	NIL	Nil	200000

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

Total Liabilities	Total Assets
17004780	17004780

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Net Deferred tax Liability	Deposits
428036	14603265	1384853	569018	19608

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Accumulated Losses
14643546	2300762	60472	0	0

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

Turnover	Total Expenditure	Earnings per share in Rs.
5339564	3318860	57.82
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
2020704	1320260	10%

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

Item Code No. (ITC Code)	Products Description
N.A.	Hotel Business

Place : New Delhi
Dated : 30th June, 2008

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)

ASIAN HOTELS LIMITED

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

1.	Name of the Subsidiary	GJS Hotels Limited	Chillwinds Hotels Limited	Vardhman Hotels Limited	Aria Hotels & Consultancy Services Private Ltd.
2.	Financial Year of the Subsidiary ended on	March 31st, 2008	March 31st, 2008	March 31st, 2008	March 31st, 2008
3.	Date from which it became Subsidiary	December 09th, 2002	July 12th, 2007	July 12th, 2007	August 16th, 2007
4.	a) No. of shares of the Subsidiary held by the Holding Company in its own name / name of nominee at the end of the financial year of the Subsidiary. b) Extent of interest of the Holding Company at the end of the financial year of the Subsidiary.	50,000 (Equity shares of Rs. 10 each) 100.00%	50,000 (Equity shares of Rs. 10 each) 100.00%	50,000 (Equity shares of Rs. 10 each) 100.00%	2,50,10,000 (Equity shares of Rs. 10 each) 100.00%
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 March 31st, 2008 ii. for prior years since becoming subsidiary	Rs.52.82 Lacs Rs.(0.63) Lacs	Rs.(1.23) Lacs N/A	Rs.(1.38) Lacs N/A	Rs.2.32 Lacs N/A
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 31st, 2008 ii. for prior years since becoming subsidiary	NIL NIL	NIL N/A	NIL N/A	NIL N/A

For **MOHINDER PURI & COMPANY**
CHARTERED ACCOUNTANTS

VIKAS VIG
PARTNER
Membership No. : 16920

Place : New Delhi
Date : 30th June, 2008

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)

DINESH KUMAR JAIN
Company Secretary

SIXTH ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

SUSHIL GUPTA
SHIV JATIA
UMESH SARAF

AUDITORS

M/S MOHINDER PURI & CO.
CHARTERED ACCOUNTANTS

BANKERS

BANK OF BARODA
CITI BANK N.A.

REGISTERED OFFICE

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

DIRECTORS' REPORT

TO THE MEMBERS

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

OBJECTS, OPERATIONS & FINANCIAL RESULTS

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

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

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

DIRECTORS

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

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

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

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

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

AUDITORS

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

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

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

PERSONNEL

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

For and on Behalf of the Board

Place : New Delhi
Dated : 21st June, 2008

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

AUDITORS' REPORT

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

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

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

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

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

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

For & on Behalf of

MOHINDER PURI AND COMPANY
Chartered Accountants

(VIKAS VIG)
Partner
Membership No.: 16920

Place : NEW DELHI
Dated : 21st June, 2008

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

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

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

Place : NEW DELHI
Dated : 21st June, 2008

GJS HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

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

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner

For & On Behalf Of
MOHINDER PURI & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 21st June, 2008

ON BEHALF OF THE BOARD OF DIRECTORS

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

GJS HOTELS LIMITED

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

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

"AS PER OUR REPORT ATTACHED"

VIKAS VIG
Partner

For & On Behalf Of
MOHINDER PURI & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 21st June, 2008

ON BEHALF OF THE BOARD OF DIRECTORS

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

GJS HOTELS LIMITED

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

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

Notes:

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

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

ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi
Dated : 21st June, 2008

UMESH SARAF **SUSHIL KUMAR GUPTA**
Director Director

AUDITORS' CERTIFICATE

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

VIKAS VIG

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

GJS HOTELS LIMITED

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

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

GJS HOTELS LIMITED

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

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

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

8. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES

I. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Use of Estimates

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

3. Recognition of Income and expenditure

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

4. Taxation

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

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

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

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

5. Earnings per share

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

6. Provisions

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

7. Cash and Cash Equivalents

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

II. CONTINGENT LIABILITIES & NOTES

8. As per information available with the management and as certified by them, there is no contingent liability as at 31st March, 2008.

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

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

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

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

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

351,067.545 Units of DSPML Liquid Plus Instl- Daily Dividend of Rs35,03,13,268

13. During the year, Asian Hotels Limited, the Holding Company had made a subscription for 81,20,000 equity shares of Rs 10/- each at a premium of Rs.205/- per share, aggregating to Rs.174,58,00,000/-. The Company is yet to allot the shares for the same and hence has been shown under Share Application Money Pending Allotment.

14. Loans and Advances include an amount of Rs.1,605,700,625 paid to Robust Hotels Private Limited, a Company in which one of the director is interested for acquiring 7,468,375 0.001% Optionally Convertible Preference Shares of Rs.10/- each at a premium of Rs.205/- per share.

15. Related Party Disclosure

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

(i) Asian Hotels Limited, the Holding Company

b) Related Party Transactions

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

Notes :

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

16. Computation of Earning / (Loss) Per Share

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

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

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

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

GJS HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 117945

Balance Sheet date 31st March 2008

State Code 055

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

NIL

NIL

Nil

Nil

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

Total Liabilities

Total Assets

1751519

1751519

Sources of Funds

Paid Up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

1746300

5219

Nil

Nil

Application of Funds

Net Fixed Assets

Investments

Net Current Assets
(after adjustment of
deferred tax liability)

Misc. Expenditure

Accumulated Losses

38750

NIL

1712769

Nil

Nil

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

Turnover

Total Expenditure

Earnings per share
in Rs.

8942

1051

106

+/- Profit/
Loss Before Tax

+/- Profit/
Loss After Tax

Dividend Rate %

7891

5282

Nil

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

Item Code No.
(ITC Code)

Products
Description

N.A.

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

ON BEHALF OF THE BOARD OF DIRECTORS

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

FIRST ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

SUSHIL GUPTA
SHIV JATIA
UMESH SARAF
SUDHIR GUPTA
SANDEEP GUPTA

AUDITORS

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

BANKERS

JAMMU AND KASHMIR BANK LIMITED

REGISTERED OFFICE

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

DIRECTORS' REPORT

TO THE MEMBERS

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

OBJECTS, OPERATIONS & FINANCIAL RESULTS

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

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

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

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

DIRECTORS

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

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

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

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

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

AUDITORS

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

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

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

PERSONNEL

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

For and on Behalf of the Board

Place : New Delhi
Dated : 21st June, 2008

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

CHILLWINDS HOTELS LIMITED

AUDITORS' REPORT

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

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

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

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

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

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

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

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

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

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

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

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

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

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

As per our report of even date attached

For and on behalf of the Board

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

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

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

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON ACCOUNTS- SCHEDULE-4

As per our report of even date attached

For and on behalf of the Board

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

CHILLWINDS HOTELS LIMITED

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

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

As per our report of even date attached

For and on behalf of the Board

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

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

	Amount (Rs)
SCHEDULE 1: SHARE CAPITAL	
Authorised Share Capital:	
50000 Equity Shares of Rs. 10 each	500,000.00
Subscribed & paid up Share Capital:	
50000 Equity Shares of Rs. 10 each fully paid up	500,000.00
The entire paid-up equity share capital is held by M/s Asian Hotels Ltd - the Holding Company	
SCHEDULE 2: CURRENT ASSETS	
Cash In Hand	375,000.00
Balance with Scheduled Bank in Current Account	30,622.46
	<u>405,622.46</u>
SCHEDULE 3: CURRENT LIABILITIES	
TDS Payable	2,893.00
Audit Fees Payable	25,197.00
Other Outstanding Liabilities	504.00
	<u>28,594.00</u>

CHILLWINDS HOTELS LIMITED

SCHEDULE 4: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

i) **Basis of Preparation of Financial Statements:**

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

ii) **Miscellaneous Expenditure**

Preliminary Expenses have been charged to profit & loss account.

iii) **Taxes on Income**

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

iv) **Provisions and contingent liabilities**

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

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

B. NOTES TO ACCOUNTS

1. Contingent Liabilities – NIL

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

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

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

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

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

4. Auditors' Remuneration includes the following:

Payments towards

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

5. Earnings per share as per Accounting standards AS 20

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

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

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

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

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

Transactions with Holding Company

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

CHILLWINDS HOTELS LIMITED

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

10. There are no foreign currency exposures with company.

As per our report of even date attached

For and on behalf of the Board

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

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

As per our Report of even date attached

For and on Behalf of the Board

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

For **CHILLWINDS HOTELS LIMITED**

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

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

VARDHMAN HOTELS LIMITED

FIRST ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

AXIS BANK LTD.

REGISTERED OFFICE

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

DIRECTORS' REPORT

TO THE MEMBERS

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

OBJECTS, OPERATIONS & FINANCIAL RESULTS

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

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

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

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

DIRECTORS

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

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

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

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

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

AUDITORS

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

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

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

PERSONNEL

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

Place : New Delhi
Dated : 21st June, 2008

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

VARDHMAN HOTELS LIMITED

AUDITORS' REPORT

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

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

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

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

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

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

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

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

ARUN K. TULSIAN
Partner

Membership No. 89907

Place : New Delhi

Dated : 21st June, 2008

VARDHMAN HOTELS LIMITED

ANNEXURE TO AUDITORS' REPORT

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

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

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

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 21st June, 2008

VARDHMAN HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

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

As per our report of even date attached

For and on behalf of the Board

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

ARUN K. TULSIAN
Partner
Membership No. 89907

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

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

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

Basic & Diluted Earning Per Share

-2.76

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON ACCOUNTS- SCHEDULE-4

As per our report of even date attached

For and on behalf of the Board

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

ARUN K. TULSIAN
Partner
Membership No. 89907

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

VARDHMAN HOTELS LIMITED

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

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

As per our report of even date attached

For and on behalf of the Board

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

ARUN K. TULSIAN
Partner
Membership No. 89907

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

Place : New Delhi
Dated : 21st June, 2008

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

Schedule 1: Share Capital

Authorised Share Capital:

50000 Equity Shares of Rs. 10 each 500,000.00

Issued, Subscribed & Paid up Share Capital:

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

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

Schedule 2: Current Assets

Cash In Hand 244,490.00

Balance with Scheduled Bank in Current Account 152,221.35

396,711.35

Schedule 3: Current Liabilities

TDS Payable 2,893.00

Audit Fees Payable 25,197.00

Other Outstanding Liabilities 6,886.00

34,976.00

Schedule 4: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements:

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

ii) Miscellaneous Expenditure

Preliminary Expenses have been charged to profit & loss account.

iii) Taxes on Income

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

VARDHMAN HOTELS LIMITED

iv) Provisions and contingent liabilities

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

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

NOTES TO ACCOUNTS

1. Contingent Liabilities – NIL

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

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

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

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

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

4. Auditors' Remuneration includes the following:

Payments towards

– Audit fees

28,090.00

– Out of Pocket expenses

–

28,090.00

5. Earnings per share as per Accounting standards AS 20

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

Profit after Current Tax

(138264.65)

Number of equity shares of Rs 10 each

50000

Basic/ Diluted earnings per shares

(2.76)

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

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

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

Holding Company

Asian Hotels Limited

Subsidiaries

None

Fellow Subsidiaries

Chillwinds Hotels Limited

G.J.S. Hotels Limited

Aria Hotels & Consultancy Services Pvt. Limited

Associates

None

Entities over which Directors and their relatives

Can exercise significant influence

None

Key management Personnel

None

Transactions with Holding Company

Reimbursement of Expenses of Rs. 91755.00

Closing Balance (Cr.)- Rs. 706.00

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

10. There are no foreign currency exposures with company.

As per our report of even date attached

For and on behalf of the Board

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

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 21st June, 2008

UMESH SARAF

Director

SUSHIL KUMAR GUPTA

Director

VARDHMAN HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

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

As per our Report of even date attached

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

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

Place : New Delhi
Dated : 21st June, 2008

For and on Behalf of the Board

For VARDHMAN HOTELS LIMITED

UMESH SARAF
Director

SUSHIL KUMAR GUPTA
Director

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

FIRST ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

SUSHIL GUPTA
SHIV JATIA
UMESH SARAF

AUDITORS

M/S A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS

IDBI BANK LIMITED

REGISTERED OFFICE

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

DIRECTORS' REPORT

TO THE MEMBERS

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

OBJECTS, OPERATIONS & FINANCIAL RESULTS

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

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

DIRECTORS

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

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

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

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

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

AUDITORS

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

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

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

PERSONNEL

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

For and on Behalf of the Board

Place : New Delhi
Dated : 21st June, 2008

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

AUDITORS' REPORT

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

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

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

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

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

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

Place : NEW DELHI
Dated : 21st June, 2008

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

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

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

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

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

Rajesh Kumar Jain
Partner
Membership No.: 095764

Place : NEW DELHI
Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

BALANCE SHEET AS AT 31ST MARCH, 2008

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

"AS PER OUR REPORT ATTACHED"

ON BEHALF OF THE BOARD OF DIRECTORS

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

RAJESH KUMAR JAIN
Partner

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

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

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

"AS PER OUR REPORT ATTACHED"

ON BEHALF OF THE BOARD OF DIRECTORS

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

RAJESH KUMAR JAIN
Partner

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

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

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

Notes:

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

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

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

AUDITORS' CERTIFICATE

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

RAJESH KUMAR JAIN

Partner

For & On Behalf of

A. Puri & Associates

Chartered Accountants

Place : New Delhi

Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

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

Current Period
(Rs.)

1. SHAREHOLDERS FUND

SHARE CAPITAL

AUTHORISED

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

750,000,000

ISSUED,SUBSCRIBED AND PAID UP

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

250,100,000

250,100,000

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

2. NET DEFERRED TAX ASSET/ (LIABILITY)

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

Preliminary Expenses

17,996

17,996

3. CURRENT ASSETS, LOANS & ADVANCES

CASH & BANK BALANCES

Cash in hand

-

With Scheduled Banks

- In Current Accounts

108,019

- Fixed Deposits

248,000,000

248,108,019

LOANS & ADVANCES

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

33,262

Interest accrued on Fixed Deposits

3,293,115

3,326,377

* includes

Due from Asian Hotels Limited, the Holding Company

33,262

Maximum Balance due during the year

5,051,838

4. CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Other Liabilities

56,180

56,180

PROVISIONS

Income Tax

1,064,660

1,064,660

5. INTEREST INCOME

From :

- Bank

3,293,115

3,293,115

6. ADMINISTRATIVE AND OTHER EXPENSES

Legal and Professional Charges

43,738

Amortization of Preliminary Expenses

72,798

Payment to Auditors

- As Audit Fee

50,000

- As reimbursement of service tax

6,180

Bank charges

75,125

Rates & Taxes

4,964,250

Printing & Stationary

750

Postage

102

5,212,943

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

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

7. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES & NOTES

I. SIGNIFICANT ACCOUNTING POLICIES

1. System Of Accounting

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

2. Use of Estimates

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

3. Recognition of Income and Expenditure

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

4. Taxation

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

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

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

5. Earnings per Share

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

6. Preliminary Expenses

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

7. Provisions

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

8. Cash and Cash Equivalents

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

II. CONTINGENT LIABILITIES AND NOTES

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

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

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

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

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

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

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

14. Related Party Disclosure

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

(i) Asian Hotels Limited, the Holding Company

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

b) Related Party Transactions

Holding Company
Current Period
(Rs.)

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

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

16. Computation of Earning per Share

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

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

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

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

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

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

ARIA HOTELS AND CONSULTANCY SERVICES PVT. LTD. _____

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Reg No. U74140DL200PTC163275

Balance Sheet date 31st March, 2008

State Code 055

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

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

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

Total Liabilities	Total Assets
250332	250332

Sources of Funds

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

Application of Funds

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

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

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

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

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

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL KUMAR GUPTA
Director

UMESH SARAF
Director

Place : New Delhi
Dated : 21st June, 2008

AUDITORS' REPORT

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

1. We have examined the attached Consolidated Balance Sheet of **ASIAN HOTELS LIMITED, AND ITS SUBSIDIARIES / ASSOCIATE COMPANIES** as at 31st March 2008, 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 certain subsidiaries and an associate Company whose financial statements reflect total assets of Rs.2636.81 lakhs as at 31st March 2008, total revenues of Rs.64.91 lakhs and net cash inflow of Rs.2489.09 lakhs 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 and the Subsidiaries, 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 and on the basis of the separate audited financial statements of Asian Hotels Limited and its subsidiaries /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 subsidiaries / 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 subsidiaries / Associate Company as at 31st March 2008;
 - 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 subsidiaries / 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 such subsidiaries / Associate Company for the year ended on that date.

For **MOHINDER PURI AND COMPANY**
Chartered Accountants

Place : NEW DELHI
Dated : 30th June, 2008

(VIKAS VIG)
Partner
Membership No.: 16920

ASIAN HOTELS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule		Rs. in lakhs	Prior Year Rs. in lakhs
SOURCES OF FUNDS				
SHAREHOLDER'S FUND				
Share Capital	1	4280.36		2280.36
Reserves and Surplus	2	145918.80		117068.36
			150199.16	119348.72
MINORITY INTEREST				
			-	0.01
LOAN FUNDS				
Secured Loans	3		13848.53	20776.10
NET DEFERRED TAX LIABILITY				
	4		5690.00	4648.24
SHOP SECURITY DEPOSITS				
			196.08	206.88
			169933.77	144979.95
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	156914.24		150932.20
Less : Depreciation		14103.31		11844.94
Net Block		142810.93		139087.26
Capital Work-in-Progress		4012.03		2633.05
			146822.96	141720.31
INVESTMENTS				
	6		2867.88	2354.97
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7	977.80		831.40
Sundry Debtors	8	1621.61		1329.79
Cash and Bank Balances	9	4550.79		3415.58
Loans and Advances	10	34163.24		8755.62
		41313.44		14332.39
Less:				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11	7145.39		5518.04
Provisions	12	13925.12		7909.68
		21070.51		13427.72
NET CURRENT ASSETS				
			20242.93	904.67
			169933.77	144979.95
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES				
	21			

"AS PER OUR REPORT ATTACHED"

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

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 : 30th June, 2008

ASIAN HOTELS LIMITED

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

	Schedule	Rs. in lakhs	Prior Year Rs. in lakhs
INCOME			
Rooms, Food, Beverages and Other Services	13	51383.21	41378.12
Less:Excise Duty paid		(30.78)	(36.67)
NET SALES		51352.43	41341.45
Other Income	14	2197.53	134.21
		53549.96	41475.66
EXPENDITURE			
Consumption of Provisions, Beverages, Smokes & Others	15	4045.07	3351.79
Direct Operating Expenses	16	502.45	523.07
Payment to and Provision for Employees	17	8628.00	6529.76
Operating and General Expenses	18	15426.07	12634.27
		28601.59	23038.89
PROFIT BEFORE INTEREST, DEPRECIATION, EXTRA ORDINARY ITEMS			
		24948.37	18436.77
Interest & Finance Charges	19	2138.27	1735.29
Depreciation		2516.61	2215.60
Less : Transferred from Revaluation Reserve (Refer Note 15 of Schedule 21)		53.91	(4.51)
Prior Year Adjustments	20	51.27	403.61
PROFIT BEFORE TAX		20296.13	14086.78
Provision for taxation		5921.74	4550.00
Provision for taxation for earlier years		0.00	58.10
Provision for Fringe Benefit Tax		77.50	58.41
Provision for Deferred tax Liability	4	1041.76	270.86
PROFIT AFTER TAX		13255.13	9149.41
Profit brought forward from Prior Year		11891.91	6271.17
PROFIT AVAILABLE FOR APPROPRIATION		25147.04	15420.58
Transfer to General Reserve		951.70	914.95
Interim Dividend		0.00	1824.28
Proposed Dividend on Equity Shares		228.04	456.07
Dividend on Preference Shares (Refer Note 31 of Schedule 21)		15.12	0.00
Corporate Dividend tax		41.32	333.37
SURPLUS CARRIED TO BALANCE SHEET		23910.86	11891.91
		25147.04	15420.58
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)		58.12	40.12
SIGNIFICANT ACCOUNTING POLICIES AND NOTES	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 : 30th June, 2008

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL / EXTRA ORDINARY ITEMS	20296.13	14086.78
Adjustments For:		
Depreciation	2462.70	2211.09
Interest Expense	2138.26	1735.29
Interest Income	(126.31)	(15.00)
Income from Investments - Dividends	(35.13)	(0.05)
Loss on Fixed Assets sold /discard (net)	108.63	259.28
Gain on sale of investments	(472.08)	(33.85)
Bad Debts / Advances written off	6.02	6.02
Provision for bad & doubtful debts / advances	(4.13)	180.23
Liability no longer required written back	(1550.01)	(49.88)
Provision for Gratuity and Leave Encashment	338.20	58.12
Prior Period Expenses / (Income) (Net)	51.27	403.61
TDS on service / other operating income	(937.37)	(660.34)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>22276.18</u>	<u>18181.30</u>
Adjustments For Changes in Working Capital:		
(Increase) / Decrease in Sundry Debtors	(293.71)	(371.35)
(Increase) / Decrease in Other Receivables	(17620.46)	341.91
(Increase) / Decrease in Inventories	(146.40)	(35.27)
Increase / (Decrease) in Trade and Other Payables	1680.90	1098.14
CASH GENERATED FROM OPERATIONS	<u>5896.51</u>	<u>19214.73</u>
Taxes (Paid)/ Received (net of withholding taxes (TDS))	(5401.50)	(4074.58)
Prior Period (Expenses)/ Income Net	(51.27)	(403.61)
NET CASH FROM OPERATING ACTIVITIES	<u>443.74</u>	<u>14736.54</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Additions of Fixed Assets	(8144.25)	(4971.38)
Capital Work In Progress		
Deductions during the Year	394.88	(763.34)
Proceeds from sale of Fixed Assets	22.25	87.44
Proceeds from sale of Investments	34657.72	4526.85
Purchase of Investments	(34695.65)	(6843.00)
Proceeds from issue of shares (including Share Premium)	18000.00	-
Loans / Inter Corporate Deposits refunds received	-	32.50
Interest received (revenue)	58.80	14.88
Dividend received	35.13	0.05
NET CASH FROM INVESTING ACTIVITIES	<u>10328.88</u>	<u>(7916.00)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings		
RECEIPTS	-	168.80
PAYMENTS	(5492.45)	(4080.90)
Interest Paid	(2109.46)	(1738.27)
Dividend Paid	(482.86)	(2287.87)
Corporate Dividend Tax Paid	(77.51)	(319.82)
NET CASH USED IN FINANCING ACTIVITIES	<u>(8162.28)</u>	<u>(8258.06)</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	<u>2610.34</u>	<u>(1437.52)</u>
CASH AND CASH EQUIVALENTS - OPENING	<u>(1021.11)</u>	<u>416.41</u>
CASH AND CASH EQUIVALENTS -CLOSING	<u>1589.23</u>	<u>(1021.11)</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.
- Cash and Cash Equivalents at the end of the year consist of cash in hand and Balance with banks and are net of short term loans and advances from banks as follows:

	As at 31st March, 2008	As at 31st March, 2007
Cash, cheques, drafts (in hand) and remittances in transit	151.87	375.58
Short term loans and advances from banks	(2961.56)	(4436.69)
Balance With Scheduled Banks	4398.92	3040.00
	<u>1589.23</u>	<u>(1021.11)</u>

ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi	DINESH KUMAR JAIN	R. K. BHARGAVA	Chairman
Dated : 30th June, 2008	Company Secretary	SUSHIL GUPTA	Managing Director (West)
		SHIV JATIA	Managing Director (North)
		UMESH SARAF	Managing Director (East)

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 : 30th June, 2008

ASIAN HOTELS LIMITED

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

				Rs. in lakhs	Prior Year Rs. in lakhs
1. SHARE CAPITAL					
AUTHORISED					
40,000,000 (Prior Year 50,000,000) Equity Shares of Rs 10 each				4000.00	5000.00
30,000,000 (Prior Year Nil) 1% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10 each				3000.00	-
ISSUED, SUBSCRIBED & PAID-UP					
22,803,564 Equity Shares of Rs 10 each fully paid (of the above 6,515,304 Shares were allotted as fully paid up Bonus Shares by capitalisation of Share Premium and a part of General Reserve)				2280.36	2280.36
20,000,000 (Prior year Nil) 1% Cumulative Redeemable Non-Convertible Preference Shares of Rs.10 each fully paid				2000.00	0.00
				4280.36	2280.36
2. RESERVES AND SURPLUS					
	31.03.2007	Addition	Deduction	31.03.2008	
Capital Reserve	4.23	0.00	0.00	4.23	
Securities Premium Account *	0.00	16000.00	0.00	16000.00	
General Reserve	7148.30	951.70	0.00	8100.00	
Less: Goodwill of Associate netted off as per contra (Refer Note 1(i) of Schedule 21)	(99.44)	0.00	66.30	(165.74)	
Tourism Development Utilised Reserve	15996.06	0.00	0.00	15996.06	
Revaluation Reserve (Refer Note 15 of Schedule 21)	82127.30	0.00	53.91	82073.39	
Surplus in Profit & Loss Account	11891.91	13255.13	1236.18	23910.86	
	<u>117068.36</u>	<u>30206.83</u>	<u>1356.39</u>	<u>145918.80</u>	
* Addition to Securities Premium Account represents premium received on issue of 1% Cumulative Redeemable Non-Convertible Preference Shares (Refer Note 31 of Schedule 21)					
3. LOAN FUNDS					
SECURED LOANS					
TERM LOANS					
From Banks					
- UTI Bank Limited				1781.78	2672.68
- Punjab National Bank				3567.19	6660.94
- Canara Bank				3219.44	5765.00
- Jammu & Kashmir Bank Limited				629.53	1060.07
(Secured by hypothecation of whole of plant, machinery, construction material, equipments and other movable assets of the Company both present and future {save and except book debts} alongwith a charge on the immovable asset of the Company situated at Hyatt Regency Mumbai and Hyatt Regency Kolkata , pari passu with other term lending banks)					
- ICICI Bank Limited				102.82	180.72
Secured against hypothecation of certain vehicles					
- Punjab National Bank				1557.00	0.00
(For business of generation of electricity)					
Secured by first charge by way of mortgage of land and hypothecation of windmills situated at Sinner & Sangli, Maharashtra					
Interest accrued and due				29.21	0.00
OTHER LOANS					
Short Term Loans and Advances					
From Banks					
- IDBI Bank Limited - Rupee Loan				0.00	2900.00
- IDBI Bank Limited - Foreign Currency Loan				2857.71	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 hypothecation of inventories and book debts (both present & future) *				58.26	1431.69
- Secured against credit card collection				45.59	105.00
				13848.53	20776.10
* net of balances in collection accounts					
- Term loans due within one year				619.86	288.55
				558.72	1695.03

ASIAN HOTELS LIMITED

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

4. NET DEFERRED TAX LIABILITY

	Created Liability / (Asset) Rs in lakhs	Rs in lakhs	Prior year Rs in lakhs
Tax Liability /(Asset) due to timing difference in respect of:			
Depreciation	710.30	6155.62	5445.32
Provision for Retirement Benefits	(114.95)	(284.14)	(169.19)
Provision for doubtful debts / advances	495.51	(34.55)	(530.06)
Statutory Dues	(48.92)	(146.75)	(97.83)
Preliminary Expenses	(0.18)	(0.18)	0.00
	<u>1041.76</u>	<u>5690.00</u>	<u>4648.24</u>

5. FIXED ASSETS - AT COST

Rs. in Lakhs

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 1.4.07	Revaluation	Additions	Deductions/ Adjustments	As on 31.3.08	Upto 31.3.07	For the year	Written back on deductions/ adjustments	Upto 31.3.08	As on 31.3.08	As on 31.3.07
Land - Leasehold	1855.21	0.00	0.00	0.00	1855.21	0.00	0.00	0.00	0.00	1855.21	1855.21
Land - Freehold	88799.27	0.00	34.00	0.00	88833.27	0.00	0.00	0.00	0.00	88833.27	88799.27
Buildings	31213.65	0.00	999.01	0.00	32212.66	2578.42	518.76	0.00	3097.18	29115.48	28635.23
Furniture, Fixtures and Furnishings	7155.59	0.00	1203.40	178.29	8180.70	3343.61	636.14	150.85	3828.90	4351.80	3811.98
Plant and Machinery	21026.64	0.00	3547.97	202.06	24372.55	5685.64	1222.49	104.92	6803.21	17569.34	15341.00
Vehicles	881.84	0.00	586.78	8.77	1459.85	237.27	139.22	2.47	374.02	1085.83	644.57
Total	150932.20	0.00	6371.16	389.12	156914.24	11844.94	2516.61	258.24	14103.31	142810.93	139087.26
Prior Year	65434.30	82131.81	4190.05	823.96	150932.20	9972.24	2215.60	342.90	11844.94		
CAPITAL WORK-IN-PROGRESS - Refer Note 14 of Schedule 21										4012.03	2633.05
										146822.96	141720.31

- a) Gross Block includes Rs. 82131.81 lakhs being the amount added on revaluation of land and buildings with effect from 28th February, 2007. (Refer Note 15 of Schedule 21)
- b) Depreciation for the year includes an additional depreciation amounting to Rs. 53.91 lakhs (Prior year Rs. 4.51 lakhs) on revalued building that has been with drawn from Revaluation Reserve Account and credited to the Profit and Loss Account. (Refer Note 15 of Schedule 21)
- c) Land-Freehold includes amount paid to Delhi Development Authority (DDA) since recovered by the Company but not decapitalised as 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)
- d) Building includes leasehold improvement
- | | | | |
|--|-------------|--------------|-------|
| | gross block | 20.68 | 20.68 |
| | net block | 13.78 | 15.85 |
- e) Vehicles includes those financed
- | | | | |
|--|-------------|---------------|--------|
| | gross block | 289.47 | 284.88 |
| | net block | 238.07 | 261.13 |
- f) Land-Freehold and Plant & Machinery includes assets relating to the business of generation of electricity
- | | | | |
|--|-------------------|----------------|------|
| | Land-Freehold | | |
| | – gross block | 34.00 | 0.00 |
| | – net block | 34.00 | 0.00 |
| | Plant & Machinery | | |
| | – gross block | 1857.02 | 0.00 |
| | – net block | 1857.02 | 0.00 |

ASIAN HOTELS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008 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		
6. INVESTMENTS				
Long Term				
Trade, Unquoted				
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 (i) of Schedule 21)			(165.74)	(99.44)
Short Term				
Non-Trade, Quoted				
Nil (Prior Year 11,100,000) Units of Rs. 10 each of SBI Debt Fund Series-90 days-Growth				
– Net Asset Value as on 31.3.08 Rs.Nil (Prior Year Rs.1119.27 lakhs)	0.00	1110.00	0.00	1110.00
Nil (Prior Year 10,400,000) Units of Rs. 10 each of SBI Debt Fund Series-60 days-Growth				
– Net Asset Value as on 31.3.08 Rs.Nil (Prior Year Rs.1046.74 lakhs)	0.00	1040.00	0.00	1040.00
19,722,798 (Prior Year 1,471,140) Units of Rs. 10 each of LIC MF Liquid Fund-Growth Plan				
– Net Asset Value as on 31.3.08 Rs.2902.82 Lakhs (Prior Year Rs.200.15 lakhs)	1972.28	147.11	2860.00	200.00
Non-Trade Unquoted				
600 6.75% Tax Free US64 Bonds of Rs 100/- each of Unit Trust of India	0.60	0.60	0.60	0.60
			2867.88	2424.18
Less: Provision for diminution in value of investments (Refer Note 6(b) of Schedule 21)			0.00	(69.21)
			2867.88	2354.97
Note:				
Investment bought / subscribed and sold or redeemed during the year				
62.35 lakhs Units of SBI Magnum Insta Cash Fund (Prior Year Nil)				
494.28 lakhs Units of HDFC Liquid Fund - Growth (Prior year 50.92 lakhs units)				
287.49 lakhs Units of HDFC Short Term Plan-Growth (Prior Year Nil)				
492.86 lakhs Units of LIC MF Liquid Fund-Growth Plan (Prior year 103.29 lakhs units)				
324.60 lakhs Units of Templeton FRIF Short Term Plan (Prior Year Nil)				
374.45 lakhs Units of PNB Floating Rate Fund - FMP (Prior Year Nil)				
Nil Units of DSP ML Liquidity Fund-Regular Growth (Prior year 99.38 Lakhs Units)				
Nil Units of Kotak Liquid (Institutional) Growth (Prior year 17.70 lakhs units)				
Nil Units of Sundaram BNP Paribas Money Fund Institutional (Prior year 22.38 lakhs units)				
3.51 lakhs Units of DSPML Liquid Plus Daily Dividend (Prior Year Nil)				
245.31 lakhs Units of HSBC Cash Fund (Prior Year Nil)				
317.81 lakhs Units of HSBC Liquid Fund (Prior Year Nil)				
7. INVENTORIES				
Wines & Liquor			307.85	265.27
Provisions, Other Beverages and Smokes			167.12	80.94
Crockery, Cutlery, Silverware, Linen etc.			316.75	307.82
General Stores and Spares			186.08	177.37
			977.80	831.40
8. SUNDRY DEBTORS				
Outstanding for over six months			68.16	56.82
Others			1574.67	1298.32
			1642.83	1355.14
Less :Provision for doubtful debts			(21.22)	(25.35)
			1621.61	1329.79
Unsecured considered good			1621.61	1329.79
Unsecured considered doubtful			21.22	25.35

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
9. CASH AND BANK BALANCES		
Cash in hand	51.09	37.15
Cheques in hand	100.78	338.43
With Scheduled Banks :		
Current Accounts	80.78	22.15
Unpaid Dividend Current Accounts	80.62	107.40
Fixed Deposits *	4237.52	2910.45
	<u>4550.79</u>	<u>3415.58</u>
* Include :		
– under lien against overdraft facilities	10.00	10.00
– pledged with Government authorities	0.20	0.45
10. LOANS & ADVANCES		
Inter-Corporate Loans	176.28	176.28
Advances recoverable in cash or in kind or for value to be received	20744.73	3140.78
Advance income tax	13125.28	6835.23
Security Deposits	153.96	137.45
Interest accrued on Fixed Deposits	43.43	0.00
	<u>34243.68</u>	<u>10289.74</u>
Provision for doubtful advances/deposits	(80.44)	(1534.12)
	<u>34163.24</u>	<u>8755.62</u>
Unsecured considered good	34163.24	8755.62
Unsecured considered doubtful	80.44	1534.12
11. CURRENT LIABILITIES		
Sundry Creditors		
– for capital projects	118.08	117.31
– others *	1196.92	566.51
Advances from Customers	1026.63	941.23
Interest accrued but not due on loans	0.56	0.97
Security Deposits received	32.05	32.05
Other Liabilities **	4771.15	3859.97
	<u>7145.39</u>	<u>5518.04</u>
* includes due to Small Scale Industrial Undertakings	2.55	5.67
** includes		
– unclaimed Dividends	80.62	107.40
– due to Directors (including commission)	1226.43	979.54
12. PROVISIONS		
Gratuity	678.21	405.03
Leave Encashment	157.76	92.74
Income Tax	12799.19	6877.45
Fringe Benefit Tax	5.48	0.88
Proposed dividend on Equity Shares	228.04	456.07
Dividend on Preference Shares*	15.12	0.00
Corporate Dividend Tax	41.32	77.51
	<u>13925.12</u>	<u>7909.68</u>
* Refer Note 31 of Schedule 21		
13. ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Rooms	33790.64	26508.11
Wines and Liquor	2557.91	2014.41
Food, Other Beverages, Smokes & Banquets	10741.76	9027.70
Communications	674.11	818.17
Others *	3618.79	3009.73
	<u>51383.21</u>	<u>41378.12</u>
* includes :		
– gain/(loss) on account of foreign exchange translation (net)	(1.89)	0.62

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
14. OTHER INCOME		
Interest earned *	126.31	15.00
Dividends	35.13	0.05
Gain/ (Loss) on sale of investments (net)	472.08	33.85
Excess provisions written back **	1453.68	5.93
Provision for Diminution in value of Investments written back***	69.21	0.00
Credit balances written back	27.12	43.95
Bad Debts Recovered	0.00	6.50
Miscellaneous ****	14.00	28.93
	<u>2197.53</u>	<u>134.21</u>
* Tax deducted at source	17.30	0.12
** Refer Note 20 of Schedule 21		
*** Refer Note 6(b) of Schedule 21		
**** includes income related to generation of electricity business (Refer note 25 of Sechedule 21)	0.16	0.00
15. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS		
WINES & LIQUOR		
Opening Stock	265.27	247.49
Add : Purchases	845.91	619.28
	<u>1111.18</u>	<u>866.77</u>
Closing Stock	(307.85)	(265.27)
	<u>803.33</u>	<u>601.50</u>
PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	80.94	77.68
Add : Purchases	3327.92	2753.55
	<u>3408.86</u>	<u>2831.23</u>
Closing Stock	(167.12)	(80.94)
	<u>3241.74</u>	<u>2750.29</u>
	<u>4045.07</u>	<u>3351.79</u>
Indigenous 83.78% (Prior Year 86.06%)	3388.97	2884.47
Imported 16.22% (Prior Year 13.94%)	656.10	467.32
16. DIRECT OPERATING EXPENSES		
Telephone	122.42	115.06
Guest Transportation	380.03	408.01
	<u>502.45</u>	<u>523.07</u>
17. PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Ex gratia	6107.53	4651.75
Provident and other Funds	297.88	225.20
Gratuity	323.97	87.08
Rent - staff accommodation	53.16	24.24
Workmen and Staff Welfare *	849.97	678.74
Contract Labour & Service	887.14	757.21
Recruitment & Training	108.35	105.54
	<u>8628.00</u>	<u>6529.76</u>
* includes :		
Cost of provisions consumed in staff cafeteria	418.46	339.83
Realisation on sale of food coupons to staff	(21.70)	(23.08)
18. OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering and Other supplies/services	1103.14	953.20
Operating equipment and Supplies written off	453.14	416.73
Fuel, Power and Light (net)	2608.97	2226.11
Repairs, Maintenance and Refurbishing *	1943.49	1555.68
Rent	20.90	3.12
Rates and Taxes	1329.37	1112.67
Insurance	236.30	260.68
Directors' sitting fee	12.24	10.76
Legal and Professional	1331.22	536.26
Artist Fee	40.66	21.52

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
Stationary and Printing	164.48	150.25
Travelling and Conveyance **	451.34	398.70
Communication	145.17	143.52
Technical Services	2853.99	2206.54
Advertisement and Publicity	805.49	707.17
Commission and Brokerage	1670.01	1388.09
Charity & Donation	22.11	46.09
Bad debts / advances written off	6.02	6.02
Provision for doubtful debts / advances	(4.13)	180.23
Loss on Fixed Assets sold/discarded (net)	108.63	259.28
Difference in Exchange	59.72	0.00
Miscellaneous	61.88	51.65
Preliminary Expenses ***	1.93	0.00
	15426.07	12634.27
*includes:		
Repairs & Maintenance - Buildings	383.19	331.82
Repairs & Maintenance - Plant & Machinery	945.57	804.95
** includes:		
Travel of Directors	87.05	56.48
*** Refer Note 1 (e) of Schedule 21		
19. INTEREST AND FINANCE CHARGES		
Interest on – fixed loans	1263.61	1692.77
– others	853.31	29.58
Bank & Finance charges	21.35	12.94
	2138.27	1735.29
20. PRIOR YEAR ADJUSTMENTS		
Repair, maintenance and refurbishing	1.84	0.70
Rates and Taxes	44.82	401.83
Legal & Professional Expenses	0.23	0.75
Advertisement & Publicity	5.42	0.00
Other adjustments	(1.04)	0.33
	51.27	403.61
21. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES		
1. (a) Basis of Accounting		
The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standards Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.		
(b) Use of Estimates		
The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.		
(c) Revenue Recognition		
Income is recognized on accrual basis.		
(d) 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.		
(e) Preliminary Expenses		
Preliminary expenses representing expenses incurred for the incorporation of subsidiaries has been fully written off during the year in accordance with the Accounting Standard 26 on "Intangible Assets".		

ASIAN HOTELS LIMITED

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

Rs. in lakhs Prior Year
Rs. in lakhs

- (f) 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.
- (g) Claims Recoverable
Claims recoverable are accrued only to the extent as admitted by the parties subject to note 19 regarding certain claim relating to stamp duty on certain land and building.
- (h) 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.
- (i) 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	
		2008	2007
GJS Hotels Ltd (Subsidiary)	India	100	99.88
Aria Hotels & Consultancy Services Private Ltd. (Subsidiary)	India	100	Nil
Chillwinds Hotels Ltd. (Subsidiary)	India	100	Nil
Vardhman Hotels Ltd. (Subsidiary)	India	100	Nil
Regency Convention Centre & Hotels Ltd (Associate)	India	48.28	48.28

- The Consolidated financial statements have been prepared on the following basis:
- 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.
 - 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.
 - The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
 - Goodwill arising on account of acquisition of associate has been netted off from the General Reserve in the Consolidated financial statements to the extent not already provided for in the books of the Company.

2. (a) 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).
- (b) 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. Employee Benefits
- (a) Provision for gratuity and leave encashment is based on actuarial valuation as on the date of the Balance Sheet.
- (b) All employees are covered under contributory provident fund benefit of a contribution

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
of 12% of salary. It is a defined contribution scheme and the contribution is charged to Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.		
4. Taxation		
(a) Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.		
(b) Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with Mandatory Accounting Standard 22 (AS-22).		
(c) 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.		
(d) Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.		
5. Fixed Assets and Depreciation		
Fixed Assets		
(a) Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortisation. Cost represents the direct expenses incurred on acquisition /construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.		
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 increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve Account.		
(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.		
6. Investments		
Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term 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)	0.00	69.21

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

	Rs. in lakhs	Prior Year Rs. in lakhs
7. Inventory		
(a) Inventory is valued at cost or net realizable value whichever is lower		
(b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.		
8. Impairment		
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.		
9. Earnings per share		
Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.		
10. Provisions		
A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.		
11. Cash and Cash Equivalents		
Cash and cash equivalents in the cash flow comprise cash at bank and cash/cheques in hand and short term deposits with Banks less short term advances from Bank.		
12. Dividend		
Proposed Dividend, if any, is accounted for pending approval at the Annual General Meeting.		
13. Contingent Liabilities :		
(a) Outstanding Capital Expenditure Commitments	1577.29	1434.09
(b) Claims against the Company not acknowledged as debts	653.01	110.67
(c) Outstanding bank guarantees	0.00	15.59
(d) Demand for income tax (exclusive of interest amounting to Rs 109.59 lakhs Prior Year Rs 109.59 lakhs) not provided for pending appeals	113.25	113.25
14. Capital Work-in-Progress consists of:		
(a) Renovation/refurbishing work / other work in progress	681.31	1076.20
(b) Advances for capital contracts (unsecured, considered good)	3330.72	1556.85
	4012.03	2633.05
15. The Company, based on the report by a Certified Valuer, had revalued land and building of Hyatt Regency Delhi, one of the units of the Company, during prior year 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 had been credited to the Revaluation Reserve Account. The method adopted by the Certified Valuer for revaluation purpose was the Cost of Contractor's method. Consequently, there was an additional charge of Rs.53.91 (Prior year Rs. 4.51 lakhs) for the year on account of depreciation on increase in value of assets on account of revaluation and accordingly, an equivalent amount has been withdrawn from the Revaluation Reserve Account and credited to the Profit & Loss Account.		
16. The Board of Directors of the Company during prior year had 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 approved by the Bombay Stock Exchange and the National Stock Exchange has been approved by the Hon'ble High Court of Delhi. The Scheme has been filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana on 19th May, 2008 but in terms of the revised clause 6.12 of the Scheme, it shall become effective on the 16th day after the approval of the Government of West Bengal is received for vesting of the Leashold property at Kolkatta in the demerged entity.		

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
17. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management the reduction in value of any asset, to the extent required, has already been provided for in the books.		
18. Letters for confirmation of balances sent to parties have been received back only in a few cases and discrepancies, if any, pointed out by the parties are being investigated for necessary adjustments to be carried out.		
19. 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
20. (a) During the year, the Company has entered into an agreement with the existing shareholders of Regency Convention Centre & Hotels Ltd. (RCC), an associate Company, for further acquisition of equity shares and an amount of Rs.1400 lacs has been paid, through its subsidiary company, GJS Hotels Ltd., as part payment in terms of the said agreement. The said amount in addition to amount earlier paid aggregating to Rs.2734 lakhs has been included in Loans & Advances. With the entering into of the fresh agreement for acquisition of such shares and consequent to the positive advise received, the amount of Rs1353.68 lakhs earlier provided as doubtful advances relating to the said transaction is now considered good and thus written back during the year.		
(b) Loans & Advances includes an amount of Rs.176.28 lakhs for which legal proceedings had been initiated and provided as doubtful in earlier years. Subsequent to the Balance Sheet date, a settlement agreement has been entered into and Rs.100 lakhs has been received. Hence, provision amounting to Rs.100 lakhs has been written back during the year.		
21. Loans & Advances includes an amount of Rs.16057 lakhs paid to Robust Hotels Private Limited, a Company in which one of the director is interested for acquiring 74.68 lakhs 0.001% Optionally Convertible Preference Shares of Rs. 10 each at a premium of Rs. 205 per share.		
22. The Company has classified the various benefits provided to employees as under:-		
(a) Defined contribution plans		
i) Provident fund		
During the year, The Company has recognized the following amounts in the profit and loss account:		
Employers' contribution to provident fund	Rs. 272.33 lakhs	
(b) Defined benefit plans		
i) Contribution to Gratuity funds		
ii) Compensated absences - Earned leave		
In accordance with accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforeside defined benefit plans based on the following assumptions:-		
Economic Assumptions		
The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.		
Discount Rate		
The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 0 years. For the current valuation a discount rate of 8% p.a. compound, has been used in consultation with the employer.		
Salary Escalation Rate		
The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarized in the following table:		

ASIAN HOTELS LIMITED

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

	Gratuity (unfunded)	Compensated absences Earned leave (unfunded)
Discount rate (per annum)	8%	8%
Future salary increase	8%	8%
Expected rate of return on plan assets	0%	0%
In service mortality	LIC(1994-96) duly modified	LIC(1994-96) duly modified
Retirement age	58 years	58 years
Withdrawal rates:	Upto 30 years 3% Upto 44 years 2% Above 44 years 1%	Upto 31 years 3% Upto 44 years 2% Above 44 years 1%
I. Expense recognized in profit and loss Account		
	Rs. in Lakhs	Prior Year Rs. in Lakhs
Current service cost	84.37	36.74
Interest cost	32.40	7.42
Expected return on plan assets	0.00	0.00
Net actuarial (gain)/ loss recognized in the year	214.96	42.85
Total expense	<u>331.73</u>	<u>87.01</u>
II. Net asset/(liability) recognized in the balance sheet as at March 31,2008		
	Gratuity (unfunded)	Compensated absences Earned leave (unfunded)
Present value of Defined benefit obligation	678.21	157.76
Fair value of plan assets	0.00	0.00
Funded status [surplus/(deficit)]	(678.21)	(157.76)
Net asset/(liability) as at March 31,2008	<u>(678.21)</u>	<u>(157.76)</u>
III. Change in the present value of obligation during the year		
Present value of obligation as at the beginning of the year	405.03	92.74
Interest cost	32.40	7.42
Current service cost	84.37	36.74
Benefits paid	(58.55)	(21.97)
Actuarial (gains)/ losses on obligation	214.96	42.85
Present value of obligation as at the end of the year	<u>678.21</u>	<u>157.78</u>
23. Out of the Service Tax demand raised and paid for Rs.146.11 lakhs, Rs. 95.94 lakhs has been paid under protest. In the opinion of the Company, amount paid under protest is not liable to be paid and hence has been included under Loans & Advances. The Company has applied for claim of said refund vide application dated May 9, 2008. Moreover, subsequent to the Balance Sheet date, the Company has also received notices with regard to Service Tax due on certain services amounting to Rs.482.54 lakhs considered to be not tenable in the opinion of the Company and thus included along with the above said amount of Rs. 95.94 lakhs under Contingent Liabilities as Claims against the Company not acknowledged as debts as no provision has been made against the same.		
	Rs. in lakhs	Prior Year Rs. in lakhs
24. Managerial Remuneration (excluding provision for gratuity) to Directors :		
Salaries	130.40	112.40
House Rent Allowance	71.94	43.20
Commission	1226.59	979.54
Provident Fund Contribution	15.65	13.49
Gratuity Paid	0.00	0.00
Monetary value of Perquisites	4.89	16.31
	<u>1449.47</u>	<u>1164.94</u>
25. The Company is presently operating an integrated hotel business at three geographical locations namely Hyatt Regency Delhi, Hyatt Regency Kolkata and Hyatt Regency Mumbai. The entire operations are governed by the same set of risks and returns hence have been considered as representing a Single Segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17). The Company, during the year, has altered its object clause of Memorandum of Association and entered into a different business segment, viz., power generation, governed by different risks and returns. However, it is not a reportable segment as defined under the said Accounting Standard, hence no separate disclosures have been made. The assets, liabilities and revenues relating to the said business have however, been disclosed in the accounts separately.		

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
26. 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	31.40	16.50
(ii) Later than one year and not later than five years	45.00	0.00
27. Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	84.05	89.08
later than one year but not later than five years	25.62	109.67
Present value of minimum instalments payable within one year	24.13	102.82
later than one year but not later than five years	78.69	77.90
28. 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	34.71	32.58
(ii) Later than one year and not later than five years	60.30	67.36
29. 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 Limited - a subsidiary company		
(ii) Aria Hotels & Consultancy Services Private Limited - a subsidiary company		
(iii) Chillwinds Hotels Limited - a subsidiary company		
(iv) Vardhman Hotels Limited - a subsidiary company		
(v) Regency Convention Centre & Hotels Ltd - an associate company		
c) Related Party Transactions		(Rs in lakhs)

Particulars	Associate Company		Key Management Personnel		Entities controlled by Directors or their relatives	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Purchase of Services					5.00	4.60
Sale of Services (Room, Food, Beverages and other services)					40.73	38.99
Remuneration			1409.47	1124.94		
Professional Charges					8.64	7.34
Advances given	0.48	2.24			16057.00	-
Donation						26.00
Sharing of Expenses					10.65	0.70
Rent					16.88	
Reimbursement of Expenses					14.09	
Issue of Preference share (at premium)					9000.00	
Balance Outstanding						
Payables			1186.43	939.69	0.70	
Receivables	52.02	52.02			16063.07	7.21
Provision for doubtful advances		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)

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
– Entities controlled by Directors or their relatives		
	Bell Ceramics Limited	
	M/s Bhasin & Co	
	Choice Hospitality (India) Limited	
	Energy Infrastructure (I) Limited	
	Godfrey Philips Limited	
	Juniper Hotels Private Limited	
	Magus Estates & Hotels Limited	
	Nepal Travel Agency Private Limited	
	Ram Pyari Devi Charitable Trust	
	WEL Intertrade Limited	
	Eden Park Hotels Private Limited	
	Robust Hotels Private Limited	
Particulars		
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 Private Limited	5.00	3.49
– Juniper Hotels Private Limited	–	1.11
Sale of Services (Room, Food, Beverages and other services)		
– Magus Estates & Hotels Limited	–	11.14
– Godfrey Philips Limited	16.57	9.58
– Juniper Hotels Private Limited	2.61	12.94
– M/s Bhasin & Co.	17.43	–
Remuneration		
– Mr. Sushil Gupta	468.26	375.64
– Mr. Shiv Jatia	468.26	375.64
– Mr. Umesh Saraf	472.95	373.66
Professional Charges		
– M/s Bhasin & Co.	8.64	7.34
Advances given		
– Regency Convention Centre & Hotels Limited	–	2.24
– Robust Hotels Private Limited	16057.00	–
Donations		
– Rampyari Devi Charitable Trust	–	26.00
Sharing of Expenses		
– Magus Estates & Hotels Limited	–	0.28
– WEL Intertrade Limited	10.65	0.42
Rent		
– Eden Park Hotels Private Limited	16.88	–
Reimbursement of Expenses		
– Magus Estates & Hotels Limited	14.09	–
Issue of Preference Shares		
– Magus Estates & Hotels Limited	9000.00	–
Outstanding Payables		
– Mr. Sushil Gupta	395.53	313.23
– Mr. Shiv Jatia	395.37	313.23
– Mr. Umesh Saraf	395.53	313.23
– Magus Estates & Hotels Limited	0.70	–
Outstanding Receivables		
– Regency Convention Centre & Hotels Limited	52.50	52.02
– Juniper Hotels Private Limited	–	7.21
– M/s Bhasin & Co.	5.97	–
– Bell Ceramics Limited	0.10	–
– Robust Hotels Private Limited	16057.00	–
Provision for doubtful advances		
– Regency Convention Centre & Hotels Limited	–	19.20

ASIAN HOTELS LIMITED

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

	Rs. in lakhs	Prior Year Rs. in lakhs
30. Payment to Auditors :		
As Audit Fee	13.00	9.00
As Tax Audit Fee	2.50	2.00
As Certification Charges	5.23	3.23
As Advisors on legal matters	1.85	0.85
As IFRS Audit Fees	16.00	0.00
As reimbursement of service tax	4.58	1.86
As reimbursement of out of pocket expenses	0.54	0.26

31. During the year, the shareholders of the Company in its Extra-ordinary General Meeting held on 25th June 2007 resolved to increase the authorised share capital and the issuance and allotment of 2 crore 1% cumulative redeemable non-convertible preference shares of Rs. 10/- each at a premium of Rs 80/- per share. Subsequently, the Company entered into respective subscription agreements with Infrastructure Development Finance Company Limited (IDFC) and Magus Estate and Hotels Limited (Magus), a Company in which one of the director is interested for subscription to the said preference shares. Allotment for the said Preference Shares at premium has been done during the year. The agreements stipulates that the Company shall redeem the Preference Shares in three instalments of 25%, 25% and 50% (including redemption premium in case of IDFC only) respectively as under commencing from June 30, 2008: -

Date of Redemption	Amount of Redemption (Rs. in lakhs)	
	IDFC	MAGUS (as per revised terms)
June 30, 2008	3303.00	2250.00
June 30, 2009	2989.00	2250.00
June 30, 2010	4832.00	4500.00

The dividend amounting to Rs.17.69 lakhs (including corporate dividend tax of Rs.2.57 lakhs) is provided as on 31st March, 2008 on the said preference shares.

32. Computation of Earnings per share - (Basic & Diluted)		
Profit after taxation	13255.13	9149.41
Less : Dividend on Preference Shares (including Corporate Dividend Tax)	17.69	0.00
Profit available for equity shareholders	13237.44	9149.41
Weighted average number of shares outstanding	<u>22803564</u>	<u>22803564</u>
Nominal value per share	Rupees 10.00	10.00
Earnings per share - Basic and Diluted	Rupees 58.05	40.12

33. 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, 2008 and Profit & Loss Account for the year ended on that date.

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 : 30th June, 2008

DINESH KUMAR JAIN
Company Secretary

ASIAN HOTELS LIMITED

Regd. Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 607

PROXY FORM

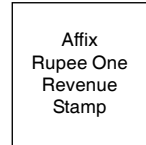
I / We.....resident(s) ofbeing a Member / Members of Asian Hotels Limited, hereby appoint Mr./Mrs.resident of..... as my / our proxy to attend and vote for me / us, on my / our behalf, at the 27th Annual General Meeting of the Company to be held on Wednesday, the 24th September, 2008, and at any adjournment thereof in the following manner:

Item No. of the notice convening this meeting	Vote 'FOR'	Vote 'AGAINST'	NOTE
	(Tick in the appropriate column)		
Item No. 1.			In case the member does not exercise his option instructing the proxy to vote in a specific manner, the proxy would be free to exercise his options.
Item No. 2.			
Item No. 3.			
Item No. 4.			
Item No. 5.			
Item No. 6.			
Item No. 7.			

As witness my / our hands this day of, 2008.
(Date) (Month)

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

No. of shares held.....



Signature(s)

Note: This proxy form must be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting.

----- TEAR HERE -----

ASIAN HOTELS LIMITED

Regd. Office: Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110 607

ATTENDANCE SLIP

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

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

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

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

I / We hereby record my / our presence at the 27th Annual General Meeting of the Company held at Regency Ball Room, Hotel Hyatt Regency, Delhi on this 24th September, 2008 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.



HYATT REGENCY DELHI



HYATT REGENCY KOLKATA



HYATT REGENCY MUMBAI

Asian Hotels Limited

Regd. Office : Bhikaiji Cama Place, M.G. Marg, New Delhi - 110 607
Phone : 91-11-2679 1234 Fax : 011-2679 1017