

ASIAN HOTELS (WEST) LIMITED

Regd. Off.: E-5, Clarion Collection – the Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi - 110 016

Dear Member(s)

Notice for Postal Ballot pursuant to Section 192A (2) of the Companies Act, 1956

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956 (the Act), read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, for the consent of the shareholders of the company for the following:

- Payment of salary, allowances and incentive, provision of perquisites and other benefits to Mr. Sushil Kumar Gupta, Managing Director for the period from 1st April, 2012 to 30th October, 2014 in the absence of adequate profits for the respective financial years;
- Payment of salary, allowances and incentive, provision of perquisites and other benefits to Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director for the period from 1st April, 2012 to 31st March, 2015 in the absence of adequate profits for the respective financial years;
- Payment of salary, allowances and incentive, provision of perquisites and other benefits to Mr. Sandeep Gupta, Executive (Whole-time) Director for the period from 1st April, 2012 to 31st March, 2015 in the absence of adequate profits for the respective financial years;

Remuneration to Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company in the absence of adequate profits.

The shareholders may note that the Company had earlier appointed whole-time Directors in the manner and terms given below:

Particulars Of Appointment	Mr. Sushil Kumar Gupta, Managing Director	Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director	Mr. Sandeep Gupta, Executive (Whole-time) Director
1. Appointment at the Board meeting held on	26th November, 2009	10th May, 2010	10th May, 2010
2. Term of Appointment	(Five Years) 1st November, 2009 to 31st October, 2014	(Five Years) 10th May, 2010 to 9th May, 2015	(Five Years) 10th May, 2010 to 9th May, 2015
3. Approval by Shareholders	At the Third Annual General Meeting held on 18th September, 2010		
4. Remuneration Terms			
i. Salary (Basic) Per Month:	Rs.4,50,000/- – Rs.20,000/- – Rs. 5,50,000/- (increased scale to be effective every subsequent 1st Day of November)	Rs.3,90,000/- – Rs.20,000/- – Rs. 4,90,000/- (increased scale to be effective every subsequent 1st Day of April)	Rs.3,90,000/- – Rs.20,000/- – Rs. 4,90,000/- (increased scale to be effective every subsequent 1st Day of April)
ii. Commission:	At a rate not exceeding 2% (Two Percent) of the net profits of the Company, as may be decided by the Board of Directors, for each financial year.		
iii. Perquisites:			
A. Housing:	The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance @ 60% of salary.		
B. Medical Reimbursement:	Expenses incurred for the appointee and his family subject to ceiling of three months' salary in a year or nine months' salary over a period of three years.	Expenses incurred for the appointee and his family as per the Company policy.	Expenses incurred for the appointee and his family as per the Company policy.
C. Leave Travel Concession:	Business Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.		
D. Club Fees:	Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.		
E. Personal Accident Insurance:	As per rules of the Company.		
F. Employers' Contribution to Provident Fund/ Superannuation Fund:	As per rules of the Company	As per rules of the Company	As per rules of the Company.
G. Gratuity:	Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.		
H. Car / Telephone:	Car with driver for use on Company's business and telephone/telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.		
iv. Sitting Fee :	Not entitled to any sitting fees for attending Board/ Committee Meetings of the Company.		
v. Minimum Remuneration:	Where in any financial year during the currency of the aforesaid term, the Company incurs no profits or its profits are inadequate, the Company shall pay by way of Salary, perquisites and any other allowances in accordance with Section II, Part II of the Schedule XIII of the Act.		

The remuneration payable to Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company for any financial year was restricted to an overall limit of 10% of the net profit of the company as prescribed under Sections 198, 269, 309 read with Schedule XIII of the Companies Act, 1956.

At present, the Hotel industry in India is adversely affected by several factors, such as excess supply resulting in higher competition bringing pressure on Occupancy as well as ARRs. Most of the Hotel Companies have reported downward profits so far during the year 2012-13. Although the Company expects a profit before tax of approx Rs. 1290 Lacs during the Current Financial Year (vis-a-vis profit before tax of Rs. 1940 Lac for the previous Financial Year), which is expected to grow during forthcoming years in such competitive market, it is expected that the profits of the company may be inadequate in the current & ensuing financial years, to pay the remuneration to aforesaid Directors in line with the approval of Shareholders.

Considering their key role in the growth of the company in terms of turnover and profits and keeping in view of the requirement to maintain the compensation levels in line with the industry standards, and in anticipation of inadequate profits in terms of the provisions of the Companies Act, 1956, the approval of the shareholders is being sought for the payment of remuneration to Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company, in the form of salary, allowances and incentive and also for the provision of perquisites and other benefits same as per their remuneration at the time of appointment.

Under Schedule XIII of the Companies Act, 1956, Part II, Section II Part C relating to Remuneration payable to managerial persons, where in any financial year during the currency of the tenure of the managerial person, a company has no profits or its profits are inadequate, it may pay remuneration to a managerial person by way of salary, dearness allowance, perquisites and any other allowances subject to:

- i) payment of remuneration being approved by the Remuneration Committee;
- ii) the approval of the shareholders through a Special Resolution and
- iii) also the prior approval of the Central Government.

The Remuneration Committee of the Company at its meeting held on 22nd December, 2012, subject to the other approvals aforesaid, have approved such payment to Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company.

The Board of Directors of the Company have also approved by way of resolution passed on 24th December, 2012, subject to the other approvals aforesaid, such payment to Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company.

The approval of the shareholders is being sought now by way of a Special Resolution through postal ballot for the payment of remuneration to Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company. The actual payment is subject to the approval of the Central Government to whom an application is being made.

The explanatory statement stating all material facts and the reasons for the proposals is also appended hereto for your consideration. The Board of Directors have appointed M/s. K. K. Malhotra & Co., Practicing Company Secretaries as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form (appended hereto) and return the form duly completed in the attached self addressed, postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours on or before 9th February, 2013. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on 11th February, 2013 at 4.00 p.m. at the Registered Office of the Company at E-5, Clarion Collection – The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi 110016. The result of the Postal Ballot will also be posted on the Company's website www.asianhotelswest.com besides communication to the Stock Exchanges where the Company's shares are listed.

SPECIAL RESOLUTIONS

- (1) To consider and, if thought fit, to give assent / dissent to the following resolution as a Special Resolution through Postal Ballot:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modification or reenactment thereof for the time being in force) and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for the payment of the following remuneration (same as per his remuneration at the time of appointment) as minimum remuneration, in the absence of adequate profits in the respective financial years, to Mr. Sushil Kumar Gupta, Managing Director of the Company for the period from 1st April, 2012 to 30th October, 2014 (expiry of term of office) as set out below:

- i. SALARY (BASIC) PER MONTH: Rs.4,90,000/- – Rs.20,000/- – Rs. 5,50,000/-(increased scale to be effective every subsequent 1st Day of November)
- ii. COMMISSION: At a rate not exceeding 2% (Two Percent) of the net profits of the Company, as may be decided by the Board of Directors, for each financial year.
- iii. PERQUISITES:
 - A. Housing: The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance @ 60% of salary.
 - B. Medical Reimbursement: Expenses incurred for the appointee and his family subject to ceiling of three months' salary in a year or nine months' salary over a period of three years.
 - C. Leave Travel Concession: Business Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.
 - D. Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
 - E. Personal Accident Insurance: As per rules of the Company.
 - F. Employers' Contribution to Provident Fund/ Superannuation Fund: As per rules of the Company
 - G. Gratuity: Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.
 - H. Car / Telephone: Car with driver for use on Company's business and telephone/telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

RESOLVED FURTHER THAT Mr. Sushil Kumar Gupta, Managing Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration;

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Remuneration Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the company”.

- (2) To consider and, if thought fit, to give assent / dissent to the following resolution as a Special Resolution through Postal Ballot:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modification or reenactment thereof for the time being in force) and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for the payment of the following remuneration (same as per his remuneration at the time of appointment) as minimum remuneration, in the absence of adequate profits in the respective financial years, to Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director of the Company for the period from 1st April, 2012 to 31st March 2015 as set out below:

- i. SALARY (BASIC) PER MONTH: Rs.4,30,000/- – Rs.20, 000/- – Rs. 4,90,000/-(increased scale to be effective every subsequent 1st Day of April)
- ii. COMMISSION: At a rate not exceeding 2% (Two Percent) of the net profits of the Company, as may be decided by the Board of Directors, for each financial year.
- iii. PERQUISITES:
 - A. Housing: The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance @ 60% of salary.
 - B. Medical Reimbursement: Expenses incurred for the appointee and his family as per the Company policy.
 - C. Leave Travel Concession: Business Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.
 - D. Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
 - E. Personal Accident Insurance: As per rules of the Company.
 - F. Employers' Contribution to Provident Fund/ Superannuation Fund: As per rules of the Company.
 - G. Gratuity: Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.
 - H. Car / Telephone: Car with driver for use on Company's business and telephone/telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

RESOLVED FURTHER THAT Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration;

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Remuneration Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the company”.

- (3) To consider and, if thought fit, to give assent / dissent to the following resolution as a Special Resolution through Postal Ballot:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modification or reenactment thereof for the time being in force) and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for the payment of the following remuneration (same as per his remuneration at the time of appointment) as minimum remuneration, in the absence of adequate profits in the respective financial years, to Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company for the period from 1st April, 2012 to 31st March, 2015 as set out below:

- i. SALARY (BASIC) PER MONTH: Rs.4,30,000/- – Rs.20,000/- – Rs. 4,90,000/-(increased scale to be effective every subsequent 1st Day of April)
- ii. COMMISSION: At a rate not exceeding 2% (Two Percent) of the net profits of the Company, as may be decided by the Board of Directors, for each financial year.
- iii. PERQUISITES:
 - A. Housing: The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance @ 60% of salary.
 - B. Medical Reimbursement: Expenses incurred for the appointee and his family as per the Company policy.
 - C. Leave Travel Concession: Business Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.
 - D. Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
 - E. Personal Accident Insurance: As per rules of the Company.
 - F. Employers' Contribution to Provident Fund/ Superannuation Fund: As per rules of the Company
 - G. Gratuity: Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.
 - H. Car / Telephone: Car with driver for use on Company's business and telephone/ telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

RESOLVED FURTHER THAT Mr. Sandeep Gupta, Executive (Whole-time) Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration;

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Remuneration Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the company”.

By Order of the Board
For Asian Hotels (West) Limited

Place : New Delhi
Date : 1st January, 2013

Nikhil Sethi
Company Secretary

NOTES:

1. Explanatory Statement setting out all material facts as required under Section 173 of the Companies Act, 1956 alongwith Statement containing information required as per Category C of Part II of Section II of Schedule XIII of the Companies Act, 1956 for Item Nos.1, 2 and 3 in respect of special business of the Company is appended and forms part of the Notice.
2. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on Tuesday, 1st January, 2013.
3. In compliance with provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.
4. The instructions for Shareholders for e-voting are as under:
 - (a) **In case of Shareholders’ receiving e-mail from NSDL**
 - (i) Open e-mail and open PDF file viz; “AHWL-e-Voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select “EVEN” of Asian Hotels (West) Limited
 - (viii) Now you are ready for e-Voting as Cast Vote page opens
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail kk.malhotra2003@gmail.com with a copy marked to evoting@nsdl.co.in.
 - (b) **In case of Shareholders’ receiving Postal Ballot Form by Post:**
 - (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
 - (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The instructions for Shareholders desiring to exercise vote by Physical Postal Ballot are as under:
 - (a) The Postal Ballot Form is to be completed and signed by the shareholder (as per signature registered with the Company). In case of joint holding, this form should be completed and signed by the first-named shareholder and in his/her absence, by the next named shareholder. There will be only one postal ballot form for every folio irrespective of the number of joint holder(s).

- (b) In case the Form is signed by the Power of Attorney holder for and on behalf of the shareholder, it must be accompanied by a certified true copy of the power of attorney. If such power of attorney is already registered with the Company, the Power of Attorney holder should quote the registration number beneath his/her signature. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authority.
 - (c) Unsigned Postal Ballot Form will be rejected.
 - (d) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope since all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
 - (e) The attached self-addressed envelope is only for the limited purpose of this postal ballot process and the same should not be used by the shareholders for sending any other correspondence to the Company.
 - (f) Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed (no other form or photocopy thereof is permitted) and signed in the enclosed self addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
6. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can seek duplicate Postal Ballot Form from Company's Registrar & Transfer Agent M/s. Karvy Computershare Private Limited, Unit: Asian Hotels (West) Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 or Asian Hotels (West) Limited, E-5, Clarion Collection – the Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi 110016, and send the same to the Scrutinizer.
 7. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
 8. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Tuesday, 1st January, 2013.
 9. The voting period ends on the close of Saturday, 9th February, 2013. The e-voting module shall also be disabled by NSDL for voting thereafter. All Postal Ballot Forms received thereafter will be strictly treated as if the reply from the shareholder has not been received.
 11. The Scrutinizer will submit his report to Chairman of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced at the Registered Office of the Company situated at E-5, Clarion Collection – the Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi 110016, on Monday, 11th February, 2013 at 4 p.m. The result of the Postal Ballot will also be posted on the Company's website www.asianhotelswest.com and communicated to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot will also be published in one English newspaper and one Hindi newspaper. In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution. The result of the Postal Ballot shall also be announced at the next Annual General Meeting of the Company.
 12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. and 4.00 p.m. up to the date of declaration of the result of Postal Ballot.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 and 192A of the Companies Act, 1956

Item No.1, 2 and 3

Your Company under the leadership of Mr. Sushil Kumar Gupta, Mr. Sudhir Chamanlal Gupta and Mr. Sandeep Gupta transformed from a Company having one Luxury Hotel Property at Mumbai to a Hotel group having presence in three prominent Metropolitan Cities of India thus considerably widening the Geographical reach of the services being offered by the Company. As may be seen below, under their able leadership, the revenues of the Company for the years 2009-10 to 2011-12 have increased even in increasingly competitive market conditions.

Financial Year	Revenues (Rs. in Lakhs)
2009-10*	6,058.44
2010-11	13,494.47
2011-12	13,578.35

* Financial Year 2009-10 comprises of only 9 months period and contains results / operations of Hotel Hyatt Regency, Mumbai for five months period.

The Company, through one of its Subsidiary, is coming up with 5 Star deluxe Hotel under the Brand J W Marriott at Delhi Aerocity, Near IGI Airport, New Delhi in Quarter 1 of Calendar Year 2013. After the commencement of commercial operations of Hotel J. W. Marriott, the Company is expected to register significant growth and would be 1000+ Room Group Company.

As per Sub-clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, for payment of remuneration in excess of Rs.4.00 lakhs per month for managerial person by the companies having inadequate profits requires disclosure of certain information including the reason for inadequacy of profits to the shareholders and also the approval of the Shareholders by a Special Resolution.

At present, the Hotel industry in India is adversely affected by several factors, such as excess supply resulting in higher competition bringing pressure on Occupancy as well as ARRs. Most of the Hotel Companies have reported downward profits so far during the year 2012-13. Although the Company expects a profit before tax of approx Rs. 1290 Lacs during the Current Financial Year (vis-a-vis profit before tax of Rs. 1940 Lac for the previous Financial Year), which is expected to grow during forthcoming years in such competitive market, it is expected that the profits of the company may be inadequate in the current & ensuing financial years, to pay the remuneration to aforesaid Directors in line with the approval of Shareholders.

Considering their key role in the growth of the company in terms of turnover and profits and keeping in view of the requirement to maintain the compensation levels in line with the industry standards, and in anticipation of inadequate profits in terms of the provisions of the Companies Act, 1956, the approval of the shareholders is being sought for the payment of remuneration to Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director of the Company, in the form of salary, allowances and incentive and also for the provision of perquisites and other benefits same as per their remuneration at the time of appointment.

The remuneration is subject to the approval of the Central Government for which the company is making an application.

Mr. Sushil Kumar Gupta, Managing Director; Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director and Mr. Sandeep Gupta, Executive (Whole-time) Director will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

Accordingly, the following special resolution(s) for payment of the minimum remuneration are placed before the shareholders for approval:

- (i) Mr. Sushil Kumar Gupta, Managing Director for the period from 1st April, 2012 to 31st October, 2014 (end of term).
- (ii) Mr. Sudhir Chamanlal Gupta, Executive (Whole-time) Director for the period from 1st April, 2012 to 31st March, 2015
- (iii) Mr. Sandeep Gupta, Executive (Whole-time) Director for the period from 1st April, 2012 to 31st March, 2015

None of the Directors of the Company other than Mr Sushil Kumar Gupta, Mr. Sudhir Chamanlal Gupta and Mr. Sandeep Gupta is concerned or interested in these resolution(s).

The details of the appointment and remuneration as set out in the resolution may be regarded as an abstract of the terms and conditions and memorandum of concern or interest for the purpose of Section 302 of the Companies Act, 1956 and the requirements of the said Act may be deemed to have been sufficiently complied with.

Further a Statement containing Required Information as Per Category C of Part II of Section II of Schedule XIII of the Companies Act, 1956 and "Calendar of events" are annexed herewith which forms part of this Explanatory Statement.

Statement Containing Required Information as Per Category C of Part II of Section II of Schedule XIII of the Companies Act, 1956 for Item Nos.1, 2 and 3

General Information:

Nature of Industry:

Hotel Industry

Asian Hotels (West) Limited runs a 5 star luxury hotel by the name - Hyatt Regency Mumbai. This hotel is located on Sahar Airport Road in Mumbai, India. Hyatt Regency Mumbai is the city's premier gateway hotel. The hotel is adjacent to Mumbai's international airport and minutes from the Santacruz domestic airport. Hyatt Regency Mumbai is the preferred hotel for business travellers visiting the city of Mumbai.

Date of commencement of Commercial production:

The Company was originally incorporated under the name and style of Chillwinds Hotels Private Limited on January 8, 2007, under the Companies Act, 1956, with the Registrar of Companies, NCT of Delhi and Haryana. The Company was converted into a Public Company and subsequently the name was changed to Chillwinds Hotels Limited w.e.f August 25, 2007. The name of the Company was further changed to Asian Hotels (West) Limited w.e.f February 12, 2010 after the demerger of erstwhile Asian Hotels Limited ("AHL") and vesting of Mumbai Undertaking of AHL in the Company.

AHL was incorporated under the Companies Act, 1956 in Delhi on 13th November 1980 as a Public Company and obtained the Certificate of Commencement of Business on 14th January, 1981. The promoters of AHL were comprised of three major groups since the inception of AHL i.e. Jatia Group (represented by Mr. Shiv Jatia), the Gupta Group (represented by Mr. Sushil Kumar Gupta) and the Saraf Group (represented by Mr. Umesh Saraf). In due course of time, each of the three groups have acquired independent interests in the hospitality industry. The promoters had embarked upon restructuring AHL by way of a Scheme of Arrangement and Demerger.

The Hon'ble High Court of Delhi at New Delhi, vide its Order dated January 13, 2010, has approved the Scheme of Arrangement/ De-merger of Asian Hotels Limited whereby the Mumbai and Kolkata undertakings of Asian Hotels Limited have been transferred to and vested in Transferee Company-I (Chillwinds Hotels Limited now known as Asian Hotels (West) Limited) and Transferee Company-II (Vardhman Hotels Limited now known as Asian Hotels (East) Limited), respectively, with effect from October 31, 2009 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956.

The Scheme is operative from the Appointed Date i.e., October 31, 2009. However it is effective from the date of filing of Form 42 of the Companies (Court) Rules, 1959 of the High Court Order in relation to the Scheme along with Form 21 with the Registrar of Companies, NCT of Delhi and Haryana, i.e., February 11, 2010

The Mumbai Undertaking, (which primarily comprise of Hotel Hyatt Regency Mumbai) was vested with the Company from the Appointed date of the Scheme.

Financial performance based on given indicators:

Rs. in Lakhs

Particulars	Financial Year 2009-10*	Financial Year 2010-11	Financial Year 2011-12
Gross Income	6,058.44	13,494.47	13,578.35
Profit before Tax	1,513.59	2,329.80	1,940.04
Profit after Tax	9,97.61	1,691.60	1,327.15
Networth	32,105.02	28,482.35	29,278.06
Dividend on equity (%)	30%	40%	40%

* Financial Year 2009-10 comprises of only 9 months period and contains results / operations of Hotel Hyatt Regency, Mumbai for five months period

Export performance and net Foreign exchange collaborations:

Earnings in Foreign Exchange on Receipt basis during the year 2011-12 was Rs.7565.67 lakhs.

Foreign Investments or collaborators, if any:

The current foreign holding in the share capital of the company as on 30th September, 2012 is as under:

Foreign Holding	Number of Shares	Percentage of Shares
Foreign Body Corporates (Promoter Category)	53,36,880	46.58
Non Resident Indians (Promoter Category)	1,31,500	1.15
Foreign Institutional Investors	14,124	0.12
Foreign Body Corporates (Public Category)	18,840	0.16
Non Resident Indians (Public Category)	10,19,083	8.89
Total	65,20,427	56.90

Information about the appointees:

a) Mr. Sushil Kumar Gupta

Background details:

Mr. Sushil Kumar Gupta, aged around 68 years, is a F.S.C., Certified Hotel Administrator, is a hotelier by profession. He has made a mark in the travel and tourism industry in India, having set up hotels and participated actively in promoting India Internationally. He has been actively involved in the promotion of tourism in India while serving as the President of Federation of Hotel & Restaurant Associations of India (FHRAI). He has been a Member of the Executive Committee of the Federation of Indian Chamber of Commerce and Industry (FICCI), and Director on the Board of Tourism Finance Corporation of India. He is currently President of Experience India Society, a public-private partnership between Ministry of Tourism, Government of India and the hospitality industry of the country, for marketing India through its "Incredible India" campaign. He has been accorded a special honour by the Hon'ble Minister of Tourism for his contribution to promote Tourism.

He was awarded the Padma Shri by the President of India for Distinguished Service to the Tourism Industry and Social Work in 2007.

Mr. Gupta was also founding promoter of erstwhile Asian Hotels Limited (AHL). AHL under the leadership of Mr. Sushil Kumar Gupta expanded from a single 5 Star Hotel Company at New Delhi, to a Company having 5 Star deluxe Hotels in three Metropolitan Cities viz Delhi, Mumbai & Kolkata. Mr. Sushil Kumar Gupta was appointed as Executive Director of erstwhile AHL during April, 1981 and elevated to Joint Managing Director during, 1986 and was appointed as Managing Director from April, 1991 till its demerger in the year 2010.

Mr. Gupta is also the Chairman & Managing Director of Aria Hotels and Consultancy Services Pvt. Ltd., a subsidiary of Asian Hotels (West) Limited, which is coming up with a 525+ Room JW Marriott Hotel at New Delhi International Airport in Quarter 1 of Calendar Year 2013. He also has substantial interests in other hotel companies/ properties and is the Chairman of following Companies:

1. Edenpark Hotels Pvt. Ltd., a Company owning The Clarion Collection – Qutab Hotel, New Delhi
2. Inovoa Hotels and Resorts Limited, a subsidiary of Asian Hotels (West) Limited, a Company owning and operating a Contemporary Boutique Hotel in the name of The Clarion Hotel, EPIP Zone, Whitefield, Bengaluru.

Past remuneration:

During Financial Year 2011-12, Mr. Sushil Gupta has drawn an aggregate annual remuneration of Rs. 86.49 lakhs from the Company.

Job profile and suitability:

Mr. Sushil Kumar Gupta, the Managing Director of the Company, has been serving the Company for more than 3 decades (including his association with erstwhile Asian Hotels Limited - AHL). After the Demerger of AHL, Mr. Sushil Kumar Gupta continued market driven focus and driven the Company into another growth phase. With the opening of J W Marriott at Delhi Aerocity, the Company is expected to register significant growth and would be 1000+ Room Group Company.

Remuneration proposed:

The terms of remuneration proposed are detailed in the resolution.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The proposed remuneration is not commensurate with his experience and responsibility and significantly below par with the industry levels while compared to the salaries and incentives paid to the Managing Director of companies of similar size.

Pecuniary relationship directly/indirectly with the company or managerial personnel if any:

Mr. Sushil Kumar Gupta has no material pecuniary relationship directly or indirectly with the company or managerial personnel other than his remuneration in the capacity of a Managing Director and the shares held by him in the company.

None of the Directors or Managerial Personnel of the Company, other than Mr. Sushil Kumar Gupta, Mr. Sudhir Chamanlal Gupta and Mr. Sandeep Gupta, are concerned or interested in this resolution.

b) Mr. Sudhir Chamanlal Gupta

Background details:

Mr. Sudhir Chamanlal Gupta is an Industrialist having rich business experience of over 28 years. He is also a Director of M/s Aria Hotels and Consultancy Services Pvt. Ltd., Subsidiary of the company. He has in-depth knowledge of the core business of the Company. He has wide exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of the Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board.

Past remuneration:

During Financial Year 2011-12, Mr. Sudhir Chamanlal Gupta has drawn an aggregate annual remuneration of Rs. 73.91 lakhs from the Company.

Job profile and suitability:

Mr. Sudhir Chamanlal Gupta has immense experience in the field of Hospitality and closely monitor day to day progress in the Operations of Hotel Hyatt Regency Mumbai. His vast knowledge of Hospitality industry has benefitted in optimizing the revenues of the Hotel.

Remuneration proposed:

The terms of remuneration proposed are detailed in the resolution

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The proposed remuneration is not commensurate with his experience and responsibility and significantly below par with the industry levels while compared to the salaries and incentives paid to the Whole-time Director of companies of similar size.

Pecuniary relationship directly/indirectly with the company or managerial personnel if any:

Mr. Sudhir Chamanlal Gupta has no material pecuniary relationship directly or indirectly with the company or managerial personnel other than his remuneration in the capacity of Executive (Whole Time) Director and the shares held by him in the company.

None of the Directors or Managerial Personnel of the Company, other than Mr. Sudhir Chamanlal Gupta, Mr. Sushil Kumar Gupta and Mr. Sandeep Gupta, are concerned or interested in this resolution.

c) Mr. Sandeep Gupta

Background details:

Mr. Sandeep Gupta has graduated (B. Com (Hons.)) from SRCC, New Delhi and did MBA from Notre Dame University, USA, specializing in Finance & marketing and PDP-Cornell University. He is also the Managing Director of Edenpark Hotels Pvt. Ltd. (Owners of Clarion Collection- New Delhi).

Past remuneration:

During Financial Year 2011-12, Mr. Sandeep Gupta has drawn an aggregate annual remuneration of Rs. 59.43 lakhs from the Company.

Job profile and suitability:

Mr. Sandeep Gupta has been associate with Hotel Industry for a very long time. He was also associated with the erstwhile Asian hotels Limited in the capacity of Senior Vice President Development. He is also the Managing Director of Edenpark Hotels Pvt. Ltd., a company owning and operating Clarion Collection – the Qutab Hotel, New Delhi. He is also closely monitoring day to day progress in the development of the Hotel J. W. Marriott, New Delhi. His vast knowledge of Hospitality industry has benefitted in optimizing the revenues of the Company.

Remuneration proposed:

The terms of remuneration proposed are detailed in the resolution

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The proposed remuneration is not commensurate with his experience and responsibility and significantly below par with the industry levels while compared to the salaries and incentives paid to the Whole-time Directors of companies of similar size.

Pecuniary relationship directly/indirectly with the company or managerial personnel if any:

Mr. Sandeep Gupta has no material pecuniary relationship directly or indirectly with the company or managerial personnel other than his remuneration in the capacity of Executive (Whole Time) Director.

None of the Directors or Managerial Personnel of the Company, other than Mr. Sandeep Gupta, Mr. Sushil Kumar Gupta and Mr. Sudhir Chamanlal Gupta, are concerned or interested in this resolution.

Other Information

Reasons of loss or inadequate profits

- i) Supply Pressure and Highly Competitive Environment: At present, the Hotel industry in India is adversely affected by several factors, such as excess supply resulting in higher competition bringing pressure on Occupancy as well as ARR's.
- ii) High Cost of Finance: The Company has availed debt to finance the ongoing expansion drive and increased cost of debt finance affected the profitability of the Company.
- iii) Poor Infrastructure Development: The brand image of India as a tourist destination may be adversely affected due to inadequate development of infrastructure in the form of poorly maintained road network.
- iv) Economic and Political Stability: Fiscal health of European Market affected the traffic inflow from Europe in the country, thus affecting the Hospitality growth. Mumbai terror attack resulted in a fall or slow down in tourist arrivals of the tourists, which adversely affected the Hotel and Tourism industry.

Steps taken or proposed to be taken for improvement

- a) Widening geographical reach: The Company, through, its subsidiaries, increasing its presence in other metropolitan cities of the Country, thereby widening geographical reach of the services of the Group.
- b) Capacity addition: with the opening of the Hotel J. W. Marriott at New Delhi , the room inventory under the Company ownership shall stands increased to approx.1000 rooms keys.
- c) Cost reduction measures: The Company is undertaking measures for reduction of operating expenses at the Hotel Hyatt Regency, Mumbai.

Expected increase in productivity and profits in measurable terms

The Hotel industry follows a cyclical trend and the Operating dynamics are expected to improve in the short / medium term. This should provide the company an improvement in overall profitability. The above steps taken by the Company will help lessen the impact of weak trade cycles and provide stability to operating profitability.

By Order of the Board
For Asian Hotels (West) Limited

Place : New Delhi
Date : 1st January, 2013

Nikhil Sethi
Company Secretary

CALENDAR OF EVENTS

The Postal Ballot process is scheduled to be conducted as per the following calendar of events:

No.	Event	Date
a)	Date of despatch of Notice of Postal Ballot On or before	10/01/2013
b)	Date of Completion of despatch of Notice along with Postal Ballot	As above
c)	Date on which the consent was given by the Scrutinizer	24/12/2012
d)	Date of appointment of Scrutinizer	24/12/2012
e)	Last Date of receiving the Postal Ballot by Scrutinizer	09/02/2013
f)	Date of signing the Minutes Book by the Chairman in which the results of Ballot is recorded	11/02/2013
g)	Date of returning the Ballot papers, Register required to be maintained by the Scrutinizer	12/02/2013
h)	Date of handing over the ballot papers to the designated authority, if required	15/02/2013