

F O U R T H

*Annual
Report
2010 - 11*

A S I A N H O T E L S (W E S T) L I M I T E D

(Formerly known as Chillwinds Hotels Limited)



BOARD OF DIRECTORS

Sushil Gupta	Chairman and Managing Director
Sudhir Gupta	Executive (Whole-Time) Director
Sandeep	

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

Registered Office: E-5, Clarion Collection – The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi 110016

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of Asian Hotels (West) Limited will be held on Tuesday, 2nd August, 2011 at 3.00 p.m. at Airforce Auditorium, Subroto Park, New Delhi 110010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date alongwith the Auditors' Report and Directors' Report thereon.
2. To declare dividend of Rs. 4/- per Equity Share.
3. To appoint a Director in place of Mr. S. K. Chhibber who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Lalit Bhasin who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

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

**By order of the Board
For Asian Hotels (West) Limited**

Place : New Delhi
Date : 30th May, 2011

**Nikhil Sethi
Company Secretary**

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/HERSELF 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 representative/(s) 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 the documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. and 5.00 p.m. on all working days, for a period of twenty one days before the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 27th July, 2011 till Tuesday, 2nd August, 2011, inclusive of both days.
6. The dividend, if declared by the Company in the Annual General Meeting, will be paid to those members or to their mandates whose name stand registered as:
 - a) Beneficial owners as at the end of business on 26th July, 2011, 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 26th July, 2011.
7. Shareholders who have not received and/or encashed the dividend warrant(s) in respect of Dividend declared for the Financial Year 2009-10 are requested to apply for duplicate dividend warrant(s) by writing to the Company/Registrar and Transfer Agent.
8.
 - a) Members are requested to notify the Registrar and Transfer Agent/Company change in their address, if any, with pincode, 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 Registrar and Transfer Agent/Company/respective Depository participant:
 - a) Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
 - b) Change, if any, in their Residential status.
10. The Securities 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

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dividend. Therefore, to avoid any fraudulent encashment of warrants, the members are requested to furnish, quoting their folio number, following information to the Registrar and Share Transfer Agent/Company/respective Depository participant so that requisite details could be printed on all future dividend warrants:

- Name of the Sole/First Joint Holder, and
- Particulars of his/her Bank account, viz. account number, name of Bank and complete address of the Branch with Pincode Number.

- As per the provisions of the Act, facility for making nominations in prescribed Form 2B, is available to individuals holding shares in the Company.
- The members, intending to receive the Notices of General Meetings, Balance Sheet, Profit and Loss Account, Auditor's Report, Director's Report and Explanatory Statement etc. through email, are requested to register his / her e-mail address and changes therein from time to time with the Company/Registrar or with concerned depository. A copy of all the above documents sent through email will also be available at the company's website www.asianhotelswest.com and will also be available for inspection at the Registered Office of the Company during office hours.
- Shareholders are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons.**

Details of Directors seeking re-appointment at the forth-coming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Mr. S. K. Chhibber	Mr. Lalit Bhasin
Date of Birth	3 rd April, 1920	19 th January, 1939
Date of Appointment	23 rd December, 2008	23 rd December, 2008
Expertise in specific functional areas	Mr. S. K. Chhibber Retd. IAS Officer has held various portfolios during his tenure in the Central Government and was former Lt. Governor of Mizoram.	Mr. Lalit Bhasin is a Lawyer of considerable standing and repute both within the country and in international arena. He holds several important posts viz. Honorary General Secretary of Bar Association of India, President of Indian Society for Afro Asian Studies, President Society of Indian Law firms, Executive President of Indian Law Foundation and is the Chairman of Chartered Institute of Arbitrators.
Qualifications	M.A.	B.A. (Hons), L.L.B.
Details of shares held in the Company	70	NIL
List of Companies in which outside Directorships held as on 31.03.2011 (excluding Private & Foreign Companies)	<ol style="list-style-type: none"> Mount Shivalik Breweries Ltd. Mount Shivalik Investment Ltd. Mount Shivalik Industries Ltd. Aria Hotels and Consultancy Services Pvt. Ltd., Subsidiary of Asian Hotels (West) Ltd. 	<ol style="list-style-type: none"> Ansal Properties & Industries Ltd. Apollo Zipper India Ltd. Asian Hotels (North) Ltd. Bharat Hotels Ltd. Godfrey Philips India Ltd. LMJ International Ltd. Modicare Ltd. Omax Autos Ltd. Urban Infrastructure Trustees Ltd.
Chairman / Member of the Committees of other Companies on which he is a Director as on 31.03.2011	Audit Committee <ol style="list-style-type: none"> Aria Hotels and Consultancy Services Pvt. Ltd. , Subsidiary of Asian Hotels (West) Ltd. 	Audit Committee <ol style="list-style-type: none"> Asian Hotels (North) Ltd. Bharat Hotels Ltd. Godfrey Philips India Ltd. Share Transfer and Investor Grievance Committee <ol style="list-style-type: none"> Asian Hotels (North) Ltd. Ansal Properties and Infrastructure Ltd. Godfrey Philips India Ltd.

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 4th Annual Report and Audited Accounts for the Financial Year ended on 31st March, 2011 (i.e. for the period commencing from 1st April, 2010 to 31st March, 2011).

OBJECTS, OPERATIONS AND FINANCIAL RESULTS

The Current Financial Year of the Company was for a period of twelve months and the Annual Accounts have been prepared for a period commencing from 1st April, 2010 to 31st March, 2011. However, the Financial Statements for Financial Year 2009-10 was for a period of nine months commencing from 1st July, 2009 to 31st March, 2010 representing operations of Hotel Hyatt Regency, Mumbai for only 5 (five) months period commencing from 1st November, 2009 and ending on 31st March, 2010.

A summarized position of the profits, taxation, dividend, pay-out and transfer to reserves for the year under review, on standalone basis, is given below:

(Rupees in Crores)

Particulars	2010-11	2009-10*
	(Twelve month period)	(Nine month period)
Income	137.59	60.58
Expenditure	91.66	41.19
Profit Before Interest & Depreciation	45.93	19.39
Depreciation	10.23	4.25
Interest	12.40	–
Profit Before Tax	23.30	15.14
Provision for Taxation		
– Current Tax	7.02	5.00
– Deferred Tax	(0.64)	0.16
Net Profit	16.92	9.98
Amount Brought Forward	97.57	(0.77)
Transferred pursuant to Scheme of Arrangement & Demerger	–	93.39
Profit Available for Appropriation	114.49	102.60
Transfer to General Reserve	1.75	1.00
Proposed Dividend on Equity Shares	4.58	3.42
Dividend on Non Convertible Preference Shares	0.01	0.02
Proposed Dividend on Fully Convertible Preference Shares	–	–
Corporate Dividend Tax	0.75	0.59
Transfer to Debenture Redemption Reserve	1.69	–
Surplus Carried Forward	105.71	97.57
Earning Per Share – Basic (Rupees)	14.83	15.67
Earnings Per Share – Diluted (Rupees)	14.75	–

* Financial Statements represents operations of Hotel Hyatt Regency, Mumbai for only 5 (five) months period commencing from 1st November, 2009 and ending on 31st March, 2010.

SCHEME OF ARRANGEMENT AND DEMERGER

As the members are aware that pursuant to the Scheme of Arrangement and Demerger ('the Scheme') of trifurcation of Asian Hotels Limited ('AHL') approved by the Hon'ble High Court of Delhi at New Delhi on 13th January, 2010, Mumbai Undertaking of AHL comprising of Hotel Hyatt Regency, Mumbai along with investments in Aria Hotels & Consultancy Services Pvt. Ltd. was transferred to and vested in the Company during the previous Financial Year.

During the period under review, as envisaged under the said Scheme, the following activities were undertaken:

- Inter-se transfer of amongst the promoters of erstwhile Asian Hotels Limited, namely Gupta Group, Jatia Group and Saraf Group. After the inter-se transfer only Gupta Group constitutes the Promoters of the Company.
- The Company had earlier re-issued 27,780 1% Fully Convertible Preference Share (FCPS) of the face value of Rs. 10/- each at a premium of Rs. 530/- each to Finline Holdings Limited and UDT Enterprises Pty. Ltd. credited as fully paid.

In terms of the Scheme, the aforesaid FCPS were to be converted into the equity shares of the Company at any time, at the option of the respective FCPS holder, during the period from 5th March, 2011 to 30th April, 2011 and in the event any FCPS holder does not exercise the option to convert the FCPS into equity shares during the aforesaid period, the FCPS held by such FCPS holder would compulsorily get converted into the equity shares of the Company on 30th April, 2011.

The said 27,780 FCPS were converted into 56,521 Equity Shares at the conversion Price of Rs. 265.40 per share as calculated in terms

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of the mechanism provided in the Scheme. Consequently, such conversion resulted into issuance of 56,521 equity shares of Rs.10/- each credited as fully paid-up. Consequent to the aforesaid issue and allotment, the paid-up equity capital of the Company has increased from Rs. 11,40,17,820/- comprising of 1,14,01,782 equity shares of Rs.10/-each to Rs. 11,45,83,030/- comprising of 1,14,58,303 equity shares of Rs.10/- each with effect from 30th April, 2011. The Company has filed application for listing of aforesaid 56,521 Equity Shares with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited on 10th May, 2011.

With the aforesaid actions, all the procedural formalities consequential to the Scheme of erstwhile Asian Hotels Limited have been complied with.

CONSOLIDATED FINANCIAL STATEMENTS

In terms of the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India a general exemption has been granted to the holding companies from attaching with their balance sheet a copy of the balance sheet, profit and loss account etc. of each of its subsidiaries subject to fulfillment of certain conditions.

The Board of Directors of the Company has approved availing of the benefit under the aforesaid circular. Accordingly, the members have been circulated standalone Financial Statement of the Company for the Financial Year 2010-11 alongwith Consolidated Financial Statement for the Financial Year 2010-11.

DIVIDEND

Your Directors have declared an interim dividend @1% on pro-rata basis on 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of the face value of Rs. 10/- each for the period 1st April, 2010 to 30th June, 2010 which has been paid to the NCPS holders. The said NCPS has been redeemed by the Company on 30th June, 2010.

The Board has recommended for approval of shareholders, a dividend of 40% (amounting to Rs. 4.00 per Share) (Previous period dividend @ 30%) for the Financial Year ended 31st March, 2011 to be paid on 1,14,58,303 Equity Shares of the Company (i.e. the enhanced Equity Share Capital of the Company post conversion of 1% Fully Convertible Preference Shares into the Equity Shares of the Company), aggregating a distribution of Rs. 4.58 Crores (Previous period year Rs. 3.42 Crores).

SUBSIDIARY COMPANY

A. ARIA HOTELS AND CONSULTANCY SERVICES PRIVATE LIMITED

Aria Hotels and Consultancy Services Private Limited (Aria) was a wholly owned Subsidiary of the Company during the previous financial year. Aria is developing a 523 keys 5 star deluxe Hotel under the brand name J. W. Marriott at the upcoming Hospitality District near the Indira Gandhi International Airport, New Delhi which is expected to be operational by April, 2012. The financing details of the Project are as under:

Particulars	Amount in Rs. Crores	Status
Equity Participation		
– by Asian Hotels (West) Limited	125.01	Already Infused
– by IL&FS Group (to acquire 32.65% stake in Aria)	80.00	Already infused
Project Loan	422.92	Already tied up with consortium of Banks and Financial institution of which Rs. 101.50 crores was availed as on 31st March 2011.
Lease Deposits	76.93	Under process of raising
Total Project Cost	704.86	

During the period under review, Aria has issued 3,46,00,000 Equity Shares of the face value of Rs. 10/- each at a premium of Rs. 16/- each and 38,61,538 Compulsory Convertible Preference Shares of the face value of Rs. 10/- each at a premium of Rs. 16/- each to the Company aggregating to Rs. 100 Crores and 1,34,61,538 Equity of the face value of Rs. 10/- each at a premium of Rs. 16/- each and 1,73,07,692 Compulsory Convertible Preference Shares of the face value of Rs. 10/- each at a premium of Rs. 16/- each to IL&FS Group aggregating to Rs. 80 Crores, pursuant to which AHWL is presently the Holding Company of Aria.

B. INOVOA HOTELS AND RESORTS LIMITED

During the period under review, the Board of Directors of the Company approved acquisition of controlling stake in M/s Inovia Hotels and Resorts Limited (IHRL).

IHRL is presently owning and operating The Clarion Hotel, EPIP Zone, Whitefield, Bengaluru. The Clarion Hotel, Bengaluru is a 130 room Contemporary Boutique Hotel constructed on land admeasuring 34,450 sq. ft. with a total built up area of approx. 120,000 sq. ft.

The Company has accordingly acquired 30.18% of the paid up Equity Capital of IHRL till 31st March, 2011 pursuant to which IHRL become the Associate of the Company in terms of Accounting Standard 23 issued by the Institute of Chartered Accountants of India. After the Balance Sheet date, the Company has further acquired stake in IHRL aggregating the holding of the Company in IHRL to 50.49% of the paid up equity capital of the Company, pursuant to which, IHRL has become Subsidiary of the Company.

Your Directors believe that the said acquisition has brought an additional running Hotel under the umbrella of the Company.

BORROWINGS

A. NON CONVERTIBLE DEBENTURES

During the period under review, the Company has issued 1000 Rated, Taxable, Secured, redeemable, Non - Convertible Debentures

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(NCDs) of the face value of Rs. 10 Lacs each, aggregating to Rs. 100 Crores, on private placement basis to Kotak Mahindra Bank Limited on 25th June, 2010. The NCDs were listed on the Whole-sale Debt Market at the National Stock Exchange of India Limited (NSE) w.e.f. 8th July, 2010. The Company has appointed M/s IDBI Trusteeship Services Limited, Mumbai as the Debenture Trustee and M/s Karvy Computershare Pvt. Ltd. as Registrar and Transfer Agents in relation to the aforesaid NCDs.

During the period under review, in terms of the issue of the aforesaid NCDs, your Company has redeemed NCDs of the face value of Rs. 6.75 Crores. Total outstanding NCDs as on 31st March, 2011 is Rs. 93.25 Crores.

B. LOANS

(i) During the Financial Year 2010-11, the Company has availed secured loan of Rs. 45 Crores from Kotak Mahindra Bank Limited. In accordance with the terms and conditions of the aforesaid loan, the Company has already partly repaid the above loan upto the extent of Rs. 3.00 Crores. As on 31st March, 2011 the outstanding loan amounts to Rs. 42.00 Crores.

(ii) Loan of Rs. 1 Crore from Kotak Mahindra Prime Limited for purchase of cars for Hotel Hyatt Regency, Mumbai.

All the above Borrowings are within the Borrowing powers of the Board of Directors of the Company approved by the shareholders of the Company.

FUTURE PROSPECTS

The Company is on the lookout for sites having growth potential and your Directors are reasonably confident that it will result in expanding our footprint and thereby enhancing the Shareholders' value. In addition the Company is also exploring the possibility of entering into mid market segment hotels to achieve sustainable and balanced profitable growth.

AUDITORS

M/s. S. S. Kothari Mehta & Co. Chartered Accountants, the present Auditors of the Company, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. They have certified that their appointment, if made, will be in accordance with the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Audit Committee of the Company has recommended their re-appointment.

INTERNAL AUDIT

M/s KSMN & Co., Chartered Accountants, the internal auditors of the Company have conducted periodic audit of all operations of the Company. The Audit Committee of the Board of Directors has reviewed the findings of Internal Auditors regularly and their reports have been well received by the Audit Committee.

DIRECTORS

During the period under review, Mr. Rajesh Adhikary was appointed as the Alternate Director to Mr. Sunil Diwakar, Director of the Company with effect from 11th February, 2011. Mr. Adhikari ceased to be Alternate Director to Mr. Sunil Diwakar w.e.f. 30th May, 2011.

In accordance with the requirement of the Companies Act, 1956 and pursuant to the Article 116 of the Articles of Association, two of your Directors viz. Mr. S. K. Chhibber and Mr. Lalit Bhasin retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to any material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period under review and of the profit of the Company for that period.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis;

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

INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

Information required under Section 217(1)(e) of the Companies Act, 1956 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, foreign exchange earnings and outgo are to the extent possible, in the opinion of your Directors, given in Annexure 'A' annexed hereto.

PERSONNEL

Your Directors wish to appreciate the dedicated efforts and hard work of personnel at all levels that has made the existing results possible.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of this Report, is given in Annexure 'B' annexed hereto.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance for the Financial Year 2010-11 together with Auditor's Certificate on Corporate Governance is appended to the Annual Report as Annexure 'C' and 'D' respectively.

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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

India as a destination has become far more attractive to foreign tourists as evidenced by the fact that as per a report published by the World Travel and Tourism Council, India stood 18th as far as business travel was concerned and it featured alongside the top 5 most visited destinations in 2010.

According to a study conducted by the World Travel and Tourism Council the hospitality industry in India is all set to grow at a steady rate of 15 percent per annum. However the growth rate will shoot up in the next few years considering the number of rooms required by both luxury and budget hotels. Indian Hotel Industry is adding about 60,000 quality rooms, currently in different stages of planning and development and should be ready in next two to three years. With the GDP growth of 8-9%, the demand for the hotel rooms is also increasing in the same pace, if not more. The hotel Companies are expected to do well accordingly.

Dwelling perfectly on the principle of 'ATITHI DEVO BHAVA' (GUEST IS GOD) the Hotels in India are just the apt concoction of luxury, humility and unparalleled hospitality. The hotels in India are known for offering the best of products and services at absolutely pocket friendly rates.

Opportunities, Threats, Risks and Concerns

India has the potential to cater to the varying interests of the globetrotter whether it be in the form of centers of spirituality, adventure sports or world renowned heritage sites. Hotel business in general is sensitive to fluctuations in the economy and may be unfavorably affected by changes in global and domestic economies, changes in local market situations, government policies and fluctuations in interest and foreign exchange rates and other natural and social factors.

However the following factors may be a cause of concern and pose a road block in India's tourism industry achieving its true potential:

1. Internal Security, Law & Order situations and political stability.
2. Regional security threats.
3. Public health and Hygiene.
4. Government policies and Economic Conditions.
5. Competition
6. Operational Hazards, Industrial Accidents and public liabilities.
7. Frauds and pilferages.
8. High Operating Leverage

Review of Operational and Financial Performance

The Company has achieved an aggregate turnover of Rs. 137.59 Crores (Previous period Rs. 60.58 Crores) for the financial year ended on 31st March, 2011. Profit after taxes for the year under review was Rs. 16.92 Crores (Previous period Rs. 9.98 Crores).

Segment wise Performance

During the period under review, the Company is engaged in only one segment of Hotel Business at Mumbai, hence segment wise performance is not applicable.

Internal Control Systems and their Adequacy

The Company has standard operating procedures. 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. The internal auditors of the Company had regularly conducted exhaustive internal audits pertaining to all operational areas and their reports were placed before the Audit Committee for its review and recommendations.

Human Resources and Industrial Relations

Smooth Industrial Relations and effective Human Resource Management are the key factors contributing towards success in the industry. As our company is part of the hospitality industry the importance of efficient and motivated human resources helps in achieving complete customer satisfaction, which in turn has direct impact on the brand image and turnover of the company. The Company enjoys harmonious relationship with its employees. The employee strength of the Company, as on 31st March, 2011 was 678.

ACKNOWLEDGEMENT

Your Directors would like to express its sincere appreciation and gratitude to the Company's valued customers, the Government of India, State Governments, various Financial Institution(s) and Banks for their continued support and confidence in the Company. The Board would also like to place on record its deep sense of appreciation for the continued confidence reposed in the Company by the Shareholders as well as the sincere efforts put in by the executives and staff at all levels for progress of the Company.

**For and on behalf of the Board
For Asian Hotels (West) Limited**

Place : New Delhi
Date : 30th May, 2011

**Sushil Gupta
Chairman and Managing Director**

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ANNEXURE – A FORMING PART OF THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

S. No.	Energy conservation measure taken during the year 2010-11	Impact (savings in Lac Rs. per annum)
1.	Rain water harvesting	20.0
2.	Replacement of back areas light fixtures with T5 lights	2.0
3.	Replacement of Halide lamps with T5 lights in B1car parking areas	0.8
4.	HBD pump with VFD control	1.0
5.	Replacement of energy efficient heat pipes in TFA's	2.0

S.No.	Additional Investment – proposal for the year 2011-12	Impact (savings in Lac Rs. per annum)
1.	Recycling of STP water back to flush and cooling tower	10.0
2.	Replacement of guest room door light with LED lights	2.5
3.	Replacement of Halide lamps with T5 lights in B2car parking areas	0.7
4.	Replacement of corridor lights with LED lights	1.5

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 the 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) have shown a downfall considering the global meltdown and the recession in the economies across the world. Current period earnings amounted to Rs. 86.25 Crores (Rs. 34.83 Crores in previous period) against which the outgo in foreign exchange was equivalent to Rs. 12.73 Crores (Rs. 7.01 Crores in previous period).
- Details of foreign exchange earnings and outgo are given at Note 24 Schedule 18B to the Balance sheet and Profit and Loss Account of the Company for the financial year ended on 31st March, 2011.

ANNEXURE – B FORMING PART OF THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 (FINANCIAL YEAR 2010-11)

S. No.	NAME	AGE (YRS.)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION (IN RS.)	QUALIFICATION	EXPERIENCE (YRS)	DATE OF COMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD / DESIGNATION / PERIOD
EMPLOYED THROUGHOUT THE YEAR								
1	Sushil Gupta	68	Chairman & Managing Director	1,04,99,600	F.S.C., CHA	48	10.04.1981	Industrialist
2	Aseem Kapoor	42	General Manager, Hyatt Regency Mumbai	1,15,75,779	Diploma in Hotel Management, IHM Mumbai	22	01.06.2008	Resident Manager, Park Hyatt Dubai (3 Yrs)
EMPLOYED PART OF THE YEAR								
3.	Sudhir Gupta	52	Executive (Whole-time) Director	81,84,051	B.Com	28	10.05.2010	Industrialist
4.	Sandeep Gupta	42	Executive (Whole-time) Director	81,50,838	MBA (Hotel Management)	20	10.05.2010	Industrialist

- 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 Chairman & Managing Director and Executive (Whole-time) Directors. Performance incentives and Ex-gratia payments to the executives and commission to Chairman & Managing Director and Executive (Whole-time) Directors are included on paid / payable basis.
- All the appointments except that of Mr. Aseem Kapoor are on contractual basis.
- Mr. Sushil Gupta, Chairman and Managing Director of the Company, is brother of Mr. Sudhir Gupta Executive (Whole-time) Director of the Company and is father of Mr. Sandeep Gupta, Executive (Whole time) Director of the Company. Mr. Aseem Kapoor is not related to any Director of the Company.

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ANNEXURE “C” FORMING PART OF DIRECTORS’ REPORT

CORPORATE GOVERNANCE REPORT

Company’s Philosophy on Corporate Governance

The Company is totally committed to providing the shareholders and other stakeholders with an insight into the working of the Company and acknowledges the importance of practicing good Corporate Governance while conducting its business, for creation of wealth for shareholders.

The Shares of the Company were listed with the Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd on 5th August, 2010.

The status of compliance with Clause 49 of the Standard Listing Agreement for the Financial Year 2010-11 is enumerated herein below:

Board of Directors

As on the date of this report, the Board of Directors of the Company comprises of Eight Directors, excluding an Alternate Director, out of which four are Independent Non-Executive Directors and one Non-Executive Director and remaining three are Whole-time Directors.

Mr. Sushil Gupta is a Chairman and Managing Director of the Company. In terms of the requirements of Clause 49 of the Listing Agreement, atleast fifty percent of the Board comprises of Independent Non-Executive Directors.

The Company is following prescribed Board procedures and provided detailed notes in advance on all the businesses proposed to be dealt with at the Board Meetings. The Board meets atleast once every quarter. During the period under review, 6 meetings of the Board of Directors took place. These meetings were held on 10th May, 2010; 21st May, 2010; 16th June, 2010; 10th August, 2010; 28th October, 2010 and 11th February, 2011.

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

S. No.	Name of the Director	Category	No. of Board Meetings Attended	Last AGM attended	No. of Other Directorships held in Private Companies	No. of Other Directorships held in Public Companies	No. of Committee Memberships in Public Companies	No. of Chairmanships in such Committees
1.	Mr. Sushil Gupta*	Chairman & Managing Director	6	Yes	4	2	–	–
2.	Mr. R.K. Bhargava	Independent Non-Executive	6	Yes	6	3	8	4
3.	Mr. S.K. Chhibber	Independent Non-Executive	6	Yes	1	3	1	–
4.	Mr. Lalit Bhasin	Independent Non-Executive	5	No	3	9	10	3
5.	Mr. S. S. Bhandari	Independent Non-Executive	4	No	–	2	4	1
6.	Mr. Sudhir Gupta@	Executive (Whole-time) Director	4	Yes	1	–	–	–
7.	Mr. Sandeep Gupta@	Executive (Whole-time) Director	5	Yes	3	–	–	–
8.	Mr. Sunil Diwakar \$	Non-Executive	1	No	–	7	7	–
9.	Mr. Rajesh Adhikary#	Non- Executive	1	N.A.	2	1	–	–

* Appointed as Managing Director for a term of five years ending 31st October, 2014.

@ Appointed as Executive (Whole-time) Director for a term of five years ending 9th May, 2015.

\$ Appointed as a Director of the Company w.e.f 10th August, 2010.

Appointed as an Alternate Director to Mr. Sunil Diwakar of the Company (w.e.f. 11th February, 2011 to 30th May, 2011).

Committee of Directors

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

a) Audit Committee:

The Audit Committee of the Board of Directors of the Company comprise of three Independent & Non – Executive Directors, namely Mr. R. K. Bhargava, Mr. Lalit Bhasin and Mr. S.S. Bhandari.

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 and 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 Chairman and Managing Director is the permanent invitee to the Audit Committee meeting. The Company Secretary acts as Secretary to the Committee.

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

During the year under review, four meetings of the Audit Committee were held on 21st May, 2010; 10th August, 2010; 28th October, 2010 and 11th February, 2011, details of which are as under:

Name of the member	Category	No. of Audit Committee meetings attended
Mr. R. K. Bhargava	Independent Non-Executive	4
Mr. Lalit Bhasin	Independent Non-Executive	4
Mr. S. S. Bhandari	Independent Non-Executive	2

b) Share Transfer & Shareholders Grievance Committee:

The Share Transfer & Shareholders Grievance Committee of the Board of Directors comprise of three Independent Non-Executive Directors, namely, Mr. R. K. Bhargava, Mr. S. K. Chhibber, and Mr. Lalit Bhasin. The Company Secretary is the Compliance Officer of the Company and acts as Secretary to the Committee.

The Committee functions under the Chairmanship of Mr. R. K. Bhargava.

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 Company received 76 complaints during the period, which have been resolved and/or appropriately replied to. None of the investor complaints is lying unresolved at the end of the Financial Year.

During the year under review, three meetings of the Share Transfer & Shareholders Grievance Committee were held on 10th August, 2010; 28th October, 2010 and 11th February, 2011 details of which are as under:

Name of the member	Category	No. of Share Transfer Committee meetings attended
Mr. R. K. Bhargava,	Independent Non-Executive	3
Mr. S. K. Chhibber	Independent Non-Executive	3
Mr. Lalit Bhasin	Independent Non-Executive	3

c) Remuneration Committee / Remuneration

The Remuneration Committee of the Board of Directors comprise of three Independent Non-Executive Directors, namely, Mr. Lalit Bhasin, 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.

The Committee functions under the chairmanship of Mr. Lalit Bhasin a senior Lawyer of repute with over 49 years of experience in Legal matters.

During the year under review, one meeting of the Remuneration Committee was held on 10th May, 2010, details of which are as under:

Name of the member	Category	No. of Remuneration Committee meeting attended
Mr. Lalit Bhasin	Independent Non-Executive	1
Mr. R. K. Bhargava	Independent Non-Executive	1
Mr. S. S. Bhandari	Independent Non-Executive	1

Pursuant to the approval of the shareholder at the previous Annual General Meeting of the Company, the Non-Executive Directors are collectively entitled to commission at the rate of 1% of the net profits of the Company (computed under Section 349 and 350 of the Act) subject to a maximum of Rs. 5,00,000/- (Rupees Five Lacs only) per year per Non-Executive Director. 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 were offered to the Directors or Executives of the Company.

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

(Amount in Rs.)

Name of the Directors	Salary including perquisites	Commission (payable)	Sitting Fees	Total
Mr. Sushil Gupta*	94,99,600	10,00,000	—	1,04,99,600
Mr. S.K. Chhibber	—	5,00,000	1,08,000	6,08,000
Mr. R.K. Bhargava	—	5,00,000	1,68,000	6,68,000
Mr. Lalit Bhasin	—	5,00,000	1,56,000	6,56,000
Mr. S.S. Bhandari	—	5,00,000	84,000	5,84,000
Mr. Sunil Diwakar	—	3,00,000	12,000	3,12,000
Mr. Rajesh Adhikary	—	—	12,000	12,000
Mr. Sudhir Gupta**	71,84,051	10,00,000	—	81,84,051
Mr. Sandeep Gupta**	71,50,838	10,00,000	—	81,50,838
TOTAL	2,38,34,489	53,00,000	5,40,000	2,96,74,489

ASIAN HOTELS (WEST) LIMITED

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* Appointed for a term of five years ending 31st October, 2014.

** Appointed for a term of five years ending 9th May, 2015 and have been paid salary for the period of 10th May, 2010 to 31st March, 2011 during the financial year under review.

Details of shareholdings of the Non-Executive Directors of the Company as on 31st March, 2011 are as under:

Name of Director	Category	Shareholding as on 31 st March, 2011	% age of Total Shareholding
Mr. R.K. Bhargava	Independent Non- Executive	3826	0.03
Mr. S.K. Chhibber	Independent Non- Executive	70	0.00
Mr. Lalit Bhasin	Independent Non- Executive	NIL	NIL
Mr. S.S. Bhandari	Independent Non- Executive	NIL	NIL
Mr. Sunil Diwakar	Non Executive	NIL	NIL
Mr. Rajesh Adhikary	Non-Executive	NIL	NIL

General Body Meetings: -

The details of the Annual General Meetings held since the date of incorporation of the Company are given below:

Financial Year	Venue	Date	Time
2007-08	Hotel Hyatt Regency, Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	04.07.2008	11.30 A.M.
2008-09	Hotel Hyatt Regency, Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	03.10.2009	1.00 P.M.
2009-10	Airforce Auditorium, Subroto Park, New Delhi 110010	18.09.2010	3.30 P.M.

At the 3rd Annual General Meeting of the Company held on 18th September, 2010 the shareholders of the Company approved a Special Resolution regarding payment of Commission to Directors other than the Managing and Executive (Whole time) Directors of the Company and the said special resolution was unanimously passed by a show of hands by the Members of the Company present and voting at the said meeting.

No resolution is required to be put through a postal ballot at the ensuing Annual General Meeting.

Code of Conduct

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

Material Disclosures

• Related Party Transaction

In compliance with the Accounting Standard – 18, transactions pertaining to related parties are given under Note 11 of Schedule 18B (Significant Accounting Policies, Contingent Liabilities and Notes) to the Balance Sheet as at 31st March, 2011, and the Profit & Loss Account for the period ended on that date.

• Legal Compliances

There has been no significant non-compliance by the Company since its incorporation. The Company has an elaborate reporting system on compliances of all major laws applicable to the Company.

• 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.

• Utilisation of Proceeds of Non Convertible Debentures

During the period under review, the Company has issued 1000 Rated, Taxable, Secured, redeemable, Non - Convertible Debentures (NCDs) of the face value of Rs. 10 Lacs each, aggregating to Rs. 100 Crores, on private placement basis to Kotak Mahindra Bank Limited on 25th June, 2010. The Proceeds of above issue has been utilized for the purposes stated in Information Memorandum.

• 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.

• CEO/CFO Certification

A certificate, in accordance with the requirements of Clause 49 V of the Listing Agreement, duly signed by the Chairman and Managing Director in respect of the year under review was placed before the Board and taken on record by it.

ASIAN HOTELS (WEST) LIMITED

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Means of Communication

The quarterly financial results are generally published in The Economic 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 also uploaded on the Company's official website www.asianhotelswest.com

• Half-Yearly report sent to each shareholder:	:	No. The financial results are displayed on the Company's website.
• Publication of Quarterly results	:	Yes
Which newspaper normally published in	:	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.
Whether it also displays official news Releases	:	Yes
Presentation made to the institutional investors or the analysts	:	Shall be displayed as and when it happens.
• Management Discussion and Analysis is part of Annual Report.	:	Yes, it is a part of the Directors' Report.

Shareholder Information

Annual General Meeting

Day, Date & Time	:	Tuesday, 2 nd August, 2011 at 3.00 p.m.
Venue	:	Airforce Auditorium, Subroto Park, New Delhi 110010

Financial Calendar

The financial calendar for the Financial Year 2011-12 is proposed as under:

Financial Reporting for the quarter ending 30 th June, 2011	1 st week of August, 2011
Financial Reporting for the half year ending 30 th September, 2011	1 st week of November, 2011
Financial Reporting for the third quarter ending 31 st December, 2011	1 st week of February, 2012
Financial Reporting for the year ending 31 st March, 2012	End May, 2012

Book Closure	Wednesday, 27 th July, 2011 to Tuesday, 2 nd August, 2011 (Inclusive of both days)
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Dividend Payment Date	:	4 th week of August, 2011.
Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd. The Company has paid Annual Listing Fees to the Stock Exchanges.
Stock Code	:	BSE - 533221, NSE - AHLWEST

Stock Market Data

The equity shares of the Company have been listed on BSE and NSE on 5th August, 2010. Therefore, the monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 5th August, 2010 to 31st March, 2011 are given below:

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.)
5 th August, 2010	499.00	242.00	6769418	498.00	206.65	3039447
September, 2010	360.00	275.05	56737	362.00	275.25	216359
October, 2010	319.00	228.55	25821	290.00	230.55	46957
November, 2010	253.50	210.00	14090	257.00	214.00	40718
December, 2010	248.00	200.00	241627	250.00	195.00	916196
January, 2011	238.70	198.60	33497	244.00	176.00	1013088
February, 2011	235.00	195.10	13026	234.00	192.25	66029
March, 2011	225.00	170.10	210922	222.00	175.00	220044

Source: www.bseindia.com and www.nseindia.com

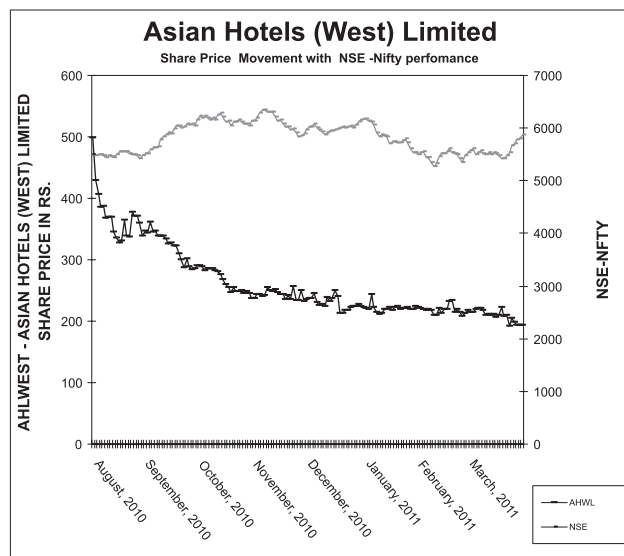
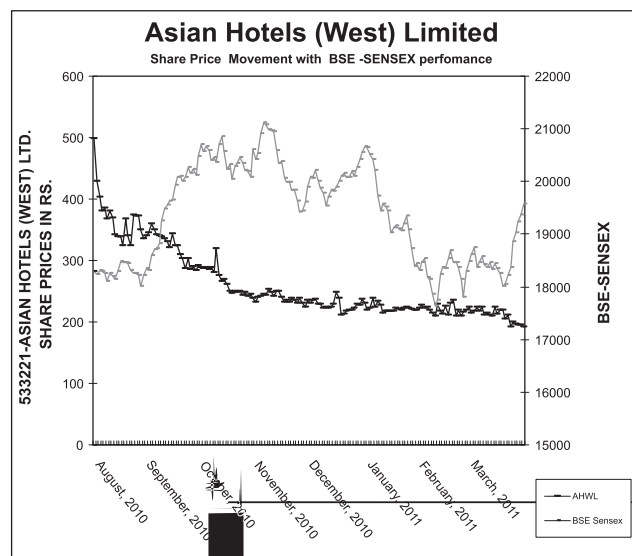
Further, Share Price Performance in comparison to BSE SENSEX and NSE S&P CNX NIFTY for the period from 5th August, 2010 to 31st March, 2011 is given below.

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

PRICE COMPARISON

CHARTS



Distribution of shareholders

	As on 31st March, 2011				As on 31st March, 2010			
Number of equity shares held	No. of Share-holders	% of Total Share-holders	Number of shares held	% Share-holding	No. of Share-holders	% of Total Share-holders	Number of shares held	% Share-holding
Upto 500	17559	96.84	1017199	8.92	17923	97.21	1034212	9.07
501-1000	314	1.73	223627	1.96	286	1.55	203251	1.78
1001-2000	127	0.70	177016	1.55	109	0.59	149759	1.31
2001-3000	34	0.19	82674	0.73	33	0.18	78859	0.69
3001-4000	21	0.12	74117	0.65	22	0.12	76612	0.67
4001-5000	10	0.05	44707	0.39	10	0.05	43387	0.39
5001-10000	25	0.14	175412	1.54	16	0.09	114580	1.01
10000 - above	42	0.23	9607030	84.26	39	0.21	9701122	85.08
TOTAL	18132	100.00	11401782	100.00	18438	100.00	11401782	100.00

Category wise shareholding

	As on 31st March, 2011		As on 31st March, 2010	
CATEGORY	No. of shares held	% age of Share-holding	No. of shares held	% age of Share-holding
A. Promoters Shareholding				
– Indian	1420872	12.46	1910657	16.75
– Foreign	5336880	46.81	5336880	46.81
Total Promoters shareholding	6757752	59.27	7247537	63.56
B. Public Shareholding				
– Mutual Funds/Financial Institutions/ Banks and Insurance Companies	335676	2.94	438899	3.85
– FII's	25540	0.22	91391	0.80
– NRI's	991948	8.70	273608	2.40
– Bodies Corporate (Domestic)	1550507	13.60	2065912	18.12
– Individuals (Indian Public)	1732596	15.20	1283326	11.26
– Clearing Members	7763	0.07	1109	0.01
Total Public shareholding	4644030	40.73	4154245	36.44
GRAND TOTAL	11401782	100.00	11401782	100.00

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

Share Transfer System

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

- i) Share Transfer and Shareholders Grievances Committee comprising of Directors and
- ii) 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"

Plot no. 17 to 24, Vithalrao Nagar,

Madhapur, Hyderabad-500081

Website : www.karvy.com

Tel No. : 040-23420815-24

Fax No : 040-23420814

e-mail : mailmanager@karvy.com

Karvy Computershare Pvt Ltd

105-108 Arunachal Building, 1st Floor

19, Barakhamba Road

New Delhi-110001

Telephone No. 011-23324401/23324409

e-mail : delhi@karvy.com

Dematerialisation of Shares

10939532 equity shares (equivalent to 95.95 %) of the total equity shares of the Company are held in dematerialized form as on 31st March, 2011.

The Company's shares were listed at BSE as well as NSE on 5th August, 2010.

Dividend Information:

No amount is required to be deposited with the Investor Education and Protection Fund during the year under review nor any amount is required to be transferred to the Investor Education and Protection Fund during the current financial year.

Plant Locations

During the period under review, the Company had one five star deluxe hotel as per the details given below:

HYATT REGENCY, MUMBAI

Sahar Airport Road,

Andheri East, Mumbai-400099.

Address for Correspondence

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

Registered Office

ASIAN HOTELS (WEST) LIMITED

E-5, Clarion Collection, The Qutab Hotel,

Shaheed Jeet Singh Marg,

New Delhi – 110016

Telephone No.011-46101234 / 46101207/46101210

Fax No. 011-46101202

Email Id. nikhil.sethi@asianhotelswest.com

Details of unclaimed shares in terms of Clause 5A of Listing Agreement

In terms of Clause 5A of the Listing Agreement, the Registrar of the Company has issued first reminder to the shareholders of the Company on 9th March, 2011 and 2nd reminder on 17th May, 2011 to whom Share Certificates were issued pursuant to the Scheme of Arrangement and Demerger of erstwhile Asian Hotels Limited in the year 2010, which are lying unclaimed.

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

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

30th May, 2011

The Board of Directors
Asian Hotels (West) Limited
E-5, Clarion Collection - The Qutab Hotel,
Shaheed Jeet Singh Marg,
New Delhi – 110016

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 12 months period ended 31st March, 2011.

FOR ASIAN HOTELS (WEST) LIMITED

SUSHIL GUPTA
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE 'D' TO DIRECTORS' REPORT

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

To

The Members of Asian Hotels (West) Limited.

We have examined the compliance of the mandatory conditions of Corporate Governance by Asian Hotels (West) Limited during the nine months period ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India.

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

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

We state that in respect of investor grievance received during the year ended 31st March, 2011 no investor grievances are pending for a period exceeding one month against the Company as per the records available with the Company.

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 D.S. Associates
Company Secretaries

Place : New Delhi
Date : 30th May, 2011

Dhawal Kant Singh
Proprietor
CP No.: 7347

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

AUDITORS' REPORT

TO THE MEMBERS OF

ASIAN HOTELS (WEST) LIMITED
(FORMERLY CHILLWINDS HOTELS LIMITED)

1. We have audited the attached Balance Sheet of **Asian Hotels (West) Limited (Formerly Chillwinds Hotels Limited)**, as at 31 March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company 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.
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 misstatements. 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.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (Collectively the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:

We 5C ot & 2003

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a programme of physically verifying its fixed assets in a phased manner designed to cover all assets, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, the Management had carried out a physical verification some of its fixed assets during the year and the discrepancies noted on such verification were not material and have been suitably dealt with in the books.
 - c. No substantial part of the fixed assets was disposed off during the year.
- ii. In respect of its inventories:
 - a. As explained to us, all inventories have been physically verified during the year by the Management at reasonable intervals.
 - b. In our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.
- iii. The Company has granted interest free unsecured loan to its subsidiary company Aria Hotels and Consultancy Services Pvt. Ltd. listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance of such loan is Rs. 637.15 lacs and Rs. Nil, respectively. Apart from this, there are no other loans granted during the year.
- iv. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e), (f) and (g) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis 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 nor have we been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control systems.
- vi.
 - a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakh in respect of each party have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time. Based on our examination of the books of account and related records and according to the information and explanations provided to us, there are no contracts or arrangements with companies, firms or other parties which need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- vii. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- viii. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- ix. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the Company's activities. Hence, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- x.
 - a. According to the records of the Company examined by us and the information and explanations given to us, the Company has generally deposited its statutory dues including Employees Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues within the prescribed time with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.
 - b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute.
- xi. Since the Company has been registered for less than five years, reporting on accumulated losses as at the end of the financial year and cash loss is not required.

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

- xii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- xiii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records and making timely entries for all transactions and contracts in shares and other investments. All shares have been held by the Company in its own name.
- xvi. According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions, the terms & conditions of which are not, prima facie, prejudicial to the interest of the Company.
- xvii. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained where such end use has been stipulated by the lender.
- xviii. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis, have prima facie, not been utilised for long term investment.
- xix. According to the information and explanations given to us, 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.
- xx. Based on the books and records produced to us by the management, securities have been created in respect of debentures issued, wherever required.
- xxi. According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year.
- xxii. 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 or reported during the year, nor we have been informed of such case by the management.

Place : New Delhi
Dated : 30th May, 2011

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No. 00756N

ARUN K. TULSIAN
Partner
Membership No.: 89907

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

BALANCE SHEET AS AT 31 MARCH 2011

	SCHEDULE	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
a Share Capital	1	1,142.96	1,637.96
b Reserves and Surplus	2	27,339.38	30,467.06
SECURED LOAN	3	13,621.95	—
DEFERRED TAX LIABILITY (Refer note 17 of Schedule 18)		2,824.04	2,887.84
		<u>44,928.33</u>	<u>34,992.86</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	4		
a Gross Block		37,297.18	36,391.63
b Less: Depreciation		7,808.56	6,869.99
c Net Block		29,488.62	29,521.64
Capital Work In Progress		109.96	—
		29,598.58	29,521.64
INVESTMENTS	5	12,979.32	2,651.09
CURRENT ASSETS, LOANS AND ADVANCES			
a Inventories	6	276.75	270.45
b Sundry Debtors	7	908.70	670.83
c Cash & Bank Balances	8	761.47	343.40
d Loans and Advances	9	3,211.81	3,821.26
		<u>5,158.73</u>	<u>5,105.94</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
a Current Liabilities	10	1,990.68	1,569.81
b Provisions	11	817.62	716.00
		<u>2,808.30</u>	<u>2,285.81</u>
Net Current Assets		<u>2,350.43</u>	<u>2,820.13</u>
		<u>44,928.33</u>	<u>34,992.86</u>
Significant Accounting Policies and Notes to Accounts	18		

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 30th May, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA

Chairman &
Managing Director

SANDEEP GUPTA

Executive
(Whole-Time) Director

NIKHIL SETHI

Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Schedule	Year Ended 31.03.2011 Rs. in Lacs	Year Ended 31.03.2010* Rs. in Lacs
INCOME			
a Rooms, Food, Beverages and Other Services (Gross)	12	13,724.33	6,020.58
Less:Excise Duty Paid		4.85	2.16
b Net Sales		13,719.48	6,018.42
c Other Income	13	39.58	40.02
		<u>13,759.06</u>	<u>6,058.44</u>
EXPENDITURE			
a Consumption of Provisions, Beverages,Smokes & Others	14	1,089.92	462.85
b Payment to and Provision for Employees	15	2,619.23	1,277.29
c Operating and General Expenses	16	5,456.77	2,379.64
		<u>9,165.92</u>	<u>4,119.78</u>
PROFIT BEFORE INTEREST, DEPRECIATION		<u>4,593.14</u>	<u>1,938.66</u>
Interest	17	1,240.20	—
Depreciation	4	1,023.14	425.07
PROFIT BEFORE TAX		<u>2,329.80</u>	<u>1,513.59</u>
Provision for Taxation			
a Current Tax		702.00	500.12
b Deferred Tax		(63.80)	15.86
PROFIT AFTER TAX		<u>1,691.60</u>	<u>997.61</u>
Amount brought forward from previous year		9,757.06	(76.87)
Transferred pursuant to the Scheme of Arrangment & Demerger		—	9,339.40
Profit available for appropriation		<u>11,448.66</u>	<u>10,260.14</u>
APPROPRIATIONS			
a. Transer to General Reserve		175.00	100.00
b. Proposed Dividend on Equity Shares		458.33	342.05
c. Dividend on Non Convertible Preference Shares		1.24	2.47
d. Proposed Dividend on Fully Convertible Preference Shares		—	0.01
e. Corporate Dividend tax		74.35	58.55
f. Transfer to Debenture Redemption Reserve		168.75	—
SURPLUS CARRIED FORWARD TO BALANCE SHEET		<u>10,570.99</u>	<u>9,757.06</u>
Basic Earning per share (Rupees) (Refer note 21 of Schedule 18)		14.83	15.67
Diluted Earning per share (Rupees) (Refer note 21 of Schedule 18)		14.75	—
Significant Accounting Policies and Notes to Accounts	18		

* Contains operations of Hotel Hyatt Regency, Mumbai for five months period for the year ended 31.03.2010 (refer note 26 of Schedule 18)

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

SUSHIL GUPTA

Chairman &
Managing Director

SANDEEP GUPTA

Executive
(Whole-Time) Director

Place : New Delhi

Dated : 30th May, 2011

NIKHIL SETHI

Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

(Rs. in lacs)

	Year ended March 31, 2011		Year ended March 31, 2010	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES				
[a] Net Profit before Tax	2,329.80		1,513.59	
Adjustments for:				
Depreciation	1,023.14		425.07	
Diminution in the value of investment	—		0.02	
Loss on sale of fixed assets	77.45		18.14	
Dividend Income on Investment	(21.94)		(1.82)	
Interest Paid	1,240.20		—	
Interest Earned	(14.81)		(8.63)	
[b] Operating profit before working capital changes	4,633.84		1,946.37	
Adjustments for:				
(Increase)/Decrease in inventories	(6.30)		(48.82)	
(Increase)/Decrease in Sundry Debtors	(237.87)		238.51	
(Increase)/Decrease in Loans and Advances	609.47		108.04	
Increase/(Decrease) in Trade Payables	420.87		(1,592.69)	
Increase/(Decrease) in Provisions	(488.69)		6.97	
[c] Cash generated from operations	4,931.32		658.37	
Direct taxes paid (Net)	(645.62)		(402.91)	
Net cash from Operating Activities (A)		4,285.70		255.46
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1,190.59)		(14.93)	
Sale of fixed assets	13.06		0.66	
Purchase of Investments	(10,328.24)		(150.09)	
Dividend Income on Investment	21.94		1.82	
Net Cash from Investing Activities (B)		(11,483.83)		(162.54)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Loan/Non Convertible Debentures	14,596.95		—	
Repayment/ Redemption of Loan/ Non Convertible Debentures	(975.00)		—	
Redemption of Non Convertible Preference Shares	(4,780.36)		(345.34)	
Interest Paid	(1,240.20)		—	
Interest Earned	14.81		8.63	
Net Cash from Financing activities [C]		7,616.20		(336.71)
Net Increase/ (Decrease) in Cash Equivalent [A+B+C]		418.07		(243.79)
Cash and Cash equivalent (Beginning of the year) (Refer Schedule 8)*		343.40		587.19
Cash and Cash equivalent (End of the year) (Refer Schedule 8)		761.47		343.40

* Include Rs. 587.13 lacs acquired pursuant to the Scheme of Arrangement and Demerger during the period ended March 31, 2010

Notes:

- Figures in bracket represent Cash Outflow.
- Previous Year's figures have been regrouped/rearranged wherever necessary.
- The Cash flow has been prepared under indirect method as per Accounting Standard "AS-3", "Cash Flow Statement".

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

SUSHIL GUPTA

Chairman &
Managing Director

SANDEEP GUPTA

Executive
(Whole-Time) Director

Place : New Delhi

Dated : 30th May, 2011

NIKHIL SETHI

Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE 1		
SHARE CAPITAL		
a AUTHORISED		
14,000,000 (Previous Year 14,000,000) Equity Shares of Rs.10/- each	1,400.00	1,400.00
11,000,000 (Previous Year 11,000,000) Preference Shares of Rs.10/- each	1,100.00	1,100.00
	<u>2,500.00</u>	<u>2,500.00</u>
b ISSUED, SUBSCRIBED AND PAID UP		
11,401,782 (Previous Year 11,401,782) Equity Shares of Rs.10/- each fully paid up*	1,140.18	1,140.18
NIL (Previous Year 4,950,000) 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each*	—	495.00
27,780 (Previous Year 27,780) Fully Convertible Preference Shares (FCPS) of Rs. 10 each*	2.78	2.78
	<u>1,142.96</u>	<u>1,637.96</u>

* Shares have been issued pursuant to the Scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

SCHEDULE 2

RESERVES & SURPLUS

a Capital Reserve *	1.41	1.41
b Capital Redemption Reserve *		
For redeemed NCPS	990.00	495.00
For redeemable NCPS	—	820.36
c Debenture Redemption Reserve	168.75	—
d Securities Premium Account*		
On 1% Cumulative Redeemable Non-Convertible Preference Share (NCPS)	—	3,960.00
On Fully Convertible Preference Share Capital (FCPS)	147.23	147.23
e Tourism Development Utilised Reserves*	5,332.02	5,332.02
f General Reserves*		
Balance as per Last Year	9,953.98	—
Add: Transfer from Demerged Company	—	2,556.61
Add: Transfer of excess of assets over liabilities	—	7,297.37
Add: Transfer from Profit & Loss account	175.00	100.00
g Profit and Loss Account Balance	<u>10,570.99</u>	<u>9,757.06</u>
	<u>27,339.38</u>	<u>30,467.06</u>

* Transferred to the Company pursuant to the Scheme of Arrangement & Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE 3		
SECURED LOAN		
Non Convertible Debentures (refer note 13 of Schedule 18)	9,325.00	—
Term Loan from Banks (refer note 14 of Schedule 18)	4,200.00	—
Vehicle Loan	96.95	—
	13,621.95	—
Due within the year		
Non Convertible Debentures	1,400.00	—
Term Loan	600.00	—

SCHEDULE 4

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions during the Year	Deductions during the Year	As at 31.03.2011	Upto 01.04.2010	For The Year	Deductions during the Year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land - Freehold	9,287.31	781.91	—	10,069.22	—	—	—	—	10,069.22	9,287.31
Buildings	14,791.10	—	2.78	14,788.32	1,672.61	241.07	0.34	1,913.34	12,874.98	13,118.49
Furniture Fixture & Furnishings	2,752.97	18.51	23.75	2,747.73	1,714.45	261.72	17.69	1,958.48	789.25	1,038.52
Plant & Machinery	9,117.97	154.06	148.55	9,123.48	3,246.60	458.33	66.54	3,638.39	5,485.09	5,871.37
Vehicles	442.28	126.15	—	568.43	236.33	62.02	—	298.35	270.08	205.95
Total	36,391.63	1,080.63	175.08	37,297.18	6,869.99	1,023.14	84.57	7,808.56	29,488.62	29,521.64
Previous Year*	—	36,416.71	25.08	36,391.63	—	6,873.50	3.51	6,869.99	29,521.64	—

* Addition during previous year includes Rs. 36,390.96 Lacs transferred pursuant to the Scheme of Arrangement & Demerger.

* Depreciation during previous year includes Rs. 6,448.43 Lacs transferred pursuant to the Scheme of Arrangement & Demerger.

	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
--	------------------------------------	------------------------------------

SCHEDULE 5

INVESTMENTS

Long -Term

Trade, Unquoted

In Subsidiary Company

114,970,000 (Previous Year 25,010,000) Equity shares of Rs.10/- each of Aria Hotels and Consultancy Services Private Limited . *	11,497.00	2,501.00
--	-----------	----------

In Associate Company (refer note 15 of Schedule 18)

6,498,186 (Previous Year NIL) Equity Shares of Rs. 10/- each of Inova Hotels & Resorts Ltd	1,169.67	—
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*The investment was pledged as security for certain term loans taken from banks and financial institution by Aria Hotels and Consultancy Services Private Limited, a subsidiary company in previous year.

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
Short Term		
Non-Trade, Quoted		
3,116,731.54 (Previous Year 1,497,214.91) units of Rs. 10 each of HDFC Cash Management Fund-TAP-wholesale (Market value Rs.312.65 Lacs (Previous Year Rs. 150.09 Lacs))	312.65	150.11
Less: Provision for diminution in the value of investment	—	0.02
	12,979.32	2,651.09

Note :

Detail of investment bought/ subscribed and sold/ redeemed during the period 362.17 Lacs (Previous Year 89.89 lacs)units aggregating to Rs. 3632.23 Lacs of HDFC Cash Management Fund-TAP-Retail (Previous Year Rs. 901.71 Lacs)

SCHEDULE 6

INVENTORIES

(as taken, valued and certified by the management)

Wines & Liquor	76.94	95.90
Food, Provisions, Other Beverages and Smokes	24.31	20.18
Crockery, Cutlery, Silverware, Linen	111.52	90.43
General Stores and Spares	59.55	53.16
Shares in Trade	4.43	10.78
	276.75	270.45

SCHEDULE 7

SUNDRY DEBTORS

Outstanding for over six months	161.15	77.58
Others	753.14	598.84
	914.29	676.42
Less: Provision for Doubtful Debts	(5.59)	(5.59)
	908.70	670.83
Unsecured considered good	908.70	670.83
Unsecured considered doubtful	5.59	5.59

SCHEDULE 8

CASH AND BANK BALANCES

Cash in hand	8.06	10.18
Cheques in Hand	36.87	71.74
Balances with scheduled banks in		
— Current Accounts	26.54	11.48
— Fixed Deposits*	690.00	250.00
	761.47	343.40

*Includes :

— under Lien against overdraft facilities	—	200.00
— pledged with government authorities	—	50.00

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE 9		
LOANS & ADVANCES		
Share Application Money pending allotment in Subsidiary Company	1,004.00	—
Loan to Subsidiary Company (Maximum amount outstanding during the previous year Rs. 12.17 Lacs)	—	12.17
Advances recoverable in cash or in kind or for value to be received*	2,182.61	3,778.55
Security Deposits	31.33	28.62
Interest accrued on fixed deposits	3.65	1.92
	<u>3,221.59</u>	<u>3,821.26</u>
Less: Provision for doubtful advances/deposits	(9.78)	—
	<u>3,211.81</u>	<u>3,821.26</u>
— Considered good	3,211.81	3,821.26
— Considered doubtful	9.78	—
* Amount due from officers of the company	11.98	—
*Maximum amount outstanding during the year	15.49	—

SCHEDULE 10

CURRENT LIABILITIES

Sundry Creditors		
Due to Micro, Small and Medium Enterprises	1.08	1.53
Others Creditors*	1,215.68	1,054.96
Advance from customers	242.46	166.48
Bank Overdraft	279.53	182.53
Security Deposits	2.10	0.80
Dividend on Preference Shares Payable	1.24	6.23
Interest Accrued but not due	65.90	—
Other Liabilities	182.69	157.28
	<u>1,990.68</u>	<u>1,569.81</u>

* Includes commission payable to directors Rs.53.00 Lacs (Previous Year Rs. 67.66 Lacs)

SCHEDULE 11

PROVISIONS

Provision for Gratuity (Refer note 10 of Schedule 18)	200.37	182.77
Provision for Leave Encashment (Refer Note 10 of Schedule 18)	43.37	34.78
Provision for Taxation (net of Advance Income Tax and TDS Rs. 645.62 Lacs (previous year Rs 402.91 Lacs))	41.19	97.21
Proposed Dividend (including Corporate Dividend Tax)	532.69	401.24
	<u>817.62</u>	<u>716.00</u>

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Year Ended 31.03.2011 Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs
SCHEDULE 12		
ROOMS, FOOD, BEVERAGES & OTHER SERVICES		
Rooms	8,904.55	3,953.18
Wines and Liquor	534.20	248.30
Food, Other Beverages, Smokes and Banquets	3,096.48	1,319.32
Communication	159.74	71.04
Others*	1,029.36	428.74
	<u>13,724.33</u>	<u>6,020.58</u>
*Includes gain/(loss) on account of foreign currency transactions	(4.73)	7.93
SCHEDULE 13		
OTHER INCOME		
Interest Earned*	14.81	8.63
Dividend on Investment	21.94	1.82
Miscellaneous Income	2.83	0.01
Gain/(Loss) on Mutual Funds	—	29.56
	<u>39.58</u>	<u>40.02</u>
*Includes Tax deducted at source	1.16	0.98
SCHEDULE 14		
CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES AND OTHERS		
Wine & Liquor		
Opening Stock*	95.90	56.07
Add : Purchases	130.35	110.77
	<u>226.25</u>	<u>166.84</u>
Less : Closing Stock	76.94	95.90
	<u>149.31</u>	<u>70.94</u>
Food, Provisions, Other Beverages and Smokes		
Opening Stock*	20.18	11.88
Add : Purchases	944.74	400.21
	<u>964.92</u>	<u>412.09</u>
Less : Closing Stock	24.31	20.18
	<u>940.61</u>	<u>391.91</u>
	<u>1,089.92</u>	<u>462.85</u>
Indigenous	911.41	438.71
Imported	178.51	24.15
* Transferred pursuant to the Scheme of Arrangement & Demerger in the previous year		
SCHEDULE 15		
PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries,Wages & Exgratia	1,776.04	964.97
Contribution to Provident & other funds	127.93	46.17
Gratuity & Leave Encashment	52.47	23.98
Workmen and Staff Welfare*	258.96	85.26
Staff Relocation Expenses	4.96	3.54
Recruitment & Training	32.98	7.66
Contract Labour & Services	365.89	145.71
	<u>2,619.23</u>	<u>1,277.29</u>

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

	Year Ended 31.03.2011 Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs
*Workmen & Staff Welfare includes :		
Cost of provisions consumed in Staff Cafeteria	112.54	51.49
Realisation on sale of food coupons to Staff	(6.68)	(4.92)

SCHEDULE 16

OPERATING AND GENERAL EXPENSES

Linen, Room ,Catering & other supplies	227.62	89.11
Operating equipments & supplies written off	61.87	27.88
Fuel, Power & Light	927.09	358.79
Repairs, Maintenance & Refurbishing*	983.14	381.03
Rent	33.00	13.76
Rates & Taxes	441.70	191.19
Insurance	60.51	18.80
Directors' Sitting Fees	5.40	4.41
Legal & Professional Expenses	453.22	386.08
Artist Fee	2.10	5.16
Printing & Stationery	56.74	24.78
Travelling & Conveyance	346.23	141.93
Communication Expenses	129.14	57.52
Technical Services	687.11	317.90
Advertisement & Publicity	243.02	90.91
Commission & Brokerage	539.42	210.17
Charity & Donation	52.77	19.04
Bank charges and commitment fees	6.44	1.95
Provision for doubtful debts/advances (net)	9.78	—
(Gain)/Loss on trading of shares/derivatives	32.39	3.11
Provision for diminution in value of investment	—	0.02
(Gain)/Loss on Fixed Assets sold/discarded (net)	77.45	18.14
Miscellaneous	80.63	17.96
	5,456.77	2,379.64

*Repairs, Maintenance & Refurbishing includes:

Repairs & Maintenance-Buildings	133.66	100.12
Repairs & Maintenance-Plant & Machinery	419.37	141.60
Repairs & Maintenance-Others	345.91	77.44

SCHEDULE 17

INTEREST

on Debentures	857.60	—
on Term Loan	379.84	—
on Others	2.76	—
	1,240.20	—

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
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SCHEDULE: 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the 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.

b. Use of Estimates

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

c. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- ii. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Dividend income from investments is recognized when the Company's right to receive payment is established.
- iv. Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

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. 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 tax authorities.

f. Claims Recoverable

Claims recoverable are accrued only to the extent as admitted by the parties.

g. 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.

h. Foreign Exchange Transactions

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).

Foreign Currency balances at the year-end are converted at the year-end rate of exchange except those covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

i. Employee Benefits

- i. Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by approved actuary using projected unit credit method.
- 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 the 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.

j. Taxation

- i. Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect 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 (AS-22).

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- 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 substantively enacted at the Balance Sheet date.

k. Fixed Assets and Depreciation

i. Fixed Assets

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

ii. Depreciation

- a. Depreciation as per straight line method has been charged in the accounts.
- b. The charge is on the basis of rates as prescribed under Schedule XIV to the Companies Act, 1956 pro rata from the month of purchase. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.

l. Investments

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

m. Inventory

- i. Inventory is valued at cost or net realizable value, whichever is lower.
- ii. Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.
- iii. Shares held as Stock- in -trade are valued at cost or market value whichever is lower.
- iv. Net realizable value is estimated selling/ realizable value in the normal course of business less cost of completing the sale.

n. 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, each asset/ group of assets is identified for which there are separately identifiable cash flows (cash generating units).

o. Earnings per share

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

p. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/ cheques in hand and fixed deposits with banks.

q. Dividend

Dividend proposed on equity shares, if any, is accounted for pending approval at the Annual General Meeting.

r. 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.

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B. NOTES TO ACCOUNTS

1. Contingent Liabilities not provided for in respect of:
 - a. Export obligation in respect of EPCG Licenses: Rs. 2,831.47 Lacs (Previous period Rs. 1,172.96 Lacs).
 - b. Stamp duty for Mumbai Undertaking: Rs. 1,500.00 Lacs (as estimated by the management) {Previous Year Rs. 1500.00 Lacs}
 - c. During the year under review, the Company has agreed to grant Corporate Guarantee aggregating to Rs. 4000 Lacs in one or more tranches on behalf of Aria Hotels and Consultancy Services Pvt. Ltd., Subsidiary Company for import of Capital Goods under EPCG. As on 31st March, 2011 the Company has given such Corporate Guarantee aggregating to Rs. 1.59 Lacs (Previous year Rs. Nil).
 - d. Claims against Company not acknowledged as debts (Service Tax) Rs. 61.49 Lacs (for the F.Y. 2006-07, 2007-08 and 2008-09) {Previous Year Rs. Nil}
2. Estimated amount of contracts remaining to be executed on capital account (net of advances): Rs. 103.28 Lacs (Previous period Rs. 27.78 Lacs).
3. The Company had earlier re-issued 27,780 1% Fully Convertible Preference Share (FCPS) of the face value of Rs. 10/- each at a premium of Rs. 530/- each to Fineline Holdings Limited and UDT Enterprises Pty. Ltd. credited as fully paid.
 In terms of the Scheme of Arrangement & Demerger, the aforesaid FCPS were to be converted into the equity shares of the Company at any time, at the option of the respective FCPS holder, during the period from 5th March, 2011 to 30th April, 2011 and in the event any FCPS holder does not exercise the option to convert the FCPS into equity shares during the aforesaid period, the FCPS held by such FCPS holder would compulsorily get converted into the equity shares of the Company on 30th April, 2011.
 The said 27,780 FCPS were converted into 56,521 Equity Shares at the conversion Price of Rs. 265.40 per share as calculated in terms of the mechanism provided in the Scheme and the pricing formula as provided in the SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2009. Consequently, such conversion resulted into issuance of 56,521 equity shares of Rs. 10/- each credited as fully paid-up. Consequent to the aforesaid issue and allotment, the paid-up equity capital of the Company has increased from Rs. 11,40,17,820/- comprising of 1,14,01,782 equity shares of Rs. 10/- each to Rs. 11,45,83,030/- comprising of 1,14,58,303 equity shares of Rs. 10/- each with effect from 30th April, 2011.
 With the aforesaid actions, all the procedural formalities consequential to the Scheme of demerger of erstwhile Asian Hotels Limited have been complied with.
4. (i) Land – Freehold includes Land admeasuring approx. 4600 Sq. Mtrs, at Pune, Maharashtra, approved for construction of hotel, purchased by the Company during the year under review.
 (ii) Capital Work in Progress includes advances for capital contracts aggregating to Rs. 81.51 Lacs (previous year Rs. 31.02 Lacs).
5. 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. In respect of subsidiaries, such decision is based on the management accounts/ audited accounts of the subsidiaries, as available and on the basis of the information and explanations given.
6. During the year the Company has received refund of Rs. 55.56 lakhs out of Rs. 95.94 lakhs towards the amount paid under protest for the Service Tax demand raised in earlier years. In the opinion of the management the balance amount of Rs. 40.38 lakhs is recoverable, for which the petition is filed with Tribunal Authorities and hence been included under "Loans and Advances" as "Claims Recoverable" based on the progress made in the matter so far.
7. As the company is engaged in only one segment of Hotel business, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable.
8. **Auditors Remuneration***

(Rs. in Lacs)

Particulars		Year ended 31.03.2011	Year ended 31.03.2010
a.	Statutory audit Fee	8.00	5.00
b.	Tax Audit Fee	1.75	—
c.	Limited Review Fee	3.00	—
TOTAL		12.75	5.00

* Exclusive of Service Tax

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9. Managerial Remuneration

a. Computation of net profits as per section 349 of the Companies Act, 1956:

Particulars	Year ended 31.03.2011 Rs. in Lacs	Year ended 31.03.2010 Rs. in Lacs
Profit before tax as per Profit and Loss account	2329.80	1,513.59
Add: Managerial remuneration	291.34	86.36
Add: Loss on sale of fixed assets	77.45	18.14
Add: Provision for doubtful debt	9.74	–
Add: Sitting fee to Non-Executive Directors	5.40	4.40
	2,713.73	1,622.49
Less: Liabilities no longer required, written back	25.83	29.55
Net profit for the year	2,687.90	1,592.94
Maximum remuneration payable to Chairman & Managing Director & Whole-time Directors under section 309 of the Companies Act, 1956	268.79	79.65
Salaries and benefits paid to Chairman & Managing Director and Whole-time Directors	238.34	38.70
Commission payable to Chairman and Managing Director & Whole-time Directors (limit)	30.45	40.95
Commission payable to Chairman & Managing Director and Whole – time Directors	30.00	31.77
Commission payable to Non-Executive Directors (limit)	25.00	15.89

b. Remuneration paid/payable to Directors:

Particulars	Year ended 31.03.2011 (12 Months) Rs. in Lacs	Year ended 31.03.2010 (9 Months) Rs. in Lacs
Chairman and Managing Director		
1. Salaries and perquisites	88.40	36.00
2. Contributions to provident and superannuation fund	6.60	2.70
3. Commission	10.00	31.77
	105.00	70.47
Executive (Whole-time) Directors		
1. Salaries and perquisites	133.65	–
2. Contributions to provident and superannuation fund	9.69	–
3. Commission	20.00	–
	163.34	–
Non-Executive Directors		
Sitting fees	5.40	4.40
Commission	23.00	15.89

Note: Contribution to group gratuity scheme has not been considered, as provision has been made for the company as a whole.

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

- a) Defined contribution plans
 - i. Provident fund
- b) Defined benefits plans
 - ii. Contribution to Gratuity fund
 - iii. Compensated absences – Earned leave

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

Economic Assumptions

The discount rate and salary increases assumed are 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.

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Discount Rate

The discounting rate is based on the gross redemption yield on medium to long-term risk free investments. For the current valuation a discount rate of 8 % p.a. compound, has been used.

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.

- a. The following tables set out the unfunded status of the gratuity plan and earned leaves and amounts recognised in the Company's financial statements as at 31 March, 2011.

i. Change in benefit obligations:

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of obligations as at the beginning of the year	182.77	–	34.78	–
Transferred pursuant to the Scheme of Arrangement and Demerger	–	175.05	–	31.77
Current service cost	30.93	13.39	18.29	6.19
Interest cost	14.62	7.00	2.78	1.27
Benefit Paid	(26.28)	(16.26)	(8.88)	(4.97)
Actuarial (gain)/ loss on obligation	(1.67)	3.59	(3.60)	0.52
Present value of obligations as at the year end	200.37	182.77	43.37	34.78

ii. Expenses recognised in the profit and loss account:

Current Service cost	30.93	13.39	18.29	6.19
Interest cost	14.62	7.00	2.78	1.27
Actuarial (gain)/loss recognised during the year	(1.67)	3.59	(3.60)	0.52
Net charge/(credit)	43.88	23.98	17.47	7.98

iii. Amount recognized in balance sheet:

Present value of obligations as at the end of the year	200.37	182.77	43.37	34.78
Fair value of plan assets as at the end of the period	–	–	–	–
Funded status / Difference	(200.37)	(182.77)	(43.37)	(34.78)
Excess of actual over estimated	–	–	–	–
Unrecognized actuarial (gain)/ losses	–	–	–	–
Net assets/ (liability) recognized in the balance sheet	(200.37)	(182.77)	(43.37)	(34.78)

iv. Principal actuarial assumptions:

Particulars	Refer Note below	Year ended 31.03.2011	Year ended 31.03.2010
Discount rate (p.a.)	1	8%	8%
Salary escalation rate (p.a.)	2	7%	7%

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.
- The gratuity plan and earned leave is unfunded.

Demographic assumptions:

- Retirement age 58 years
- Mortality rate Published rates under LIC (1994-96) mortality table.

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

a. List of related parties

(i) Subsidiary Company

- Aria Hotels and Consultancy Services Pvt. Ltd.

(ii) Associate Company

- Invoa Hotels & Resorts Limited (with effect from 31st March, 2011)

(iii) Key Management Personnel

- Mr. Sushil Gupta – Chairman & Managing Director
- Mr. Sudhir Gupta – Executive (Whole-time) Director
- Mr. Sandeep Gupta – Executive (Whole-time) Director

(iv) Relative of Key Management Personnel

- Mrs. Vinita Gupta
- Mrs. Gunjan Jain

(v) Entities over which Directors and their relatives can exercise significant influence

- Eden Park Hotels Private Limited
- Asian Hotels (North) Limited
- M/s Bhasin & Co.
- Aria Investments & Holdings Limited
- M/s Chaman Lal Gupta & Sons
- Godfrey Philips India Ltd.

b. Balances outstanding/transactions with related parties:

(Rs. in lacs)

Particulars	Subsidiary Company	Key Management Personnel	Relative of Key Management Personnel	Associate Company	Entities Controlled By Directors & their relatives	Total
(i) Transactions during the year						
Purchases/Services availed during the year						
Bhasin & Co	– (–)	– (–)	– (–)	– (–)	3.36 (0.79)	3.36 (0.79)
Invoa Hotels & Resorts Limited	– (–)	– (–)	– (–)	14.70 (–)	– (–)	14.70 (–)
(ii) Sales/Services Provided during the year						
Eden Park Hotels Pvt. Ltd.	– (–)	– (–)	– (–)	– (–)	0.47 (–)	0.47 (–)
Asian Hotels (North) Limited	– (–)	– (–)	– (–)	– (–)	0.33 (–)	0.33 (–)
Godfrey Philips India Ltd.	– (–)	– (–)	– (–)	– (–)	6.12 (–)	6.12 (–)
Invoa Hotels & Resorts Limited	– (–)	– (–)	– (–)	2.25 (–)	– (–)	2.25 (–)
Expenses Paid						
Eden Park Hotels Private Ltd.	– (–)	– (–)	– (–)	– (–)	40.85 (14.36)	40.85 (14.36)
Asian Hotels (North) Limited	– (–)	– (–)	– (–)	– (–)	– (60.60)	– (60.60)
Aria Hotels & Consultancy Services Private Limited	– (0.11)	– (–)	– (–)	– (–)	– (–)	– (0.11)
Advances Given	1434.98 (7.00)	– (–)	– (–)	– (–)	– (–)	1434.98 (7.00)
Advances Received Back	1447.15 (–)	– (–)	– (–)	– (–)	– (–)	1447.15 (–)

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Particulars	Subsidiary Company	Key Management Personnel	Relative of Key Management Personnel	Associate Company	Entities Controlled By Directors & their relatives	Total
(iii) Managerial remuneration						
Mr. Sushil Gupta	— (—)	95.00 (70.47)	— (—)	— (—)	— (—)	95.00 (70.47)
Mr. Sudhir Gupta	— (—)	71.84 (—)	— (—)	— (—)	— (—)	71.84 (—)
Mr. Sandeep Gupta	— (—)	71.50 (—)	— (—)	— (—)	— (—)	71.50 (—)
(iv) Investment In Subsidiary Company-Equity Shares	8996.00 (2501.00)	— (—)	— (—)	— (—)	— (—)	8996.00 (2501.00)
(v) Share Application Money pending allotment	1004.00 (—)	— (—)	— (—)	— (—)	— (—)	1004.00 (—)
(vi) Purchase of Shares of Associate Company						
M/s Chaman Lal S Gupta	— (—)	— (—)	— (—)	— (—)	56.86 (—)	56.86 (—)
Mr. Sushil Gupta	— (—)	133.82 (—)	— (—)	— (—)	— (—)	133.82 (—)
Mrs. Vinita Gupta	— (—)	— (—)	12.26 (—)	— (—)	— (—)	12.26 (—)
Mr. Sandeep Gupta	— (—)	1.17 (—)	— (—)	— (—)	— (—)	1.17 (—)
Mrs. Gunjan Jain	— (—)	— (—)	94.17 (—)	— (—)	— (—)	94.17 (—)
Aria Investments & Holdings Limited	— (—)	— (—)	— (—)	— (—)	389.32 (—)	389.32 (—)
(vii) Purchase of Land	— (—)	— (—)	— (—)	743.38 (—)	— (—)	743.38 (—)
(viii) Balances outstanding at the end						
Account Receivable						
Aria Hotels & Consultancy Services (P) Limited	— (12.17)	— (—)	— (—)	— (—)	— (—)	— (12.17)
Account Payable						
Asian Hotels (North) Limited	— (—)	— (—)	— (—)	— (—)	— (9.71)	— (9.71)
Bhasin & Co.	— (—)	— (—)	— (—)	— (—)	1.55 (—)	1.55 (—)
Investment in Subsidiary / Associate Company	11497.00 (2501.00)	— (—)	— (—)	1169.67 (—)	— (—)	12666.67 (2501.00)

Figures in brackets relate to the previous year.

12. Future commitments in respect of minimum lease payments payable for non cancellable operating leases (other than land) entered into by the Company:

(Rs. in lacs)			
S. No.	Particulars	As at 31.03.2011	As at 31.03.2010
a.	Not later than one year	24.75	33.00
b.	Later than one year and not later than five years	—	24.75

13. During the year under review, the Company has issued 1,000 Rated, Taxable, Secured, redeemable, Non - Convertible Debentures (NCD's) of the face value of Rs. 10 Lacs each, aggregating to Rs. 10000 Lacs, on private placement basis to Kotak Mahindra Bank Limited on 25th June, 2010. The said NCD's are listed on the Whole-sale Debt Market at the National Stock Exchange of India Limited (NSE) w.e.f. 8th July, 2010. M/s IDBI Trusteeship Services Limited, Mumbai was appointed as the Debenture Trustee to the aforesaid NCD's.

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The said NCDs are secured by way of:

- First pari passu charge on all existing and future moveable fixed assets of Hotel Hyatt Regency, Mumbai belonging to the Company.
- Mortgage by way of first pari passu charge on the immoveable properties being land and building situated at Hotel Hyatt Regency Mumbai.
- Personal Guarantee of Chairman and Managing Director of the Company.-

In terms of the issue of the aforesaid NCDs, the Company has already redeemed during the Financial Year 2010-11 NCDs of the face value aggregating to Rs. 675.00 lacs, after creating Debenture Redemption Reserve of Rs. 168.75 lacs.

The Rate of Interest on these NCDs has been linked to Kotak Mahindra Bank's Prime Lending Rate (PLR) less 5% p.a.

The redemption of these NCDs shall be made in unequal quarterly installments starting from September, 2010 with last redemption due in March, 2016 on the exercise of Put Option or Call Option.

Put Option – The Debenture Holder may, on or after 25th June, 2015 exercise the Put Option.

Call Option – The Company may exercise the Option to call back the NCDs, at par, (in part or in full) on June 25, 2011; June 25, 2012; June 25, 2013; June 25, 2014 and June 25, 2015.

14. During the year under review, the Company has availed :

- Loan of Rs. 4500 Lacs from Kotak Mahindra Bank Limited by giving security of:
 - First Pari-passu Charge on all existing and future moveable fixed assets of Hotel Hyatt Regency, Mumbai belonging to the Company.
 - Mortgage by way of first pari-passu charge on the immovable properties being land and building situated at Hyatt Regency, Mumbai.
 - Personal Guarantee of Chairman and Managing Director of the Company.

The Company has already partly repaid the above loan upto the extent of Rs. 300 Lacs.

- Loan of Rs. 100 Lacs from Kotak Mahindra Prime Limited for purchase of cars for Hotel Hyatt Regency, Mumbai.

15. During the year under review, the Board of Directors of the Company approved acquisition of Controlling Stake in Inovoa Hotels and Resorts Limited (IHRL). The Company has accordingly acquired 30.18% of the paid up Equity Capital of IHRL till 31st March, 2011, pursuant to which IHRL become the Associate of the Company in terms of Accounting Standard 23. After the Balance Sheet date, the Company has acquired further stake in IHRL aggregating the holding of the Company in IHRL to 50.49% of the paid up equity capital of the Company, pursuant to which, IHRL has become Subsidiary of the Company.

16. Dividend

- During the year under review, the Board of Directors of the Company declared interim dividend on the Non Convertible Preference Shares for the Financial Year 2010-11 @ 1% on pro-rata basis amounting to Rs. 1.24 Lacs.
- 27,780 1% Fully Convertible Preference Shares (FCPS) outstanding on 31st March, 2011 have been converted into the 56,521 Equity Shares of the Company on 30th April, 2011 ranking pari passu in all respect with the existing Equity Shares of the Company. Thus, the Board of Directors of the Company proposes no dividend on these FCPS and the declaration of Final equity dividend, if any, for the Financial Year 2010-11 shall be on the enhanced Equity Share Capital of the Company comprising of 11,458,303 Equity Shares of Rs. 10 each.

17. Deferred Tax

Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax adjustment:

		(Rs. in Lacs)					
Particulars		Balance as on 1.07.2009	Transferred pursuant to the Scheme of Arrangement and Demerger	Credit/ (Charge) during the previous year	Balance as on 1.04.2010	Credit/ (Charge) during the year	Balance as on 31.03.2011
A. Deferred tax liability							

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Particulars	Balance as on 1.07.2009	Transferred pursuant to the Scheme of Arrangement and Demerger	Credit/ (Charge) during the previous year	Balance as on 1.04.2010	Credit/ (Charge) during the year	Balance as on 31.03.2011
iii. Tax impact of expenditure allowable u/s 35DD of the Income Tax Act, 1961	–	–	(35.89)	35.89	4.51	40.40
Sub Total (B)	–	72.69	(39.06)	111.75	12.72	124.47
Net Deferred Tax Liability (A-B)	–	2871.98	(15.86)	2,887.84	(63.80)	2824.04

18. As the turnover of the Company is in respect of Food and Beverages, it is not possible to give quantity-wise details of the turnover. Vide order No. 46/171/2010-CL-III dated 28th June, 2010 issued by the Ministry of Corporate Affairs, the Company has been exempted from giving these particulars for the year ending on 31st March, 2010; 31st March, 2011 and 31st March, 2012 subject to certain disclosures.

Besides, the Ministry of Corporate Affairs vide Notification No. S. O. 301(E) dated 8th February, 2011, has also granted exemption to Hotel Companies from disclosing quantity-wise details of turnover subject, inter-alia, to the approval of the Board of Directors of the Company. The Board of Directors of the Company have approved availing of the benefit under the aforesaid notification.

19. The Board of Directors of the Company has approved availing of the benefit under the General Circular No. 2/2011 dated 8th February, 2011 exempting the Company from attaching with the Balance Sheet of the Company a copy of the balance sheet, profit and loss account etc. of its subsidiary.

20. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises (Development) Act, 2006".

The Company had sent letters to its suppliers for confirmation of their registration under MSMED Act, 2006 and on the basis of replies received from the suppliers, the disclosure is given below:-

(Rs. in Lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
a) Principal amount remaining unpaid to any supplier as at date	1.07	1.53
b) Interest due thereon	0.00	0.00
c) Amount of interest paid by the Company in terms of section 16 of the MSMED, along with amount of the payment made to supplier beyond the appointed day	0.00	0.00
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	0.00	0.00
e) Amount of interest accrued and remaining unpaid	0.00	0.00

21. Earnings Per Share

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year:

S. No.	Particulars	Units	Year ended 31.03.2011	Year ended 31.03.2010
a.	Net profit/ (loss) after tax	Rs./ Lacs	1,691.60	997.61
b.	Less: Dividend on preference shares (including Corporate dividend tax)	Rs./ Lacs	1.24	2.91
c.	Profit available for equity shareholders	Rs./ Lacs	1,690.36	994.70
d.	Weighted average of number of equity shares used in computing basic earnings per share	No.	11,401,782	6,347,339
e.	Basic earnings per share	Rs.	14.83	15.67
f.	Weighted average of number of equity shares including potential diluted shares	No.	11,458,303	–
g.	Diluted earnings per share	Rs.	14.75	–

The investor namely the IL&FS group in the Subsidiary Company Aria Hotels and Consultancy Services Pvt. Ltd. has one of the exit options to acquire the shares of the Company at a later date. However, since the option is not exclusive and subject to certain conditions/ approvals, with number of shares not being determined, impact of future diluted potential equity shares has not been considered in calculating diluted earning per share.

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

22. Details of share held as Stock- in- trade as at 31 March, 2011 is as under:

Name of the Company	No. of Shares	Cost (Rs. in Lacs)	
		As at 31.03.2011	As at 31.03.2010
Bartronics India Limited	2,500	–	3.68
Hindustan Oil Exploration Limited	3,000	–	7.10
ICICI Bank Limited	70	0.78	–
State Bank of India	27	0.75	–
Reliance Capital Limited	500	2.90	–
		4.43	10.78

23. Unhedged Foreign Currency Exposures

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:-

Particulars	Foreign Currency (FC)	Amount in FC	Rs. in Lacs
Accounts payable	USD	590,667 (467,301)	269.99 (212.01)

Figures in brackets relate to the previous year.

24. a. C.I.F. Value of Imports

(Rs. in Lacs)

S. No.	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
a.	Food & Beverages - through canalising agencies	54.15	26.45
b.	Stores & Spares	86.94	25.18
c.	Capital Goods	32.85	10.10
d.	Beverages- through canalizing agencies	92.90	86.56

b. Expenditure in Foreign Currency-On payment basis

(Rs. in Lacs)

S. No.	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
a.	Technical services	460.99	286.11
b.	Commission & Brokerage	240.00	62.73
c.	Training & Recruitment	5.42	7.18
d.	Others	299.81	197.55

c. Earnings in Foreign Exchange

– on Receipt basis 8624.99 3483.38

25. Schedules 1 to 18 form an integral part of the Balance Sheet as at 31 March, 2011 and Profit & Loss Account for the year ended on that date.

26. Previous year financial statements are for nine months (represents operations of Hotel Hyatt Regency, Mumbai for five months period), hence not comparable to the current years' financial statements.

27. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current year classification.

As per our report of even date

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL GUPTA
Chairman &
Managing Director

SANDEEP GUPTA
Executive
(Whole-Time) Director

Place : New Delhi
Dated : 30th May, 2011

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. L55101DL2007PLC157518

Balance Sheet date 31st March, 2011

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
4492834	4492834

Sources of Funds

Paid Up Capital	Reserves & Surplus	Secured Loans	Net Deferred tax Liability	Unsecured Loans
114296	2733939	1362195	282404	NIL

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Accumulated Losses
2959858	1297932	235044	NIL	NIL

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

Turnover	Total Expenditure	Earnings per share in Rs.
1375906	1142925	14.83
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
232981	169161	40%

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

Item Code No. (ITC Code)	Products Description
NIL	SETTING UP & OPERATING HOTEL

As per our report of even date

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

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 30th May, 2011

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SUSHIL GUPTA
Chairman &
Managing Director

SANDEEP GUPTA
Executive
(Whole-Time) Director

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

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

1	Name of the Subsidiary	Aria Hotels and Consultancy Services Private Limited. (ARIA)
2	Financial Year of the Subsidiary ended on	March 31, 2011
3	Date from which it became Subsidiary	October 31, 2009 (close of business hours)
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.	5,96,010,000 (Equity shares of Rs. 10 each) 65.95%
5	The net aggregate amount of the Subsidiary'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 Subsidiary's financial year ended on March 31 st , 2011 ii. for prior years since becoming subsidiary	Rs. (913,258) Rs.12,519,801
6	The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the member of the Holding Company and has been dealt with in the Holdings Company's Accounts: i. for the subsidiary's financial year ended on March 31 st , 2011 ii. for prior years since becoming subsidiary	NIL NIL
7.	Changes if any, in the Holding Company's interest in the subsidiary between the end of previous financial year of the subsidiary and the end of previous financial year of holding Company.	During the year under review the ARIA has allotted shares to IL&FS group and AHWL pursuant to which the Company's stake has diluted from 100 % in the previous year to 65.95% in the current year.
8.	Details of material changes, if any, which occurred between the end of previous financial of the subsidiary and the end of previous financial year of the Holding company, in respect of : a) The subsidiary's Fixed Assets b) The subsidiary's Investments c) The moneys lent by d) The moneys borrowed by if for any purpose other than that of meeting current liabilities	No Substantial change NIL NIL Rs.101.50 Crores (Previous year Rs.145 crores)

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SUSHIL GUPTA
Chairman &
Managing Director
NIKHIL SETHI
Company Secretary

SANDEEP GUPTA
Executive
(Whole-Time) Director

Place : New Delhi
Dated : 30th May, 2011

Summary of Financial Information of Aria Hotels And Consultancy Services Pvt. Ltd. as on 31st March, 2011

Particulars	Rs. in Lacs
Fund Employed	
Capital	10,041.92
Reserves	10,570.42
Liabilities	
Secured Loans	10,150.00
Unsecured Loans	—
Deferred Tax Liability	—
Total Funds Employed	30,762.34
Application of Funds	
Assets	
Fixed Assets (Including CWIP)	16,912.35
Security Deposit to Delhi International Airport Authority Limited	12,742.26
Investments	—
Long Term Deposits	—
Net Current Assets	1,106.35
Deferred Tax Assets	1.38
Miscellaneous Expenditure (to the extent not written off)	—
Total Assets (Net)	30,762.34
Total Income	0.27
Profit Before Taxation	(15.98)
Provision for Taxation	(2.13)
Profit After Taxation	(13.85)
Proposed / Interim Dividend	—

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

AUDITORS' REPORT

To

The Members of Asian Hotels (West) Limited
(formerly Chillwinds Hotels Limited)

1. We have audited the attached Consolidated Balance Sheet of Asian Hotels (West) Limited (formerly Chillwinds Hotels Limited) and its subsidiary and associate company (collectively referred to as "Group") as at March 31, 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement of the company 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.
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 prepared, in all material aspects, in accordance with identified financial reporting framework and are free of material misstatements. 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.
3. We did not audit the financial statements of the Company's subsidiary, whose financial statements reflect total assets of Rs. 308,43.41 lacs as at March 31, 2011 and total revenues of Rs. 0.27 lacs and cash flow of Rs. 858.00 lacs for the year then ended. We did not audit the financial statements of the associate in which the share of profit of the Group is Rs. 0.01 lacs. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the Company's subsidiary, 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 23 (AS-23) – "Accounting for Investment in Associate in Consolidated Financial Statements" notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the subsidiary and associate company included in the Consolidated Financial Statements.
5. Based on our audit and on consideration of the report of other auditors on separate financial statements and on the other information of the subsidiary and associate company and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i. In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - ii. In the case of Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No. 00756N

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 30th May, 2011

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

	SCHEDULE	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SOURCES OF FUNDS			
SHAREHOLDERS FUND			
a Share Capital	1	1,142.96	1,637.97
b Reserves and Surplus (Including Capital Reserve on Consolidation)	2	28,774.13	30,592.26
SECURED LOAN	3	23,771.95	14,500.00
DEFERRED TAX LIABILITY		2,822.66	2,888.18
MINORITY INTEREST		6,676.64	—
		<u>63,188.34</u>	<u>49,618.41</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4		
a Gross Block		37,322.27	36,410.88
b Less: Depreciation		<u>7,814.59</u>	<u>6,870.14</u>
c Net Block		29,507.68	29,540.74
Capital Work In Progress		<u>17,003.24</u>	<u>7,308.50</u>
		46,510.92	36,849.24
SECURITY DEPOSIT TO DIAL		12,742.26	9,556.69
INVESTMENTS	5	1,482.33	150.09
CURRENT ASSETS, LOANS AND ADVANCES			
a Inventories	6	276.75	270.45
b Sundry Debtors	7	908.70	670.83
c Cash & Bank Balances	8	1,932.26	656.19
d Loans and Advances	9	<u>2,215.70</u>	<u>3,828.96</u>
		5,333.41	5,426.43
LESS: CURRENT LIABILITIES AND PROVISIONS			
a Current Liabilities	10	2,067.60	1,649.40
b Provisions	11	<u>812.98</u>	<u>714.64</u>
		2,880.58	2,364.04
Net Current Assets		<u>2,452.83</u>	<u>3,062.39</u>
		<u>63,188.34</u>	<u>49,618.41</u>
Significant Accounting Policies and Notes on Accounts	18		

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 30th May, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Chairman &
Managing Director

SANDEEP GUPTA
Executive
(Whole-Time) Director

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Schedule	Year Ended 31.03.2011 Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs
INCOME			
a Rooms, Food, Beverages and Other Services (Gross)	12	13,724.33	6,020.59
Less: Excise Duty Paid		4.85	2.16
b Net Sales		13,719.48	6,018.43
c Other Income	13	39.85	59.80
		13,759.33	6,078.23
EXPENDITURE			
a Consumption of Provisions, Beverages, Smokes & Others	14	1,089.92	462.85
b Payment to and Provision for Employees	15	2,619.23	1,277.29
c Operating and General Expenses	16	5,473.00	2,390.65
		9,182.15	4,130.79
PROFIT BEFORE INTEREST, DEPRECIATION		4,577.18	1,947.44
a Interest	17	1,240.20	0.49
b Depreciation	4	1,023.14	425.07
PROFIT BEFORE TAX		2,313.84	1,521.88
Provision for Taxation			
a Current Tax		702.08	501.92
b Provision for Taxation - Written back		(0.49)	—
c Deferred Tax		(65.53)	16.34
PROFIT AFTER TAX		1,677.78	1,003.62
Share of Profit in Associates		0.01	—
Net Profit before Minority Interest		1,677.79	1,003.62
Minority Share of Profit		(4.72)	—
Amount brought forward from previous year		9,882.26	42.32
Transferred pursuant to the Scheme of Arrangement & Demerger		—	9,339.40
Profit available for appropriation		11,564.77	10,385.34
APPROPRIATIONS			
a. Transfer to General Reserve		175.00	100.00
b. Proposed Dividend on Equity Shares		458.33	342.05
c. Dividend on Non Convertible Preference Shares		1.24	2.47
d. Proposed Dividend on Fully Convertible Preference Shares		—	0.01
e. Corporate Dividend tax		74.35	58.55
f. Transfer to Debenture Redemption Reserve		168.75	—
SURPLUS CARRIED FORWARD TO BALANCE SHEET		10,687.10	9,882.26
Earning per share- Basic (Rupees) (See note no. 21 of schedule 18)		14.75	15.77
Earning per share- Diluted (Rupees) (See note no. 21 of schedule 18)		14.68	—
Significant Accounting Policies and Notes on Accounts	18		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL GUPTA
Chairman &
Managing Director

SANDEEP GUPTA
Executive
(Whole-Time) Director

Place : New Delhi
Dated : 30th May, 2011

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

(Rs. in Lacs)

	Year ended March 31, 2011	Year ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
[a] Net Profit before Tax	2,313.84	1,521.88
Adjustments for:		
Depreciation	1,023.14	425.07
Diminution in the value of investment	—	0.02
Loss on sale of fixed assets	77.45	18.14
Gain on redemption of investment	—	(0.24)
Dividend Income on Investment	(21.94)	(1.82)
Interest Paid	1,240.20	—
Interest Earned	(15.08)	(28.17)
[b] Operating profit before working capital changes	4,617.61	1,934.89
Adjustments for:		
(Increase)/Decrease in inventories	(6.30)	(48.82)
(Increase)/Decrease in Sundry Debtors	(237.87)	238.51
(Increase)/Decrease in Loans and Advances	611.37	100.34
Increase/(Decrease) in Trade Payables	406.05	(1,516.74)
Increase/(Decrease) in Provisions	(488.67)	—
[c] Cash generated from operations	4,902.19	708.17
Direct taxes paid (Net)	(645.66)	(406.08)
Net cash from Operating Activities (A)	4,256.53	302.09
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,196.44)	(34.18)
Advance for purchase of property	—	3.44
Capital Work in Progress (increase)/ decrease	(8,369.35)	(7,279.00)
Security Deposit for right to use land	(3,185.57)	(9,543.67)
Sale of fixed assets	13.06	—
Purchase of Investments	(10,328.24)	(150.09)
Interest Received (Capitalised)	58.85	—
Interest Received (Revenue)	10.91	—
Dividend Income on Investment	21.94	1.82
Net Cash from Investing Activities (B)	(22,974.84)	(17,001.68)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (including share application money)	18,000.00	—
Repayment/ Redemption of Loan/ Non Convertible Debentures	(975.00)	—
Proceeds from Loans/ Non Convertible Debentures	24,746.95	14,500.00
Repayment/ Redemption of Loan/ Non Convertible Debentures	(14,500.00)	(343.52)
Redemption of Non Convertible Preference Shares	(4,780.36)	—
Interest Paid (Capitalised)	(1,271.82)	—
Interest Paid	(1,240.20)	28.17
Interest Received	14.81	—
Net Cash from Financing activities [C]	19,994.38	14,184.65
Net Increase/ (Decrease) in Cash Equivalent [A+B+C]	1,276.07	(2,514.94)
Cash and Cash equivalent (Beginning of the year) (Refer Schedule 8)*	656.19	3,171.13
Cash and Cash equivalent (End of the year) (Refer Schedule 8)	1,932.26	656.19

* Include Rs. 587.13 lacs acquired pursuant to the Scheme of Arrangement and Demerger during period ended March 31, 2010.

Notes:

- Figures in bracket represent Cash Outflow.
- Previous Year's figures have been regrouped/rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL GUPTA
Chairman &
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SANDEEP GUPTA
Executive
(Whole-Time) Director

Place : New Delhi
Dated : 30th May, 2011

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE 1		
SHARE CAPITAL		
a AUTHORISED		
14,000,000 (Previous Year 14,000,000) Equity Shares of Rs.10/- each	1,400.00	1,400.00
11,000,000 (Previous Year 11,000,000) Preference Shares of Rs.10/- each	1,100.00	1,100.00
	2,500.00	2,500.00
b ISSUED, SUBSCRIBED AND PAID UP		
11,401,782 (Previous Year 11,401,782) Equity Shares of Rs.10/- each fully paid up*	1,140.18	1,140.18
Nil (Previous Year 4,950,000) 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each*	—	495.00
27,780 (Previous Year 27,780) Fully Convertible Preference Shares of Rs. 10 each*	2.78	2.78
	1,142.96	1,637.96

* Shares have been issued pursuant to the Scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

SCHEDULE 2

RESERVES & SURPLUS

a Capital Reserve on Consolidation	1,320.05	1.41
b Capital Redemption Reserve *		
For redeemed NCPS	990.00	495.00
For redeemable NCPS	—	820.36
c Debenture Redemption Reserve	168.75	—
d Securities Premium Account*		
On 1% Cumulative Redeemable Non-Convertible Preference Share (NCPS)	—	3,960.00
On Fully Convertible Preference Share (FCPS)	147.23	147.23
e Tourism Development Utilised Reserves*	5,332.02	5,332.02
f General Reserves*		
Balance as per last year	9,953.98	—
Add: Transfer from Demerged Company	—	2,556.61
Add: Transfer of excess of assets over liabilities	—	7,297.37
Add: Transfer from Profit & Loss account	175.00	100.00
g Profit and Loss Account Balance	10,687.10	9,882.26
	28,774.13	30,592.26

* Transferred to the Company pursuant to the Scheme of Arrangement & Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

SCHEDULE 3

SECURED LOANS

Non Convertible Debentures (refer note no 16 of Schedule 18)	9,325.00	—
Term Loans from Banks (refer note no 17 of Schedule 18)	14,350.00	14,500.00
Vehicle Loan	96.95	—
	23,771.95	14,500.00
Due within the year		
Non Convertible Debentures	1,400.00	—
Term Loans	600.00	5,861.45

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2011 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

SCHEDULE 4

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions During the Year	Deductions During the Year	As at 31.03.2011	Upto 01.04.2010	For The Year	Deductions During the Year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
LAND - FREEHOLD	9,287.31	781.91	—	10,069.22	—	—	—	—	10,069.22	9,287.31
BUILDINGS	14,791.10	3.33	2.78	14,791.65	1,672.62	241.21	0.34	1,913.49	12,878.16	13,118.49
FURNITURE FIXTURE & FURNISHINGS	2,752.97	18.51	23.75	2,747.73	1,714.45	261.72	17.69	1,958.48	789.25	1,038.52
PLANT & MACHINERY	9,118.49	156.57	148.55	9,126.51	3,246.63	459.24	66.54	3,639.33	5,487.18	5,871.86
VEHICLES	461.01	126.15	—	587.16	236.44	66.85	—	303.29	283.87	224.56
TOTAL	36,410.88	1,086.47	175.08	37,322.27	6,870.14	1,029.02#	84.57	7,814.59	29,507.68	29,540.74
Capital Work in Progress (includes incidental expenditure during construction period)	—	—	—	—	—	—	—	—	17,003.24	7,308.50
	36,410.88	1,086.47	175.08	37,322.27					46,510.92	
Previous Year*	—	36,435.96	25.08	36,410.88	—	6,873.66	3.51	6,870.14	29,540.74	
Capital Work in Progress									7,308.50	
TOTAL	—	36,435.96	25.08	36,410.88	—	6,873.66	3.51	6,870.14	36,849.24	

* Addition during previous year includes Rs. 36,390.96 Lacs transferred pursuant to the Scheme of Arrangement & Demerger.

* Depreciation during previous year includes Rs. 6,448.43 Lacs transferred pursuant to the Scheme of Arrangement & Demerger.

Includes transferred to incidental expenditure during construction period Rs. 5.86 lacs (Previous year Rs. 0.15 lacs).

Capital Work-in Progress represents:	Rs. in Lacs	
	As at 31.03.2011	As at 31.03.2010
Building under construction	3,642.05	271.69
Furniture & Fixtures under erection	87.24	—
Technical/ Consultancy Fees	1,220.72	440.59
Mock Up Room cost	74.60	—
Plumbing & Sanitation	3.67	—
Air Conditioning under installation	170.30	—
Electrification under installation	17.00	—
Elevators under installation	1.10	—
Advance For Capital Goods	680.12	31.30
Payments to Delhi International Airport Private Limited (DIAL)		
— Advance Development Costs	6,358.00	4,768.50
— Licence Fees	1,290.03	596.40
Incidental expenditure during construction (Refer Schedule 4A)	3,458.41	1,200.02
	<u>17,003.24</u>	<u>7,308.50</u>

4A. STATEMENT OF INCIDENTAL EXPENDITURE DURING CONSTRUCTION

— Salary & Wages	113.06	21.05
— Legal & Professional Charges (Including loan processing and arranging fees)	1,177.90	262.11
— Rent	14.06	4.14
— Rates & Taxes	7.87	4.15
— Meeting & Conference	4.83	1.58
— Travelling Directors	7.90	1.40
— Travelling Others	29.80	15.56
— Advertisement for staff recruitment Expenses	0.62	—
— Vehicle Upkeep	4.10	0.69
— Electricity Gas & Water Charges	1.58	0.20
— Communication expenses	1.40	0.12
— Insurance expenses	5.76	—
— Directors Sitting fees	3.84	—
— Depreciation	6.02	0.15
— Interest on Loans	2,114.28	869.05
Less: Interest on Fixed Deposit (Tax deducted at source Rs. 663,575)	(66.36)	—
— Bank Guarantee and other charges	17.03	16.60
— Finance Charges	2.67	2.67
— Leave Encashment	1.84	—
— Gratuity Expenses	2.26	—
— Miscellaneous Expenses	7.92	0.53
	<u>3,458.41</u>	<u>1,200.02</u>

Note: It is the Company's intension to capitalise the major part of this expenditure when commercial operations begin in accordance with the accepted accounting principles.

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	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE 5		
INVESTMENTS		
Long -Term		
Trade, Unquoted		
In Associate Company		
6,498,186 (Previous Year NIL) Equity Shares of Rs. 10/- each of Inovia Hotels & Resorts Ltd.		
Value of Investment	597.50	—
Goodwill on Consolidation	471.93	—
Share in Pre acquisition Profit	100.24	—
Share in Post acquisition Profit	0.01	—
Short Term		
Non-Trade, Quoted		
3,116,731.54 (Previous Year 1,497,214.91) units of Rs. 10.00 each of HDFC Cash Management Fund-TAP-wholesale (Market Value Rs. 312. 65 lacs (Previous year Rs. 150.09 lacs)	312.65	150.11
Less: Provision for diminution in the value of investment	—	0.02
	<u>1,482.33</u>	<u>150.09</u>
Note :		
Detail of investment bought/ subscribed and sold/ redeemed during the period 362.17 lacs (Previous Year 89.89 lacs) units aggregating to Rs. 3632.23 lacs of HDFC Cash Management Fund-TAP-Retail (Previous Year Rs. 901.71 lacs).		
SCHEDULE 6		
INVENTORIES		
(as taken, valued and certified by the management)		
Wines & Liquor	76.94	95.90
Food, Provisions, Other Beverages and Smokes	24.31	20.18
Crockery, Cutlery, Silverware, Linen	111.52	90.43
General Stores and Spares	59.55	53.16
Shares in Trade	4.43	10.78
	<u>276.75</u>	<u>270.45</u>
SCHEDULE 7		
SUNDRY DEBTORS		
Outstanding for over six months	161.15	77.58
Others	753.14	598.84
	<u>914.29</u>	<u>676.42</u>
Less: Provision for Doubtful Debts	(5.59)	(5.59)
	<u>908.70</u>	<u>670.83</u>
Unsecured considered good	908.70	670.83
Unsecured considered doubtful	5.59	5.59
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash in hand	8.57	10.18
Cheques in hand	36.87	71.74
Balances with scheduled banks in		
— Current Accounts	196.82	32.27
— Fixed Deposits*	1,690.00	542.00
	<u>1,932.26</u>	<u>656.19</u>
* includes: Under lien against over draft facilities	—	200.00
pledged with Government Authorities	—	50.00

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	As at 31.03.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE 9		
LOANS & ADVANCES		
Advances recoverable in cash or in kind or for value to be received*	2,187.56	3,785.53
Security Deposits	33.68	30.87
Interest accrued on fixed deposits	4.24	12.56
	<u>2,225.48</u>	<u>3,828.96</u>
Less: Provision for doubtful advances/deposits	(9.78)	—
	<u>2,215.70</u>	<u>3,828.96</u>
— Considered good	2,215.70	3,828.96
— Considered doubtful	(9.78)	—
*Amount due from officers of the Company	11.98	—
*Maximum amount outstanding	15.49	—
SCHEDULE 10		
CURRENT LIABILITIES		
Sundry Creditors		
Due to Micro, Small and Medium Enterprises	1.08	1.53
Others Creditors*	1,233.13	1,104.46
Advance from customers	242.46	166.48
Bank Overdraft	279.53	182.53
Security Deposits	2.10	0.80
Dividend on Preference Shares	1.24	6.23
Interest Accrued but not due	65.90	14.42
Other Liabilities	242.16	172.95
	<u>2,067.60</u>	<u>1,649.40</u>
* Includes commission payable to directors Rs. 53.00 lacs (Previous Year Rs. 67.66 lacs)		
SCHEDULE 11		
PROVISIONS		
Provision for Gratuity (Refer note No. 12 of Schedule 18)	202.63	182.77
Provision for Leave Encashment (Refer Note No. 12 of Schedule 18)	45.21	34.78
Provision for Taxation (net of Advance Income Tax and TDS Rs. 652.53 lacs (previous year Rs. 402.91 lacs))	32.45	95.84
Proposed Dividend (including Corporate Dividend Tax)	532.69	401.25
	<u>812.98</u>	<u>714.64</u>
	Year Ended 31.03.2011 Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs
SCHEDULE 12		
ROOMS, FOOD, BEVERAGES & OTHER SERVICES		
Rooms	8,904.55	3,953.18
Wines and Liquor	534.20	248.30
Food, Other Beverages, Smokes and Banquets	3,096.48	1,319.33
Communication	159.74	71.04
Others*	1,029.36	428.74
	<u>13,724.33</u>	<u>6,020.59</u>
*Includes gain/(loss) on account of foreign currency transactions	(4.73)	7.93

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	Year Ended 31.03.2011 Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs
SCHEDULE 13		
OTHER INCOME		
Interest Earned*	15.08	28.17
Dividend on Investment	21.94	1.82
Miscellaneous Income	2.83	0.01
Gain/(Loss) on Mutual Funds	—	0.24
Excess Provision Written back	—	29.56
	39.85	59.80
* Includes Tax deducted at source	1.16	7.25

SCHEDULE 14 **CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES AND OTHERS**

Wine & Liquor		
Opening Stock*	95.90	56.07
Add : Purchases	130.35	110.77
	226.25	166.84
Less : Closing Stock	76.94	95.90
	149.31	70.94
Food, Provisions, Other Beverages and Smokes		
Opening Stock*	20.18	11.88
Add : Purchases	944.74	400.21
	964.92	412.09
Less : Closing Stock	24.31	20.18
	940.61	391.91
	1,089.92	462.85
Indigenous	911.41	438.71
Imported	178.51	24.15

* Transferred pursuant to the Scheme of Arrangement & Demerger in the previous year.

SCHEDULE 15 **PAYMENT TO AND PROVISION FOR EMPLOYEES**

Salaries, Wages & Ex gratia	1,776.04	964.97
Contribution to Provident & other funds	127.93	46.17
Gratuity & Leave Encashment	52.47	23.98
Workmen and Staff Welfare*	258.96	85.26
Staff Relocation Expenses	4.96	3.54
Recruitment & Training	32.98	7.66
Contract Labour & Services	365.89	145.71
	2,619.23	1,277.29
*Workmen & Staff Welfare includes :		
Cost of provisions consumed in Staff Cafeteria	112.54	51.49
Realisation on sale of food coupons to Staff	(6.68)	4.92

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	Year Ended 31.03.2011 Rs. in Lacs	Year Ended 31.03.2010 Rs. in Lacs
SCHEDULE 16		
OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering & other supplies	227.62	89.11
Operating equipments & supplies written off	61.87	27.88
Fuel, Power & Light	927.09	358.79
Repairs, Maintenance & Refurbishing*	983.14	381.03
Rent	33.00	13.76
Rates & Taxes	457.95	191.19
Insurance	60.51	18.84
Directors' Sitting Fee	5.40	4.41
Legal & Professional Expenses	453.22	386.61
Artist Fee	2.10	5.16
Printing & Stationery	56.74	24.78
Travelling & Conveyance	346.23	144.43
Communication Expenses	129.14	58.62
Technical Services	687.11	318.27
Advertisement & Publicity	243.02	90.91
Commission & Brokerage	539.42	210.17
Charity & Donation	52.77	24.04
Bank charges and commitment fees	6.44	2.35
Provision for doubtful debts/advances (net)	9.78	—
(Gain)/Loss on trading of shares/derivatives	32.39	3.11
Provision for diminution in value of investment	—	0.02
Loss/ (Gain) on Fixed Assets sold/discarded (net)	77.45	18.14
Miscellaneous	80.61	19.03
	5,473.00	2,390.65
*Repairs, Maintenance & Refurbishing includes:		
Repairs & Maintenance-Buildings	133.66	100.12
Repairs & Maintenance-Plant & Machinery	419.37	141.60
Repairs & Maintenance-Others	345.91	77.44
SCHEDULE 17		
Interest		
a. on Debentures	857.60	—
b. on Term Loan	379.84	—
c. on Others	2.76	—
d. Bank Charges	—	0.49
	1,240.20	0.49

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SCHEDULE: 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the 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.

b. Use of Estimates

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

c. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- ii. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Dividend income from investments is recognized when the Company's right to receive payment is established.
- iv. Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

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. 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 tax authorities.

f. Claims Recoverable

Claims recoverable are accrued only to the extent as admitted by the parties.

g. 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.

h. Foreign Exchange Transactions

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). Foreign Currency balances at the year-end are converted at the year-end rate of exchange except those covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

i. Employee Benefits

- i. Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an approved actuary using projected unit credit method.
- 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 the 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.

j. Taxation

- i. Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect 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 (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 substantively enacted at the Balance Sheet date.

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k. Fixed Assets and Depreciation

i. Fixed Assets

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

ii. Depreciation

- a. Depreciation as per straight line method has been charged in the accounts.
- b. The charge is on the basis of rates as prescribed under Schedule XIV to the Companies Act, 1956 pro rata from the month of purchase. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.

l. Investments

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

m. Inventory

- i. Inventory is valued at cost or net realizable value, whichever is lower.
 - ii. Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.
 - iii. Shares held as Stock- in -trade are valued at cost or market value whichever is lower.
- Net realizable value is estimated selling/ realizable value in the normal course of business less cost of completing the sale

n. 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, each assets/ group of assets is identified for which there are separately identifiable cash flows (cash generating units).

o. Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and cash/ cheques in hand and fixed deposits with banks.

q. Dividend

Dividend proposed on equity shares, if any, is accounted for pending approval at the Annual General Meeting.

r. 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.

s. Borrowing Costs

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

t. Principles of Consolidation

The Consolidated financial statements has been prepared in accordance with Accounting Standard 21 (AS-21) – “Consolidated Financial Statements” and Accounting Standard 23 (AS – 23) – “ Accounting for Investment in Associate in Consolidated Financial Statement”. The Consolidated financial statements comprise the financial statements of Asian Hotels (West) Limited and its

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subsidiary Company Aria Hotels & Consultancy Services Private Limited (Aria), a Company incorporated in India and Associate Company Inovoa Hotel & Resorts Limited, a Company Incorporated in India in which the Company holds 30.18% shares. (Stake in the Subsidiary Company got reduced to 65.95% during the year).

B. NOTES TO ACCOUNTS

1. Contingent Liabilities not provided for in respect of:
 - a. Export obligation in respect of EPCG Licenses: Rs. 4,209.54 Lacs (Previous Year Rs. 1,172.96 Lacs).
 - b. Stamp duty for Mumbai Undertaking: Rs 1,500.00 Lacs (as estimated by the management).
 - c. During the year under review, the Company has agreed to grant Corporate Guarantee aggregating to Rs. 4000 Lacs in one or more tranches on behalf of Aria Hotels and Consultancy Services Pvt. Ltd. (Aria), Subsidiary Company for import of Capital Goods under EPCG. As on 31st March, 2011 the Company has given such Corporate Guarantee aggregating to Rs. 1.59 Lacs (Previous period Rs. Nil) on behalf of Aria.
 - d. Claims against Company not acknowledged as debts (Service Tax) Rs. 61.49 Lacs (for the F.Y. 2006-07,2007-08 and 2008-09) {Previous Year Rs Nil}
2. During the Financial Year, Aria has entered into a Common Loan Agreement for availing Loan of Rs. 422.92 Crores for the purpose of development of five star deluxe hotel near Delhi International Airport, New Delhi from consortium of banks/ financial institutions comprising of Allahabad Bank, Andhra Bank, Canara Bank, Corporation Bank, Karnataka Bank, Oriental Bank of Commerce, Tourism Finance Corporation of India and Union Bank of India. Aria has given the security of:
 - a. A first mortgage and charge on all the immovable properties of Aria pertaining to the Project, both present and future (save and except Project Site);
 - b. A first charge on the movable fixed assets and pertaining to the Project, both present and future (save and except Current Assets);
 - c. A second charge on all Current Assets, including but not limited to stock, receivables in respect of the Project, both present and future;
 - d. A second charge over all bank accounts, excluding the Escrow Account, or any account in substitution thereof and any other accounts and all funds from time to time deposited therein and in all Authorized Investments or other securities representing all amounts credited thereto;
 - e. A first charge over the Escrow Account, (or any account in substitution thereof), including without limitation, any other accounts and all funds from time to time deposited therein and in all Authorized Investments or other securities representing all amounts credited thereto;
 - f. A first charge on all intangibles of Aria including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;
 - g. An assignment by way of security:
 - (i) of the right, title and interest of Aria in, to and under the Project Documents;
 - (ii) of the right, title and interest of Aria in, to and under all the contracts, the approvals and Insurance Contracts; and
 - (iii) of the right, title and interest of Aria in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
 - (iv) Assignment of all rights, titles, benefits arising out of the grant of license to Aria as per the Development Agreement between DIAL and Aria dated July 4, 2009
 - h. Irrevocable and unconditional personal guarantee of Mr. Sushil Gupta, Chairman and Managing Director
3. (i) The Subsidiary Company Aria had made a bid to Delhi International Airport (P) Limited (DIAL) for the proposal of development of asset area 4 (Upscale and Mid Market Hotel) at the Delhi International Airport site. The bid was awarded to Aria by issuing Letter of Award dated May 5, 2009 and thereafter Aria entered into with DIAL, a Development Agreement dated 4th July, 2009. Under the said Agreement Aria has the right to operate the hotel constructed on DIAL site till May 2, 2036 extendable upto May 2, 2066 in terms of the Agreement for which Aria has to pay an annual License Fee as stipulated in the Agreement. Aria has paid the annual License Fee during the Financial Year. In terms of the Agreement, to secure the payment of the annual License Fee and the performance of all other obligations under the Development Agreement, it was agreed to pay to DIAL an interest free Security Deposit aggregating Rs. 12742.26 Lacs refundable at the expiry of the term of the said Agreement unless extended. In addition to above Aria also entered into an 'Infrastructure Development and Service Agreement' with DIAL on 4th July, 2009, for the use of infrastructure facilities and services being developed by DIAL, for which Aria has to pay an Advance Development Cost aggregating to Rs. 6358.00 Lacs.
 - (ii) Capital Work in Progress includes amounts paid by the subsidiary Company Aria to DIAL on account of Advance Development Cost aggregating to Rs 6358.00 lacs and License fees up to 31st March 2011 amounting to Rs 1290.03 lacs as mentioned above.
 - (iii) The subsidiary Company Aria has also paid Rs 12742.26 Lacs on account of an Interest Free Refundable Security Deposit to DIAL as per terms of the above mentioned Development Agreement, shown as a separate long term asset.

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4. Aria Hotels & Consultancy Services (P) Limited was a wholly owned subsidiary of Asian Hotels (West) Limited (AHLW). During the year, AHLW and IL&FS Group (Investor) had infused funds towards Share Capital of Aria, under an Investment Agreement. After the allotment of Equity shares to AHLW and IL&FS Group and Compulsory Convertible Preference Shares (Investor CCPS) (non-cumulative dividend at the rate of 0.01% per annum or dividend declared on equity shares whichever is higher) to IL&FS Group, Aria is still a Subsidiary of AHLW. Further, AHLW has also given share application money for 3,861,538 Compulsory Convertible Preference Shares (Promoters CCPS) (non-cumulative dividend at the rate of 0.01% per annum or dividend declared on equity shares whichever is higher) to the subsidiary Company Aria.

Conversion of Investor CCPS in Equity Shares

Aria shall convert, subject to provisions of the Investment Agreement entered into with the investors, the investor CCPS into Equity Shares of Aria in the ratio of 1:1 i.e. one Equity Share in lieu of one CCPS.

Further, subject to the provisions of Investment Agreement, Statutory and other approvals, if any, AHLW and Aria shall provide the Investors the exit option after 31st March 2013 by way of merger of Aria with AHLW or swap of investors Securities with equity shares of AHLW or otherwise. However, in the case of exit through AHLW, the Investors shall be entitled for not more than 14 % (fourteen Percent) of the issued and paid up equity share capital of AHLW, on a Fully Diluted Basis.

5. Estimated amount of contracts remaining to be executed on capital account (net of advances): Rs. 13547.41 Lacs (Previous period Rs 3689.62 Lacs).

6. The Company had earlier re-issued 27,780 1% Fully Convertible Preference Share (FCPS) of the face value of Rs. 10/- each at a premium of Rs. 530/- each to Fineline Holdings Limited and UDT Enterprises Pty. Ltd. credited as fully paid.

In terms of the Scheme of Arrangement & Demerger, the aforesaid FCPS were to be converted into the equity shares of the Company at any time, at the option of the respective FCPS holder, during the period from 5th March, 2011 to 30th April, 2011 and in the event any FCPS holder does not exercise the option to convert the FCPS into equity shares during the aforesaid period, the FCPS held by such FCPS holder would compulsorily get converted into the equity shares of the Company on 30th April, 2011.

The said 27,780 FCPS were converted into 56,521 Equity Shares at the conversion Price of Rs. 265.40 per share as calculated in terms of the mechanism provided in the Scheme and the pricing formula as provided in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Consequently, such conversion resulted into issuance of 56,521 equity shares of Rs.10/- each credited as fully paid-up. Consequent to the aforesaid issue and allotment, the paid-up equity capital of the Company has increased from Rs. 1140.18 Lacs comprising of 1,14,01,782 equity shares of Rs.10/-each to Rs. 1145.83 Lacs comprising of 1,14,58,303 equity shares of Rs.10/- each with effect from 30th April, 2011.

With the aforesaid actions, all the procedural formalities consequential to the Scheme of demerger of erstwhile Asian Hotels Limited have been complied with.

7. (i) Land – Freehold includes Land admeasuring approx. 4600 Sq. Mtrs, at Pune, Maharashtra, approved for construction of hotel, purchased by the Company during the year under review.
- (ii) Capital Work in Progress includes advances for capital contracts aggregating to Rs. 81.51 Lacs (previous year Rs 31.02 Lacs).
8. 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. In respect of subsidiaries, such decision is based on the management accounts/audited accounts of the subsidiaries, as available and on the basis of the information and explanations given.
9. During the year the Company has received refund of Rs. 55.56 lakhs out of Rs. 95.94 lakhs towards the amount paid under protest for the Service Tax demand raised in earlier years. In the opinion of the management the balance amount of Rs. 40.38 lakhs is recoverable, for which the petition is filed with Tribunal Authorities and hence been included under "Loans and Advances" as "Claims Recoverable" based on the progress made in the matter so far.

10. Auditors Remuneration*

(Rs in lacs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
a. Statutory audit fee	12.50	7.50
b. Tax Audit Fee	2.75	—
c. Limited Review	4.50	—
d. Certification Charges	0.72	—
	20.47	7.50

* Exclusive of Service Tax

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11. Managerial Remuneration (excluding provision for gratuity) to Directors :

Particulars	Year ended 31.03.2011 (Rs. in Lacs)	Year ended 31.03.2010 (Rs. in Lacs)
Chairman & Managing Director		
1. Salaries and perquisites	88.40	36.00
2. Contributions to provident and superannuation fund	6.60	2.70
3. Commission	10.00	31.77
Executive (Whole-time) Directors		
1. Salaries and perquisites	133.65	—
2. Contributions to provident and superannuation fund	9.69	—
3. Commission	20.00	—
Non – Executive Directors		
Sitting Fees	5.40	4.40
Commission	23.00	15.89

Note: Contribution to group gratuity scheme has not been considered, as provisions has been made for the Company as a whole.

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

1. Defined contribution plans
 - a. Provident fund
2. Defined benefits plans
 - a. Contribution to Gratuity fund
 - b. Compensated absences – Earned leave

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

Economic Assumptions

The discount rate and salary increases assumed are 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. For the current valuation a discount rate of 8 % p.a. compound, has been used.

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.

- a. The following tables set out the unfunded status of the gratuity plan and earned leaves and amounts recognised in the Company's financial statements as at 31 March, 2011

i. Change in benefit obligations: (Rs. in lacs)

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of obligations as at the beginning of the year	182.77	—	34.78	—
Transferred pursuant to the Scheme of Arrangement and Demerger	—	175.05	—	31.77
Current service cost	32.70	13.39	19.75	6.19
Interest cost	14.62	7.00	2.78	1.27
Benefit Paid	(26.28)	(16.26)	(8.88)	(4.97)
Actuarial (gain)/ loss on obligation	(1.18)	3.59	(3.22)	0.52
Present value of obligations as at the year end	202.63	182.77	45.21	34.78

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ii. Expenses recognised in the profit and loss account:

(Rs. in lacs)

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Current Service cost	32.70	13.39	19.75	6.19
Interest cost	14.62	7.00	2.78	1.27
Actuarial (gain)/loss recognised during the year	(1.18)	3.59	(3.22)	0.52
Net charge/(credit)	46.14	23.98	19.31	7.98

iii. Amount recognized in balance sheet:

Particulars	Gratuity (Unfunded)		Compensated absences Earned leave (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of obligations as at the end of the year	202.63	182.77	45.21	34.78
Fair value of plan assets as at the end of the period	—	—	—	—
Funded status / Difference	(202.63)	(182.77)	(45.21)	(34.78)
Excess of actual over estimated	—	—	—	—
Unrecognized actuarial (gain)/ losses	—	—	—	—
Net assets/ (liability) recognized in the balance sheet	(202.63)	(182.77)	(45.21)	(34.78)

iv. Principal actuarial assumptions:

Particulars	Refer Note below	Year ended 31.03.2011	Year ended 31.03.2010
Discount rate (p.a.)	1	8%	8%
Salary escalation rate (p.a.)	2	7%	7%

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.
- The gratuity plan and earned leave is unfunded.

Demographic assumptions:

- Retirement age 58 years
- Mortality rate Published rates under LIC (1994-96) mortality table.

13. As the company is engaged in only one segment of Hotel business, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable.

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

a. List of related parties

(i) Associate Company

Inovoa Hotels & Resorts Limited (w.e.f. 31st March, 2011)
IIRF India Realty XVI Limited, Mauritius, the Associate Company (a company of IL&FS Group)
IL&FS Trust Company Limited, the Associate Company (a company of IL&FS Group)

(ii) Key Management Personnel

Mr. Sushil Gupta – Chairman & Managing Director
Mr. Sudhir Gupta – Executive (Whole-Time) Director
Mr. Sandeep Gupta – Executive (Whole-Time) Director

(iii) Relative of Key Management Personnel

Mrs Vinita Gupta
Mrs Gunjan Jain

(iv) Entities over which directors and their relatives can exercise significant influence

Eden Park Hotels Private Limited
Asian Hotels (North) Limited
M/s Bhasin & Co.
Aria Investments & Holdings Limited
Godfrey Philips India Ltd.
M/s Chaman Lal Gupta & Sons

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b. Balances outstanding/transactions with related parties

(Rs in lacs)

Particulars	Key Management Personnel	Relative of Key Management Personnel	Associate Company	Entities Controlled By Directors & their relatives	Total
(i) Transaction during the year					
Purchases/Services availed during the year					
Bhasin & Co	– (–)	– (–)	– (–)	3.35 (0.79)	3.36 (0.79)
Inovoa Hotels & Resorts limited	– (–)	– (–)	14.70 (–)	– (–)	14.70 (–)
(ii) Sales/ Services Provided during the year					
Eden Park Hotels Pvt. Ltd	– (–)	– (–)	– (–)	0.47 (–)	0.47 (–)
Asian Hotels (North) Limited	– (–)	– (–)	– (–)	0.33 (–)	0.33 (–)
Godfrey Philips India Ltd.	– (–)	– (–)	– (–)	6.12 (–)	6.12 (–)
Inovoa Hotels & Resorts Limited	– (–)	– (–)	2.25 (–)	– (6.79)	2.25 (6.79)
Expenses Paid					
Eden Park Hotels Private Ltd	– (–)	– (–)	– (–)	59.54 (24.61)	59.54 (24.61)
Asian Hotels (North) Limited	– (–)	– (–)	– (–)	– (60.60)	– (60.60)
Security Deposit Given	– (–)	– (–)	– (–)	– (2.25)	– (2.25)
(iii) Managerial Remuneration					
Mr. Sushil Gupta	95.00 (70.47)	– (–)	– (–)	– (–)	95.00 (70.47)
Mr. Sudhir Gupta	71.84 (–)	– (–)	– (–)	– (–)	71.84 (–)
Mr. Sandeep Gupta	71.50 (–)	– (–)	– (–)	– (–)	71.50 (–)
(iv) Issue of Equity Shares (including Premium)	– (–)	– (–)	3499.99 (–)	– (–)	3499.99 (–)
(v) Issue of Compulsory Convertible Preference Shares (including Premium)	– (–)	– (–)	4500.00 (–)	– (–)	4500.00 (–)
(vi) Purchase of shares of Associate Company					
M/s Chaman Lal S Gupta	– (–)	– (–)	– (–)	56.86 (–)	56.86 (–)
Mr. Sushil Gupta	133.82 (–)	– (–)	– (–)	– (–)	133.82 (–)
Mrs. Vinita Gupta	– (–)	12.26 (–)	– (–)	– (–)	12.26 (–)
Mr. Sandeep Gupta	1.17 (–)	– (–)	– (–)	– (–)	1.17 (–)

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(Rs in lacs)

Particulars	Key Management Personnel	Relative of Key Management Personnel	Associate Company	Entities Controlled By Directors & their relatives	Total
Mrs. Gunjan Jain	— (—)	94.17 (—)	— (—)	— (—)	94.17 (—)
Aria Investments & Holdings Limited	— (—)	— (—)	— (—)	389.32 (—)	389.32 (—)
(vi) Purchase of Land	— (—)	— (—)	743.38 (—)	— (—)	743.38 (—)
(vii) Balance outstanding at the end					
Account Receivable					
Eden Park Hotels Pvt. Ltd	— (—)	— (—)	— (—)	2.25 (2.25)	2.25 (2.25)
Account Payable					
Asian Hotels (North) Limited	— (—)	— (—)	— (—)	— (9.71)	— (9.71)
Bhasin & Co.	— (—)	— (—)	— (—)	1.55 (—)	1.55 (—)

Figures in brackets relate to the previous year.

15. Further commitments in respect of minimum payments (License Fees) payable in case of non cancellable development agreement entered in to by Aria with Delhi International Airport Private Limited (DIAL) and others :-

(Rs. in Lacs)

Sl. No.	Particulars	As at 31.03.2011	As at 31.03.2010
(i)	Not later than one year	756.54	726.64
(ii)	Later than one year not later than five year	3352.38	3202.36
(iii)	Later than five year	33592.57	34499.13

16. During the year under review, the Company has issued 1,000 Rated, Taxable, Secured, redeemable, Non - Convertible Debentures (NCDs) of the face value of Rs. 10 Lacs each, aggregating to Rs. 10000 Lacs, on private placement basis to Kotak Mahindra Bank Limited on 25th June, 2010. The said NCDs are listed on the Whole-sale Debt Market at the National Stock Exchange of India Limited (NSE) w.e.f. 8th July, 2010. M/s IDBI Trusteeship Services Limited, Mumbai was appointed as the Debenture Trustee to the aforesaid NCDs.

The said NCDs are secured by way of:

- First pari passu charge on all existing and future moveable fixed assets of Hotel Hyatt Regency, Mumbai belonging to the Company.
- Mortgage by way of first pari passu charge on the immovable properties being land and building situated at Hotel Hyatt Regency Mumbai.
- Personal Guarantee of Chairman and Managing Director of the Company.-

In terms of the issue of the aforesaid NCDs, the Company has already redeemed during the Financial Year 2010-11, NCDs of the face value aggregating to Rs. 675.00 lacs, after creating Debenture Redemption Reserve of Rs. 168.75 lacs.

The Rate of Interest on these NCDs has been linked to Kotak Mahindra Bank's Prime Lending Rate (PLR) less 5% p.a.

The redemption of these NCDs shall be made in unequal quarterly installments starting from September, 2010 with last redemption due in March, 2016 OR on the exercise of Put Option or Call Option.

Put Option - The Debenture Holder may, on or after 25th June, 2015 exercise the Put Option.

Call Option – The Company may exercise the Option to call back the NCDs, at par, (in part on in full) on June 25, 2011; June 25, 2012; June 25, 2013; June 25, 2014 and June 25, 2015.

17. During the year under review, the Company has availed :

- Loan of Rs. 4500 Lacs from Kotak Mahindra Bank Limited by giving security of:
 - First Pari-passu Charge on all existing and future moveable fixed assets of Hotel Hyatt Regency, Mumbai belonging to the Company.

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b. Mortgage by way of first pari-passu charge on the immovable properties being land and building situated at Hyatt Regency, Mumbai.

c. Personal Guarantee of Chairman and Managing Director of the Company.

The Company has already partly repaid the above loan upto the extent of Rs. 300 Lacs.

(ii) Loan of Rs. 100 Lacs from Kotak Mahindra Prime Limited for purchase of cars for Hotel Hyatt Regency, Mumbai.

18. During the year under review, the Board of Directors of the Company approved acquisition of controlling stake in Invoa Hotels and Resorts Limited (IHRL). The Company has accordingly acquired 30.18% of the paid up Equity Capital of IHRL till 31st March, 2011 pursuant to which IHRL became the Associate of the Company in terms of Accounting Standard 23. After the Balance Sheet date, the Company has acquired further stake in IHRL aggregating the holding of the Company in IHRL to 50.49% of the paid up equity capital of IHRL, pursuant to which, IHRL has become Subsidiary of the Company.

19. Deferred Tax

Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax credit:

(Rs in lacs)

Particulars	Balance as on 1.07.2009	Transferred pursuant to the Scheme of Arrangement and Demerger	Credit/ (Charge) during the previous year	Balance as on 1.04.2010	Credit/ (Charge) during the year	Balance as on 31.03.2011
A. Deferred tax liability						
i. Tax impact of difference between Written Down Value (WDV) of fixed assets in the financial statements and income tax return	–	2944.67	55.34	3000.01	(51.59)	2948.43
B. Deferred tax assets						
i. Tax impact of expenses for retirement benefits charged in financial statements but allowable as deductions in future years	–	70.30	(3.65)	73.95	6.38	80.33
ii. Tax impact of provision for doubtful advances/debtors	–	2.39	0.49	1.90	3.09	4.99
iii. Tax impact of expenditure allowable u/s 35DD of the Income Tax Act, 1961	–	–	(35.89)	35.89	4.51	40.40
iv. Tax impact of expenditure allowable u/s 35D of the Income Tax Act, 1961	–	0.14	0.05	0.09	(0.04)	0.05
Total (B)	–	72.83	(39.00)	111.83	13.94	125.77
Net Deferred Tax Liability (A-B)	–	2871.84	16.34	2,888.18	(65.53)	2822.66

20. The Board of Directors of the Company has approved availing of the benefit under the General Circular No: 2/2011 dated 8th February, 2011 exempting the Company from attaching with the Balance Sheet of the Company a copy of the balance sheets, profit and loss account etc. of its subsidiary.

21. Earning Per Share

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

S. No.	Particulars	Units	Year ended 31.03.2011	Year ended 31.03.2010
a.	Net profit/ (loss) after tax	Rs. in lacs	1682.50	1003.62
b.	Less: Dividend on preference shares (including Corporate dividend tax)	Rs. in lacs	1.24	2.91
c.	Profit available for equity shareholders	Rs. in lacs	1681.26	1000.71
d.	Weighted average of number of equity shares used in computing basic earnings per share	No.	11,401,782	6,347,339
e.	Basic earnings per share	Rs.	14.75	15.77

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S. No.	Particulars	Units	Year ended 31.03.2011	Year ended 31.03.2010
F	Weighted average of number of equity shares used in computing diluted earnings per share	No.	11,458,303	—
G	Diluted earnings per share	Rs.	14.68	—

The investor namely the IL&FS group in the Subsidiary Company Aria Hotels and Consultancy Services Pvt. Ltd. has one of the exit options to acquire the shares of the Company at a later date. However, since the option is not exclusive and subject to certain conditions/ approvals, with number of shares not being determined, impact of future dilutive potential equity shares has not been considered in calculating diluted earning per share.

22. Unhedged Foreign Currency Exposures

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:-

Particulars	Foreign Currency (FC)	Amount in FC in Lacs	Amount in Indian Rupee (Rs in Lacs)
Accounts payable	USD	5.91 (5.67)	269.99 (257.77)

Figures in brackets relate to the previous year.

23. Details of share held as Stock- in- trade as at 31 March, 2011 is as under:

Name of the Company	No of Shares	Cost (Rs. in Lacs)	
		As at 31.03.2011	As at 31.03.2010
Bartronics India Limited	2,500	—	3.68
Hindustan Oil Exploration Limited	3,000	—	7.10
ICICI Bank Limited	70	0.78	—
State Bank of India	27	0.75	—
Reliance Capital Limited	500	2.90	—
Total		4.43	10.78

24. Schedules 1 to 18 form an integral part of the Consolidated Balance Sheet as at 31 March, 2011 and Consolidated Profit and Loss Account for the year ended on that date.

25. Previous year financial statements are for nine months (represents operations of Hotel Hyatt Regency, Mumbai for five months period), hence not comparable to the current years' financial statements.

26. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current year classification.

As per our report of even date

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

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 30th May, 2011

FOR AND ON BEHALF OF BOARD OF DIRECTORS

SUSHIL GUPTA

Chairman &
Managing Director

SANDEEP GUPTA

Executive
(Whole-Time) Director

NIKHIL SETHI

Company Secretary

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

Regd. Office: E-5, Clarion Collection, The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi – 110016

PROXY FORM

I / We..... resident(s) ofbeing a Member /
Members of Asian Hotels (West) Limited, hereby appoint Mr./Mrs.resident of.....
as my / our proxy to attend and vote for me / us, on my / our behalf, at the 4th Annual General Meeting of the Company to be held on Tuesday,
2nd August, 2011, 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.			

As witness my / our hands this day of, 2011.
(Date) (Month)

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

No. of shares held.....

Affix
Rupee One
Revenue
Stamp

Signature(s)

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

TEAR HERE

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

Regd. Office: E-5, Clarion Collection, The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi – 110016

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 4th Annual General Meeting of the Company held at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on this 2nd August, 2011 at 3.00 P.M.

Signature(s)

IMPORTANT

- This attendance slip duly filled in and signed may please be handed over at the entrance of the meeting hall.
- If the particulars contained herein are incorrect / missing, the Company reserves the right to withhold entry.
- Accompanying children / non-members will not be allowed.
- Shareholders are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons.**

ASIA
(form

Regd. Office : E-5, Clarion Collection,
Telephone No.011-46101

Website : www.asianhotelswest.com