

N I N T H

*Annual
Report*

2015 - 16

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



BOARD OF DIRECTORS

| | |
|------------------------------------|------------------------------------|
| Mr. Sushil Kumar Gupta | Chairman and Managing Director |
| Mr. Sudhir Chamanlal Gupta | Executive (Whole-Time) Director |
| Mr. Sandeep Gupta | Executive (Whole-Time) Director |
| Dr. Lalit Bhasin | Independent Non-Executive Director |
| Mr. Raj Kumar Bhargava, IAS(Retd.) | Independent Non-Executive Director |
| Mr. Surendra Singh Bhandari | Independent Non-Executive Director |
| Mr. Surinder Singh Kohli | Independent Non-Executive Director |
| Mr. Sunil Diwakar | Non- Executive Director |
| Mrs. Meeta Makhan | Independent Non Executive Director |

REGISTERED OFFICE & INVESTOR RELATIONS DEPARTMENT**CIN: L55101DL2007PLC157518**

Regd. Office : 6th Floor, Aria Towers,
J.W. Marriott, New Delhi Aerocity,
Asset Area 4, Hospitality District,
Near IGI Airport, New Delhi - 110 037
Phone : 91 11 4610 1210;
Fax : 91 11 4610 1202;
Website: www.asianhotelswest.com

CHIEF FINANCIAL OFFICER

Mr. Rakesh Kumar Aggarwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vivek Jain

AUDITORS

S.S. Kothari Mehta & Co.
Chartered Accountants
146-149, Tribhuvan Complex,
Ishwar Nagar, Mathura Road,
New Delhi - 110065

BANKERS

Yes Bank Limited
Kotak Mahindra Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower-B",
Plot No 31 & 32. Gaehibowli Financial District,
Nanankramguda, Serilinggampally,
Hyderabad -500032
Tel No. : 040-23420815-24
Fax No : 040-23420814
E Mail : mailmanager@karvy.com

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ASIAN HOTELS (WEST) LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 9th Annual Report and Audited Accounts for the Financial Year ended on 31st March, 2016.

OBJECTS, OPERATIONS AND FINANCIAL RESULTS

A summarized position of the revenue, profit, taxation, dividend pay-out and earnings per share for the year under review, on standalone basis, is given below:

(Rupees in Crores)

| Particulars | 2015-16 | 2014-15 |
|--|---------------|---------|
| Total Revenue | 135.91 | 136.34 |
| Profit Before Tax | (6.73) | (3.22) |
| Provision for Taxation | | |
| – Current Tax | – | 0.30 |
| – Earlier year Tax | (0.31) | – |
| – Deferred Tax Charge (Credit) | (2.54) | (1.38) |
| Profit After Tax | (3.87) | (2.13) |
| Transfer to General Reserve | – | – |
| Proposed Dividend on Equity Shares | 1.14 | 1.14 |
| Corporate Dividend Tax | 0.23 | 0.23 |
| Earnings Per Share – Basic (Rupees) | (3.38) | (1.86) |
| Earnings Per Share – Diluted (Rupees) | (3.38) | (1.86) |

REVIEW OF OPERATIONS

The Gross Revenue of the Company for the financial year under review was Rs. 135.91 Crores as against Rs. 136.34 Crores for the previous financial year ended on 31st March, 2015. The profit before tax was Rs. (6.73) Crores and profit after tax was Rs. (3.87) Crores for the financial year ended on 31st March, 2016 as against Rs. (3.22) crores and Rs. (2.13) Crores respectively for the previous year ended on 31st March, 2015.

With the growth in the economy and steps taken by the present Government for promoting the tourism the Company aims to do better both in terms of profitability in the times to come and Company is focusing on retaining market share in highly competitive Hotel Market around Hyatt Regency, Mumbai and J. W. Marriott at New Delhi Aerocity, Hospitality District, Near IGI Airport, developed under its subsidiary M/s Aria Hotels and Consultancy Services Private Limited. Our subsidiary's collaborator – Marriott International, Inc. have recently acquired "Starwood Hotels & Resorts Worldwide, Inc." one of the leading hotels and leisure companies in the world. With this acquisition, Marriott International, Inc. is the biggest hotel chain of the world having 1.1 million rooms and this will further strengthen its presence and market penetration, which will boost subsidiaries' revenues.

DIVIDEND

The Board has recommended for approval of shareholders, a dividend of 10% (amounting to Rs. 1/- per Share) (Previous period dividend @ 10%) for the Financial Year ended 31st March, 2016 to be paid on 1,14,58,303 Equity Shares of the Company, aggregating a distribution of Rs.1.14 Crores (Previous period year Rs. 1.14 Crores).

CONSOLIDATED FINANCIAL STATEMENTS

As required by regulation 33 of the Listing Regulations, the Audited Consolidated Financial Statements together with the Auditors' Report thereon are annexed and form part of this Annual Report.

On consolidated basis, the turnover of the Company for the Financial Year under review was Rs. 323.81 crores as against Rs. 277.07 crores in the previous financial year. The Profit after Tax (PAT) was Rs. (61.08) crores as against Rs. (86.64) crores in the previous financial year ended on 31st March, 2015.

Your Company has prepared Consolidated Financial Statements in accordance with the applicable Accounting Standards. The Consolidated Financial Statements reflect the results of the Company and that of its subsidiary company. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiary are prepared in form AOC-1, which is annexed as **Annexure 1** herewith and forms a part of this report.

SUBSIDIARY COMPANY

As on date, your Company has one subsidiary company - Aria Hotels and Consultancy Services Private Limited (ARIA). ARIA's 523 rooms 5-Star deluxe hotel under the brand J. W. Marriott at New Delhi Aerocity, Hospitality District, Near IGI Airport, New Delhi, which commenced operations in October 2013 is fully operational after receiving all the necessary clearances. The hotel is being received well by the customers with better occupancy levels and it has made a mark through its unique food and beverage operations.

ASIAN HOTELS (WEST) LIMITED

DEBT

Company had facility arrangement with Kotak Mahindra Bank Limited and Kotak Mahindra Prime Limited. (Collectively referred to as Kotak Group). The outstanding debt as on 31st March, 2016 was Rs. 158.69 Crores.

During the Year Company had been sanctioned additional Term Loan facility from PTC India Financial Services Ltd. (PTC) amounting Rs. 5.85 Crores outstanding amount as on 31st March, 2016 was Rs.5 Crores.

However during April 2016, the Company has entered into facility arrangement with Yes Bank Limited (YBL) for its entire banking and borrowing facilities (except additional Term Loan facility from PTC). The Company was sanctioned borrowing facilities aggregating to Rs. 215 Crores from the YBL (Term Loan of Rs. 200 Crores, Overdraft Facility of Rs. 10 crores and Non-fund LC/ BG facility of Rs 5 Crores).

The above borrowings are within the powers of the Board of Directors of the Company approved by the shareholders of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the requirement of the Companies Act, 2013 and pursuant to the Articles of Association of the Company, Mr. Sushil Kumar Gupta, Chairman and Managing Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 stating that they meet criteria of Independence as laid down in Section 149 (6) of the Companies Act, 2013.

During the year Mr. Nikhil Sethi, ceased to be Company Secretary of the Company. Mr. Vivek Jain appointed as Company Secretary w.e.f. 14th November, 2015.

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURE

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the **Annexure 2** forming part of the Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the **Annexure 3** forming part of the Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis as required under regulation 34 of the Listing Regulations is annexed as **Annexure 4** herewith and forms a part of this report.

CORPORATE GOVERNANCE

Your Company is committed to high standards of the corporate ethics, professionalism and transparency. More than half of the Board is composed of independent directors. Your Company is in compliance with the governance requirements provided under the Companies Act, 2013 and listing regulations. Your Company has in place all the Committees required under the applicable law.

As required by regulation 34 of the Listing Regulations with the Stock Exchanges, a Report on Corporate Governance for the Financial Year 2015-16, along with Practicing Company Secretary Certificate on Corporate Governance is annexed as **Annexure 5** herewith and forms a part of this report.

COMPLIANCE UNDER COMPANIES ACT, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

- **Extract of Annual Return**

As per the provisions of section 92(3) of the Companies Act, 2013, an extract of the annual return in Form No MGT 9 of the Companies (Management and Administration) Rules, 2014 is annexed as **Annexure 6** herewith and forms a part of this report.

- **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representations received from the management confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and

- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- **Auditors & Auditors' Report**

M/s S. S. Kothari Mehta & Co., Chartered Accountants, were appointed in compliance with provisions of the Companies Act, 2013 read with the rules made thereunder in the 7th AGM of the Company for period of 3 years upto conclusion of 10th AGM of the Company, subject to ratification of their appointment at every AGM.

Accordingly, necessary resolution is being proposed before the shareholders for their ratification/re-appointment as statutory auditors of the Company at the 9th AGM.

The Auditors' Report is unqualified. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134 of the Companies Act, 2013.

- **Internal Audit**

M/s Grant Thornton India LLP, 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.

- **Secretarial Audit**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s D.S. Associates (CP No- 7347 & Membership No- A17697) to undertake the Secretarial Audit of the Company for the Financial Year ended 31st March, 2016. The Secretarial Audit Report (in Form MR-3) is annexed as **Annexure 7** hereto and forms a part of this report.

Further, there is no qualification, reservation or adverse remark or disclaimer in the Secretarial Audit Report and hence any explanation or comment is not required by the Board.

- **Particulars of Loan, Guarantees or Investment under section 186 of the Companies Act, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note No 42 to the financial statements.

- **Related Party Transactions**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.asianhotelswest.com/policies. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All transactions entered by the Company with Related Parties were in ordinary course of business and at arm's length basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and Board of Directors.

There were no materially significant transactions with related parties during the Financial Year 2015-16 and none of the transactions with any of related parties were in conflict with the Company's interest.

Particulars of contracts/ arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013 are given in Form AOC 2 and the same is annexed as **Annexure 8** hereto and forms a part of this report.

Suitable disclosure as required under AS-18 has been made in Notes to the Financial Statements.

- **Material Changes and commitments affecting the Financial Position of the Company which have occurred between March 31, 2016 and May 24, 2016 (date of report)**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2016) and the date of the Report (May 24, 2016), except as disclosed in the financial statements.

- **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo**

Information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 pertaining to the conservation of energy, technology absorption, foreign exchange earnings and outgo are to the extent possible is furnished in the **Annexure 9** hereto and forms a part of this report.

- **Risk Management Policy**

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & regulation 17 of the listing regulations, the company has constituted a risk management committee.

As part of the risk assessment and minimization procedures, the Company had identified certain risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimization. The Company's Board is conscious of the need to review the risk assessment and minimization procedures on regular intervals. During the year under review the Company has not received any order passed by the regulators/ courts/ tribunals which impacted the going concern status and Company's operation in future.

ASIAN HOTELS (WEST) LIMITED

- **Corporate Social Responsibility (CSR) Policy**

At Asian Hotel (West) Limited (AHWL), Corporate Social Responsibility has been our conscience, our way of working. It is our motto to do business at zero social cost. It is our mission to contribute to the society as a part of our corporate social responsibility.

We believe that CSR means much more than merely responding to social responsibility. We understand the mutual interdependence between our business and the economic, social and human environment that surrounds us.

An essential component to the Company's CSR is to care for the community. The Company endeavors to make a positive contribution towards various social causes by supporting a wide range of socio-economic initiatives, engaging in socially responsible employee relations and making a commitment to the community around it.

During the year, the budget outlay of Rs. 23.07 Lacs (Rs. 11.65 Lacs for financial year 2015-16 and Rs. 11.42 Lacs unspent amount for the financial year 2014-15) has been approved by the Board of Directors. As per the programme, the Company has started implementation of CSR activities. However, during the year it was considered pragmatic to spend Rs. 12.37 lacs. The residual amount shall be spent as per the CSR policy.

The Annual Report on CSR activities is annexed herewith as **Annexure 10**. The Company has disclosed its CSR policy at website of our Company. The link of the said policy is www.asianhotelswest.com/policies.

- **Public Deposits**

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

- **Internal Control System 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. Further details of same are also provided in the Management Discussion and Analysis Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 22 of the Listing Regulations, the Company has established a vigil mechanism for its directors and employees to report their genuine concerns/ grievances. The mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provisions for direct access to the Audit Committee chairman.

Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The details of the said mechanism are posted on the Company's website www.asianhotelswest.com/policies.

GREEN INITIATIVES

Electronic copies of the Annual Report and notice of the 9th AGM are being sent to all the members whose email address are registered with the Company /Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report and the notice of 9th AGM are being sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in Notice. The instructions for e-voting are provided in the Notice.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance policy against sexual harassment defined as any unwelcome sexually determined behavior. As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, the Company has constituted Internal Complaints Committees (ICC) for its registered office, New Delhi and for Hotel Hyatt Regency, Mumbai. Ms. Mandvi Sharma is the presiding officer for New Delhi office and Ms. Shilpi Sinha is the presiding officer for Hyatt Regency Mumbai.

During the Financial Year 2015-16, Nil complaints with allegations of any kind of sexual harassment were filed with the Company.

ASIAN HOTELS (WEST) LIMITED

ACKNOWLEDGEMENT AND APPRECIATION

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 of
Asian Hotels (West) Limited**

Place : New Delhi
Dated : 24th May, 2016

**Sushil Kumar Gupta
Chairman and Managing Director
(DIN - 00006165)**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl. No. | Particulars | Details |
|---------|---|--|
| 1. | Name of the subsidiary | Aria Hotels And Consultancy Services Pvt. Ltd. |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31st March, 2016 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Not Applicable |
| 4. | Share capital | 1,183,741,010 |
| 5. | Reserves & surplus | (92,577,142) |
| 6. | Total assets | 8,658,546,513 |
| 7. | Total Liabilities | 8,658,546,513 |
| 8. | Investments | NIL |
| 9. | Turnover | 187,94,96,961 |
| 10. | Loss before taxation | (572,355,710) |
| 11. | Provision for taxation | NIL |
| 12. | Loss after taxation | (572,355,710) |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 81.58 |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not applicable

ASIAN HOTELS (WEST) LIMITED

ANNEXURE 2 TO THE DIRECTORS' REPORT
STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Sl No | Name of the employee | Designation of the employee | Remuneration received (In Rupees) | Nature of employment, whether contractual or otherwise | qualifications and experience of the employee | date of commencement of employment | the age of such employee | the last employment held by such employee before joining the company | the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above and | whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|-------------------------------------|-------------------------|---------------------------------------|-----------------------------------|---|--|------------------------------------|--------------------------|--|--|---|
| EMPLOYED THROUGHOUT THE YEAR | | | | | | | | | | |
| 1. | Mr. Sushil Kumar Gupta | Chairman & Managing Director | 1,28,77,425 | upto 31st October, 2019 (Contractual- Liable to retire by Rotation) | F.S.C., CHA (53 years) | 10.04.1981 | 72 | N.A | 3.61% | Father of Mr. Sandeep Gupta and Brother of Mr. Sudhir Gupta |
| 2. | Mr. Sudhir Gupta | Executive (Whole-time) Director | 1,10,11,425 | Upto 9th May, 2020 (Contractual - Liable to retire by Rotation) | 'Graduate from HKIS, Hong Kong' (33 years) | 10.05.2010 | 57 | N.A | 1.87% | Brother of Mr. Sushil Kumar Gupta |
| 3. | Mr. Sandeep Gupta | Executive (Whole-time) Director | 1,09,71,825 | Upto 9th May, 2020 (Contractual - Liable to retire by Rotation) | B.Com (Hons) SRCC, New Delhi, MBA from Notre Dame University, USA., Specializing in Finance & Marketing, PDP – Cornell University (25 years) | 10.05.2010 | 48 | N.A | 2.03% | Son of Mr. Sushil Kumar Gupta |
| EMPLOYED PART OF THE YEAR | | | | | | | | | | |
| 4. | Mr. Praveen Chawla | Vice President Operation | 67,18,816 | Permanent | Diploma in Hotel Management from IHM, Pusa, New Delhi and B.Com from Delhi University and 36 years of work experience with Hyatt Hotels. | 01.04.2010 | 60 | Innova Hotel and Resorts Limited | Nil | N.A |
| 5. | Mr. Eric Weber | General Manager, Hyatt Regency Mumbai | 108,66,268 | Permanent | Hotel Management Graduate 23 years | 22.05.2013 | 48 | General Manager, Hyatt Regency Paris (2 yrs 6 mts.) | Nil | N.A |
| 6. | Mr. Hardip Singh Marwah | General Manager, Hyatt Regency Mumbai | 45,35,649 | Permanent | Hotel Management Graduate and Experience of 16 Years | 09.12.2015 | 42 | EAM Rooms Grand Hyatt, Doha | Nil | N.A |

Note : 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.

ASIAN HOTELS (WEST) LIMITED

ANNEXURE 3 TO THE DIRECTORS' REPORT

DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- I) The ratio of the remuneration of each of the Executive Director to the Median remuneration of the employees of the Company for the financial year 2015-16; and
- II) The percentage increase in remuneration of each of the Executive Director, Chief Financial Officer, Company Secretary during the financial year 2015-16.

| S. No. | Name of Director/KMP and Designation | The ratio of the remuneration of each Executive Director to the median remuneration of the employees. | The percentage increase in remuneration. # |
|--------|--|---|--|
| 1 | Mr. Sushil Kumar Gupta, Chairman & Managing Director | 41.509 : 1 | 10.75 % |
| 2. | Mr. Sudhir Gupta, Executive (Whole-Time) Director | 35.366 : 1 | 13.10% |
| 3. | Mr. Sandeep Gupta, Executive (Whole-Time) Director | 36.366 :1 | 13.10% |
| 4. | Mr. Rakesh Kumar Aggarwal, (CFO) * | NA | – |
| 5. | Mr. Nikhil Sethi (Company Secretary) ** | NA | 5% |
| 6. | Mr. Vivek Jain (Company Secretary) *** | NA | – |

As per the shareholders approval in the 7th AGM of the Company held on 20th September, 2014, except for Mr. Nikhil Sethi.

* Mr. Rakesh Kumar Aggarwal who is the group CFO was drawing salary / remuneration from the subsidiary Company viz. Aria Hotels and Consultancy Services Private Limited up to 31st March, 2015. With effect from 1st April, 2015 he is drawing the salary/ remuneration from the company.

**Mr. Nikhil Sethi has resigned from the office of the Company Secretary of the Company w.e.f 12th September 2015.

***Mr. Vivek Jain has been appointed as Company Secretary of the Company w.e.f. 14th November, 2015,

The Non-Executive Directors of the Company are entitled for sitting fees as per the statutory provisions. The details of remuneration of non- Executive Directors are provided in the Corporate Governance Report and are not considered for the above purposes.

III) **The percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median of employees in the financial year 2015-16 was 11.20%

IV) **The number of permanent employees on the rolls of the Company:**

The Number of permanent employees on the roll of the Company as on 31st march, 2016 was 419.

V) **The explanation on the relationship between average increase in remuneration and Company performance:**

Increase in the remuneration of employees is in line with remuneration policy of the Company and was as per the Industry Standards, keeping Company performance in perspective, while simultaneously driving a performance within.

VI) **Comparison of the remuneration of the Key Managerial Personnel(KMPs) against the performance of the company:**

The remuneration of the KMPs are in line with the remuneration policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, the remuneration of the KMPs is as per industry standards also.

VII) **a) Variations in the market capitalisation of the company:**

The Market Capitalization as on 31st March, 2016 was Rs. 13,486.42 Lacs (Rs. 14,162.46 Lacs as on 31st March, 2015).

b) Price earning ratio as at the closing date of the current financial year and previous financial year:

Price earnings ratio of the company cannot be determined as at 31st March, 2016 & 31st March, 2015 as the Company has incurred losses in both the Financial Years.

c) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Since the Company got listed pursuant to demerger of erstwhile Asian Hotels Limited (AHL) in the year 2010 after seeking approval from SEBI under Rule 19(2) (b) of Securities Contract (Regulations) Rules, 1957. The Company has not come out with any public offer till date.

- VIII) **Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial and justification thereof and points out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is approx 5.00 % and whereas the percentile increase in the managerial remuneration for the same period was approx 12.32% which was in terms of shareholders approval at the 7th AGM of the Company held on 20th September, 2014.

- IX) **Comparison of the each remuneration of the Key Managerial personnel (KMPs) against the performance of the Company:**

The remuneration of the KMPs are in line with the remuneration policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, the remuneration of the KMPs are as per industry standards also.

- X) **The key parameters for any variable component of remuneration availed by the directors:**

The variable component of remuneration availed by the Directors are considered by the board of Directors based on the recommendations of Nomination and remuneration Committee and approved by the Shareholders of the Company. However no variable component was paid by the Company to managerial personnel in the Financial Year 2015-16.

- XI) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None

- XII) **Affirmation that the remuneration is as per the Remuneration policy of the Company :**

Affirmed that the remuneration paid is as per the Remuneration policy of the Company for the Directors, Key Management Personnel and other Employees.

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

India's economic growth is amongst the highest in the world, helped by a reorientation of government spending toward needed public infrastructure. The International Monetary Fund (IMF) has projected India's growth for this year (2016-17) at 7.5 per cent, largely driven by private consumption even as weak exports and sluggish credit growth weigh on the economy. According to IMF India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes.

As per Asian Development Bank (ADB) - A revival of private investment and rural consumption is critical for India if growth is to remain strong in 2016-17 and the following year. It also said that while, public investment and urban consumption were the major drivers for growth last fiscal, a revival of private investment and rural consumption is critical if growth is to remain strong in 2016-17 and 2017-18, given the likely sluggish recovery in the advanced economies and the anemic outlook for global trade.

As per ADB India's economic growth is expected to decline to 7.4 per cent in the 2016-17 fiscal due to weak global demand and falling exports. India's urban consumption may be boosted due to impending salary hike for government employees, however, revival of rural consumption hinges on the quality of the monsoon because a major part of the rural economy continues to depend heavily on agriculture.

As per ADB Outlook 2016 report "GDP (gross domestic product) growth in India is expected to dip marginally this year as expansion in public investment weakens underfiscal constraints, private corporations continue to deleverage, and external demand remains anaemic. Moreover, the weak balance sheets of public sector banks will hamper lending and growth prospects."

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognised as a destination for spiritual tourism for domestic and international tourists.

Total contribution by travel and tourism sector to India's GDP is expected to increase from US\$ 136.3 billion in 2015 to US\$ 275.2 billion in 2025. Travel and tourism is the third largest foreign exchange earner for India.

The launch of several branding and marketing initiatives by the Government of India such as Incredible India! and Athiti Devo Bhava have provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country.

The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). The investment in tourism sector is expected to be US\$ 12.4 billion in the 12th Five Year Plan; of these, private investments are likely to total US\$ 9.2 billion. The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index.

Market Size

- The number of Foreign Tourist Arrivals (FTAs) has grown steadily in the last three years reaching around 7.103 million during January–November 2015 (4.5 per cent growth).
- The number of FTAs in November 2015 was 815,000, registering an increase of 6.5 per cent over November 2014.
- Foreign Exchange Earnings (FEEs) from tourism during January–November 2015 were Rs 1,12,958 crore (US\$ 16.94 billion), registering a growth of 1 per cent over same period last year.
- The number of tourists arriving on e-Tourist Visa during the month of October 2015 reached a total of 56,477 registering a growth of 1987.9 per cent or 21 times as compared to 2,705 tourists in October 2014.
- Online hotel bookings in India are expected to double by 2016 due to the increasing penetration of the internet and smart phones.

With the rise in the number of global tourists and realising India's potential, many companies have invested in the tourism and hospitality sector.

Government initiatives:

- The Union Cabinet has approved the signing of Memorandum of Understanding between the Ministry of Tourism of India and the Ministry of Trade Industry and Tourism of Colombia in order to boost cooperation in the field of tourism between the two countries.
- The Central Government has given its approval for signing of a Memorandum of Understanding (MoU) between India and Cambodia for cooperation in the field of tourism with a view to promote bilateral tourism between the two countries.

- Ministry of Tourism has sanctioned Rs 844.96 crore (US\$ 142 million) to States and Union Territories for developing tourism destinations and circuits during FY 2014-15, which includes projects relating to Product/Infrastructure Development for Destinations and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals & Rural Tourism.
- The Heritage City Development and Augmentation Yojana (HRIDAY) action plans for eight missions cities including Varanasi, Mathura, Ajmer, Dwaraka, Badami, Vellankini, Warangal and Amaravati have been approved by HRIDAY National Empowered Committee for a total cost of Rs 431 crore (US\$ 64.7 million).
- Government of India plans to cover 150 countries under e-visa scheme by the end of the year besides opening an airport in the NCR region in order to ease the pressure on Delhi airport.
- Under 'Project Mausam' the Government of India has proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries.

Hotels are an important component of the tourism sector. They contribute in the overall tourism experience through the standards of facilities and services offered by them. The constant transformation has made the Indian hotel industry more functional and practical and has gained a level of acceptance world over. The standards of facilities and services offered have evolved over the last decade towards the extensive use of technology, environment friendly services, pricing, market segmentation, regional preferences, etc. The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and boutique & budget hotels. The occupancy has seen continued gains both from the domestic and the international traveler in both the business and leisure segment. However, because of increase in inventory as well as current economic position, there is pressure on room rates. With the continued growth in India's GDP, improvement in the per capita income and increased inspirational spending, the Indian hospitality sector is expected to grow much faster than most countries around the world.

2. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

India's size and massive natural, geographic, cultural and artistic diversity offers enormous opportunities for the travel and tourism industry. The promotion and aggressive marketing measures undertaken by the government is expected to aid influx of tourists. The industry would also benefit from introduction of new forms of tourism and development of niche segments.

Medical tourism in India has gained considerable popularity in recent years. India has a major cost advantage in this field compared with other countries. In addition to cost advantages, Indian healthcare industry offers state-of-the-art equipment, technological advancement, qualified and experienced medical personnel and a blend of modern and traditional medicines. Thus, medical tourism has immense potential in India.

Opportunities also exist in ecotourism, adventure tourism, and cruise tourism. Eco-tourism is increasing in popularity, evident in the development of eco-friendly hotels and tour packages. With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the ecotourism segment is expected to record handsome growth in the coming years.

India holds immense potential in adventure and cruise tourism. India's greatest adventure tourism assets are Himalayas and its mighty rivers. The peak period for adventure tourism is the "lean period" of cultural tourism. Development of adventure tourism can make India a round-the-year tourist destination. The cruise industry is one of the most promising industries in India. However, strong efforts need to be made to develop this industry. Other forms of tourism such as agri tourism, pilgrimage tourism, heritage tourism, and MICE tourism also hold enormous potential.

Hotels form one of the most important support service that affect the arrival of tourist to a country. With the rapid growth in domestic tourism and India becoming a preferred travel destination for international tourists.

Political turbulence in the area reduces tourist traffic and thus the business of the hotels. Lack of training man power is also a threat for the hotel industry. High tax structure in the industry makes the industry worse off than its international equivalent. In India the expenditure tax, luxury tax and sales tax inflate the hotel bill by over 30%. Effective tax in the South East Asian countries works out to only 4-5%.

Growth in hotel supply in recent times has outstripped demand in a number of Indian cities. Escalating land prices, increasing energy costs, depleting water levels and a scarcity of trained manpower are challenges that will need to be addressed and overcome.

The Government at the centre has to focus on infrastructure development with which the travel and tourism industry is expected to receive a major boost. Your Company's property with world class services and strong brand identity is ideally poised to take advantage of these opportunities.

3. SEGMENT WISE PERFORMANCE

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

4. OUTLOOK

In the long term, the demand-supply gap in India is very real and that there is a need for more hotels in most cities. The shortage is especially true within the budget and the mid-market segment. Various domestic and international brands have made significant inroads into this space and more are expected to follow as the potential for this segment of hotels becomes more obvious.

With a rise in online competition, popular models have come up with online travel agents (OTAs) offering a single marketplace for all travel-related needs. There are also seen meta search engines like Trip Advisor and Kayak, that operate like travel discovery platforms. Further, online accommodation reservation services like Oyo Rooms, Stayzilla are gaining popularity. Apart from this, branded hotels are seen operating direct bookings through their websites.

India, after China, is considered as one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Growing affluence, potential for economic growth, increases in disposable incomes and the burgeoning middle class are expected to drive both leisure and business travel in the coming years.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has standard operating procedures (SOP's). 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.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

Sales & Other Income

The Gross Revenue during the year under review was Rs. 135.91 Crores as against Rs. 136.34 Crores during previous Financial Year.

Profit Before Tax

Your Company has registered PBT of Rs. (6.73) Crores as against Rs. (3.22) Crores during previous Financial Year.

Profit After Tax

Your Company has registered PAT of Rs. (3.87) Crores as against Rs. (2.13) Crores during previous Financial Year.

Key Ratios

Key financial ratios are given below:

| Particulars | 2015-16 | 2014-15 |
|---------------------------------------|---------|---------|
| EBIDTA / Turnover (percent) | 22.80 | 22.98 |
| Profit After Tax / Turnover (percent) | (2.85) | (1.57) |
| EBIDTA / Net Interest (no. of times) | 1.34 | 1.44 |
| Debt to Equity | 0.66 | 0.66 |
| Return on Equity (percent) | (1.37) | (0.74) |
| Book Value per share (Rs./share) | 10 | 10 |
| Earnings per share (Rs./share) | (3.38) | (1.86) |

During the year ended 31st March, 2016, the Company achieved a occupancy rate of 73 % (in comparison to the 76% during the Financial Year 2014-15) and the Average room rate was Rs. 7805/- (in comparison to ARR at Rs. 7,739/- during the previous year).

However the business sentiments looks positive and Company aims to do better both in terms of profitability in the times to come and Company is focusing on retaining market share in highly competitive Hotel Market around Hyatt Regency, Mumbai and JW Marriott at New Delhi Aerocity, developed by M/s Aria Hotels and Consultancy Services Private Limited, subsidiary of the Company.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING - NUMBER OF PEOPLE EMPLOYED

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, 2016 was 602.

The company recognizes the importance of human values and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The senior management team consists of experienced professionals with diverse skills.

Cautionary Statement

The Statements in the 'Management Discussion and Analysis Report' with regard to projections, estimates and expectations have been made in good faith. The achievement of results is subject to risks, uncertainties and even less than accurate assumptions. Market data and information are gathered from various published and unpublished reports; their accuracy, reliability and completeness cannot be assured.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. This philosophy is backed by principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. Company respects the inalienable rights of the shareholders to information on the performance of the Company. The Company's Corporate governance policies ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants viz. employees, investors, customers, regulators etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

2. Board of Directors

a. Composition of the Board

The Company is managed and controlled through a professional body of Board of Directors (the Board), which comprises of an optimum combination of Executive and Independent Directors headed by the Executive Chairman. As on the date of this report, the Board of Directors of the Company comprises of Nine Directors, out of which five are Independent and Non-Executive Directors and one Non-Executive Director and remaining three are Whole-time Directors.

The Board has been enriched with the skills and experience of the Independent Directors. Other than receiving sitting fees, none of the Independent Directors have any pecuniary relationship with the Company. All Independent Directors comply with the requirements of the Listing Agreement and section 149(6) of the Companies Act, 2013 for being "Independent Director". The composition of the Board of Directors as on 31st March, 2016 is as under:

| S. No | Category | Name of the Director | Date of Appointment |
|-------|---|-----------------------------|---------------------|
| 1 | Promoter and Executive | Mr. Sushil Kumar Gupta | 04.07.2008 |
| | | Mr. Sudhir Gupta | 04.07.2008 |
| | | Mr. Sandeep Gupta | 04.07.2008 |
| 2 | Independent and Non-Executive Director(s) | Mr. Raj Kumar Bhargava | 23.12.2008 |
| | | Dr. Lalit Bhasin | 23.12.2008 |
| | | Mr. Surendra Singh Bhandari | 23.12.2008 |
| | | Mr. Surinder Singh Kohli | 09.08.2014 |
| | | Ms. Meeta Makhan | 27.03.2015 |
| 3 | Non-Executive Director | Mr. Sunil Vasant Diwakar | 10.08.2010 |

b. Attendance Records and other Directorships/Committee Memberships

The details of Directorships held committee membership / chairmanship held, and attendance of the Directors at the Board meetings and at the last Annual General Meeting is given below:

| S. No. | Name of the Director | DIN | Category | No. of Board Meetings Attended | No. of shares held | Last AGM attended | No. of Other Directorships in which member is a Director ^ | No. of Other Directorships in which member is a Chairman ^ | No. of Committee Memberships in other Public Companies ** | No. of Chairmanships in such Committees ** |
|--------|-----------------------------|----------|------------------------------|--------------------------------|--------------------|-------------------|--|--|---|--|
| 1. | Mr. Sushil Kumar Gupta | 00006165 | Chairman & Managing Director | 4 out of 4 | 413612 | Yes | 5 | 1 | - | - |
| 2. | Mr. Raj Kumar Bhargava | 00016949 | Independent Non-Executive | 4 out of 4 | 3826 | Yes | 4 | 1 | 3 | 5 |
| 3. | Dr. Lalit Bhasin | 00001607 | Independent Non-Executive | 4 out of 4 | 0 | Yes | 9 | 0 | 6 | 4 |
| 4. | Mr. Surendra Singh Bhandari | 00043525 | Independent Non-Executive | 2 out of 4 | 0 | Yes | 1 | 0 | 0 | 2 |

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| S. No. | Name of the Director | DIN | Category | No. of Board Meetings Attended | No. of shares held | Last AGM attended | No. of Other Directorships in which member is a Director ^ | No. of Other Directorships in which member is a Chairman ^ | No. of Committee Memberships in other Public Companies ** | No. of Chairmanships in such Committees ** |
|--------|----------------------------|----------|-----------------------------------|--------------------------------|--------------------|-------------------|--|--|---|--|
| 5. | Mr. Surinder Singh Kohli | 00169907 | Independent Non-Executive | 4 out of 4 | 0 | No | 11 | 0 | 5 | 4 |
| 6. | Ms. Meeta Makhan | 07135150 | Independent Non-Executive | 4 out of 4 | 0 | Yes | 1 | 0 | 0 | 0 |
| 7. | Mr. Sudhir Chamanlal Gupta | 00015217 | Executive (Whole - time) Director | 4 out of 4 | 214290 | Yes | 1 | 0 | 0 | 0 |
| 8. | Mr. Sandeep Gupta | 00057942 | Executive (Whole - time) Director | 4 out of 4 | 232900 | Yes | 5 | 0 | 0 | 0 |
| 9. | Mr. Sunil Vasant Diwakar | 00089266 | Non-Executive | 1 out of 4 | 0 | No | 5 | 0 | 2 | 0 |

^ Excluding our Company, foreign Companies and Companies under section 8 of the Companies Act, 2013.

** Considering only Audit Committee & Stakeholders' Relationship Committee

None of the Directors of the Company was a member of more than ten Board-level committees, nor a Chairman of more than five such committees, across all companies in which he was a Director.

Mr. Sandeep Gupta is son of Mr. Sushil Kumar Gupta, who is brother of Mr. Sudhir Gupta. No other director is related to any other Director of the Company.

c. Meetings during the year

During the Financial Year 2015-16, the Board of Directors met 4 (Four) times on the following dates:

| | | | | | | | |
|---------------------------|------------|-------------------------------|------------|---------------------------------|------------|------------------------------|------------|
| April to June 2015 | 15.05.2015 | July to September 2015 | 07.08.2015 | October to December 2015 | 14.11.2015 | January to March 2016 | 04.02.2016 |
|---------------------------|------------|-------------------------------|------------|---------------------------------|------------|------------------------------|------------|

The maximum gap between any two meetings was less than four months. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board.

d. Independent Directors Meeting

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-independent directors) was held on 26th March, 2016, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting, except Dr. Lalit Bhasin.

e. Familiarization Programme

Your Company follows a structured orientation and familiarisation programme through various reports / codes / internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives, etc.

The details of familiarisation programme have been placed on Company's website www.asianhotelswest.com/policies

3. Audit Committee:

a. Brief description of Terms of reference.

The role and power of the Audit Committee include:

- (1) oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors.
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (22) To review the financial statements, in particular, the investments made by the unlisted subsidiary.

(23) To mandatorily review the following information:

- a. management discussion and analysis of financial condition and results of operations;
- b. statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. internal audit reports relating to internal control weaknesses; and
- e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f. statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)."

b. Composition, name of members and chairperson, Meetings & Attendance

| Name of the Member | Category | No. of Meetings attended | Dates on which Meetings held |
|---|-----------------------------|--------------------------|--|
| Mr. Raj Kumar Bhargava (Chairman) | Independent - Non-Executive | 4 out of 4 | 15th May, 2015; 7th August, 2015; 14th November, 2015; 4th February, 2016 |
| Mr. Surendra Singh Bhandari | Independent - Non-Executive | 2 out of 4 | |
| Dr. Lalit Bhasin (resigned w.e.f. 21.01.2016) | Independent - Non-Executive | 3 out of 4 | |
| Mr. Surinder Singh Kohli (appointed w.e.f. 01.02.2016) | Independent - Non-Executive | 1 out of 4 | |

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

4. Nomination and Remuneration Committee

The Remuneration Committee of the Board of Directors comprises of three Independent Non-Executive Directors, namely, Dr. Lalit Bhasin, Mr. Raj Kumar Bhargava and Mr. Surendra Singh Bhandari.

a. Brief description of terms of reference

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director(s) and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel.
- iv. Policy for appointment and removal of Director, Key Managerial Personnel and Senior Management.
- v. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- vi. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- vii. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- viii. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- ix. To devise a policy on Board diversity.
- x. To develop a succession plan for the Board and to regularly review the plan;

The details Terms of reference of Nomination and Remuneration Committee have been placed on Company's website www.asianhotelswest.com/policies

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b. Composition, name of members and chairperson, Meetings & Attendance

| Name of the Member | Category | No. of Meetings attended | Dates on which Meetings held |
|-----------------------------|-----------------------------|--------------------------|------------------------------|
| Dr. Lalit Bhasin (Chairman) | Independent - Non-Executive | 2 out of 2 | 07.08.2015, 14.11.2015 |
| Mr. Surendra Singh Bhandari | Independent - Non-Executive | 1 out of 2 | |
| Mr. Raj Kumar Bhargava | Independent - Non-Executive | 2 out of 2 | |

c. Performance evaluation criteria for independent Directors.

Pursuant to the provisions of the section 134 (3)(p) of the Companies Act, 2013 read with Regulation SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration committee carried out the annual performance evaluation of its Directors individually including the Chairman, and the Board accordingly evaluated the overall effectiveness of the Board of Directors, including its committees based on the ratings given by the Nomination and Remuneration Committee of the Company.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as Knowledge to perform the role; Time and level of participation; Performance of duties and level of oversight; and Professional conduct and independence.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was also carried out by the Independent Directors.

The Directors expressed their satisfaction to the above.

5. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee formed under Section 135 of Companies Act, 2013 comprises of Mr. Sudhir Gupta, Executive (Wholtime) Director of the Company, as the Chairman, Mr. Raj Kumar Bhargava and Mr. Surendra Singh Bhandari, Independent Directors of the Company, as other members.

a. Brief description of Terms of Reference

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the implementation of the framework of the CSR Policy.
4. To observe corporate governance practices at all levels and to suggest remedial measures wherever necessary
5. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

b. Composition, Meetings & Attendance

| Name of the Member | Category | No. of Meeting attended | Date on which Meeting held |
|-----------------------------|-----------------------------|-------------------------|----------------------------|
| Mr. Sudhir Gupta (Chairman) | Promoter - Executive | 1 out of 1 | 04.02.2016 |
| Mr. Raj Kumar Bhargava | Independent - Non-Executive | 1 out of 1 | |
| Mr. Surendra Singh Bhandari | Independent - Non-Executive | 0 out of 1 | |

Committee Meetings Procedure

The Company's guidelines relating to Board meetings are applicable to all the Committee meetings also. Minutes of proceedings of Committee meetings are placed before the Board for noting.

Mr. Vivek Jain, Company Secretary and Compliance Officer, is the Secretary of all Board Committees.

6. Risk Management Committee

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the company has constituted a risk management committee consisting of majority of Board of Directors and other senior executives of the Company.

As part of the risk assessment and minimization procedures, the Company had identified certain risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimization. The Company's Board is conscious of the need to review the risk assessment and minimization procedures on regular intervals. Certain risks that the Company is associated with is also provided as part of Management Discussion and Analysis Report.

7. Remuneration of Directors

All fees/compensation paid to Executive Directors are fixed by the Board and approved by the shareholders in the General Meeting and the compensation is within the limits prescribed under the Companies Act, 2013.

Pursuant to the approval of the shareholders at the 7th 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 197 and 198 of the

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Companies Act 2013.) subject to a maximum of Rs. 5,00,000/- (Rupees Five Lacs only) per year per Non-Executive Director. However because of losses in the year under review NIL commission is paid to the Non-Executive Directors. The 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.

- All pecuniary relationship or transactions of the non executive directors: None of the non executive directors has any pecuniary relationship or transaction with the Company.
- Criteria of making payments to Non executive Directors is given in the Nomination and Remuneration policy of the Company and link of the same is www.asianhotelswest.com/policies
- Details of remuneration paid to the Directors for the Financial Year 2015-16 are given below:

(Amount in Rs.)

| Name of the Directors | Salary including Perquisites | Commission (payable) | Sitting Fees | Tenure upto | Notice period | Total |
|-----------------------------|------------------------------|----------------------|-----------------|-------------|---------------|--------------------|
| Mr. Sushil Kumar Gupta | 1,19,79,000 | NIL | NIL | 31.10.2019 | 3 months | 1,19,79,000 |
| Mr. Raj Kumar Bhargava | NIL | NIL | 1,92,000 | 31.03.2019 | NA | 1,92,000 |
| Dr. Lalit Bhasin | NIL | NIL | 1,08,000 | 31.03.2019 | NA | 1,08,000 |
| Mr. Surendra Singh Bhandari | NIL | NIL | 72,000 | 31.03.2019 | NA | 72,000 |
| Mr. Sunil Diwakar | NIL | NIL | 12,000 | NA | NA | 12,000 |
| Mr. Surinder Singh Kohli | NIL | NIL | 96,000 | 31.03.2019 | NA | 96,000 |
| Mrs. Meeta Makhan | NIL | NIL | 84,000 | 31.03.2020 | NA | 84,000 |
| Mr. Sudhir Gupta | 1,02,45,949 | NIL | NIL | 09.05.2020 | 3 months | 1,02,45,949 |
| Mr. Sandeep Gupta | 1,02,06,349 | NIL | NIL | 09.05.2020 | 3 months | 1,02,06,349 |
| TOTAL | 3,24,31,298 | 0 | 5,64,000 | | | 3,29,95,298 |

8. Stake holders Relationship Committee:

a. Composition

| Name of the Member | Position | Category |
|---|----------|-----------------------------|
| Ms. Meeta Makhan (appointed w.e.f. 14.11.2015) | Chairman | Independent - Non-Executive |
| Mr. Raj Kumar Bhargava | Member | Independent - Non-Executive |
| Mr. Sudhir Gupta | Member | Independent - Non-Executive |
| Mr. Surinder Singh Kohli (resigned w.e.f. 14.11.2015) | Member | Independent - Non-Executive |

b. Name and Designation of Compliance Officer

Mr. Vivek Jain, Company Secretary, is the Compliance Officer of the Company.

c. Details of Complaints received, resolved and pending during the Year 2015-16

The Company received 75 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.

9. General Body Meetings: -

a. Location, Date and Time of last three AGMs and Special Resolutions passed thereat are as under:

| Financial Year | Venue | Date | Time | Special Resolution Passed |
|----------------|---|------------|----------|---------------------------|
| 2012- 13 | Airforce Auditorium, Subroto Park, New Delhi – 110 010. | 30.08.2013 | 3.00 P.M | No |
| 2013-14 | Airforce Auditorium, Subroto Park, New Delhi – 110 010. | 20.09.2014 | 3.00 P.M | Yes |
| 2014- 15 | Airforce Auditorium, Subroto Park, New Delhi – 110 010. | 10.09.2015 | 3.00 P.M | No |

b. Passing of Special Resolution by Postal Ballot

No Special Resolution was passed by postal ballot during the year 2015-16.

No Special Resolution is proposed to be conducted through Postal Ballot.

10. Means of Communication

The quarterly financial results are generally published in the Business Standard/ Financial Express (English) and Business Standard/ Jansatta (Hindi). 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

ASIAN HOTELS (WEST) LIMITED

11. General Shareholder Information

a. Annual General Meeting:

Day, Date & Time : Friday, 22nd July, 2016 at 3.00 p.m.

Venue : Air Force Auditorium, Subroto Park, New Delhi – 110010

b. Financial Year

1st April 2015 to 31st March, 2016

c. Dividend Payment Date

Within 30 days from the date of AGM

d. Listing on Stock Exchanges & Stock Code

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).

The Company has paid the listing fees for the year 2015-16 to both the stock exchanges. There are no arrears of listing fees with any of the said stock exchanges till date.

e. Stock Code

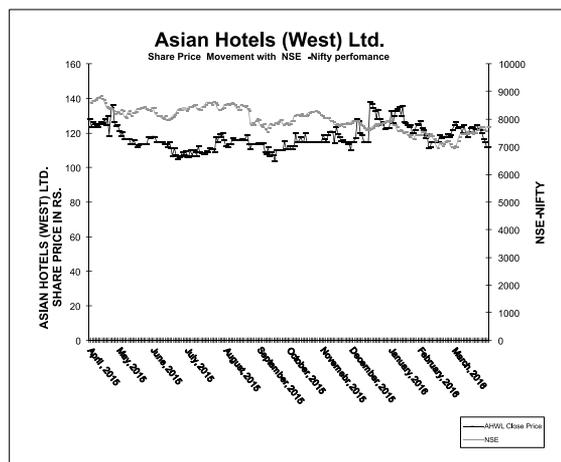
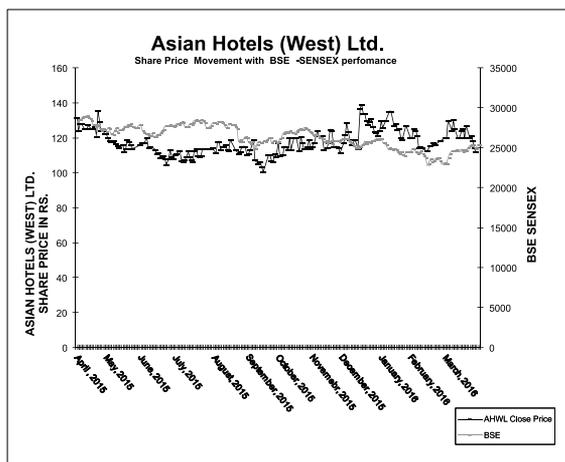
| Exchange | Code |
|--|---------|
| National Stock Exchange of India Limited | AHLWEST |
| Bombay Stock Exchange Limited | 533221 |

f. Stock Market Price Data - high, low during each month in last financial year

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 1st April, 2015 to 31st March, 2016 are given below:

| Month | NSE | | | BSE | | |
|-----------------|--------------------------|-------------------------|------------------|--------------------------|-------------------------|------------------|
| | 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.) |
| April, 2015 | 109.95 | 95.00 | 23899 | 107.50 | 95.00 | 29699 |
| May, 2015 | 112.90 | 96.00 | 31067 | 114.00 | 98.10 | 54328 |
| June, 2015 | 124.95 | 106.95 | 39546 | 128.00 | 105.80 | 25056 |
| July, 2015 | 122.00 | 107.05 | 24943 | 121.00 | 114.90 | 15553 |
| August, 2015 | 119.50 | 112.00 | 72474 | 120.95 | 110.05 | 70696 |
| September, 2015 | 120.00 | 110.00 | 47908 | 119.00 | 113.50 | 44244 |
| October, 2015 | 115.00 | 104.00 | 58563 | 113.00 | 109.95 | 23642 |
| November, 2015 | 131.00 | 105.05 | 105807 | 130.00 | 106.00 | 56335 |
| December, 2015 | 144.00 | 119.25 | 95855 | 140.00 | 112.55 | 21530 |
| January, 2016 | 136.05 | 115.00 | 121381 | 138.00 | 117.45 | 9262 |
| February, 2016 | 128.00 | 114.30 | 36650 | 129.00 | 117.00 | 3056 |
| March, 2016 | 131.00 | 125.00 | 106950 | 131.00 | 126.00 | 5415 |

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



ASIAN HOTELS (WEST) LIMITED

g. Stock Performance in comparison to broad based indices:

| | 31.03.2016 | 01.04.2015 | Change (%) |
|----------------------------------|------------|------------|------------|
| Share prices of AHWL (Rs.)(BSE) | 112.00 | 131.30 | (15) |
| V/s BSE Sensex | 25341.86 | 28260.14 | (10.33) |
| Share prices of AHWL (Rs.) (NSE) | 121.10 | 128.35 | (5.65) |
| V/s NSE Nifty | 8491.00 | 8586.25 | (1.11) |

h. Share Transfer Agent

| | |
|---|---|
| Karvy Computershare Pvt. Ltd. "Karvy House" Karvy Selenium Tower B , Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. e-mail : mailmanager@karvy.com | Karvy Computershare Pvt. Ltd. 305,New Delhi House, 27, Barakhamba Road, New Delhi-110001 Telephone No. 011-43681700 e-mail : delhi@karvy.com |
|---|---|

i. Share Transfer System

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

- Stakeholder Relationship Committee of the Board of Directors and
- Executive Share Transfer Committee comprising of executives of the Company.

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

j. Distribution of shareholders

| Number of equity shares held | As on 31st March, 2016 | | | | As on 31st March, 2015 | | | |
|------------------------------|------------------------|--------------------------|-----------------------|-----------------|------------------------|--------------------------|-----------------------|-----------------|
| | 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 | 14256 | 97.05 | 736932 | 6.43 | 15578 | 97.07 | 768987 | 6.71 |
| 501-1000 | 241 | 1.64 | 171247 | 1.49 | 265 | 1.65 | 189423 | 1.65 |
| 1001-2000 | 75 | 0.51 | 104447 | 0.91 | 85 | 0.53 | 116559 | 1.02 |
| 2001-3000 | 31 | 0.21 | 74633 | 0.65 | 32 | 0.20 | 76017 | 0.66 |
| 3001-4000 | 15 | 0.10 | 51297 | 0.45 | 15 | 0.09 | 52527 | 0.46 |
| 4001-5000 | 9 | 0.06 | 40891 | 0.36 | 8 | 0.05 | 37754 | 0.33 |
| 5001-10000 | 16 | 0.11 | 106089 | 0.93 | 19 | 0.12 | 127547 | 1.11 |
| 10000 - above | 47 | 0.32 | 10172767 | 88.78 | 47 | 0.29 | 10089489 | 88.05 |
| TOTAL | 14690 | 100.00 | 11458303 | 100.00 | 16049 | 100.00 | 11458303 | 100.00 |

Category wise shareholding

| CATEGORY | As on 31st March, 2016 | | As on 31st March, 2015 | |
|--|------------------------|------------------------|------------------------|------------------------|
| | No. of shares held | % age of Share-holding | No. of shares held | % age of Share-holding |
| A. Promoters Shareholding | | | | |
| – Indian | 2032815 | 17.74 | 1836457 | 16.03 |
| – Foreign | 5336880 | 46.58 | 5468380 | 47.72 |
| Total Promoters shareholding | 7369695 | 64.32 | 7304837 | 63.75 |
| B. Public Shareholding | | | | |
| – Mutual Funds/Financial Institutions/ Banks and Insurance Companies | 126770 | 1.11 | 127809 | 1.12 |
| – FII's | 2919 | 0.03 | 2919 | 0.02 |

ASIAN HOTELS (WEST) LIMITED

| CATEGORY | As on 31st March, 2016 | | As on 31st March, 2015 | |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| | No. of shares held | % age of Share-holding | No. of shares held | % age of Share-holding |
| - NRI's | 775456 | 6.77 | 785841 | 6.86 |
| - Bodies Corporate (Domestic) | 1052742 | 9.19 | 1071372 | 9.35 |
| - Individuals (Indian Public) | 2110721 | 18.42 | 2145745 | 18.73 |
| - Trusts | 278 | 0.00 | 278 | 0.00 |
| - Clearing Members | 882 | 0.01 | 662 | 0.01 |
| - Foreign Bodies | 18840 | 0.16 | 18840 | 0.16 |
| Total Public shareholding | 4088608 | 35.68 | 4153466 | 36.25 |
| GRAND TOTAL | 11458303 | 100.00 | 11458303 | 100.00 |

k. Dematerialization & Liquidity of Shares

The ISIN allotted by NSDL and CDSL is INE915K01010. Total 1,11,34,516 equity shares (equivalent to 97.17 %) of the total equity shares of the company are held in dematerialized form as on 31st March, 2016. The shares are regularly traded at BSE & NSE.

l. Outstanding Convertible instruments

As of 31st March, 2016, there are no outstanding convertible instruments.

m. 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.

n. 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.

ASIAN HOTELS (WEST) LIMITED

6th Floor, Aria Tower, J.W Marriott,
Aerocity, Asset Area 4,
Hospitality District, Near IGI Airport,
New Delhi -110037
Telephone No.011-46101208/46101210
Fax No. 011-41597321
Email Id. vivek.jain@asianhotelswest.com

o. Unpaid/Unclaimed Dividend

In terms of Section 124 and 125 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of money transferred to the unpaid dividend accounts to the Investor Education and Protection Fund (IEPF). Shareholders are requested to claim the dividend(s) from the Company before transfer to the IEPF Account.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF by Company:

| Financial Year | Cases | Unclaimed Dividend as on 31.03.2016 (Rs.) | Proposed date of transfer to IEPF* |
|----------------|-------|---|------------------------------------|
| 2009-2010 | 2209 | 420570 | 17.11.2017 |
| 2010-2011 | 1816 | 513024 | 01.10.2018 |
| 2011-2012 | 2038 | 529896 | 12.11.2019 |
| 2012-2013 | 2435 | 346926 | 29.10.2020 |
| 2013-2014 | 3529 | 302541 | 19.11.2021 |
| 2014-2015 | 3282 | 229399 | 09.11.2022 |

* Indicative dates, actual dates may vary.

12. OTHER DISCLOSURES

a. Materially Significant Related Party Transactions

During the year under review, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arms length basis.

b. Compliances

There are no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

c. Whistle Blower Mechanism

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

d. Compliance with mandatory requirements and adoption of the non-mandatory requirements

All mandatory requirements of Listing Regulations have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The Financial Statements are free from any Audit Qualifications.

e. Web link for policy for determining 'material' subsidiaries – www.asianhotelswest.com/policies

f. Web link for policy for dealing 'Related party transactions– www.asianhotelswest.com/policies

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

In terms of Clause 5A of the Listing Agreement, the details of unclaimed shares lying in Demat Suspense Account are as under:

| S. No. | Particulars | No. of shares |
|--------|---|---|
| 1. | Aggregate number of shareholders and the outstanding shares in the suspense account lying at beginning of the year. | 844 number of shareholders and the outstanding shares are 69,132. |
| 2. | Number of shareholders who approached issuer for transfer of shares from suspense account during the year. | 19 |
| 3. | Number of shareholders to whom shares were transferred from suspense account during the year. | 19 |
| 4. | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year. | 825 number of shareholders and the outstanding shares are 65,745 |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the share.

ASIAN HOTELS (WEST) LIMITED

ANNEXURE 6 TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED 31ST MARCH, 2016

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | | |
|-------|---|---|--|
| i. | CIN | : | L55101DL2007PLC157518 |
| ii. | Registration Date | : | 8th January, 2007 |
| iii. | Name of the Company | : | Asian Hotels (West) Ltd. |
| iv. | Category | : | Company Limited by Shares |
| v. | Sub- Category of the Company | : | Indian Non- Government Company (Hospitality Industry) |
| vi. | Address of the registered office and contract details | : | 6th Floor, Aria Towers, J.W. Marriott, New Delhi Aerocity, Asset Area 4, Hospitality District, Near IGI Airport, New Delhi-110037 Ph No-011-46101208/210 |
| vii. | Whether listed company | : | YES |
| viii. | Name, Address and Contract details of Registrar and Transfer Agent: | : | Karvy Computer Shares Pvt. Ltd. Karvy Selenium Tower-B", Plot No 31 & 32, Gaehibowli Financial Disctrict, Nanankramguda, Serilinggampally, Hyderabad-500032 Tel No : 040-23420815-24 Fax No : 040-23420814 E Mail : mailmanager@karvy.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S. No | Name and Description of main products/services | NIC Code of the Product/ Services | % to total turnover of the Company |
|-------|--|-----------------------------------|------------------------------------|
| 1 | Hotel | 55101 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No | Name and Address of the company | CIN/GLN | Holding/ Subsidiary Associate | % of shares held (Equity) | Applicable Section |
|-------|---|-----------------------|-------------------------------|---------------------------|--------------------|
| 1 | Aria Hotels And Consultancy Services Pvt. Ltd. 6th Floor, Aria Towers, J.W. Marriott, New Delhi Aerocity, Asset Area 4, Hospitality District, Near IGI Airport, New Delhi-110037 | U74140DL2007PTC163275 | Subsidiary | 81.58 | 2(87) (ii) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Share held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|------------------------------|--|------------|----------------|------------------|---|------------|----------------|------------------|--------------------------|
| | Demat | Physical | Total | % of total Share | Demat | Physical | Total | % of total Share | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1836457 | Nil | 1836457 | 16.03 | 2032815 | Nil | 2032815 | 17.74 | 1.71 |
| b) Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) State Govt.(S) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Banks/ FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Any other... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub- total (A) (1) :- | 1836457 | Nil | 1836457 | 16.03 | 2032815 | Nil | 2032815 | 17.74 | 1.71 |

ASIAN HOTELS (WEST) LIMITED

| Category of Shareholders | No. of Share held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|--|---------------|-----------------|------------------|---|---------------|-----------------|------------------|--------------------------|
| | Demat | Physical | Total | % of total Share | Demat | Physical | Total | % of total Share | |
| (2) Foreign Equity etc): | | | | | | | | | |
| a) NRIs –Individuals | 131500 | Nil | 131500 | 1.15 | Nil | Nil | Nil | Nil | -1.15 |
| b) Other Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Bodies Corp. | 5336880 | Nil | 5336880 | 46.58 | 5336880 | Nil | 5336880 | 46.58 | Nil |
| d) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Any Other.... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (2):- | 5468380 | Nil | 5468380 | 47.72 | 5336880 | Nil | 5336880 | 46.58 | -1.15 |
| Total shareholding of Promoter (A) =(A) (1)+(A)(2) | 7304837 | Nil | 7304837 | 63.75 | 7369695 | Nil | 7369695 | 64.32 | 0.57 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 6670 | 230 | 6900 | 0.06 | 6670 | 230 | 6900 | 0.06 | Nil |
| b) Banks / FI | 114342 | 6567 | 120909 | 1.06 | 113303 | 6567 | 119870 | 1.05 | -0.01 |
| c) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) State Govt. (S) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| g) FIs | 2534 | 385 | 2919 | 0.03 | 2534 | 385 | 2919 | 0.03 | Nil |
| h) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) Other (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(1):- | 123546 | 7182 | 130728 | 1.14 | 122507 | 7182 | 129689 | 1.13 | -0.01 |
| 2. Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | 1066166 | 5206 | 1071372 | 9.35 | 1046379 | 6171 | 1052550 | 9.19 | -0.16 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 903208 | 235075 | 1138283 | 9.93 | 847408 | 226661 | 1074069 | 9.37 | -0.56 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 1007462 | NIL | 1007462 | 8.79 | 1036844 | Nil | 1036844 | 9.05 | 0.26 |
| c) Others (specify) | | | | | | | | | |
| i. Foreign Bodies | 18840 | Nil | 18840 | 0.16 | 18840 | Nil | 18840 | 0.16 | Nil |
| ii. Clearing Member | 662 | Nil | 662 | 0.01 | 882 | Nil | 882 | 0.01 | Nil |
| iii. Non Resident Indian | 709517 | 76324 | 785841 | 6.86 | 702119 | 73337 | 775456 | 6.77 | -0.09 |
| iv. Trust | 278 | Nil | 278 | 0.00 | 278 | Nil | 278 | 0.00 | Nil |
| Sub-total(B)(2):- | 3706133 | 316605 | 4022738 | 35.11 | 3652750 | 306169 | 3958919 | 34.55 | -0.56 |
| Total Public Shareholding (B)=(B) (1)+ (B)(2) | 3829679 | 323787 | 4153466 | 36.25 | 3775257 | 313351 | 4088608 | 35.68 | -0.57 |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 11134516 | 323787 | 11458303 | 100 | 11144952 | 313351 | 11458303 | 100 | |

ASIAN HOTELS (WEST) LIMITED

ii) Shareholding of Promoters:

| S. No | Shareholding at the beginning of the year | | | | Share holding at the end of the year | | | |
|-------|---|----------------|----------------------------------|--|--------------------------------------|----------------------------------|---|---|
| | Shareholder's Name | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | % change in share holding during the year |
| 1. | D.S.O Limited | 5336880 | 46.58 | Nil | 5336880 | 46.58 | Nil | Nil |
| 2. | Chaman Lal Gupta And Sons HUF | 500287 | 4.37 | Nil | 500287 | 4.37 | Nil | Nil |
| 3. | Sushil Kumar Gupta | 384294 | 3.35 | Nil | 413612 | 3.61 | Nil | 0.26 |
| 4. | Sudhir Gupta | 214290 | 1.87 | Nil | 214290 | 1.87 | Nil | Nil |
| 5. | Vinita Gupta | 346472 | 3.02 | Nil | 408926 | 3.57 | Nil | 0.55 |
| 6. | Anurag Jain | 131500 | 1.15 | Nil | Nil | Nil | Nil | -1.15 |
| 7. | Sandeep Gupta | 128314 | 1.12 | Nil | 232900 | 2.03 | Nil | 0.91 |
| 8. | Gunjan Jain | 77700 | 0.68 | Nil | 77700 | 0.68 | Nil | Nil |
| 9. | Renu Arun Aggarwal | 49500 | 0.43 | Nil | 49500 | 0.43 | Nil | Nil |
| 10. | Madhu Jain | 49500 | 0.43 | Nil | 49500 | 0.43 | Nil | Nil |
| 11. | Pankaj Gupta | 45150 | 0.39 | Nil | 45150 | 0.39 | Nil | Nil |
| 12. | Asha Kiran Gupta | 33750 | 0.29 | Nil | 33750 | 0.29 | Nil | Nil |
| 13. | Jyotsana Amal Karl | 4200 | 0.04 | Nil | 4200 | 0.04 | Nil | Nil |
| 14. | Sonal Sharma | 3000 | 0.03 | Nil | 3000 | 0.03 | Nil | Nil |
| | TOTAL | 7304837 | 63.75 | NIL | 7369695 | 64.32 | NIL | 0.57 |

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| S. No | Name of the Promoter | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2015 to 31-03-2016) | |
|-------|---|---|----------------------------------|------------|-------------------------------------|----------------------|--|----------------------------------|
| | | No of Shares at the beginning (01-04-2015) / end of the year (31-03-2016) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | AT THE BEGINNING OF THE YEAR | 7304837 | 63.75 | | | | 7304837 | 63.75 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | | | | | |
| 1. | Mr. Sushil Kumar Gupta | 384294 | 3.35 | 01-04-2015 | | | | |
| | | | | 01-05-2015 | 42500 | Open Market Purchase | 426794 | 3.72 |
| | | | | 22-05-2015 | 1206 | | 428000 | 3.74 |
| | | | | 29-05-2015 | 2886 | | 430886 | 3.76 |
| | | | | 05-06-2015 | 2657 | | 433543 | 3.78 |
| | | | | 26-06-2015 | 1734 | | 435277 | 3.80 |
| | | | | 30-06-2015 | 365 | | 435642 | 3.80 |
| | | | | 03-07-2015 | 1232 | | 436874 | 3.81 |
| | | | | 10-07-2015 | 3085 | | 439959 | 3.84 |
| | | | | 17-07-2015 | 2460 | | 442419 | 3.86 |
| | | | | 24-07-2015 | 1237 | | 443656 | 3.87 |
| | | | | 31-07-2015 | 442 | | 444098 | 3.88 |
| | | | | 07-08-2015 | 1036 | | 445134 | 3.88 |
| | | | | 14-08-2015 | 1179 | | 446313 | 3.90 |
| | | | | 21-08-2015 | 692 | | 447005 | 3.90 |

ASIAN HOTELS (WEST) LIMITED

| S. No | Name of the Promoter | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2015 to 31-03-2016) | |
|-------|-------------------------------|---|----------------------------------|-------------------|-------------------------------------|----------------------|--|----------------------------------|
| | | No of Shares at the beginning (01-04-2015) / end of the year (31-03-2016) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 11-12-2015 | -40000 | Off Market | 407005 | 3.55 |
| | | | | 18-12-2015 | 6607 | Transfer | 413612 | 3.61 |
| | | 413612 | 3.61 | 31-03-2016 | | | | |
| 2. | Mrs. Vinita Gupta | 346472 | 3.02 | 01-04-2015 | | | | |
| | | | | 01-05-2015 | 62454 | Open Market Purchase | 408926 | 3.57 |
| | | 408926 | 3.57 | 31-03-2016 | | | | |
| 3. | Mr. Sandeep Gupta | 128314 | 1.12 | 01-04-2015 | | | | |
| | | | | 24-04-2015 | 30379 | Open Market Purchase | 158693 | 1.38 |
| | | | | 01-05-2015 | 1462 | | 160155 | 1.40 |
| | | | | 12-06-2015 | 1210 | | 161365 | 1.41 |
| | | | | 19-06-2015 | 177 | | 161542 | 1.41 |
| | | | | 31-07-2015 | 1123 | | 162665 | 1.42 |
| | | | | 21-08-2015 | 662 | | 163327 | 1.43 |
| | | | | 28-08-2015 | 2567 | | 165894 | 1.45 |
| | | | | 04-09-2015 | 1013 | | 166907 | 1.46 |
| | | | | 18-09-2015 | 364 | | 167271 | 1.46 |
| | | | | 25-09-2015 | 1951 | | 169222 | 1.48 |
| | | | | 30-09-2015 | 367 | | 169589 | 1.48 |
| | | | | 02-10-2015 | 110 | | 169699 | 1.48 |
| | | | | 09-10-2015 | 1424 | | 171123 | 1.49 |
| | | | | 16-10-2015 | 2077 | | 173200 | 1.51 |
| | | | | 23-10-2015 | 924 | | 174124 | 1.52 |
| | | | | 30-10-2015 | 430 | | 174554 | 1.52 |
| | | | | 06-11-2015 | 1221 | | 175775 | 1.53 |
| | | | | 20-11-2015 | 77 | | 175852 | 1.53 |
| | | | | 27-11-2015 | 298 | | 176150 | 1.54 |
| | | | | 04-12-2015 | 1273 | | 177423 | 1.55 |
| | | | | 11-12-2015 | 634 | | 178057 | 1.55 |
| | | | | 18-12-2015 | 38211 | | 216268 | 1.89 |
| | | | | 22-01-2016 | 445 | | 216713 | 1.89 |
| | | | | 29-01-2016 | 608 | 217321 | 1.90 | |
| | | | | 12-02-2016 | 1456 | 218777 | 1.91 | |
| | | | | 19-02-2016 | 2014 | 220791 | 1.93 | |
| | | | | 26-02-2016 | 1743 | 222534 | 1.94 | |
| | | | | 04-03-2016 | 1262 | 223796 | 1.95 | |
| | | | | 11-03-2016 | 5706 | 229502 | 2.00 | |
| | | | | 18-03-2016 | 2810 | 232312 | 2.03 | |
| | | | | 25-03-2016 | 351 | 232663 | 2.03 | |
| | | | | 31-03-2016 | 237 | 232900 | 2.03 | |
| | | 232900 | 2.03 | 31.03.2016 | | | | |
| 2. | Mr. Anurag Jain | 131500 | 1.15 | 01-04-2015 | | | | |
| | | | | 24-04-2015 | -79000 | Market sale | 52500 | 0.46 |
| | | | | 01-05-2015 | -52500 | | 0 | 0.00 |
| | | Nil | 0 | 31-03-2016 | | | | |
| | AT THE END OF THE YEAR | 7369695 | 64.32 | 31.03.2016 | | | 7369695 | 64.32 |

ASIAN HOTELS (WEST) LIMITED

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No | Name of the Shareholder (For Each of the Top 10 Shareholders) | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2015 to 31-03-2016) | |
|-------|---|---|----------------------------------|------------|-------------------------------------|----------|--|----------------------------------|
| | | No of Shares at the beginning (01-04-2015) / end of the year (31-03-2016) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1. | Radhe Shyam Saraf | 572071 | 4.99 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 572071 | 4.99 | 31-03-2016 | | | | |
| 2. | Anita Rajgarhia | 571061 | 4.98 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 571061 | 4.98 | 31-03-2016 | | | | |
| 3. | Forex Finance Pvt. Ltd. | 458377 | 4.00 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 458377 | 4.00 | 31-03-2016 | | | | |
| 4. | Makalu Trading Ltd. | 136604 | 1.19 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 136604 | 1.19 | 31-03-2016 | | | | |
| 5. | Sunil Hanskrishna Khanna | 91087 | 0.79 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 91087 | 0.79 | 31-03-2016 | | | | |
| 6. | VIC Enterprises Pvt. Ltd. | 77158 | 0.67 | 01-04-2015 | | | | |
| | | | | 04-03-2016 | -71608 | Transfer | 5550 | 0.05 |
| | | 5550 | 0.05 | 31-03-2016 | | | | |
| 7. | Ramesh Kumar Jatia | 75190 | 0.66 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 75190 | 0.66 | 31-03-2016 | | | | |
| 8. | Burmans Finvest Pvt. Ltd. | Nil | Nil | 01-04-2015 | | | | |
| | | | | 04-03-2016 | 71608 | Transfer | 71608 | 0.62 |
| | | 71608 | 0.62 | 31-03-2016 | | | | |
| 9. | Asian Hotels (West) Limited –Unclaimed Suspense Account | 68488 | 0.60 | 01-04-2015 | | | | |
| | | | | 26-06-2015 | -191 | Transfer | 68297 | 0.60 |
| | | | | 14-08-2015 | -128 | Transfer | 68169 | 0.59 |
| | | | | 28-08-2015 | -1000 | Transfer | 67169 | 0.59 |
| | | | | 08-01-2016 | -82 | Transfer | 67087 | 0.59 |
| | | | | 15-01-2016 | -35 | Transfer | 67052 | 0.59 |
| | | | | 22-01-2016 | -280 | Transfer | 66772 | 0.58 |
| | | | | 26-02-2016 | -1027 | Transfer | 65745 | 0.57 |
| | | 65745 | 0.58 | 31-03-2016 | | | | |
| 10. | Punjab National Bank | 63199 | 0.55 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 63199 | 0.55 | 31-03-2016 | | | | |

ASIAN HOTELS (WEST) LIMITED

v) Shareholding of Directors and Key Managerial Personnel:

Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):

| S. No | Name of the Director/KMP | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2015 to 31-03-2016) | |
|-------|--------------------------|---|----------------------------------|------------|-------------------------------------|----------------------|--|----------------------------------|
| | | No of Shares at the beginning (01-04-2015) / end of the year (31-03-2016) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1. | Mr. Sushil Kumar Gupta | 384294 | 3.35 | 1-04-2015 | | | | |
| | | | | 01-05-2015 | 42500 | Open Market Purchase | 426794 | 3.72 |
| | | | | 22-05-2015 | 1206 | | 428000 | 3.74 |
| | | | | 29-05-2015 | 2886 | | 430886 | 3.76 |
| | | | | 05-06-2015 | 2657 | | 433543 | 3.78 |
| | | | | 26-06-2015 | 1734 | | 435277 | 3.80 |
| | | | | 30-06-2015 | 365 | | 435642 | 3.80 |
| | | | | 03-07-2015 | 1232 | | 436874 | 3.81 |
| | | | | 10-07-2015 | 3085 | | 439959 | 3.84 |
| | | | | 17-07-2015 | 2460 | | 442419 | 3.86 |
| | | | | 24-07-2015 | 1237 | | 443656 | 3.87 |
| | | | | 31-07-2015 | 442 | | 444098 | 3.88 |
| | | | | 07-08-2015 | 1036 | | 445134 | 3.88 |
| | | | | 14-08-2015 | 1179 | | 446313 | 3.90 |
| | | | | 21-08-2015 | 692 | | 447005 | 3.90 |
| | | | | 11-12-2015 | -40000 | Off Market Transfer | 407005 | 3.55 |
| | | | | 18-12-2015 | 6607 | | 413612 | 3.61 |
| | | 413612 | 3.61 | 31-03-2016 | | | | |
| 2. | Mr. Sandeep Gupta | 128314 | 1.12 | 01-04-2015 | | | | |
| | | | | 24-04-2015 | 30379 | Open Market Purchase | 158693 | 1.38 |
| | | | | 01-05-2015 | 1462 | | 160155 | 1.40 |
| | | | | 12-06-2015 | 1210 | | 161365 | 1.41 |
| | | | | 19-06-2015 | 177 | | 161542 | 1.41 |
| | | | | 31-07-2015 | 1123 | | 162665 | 1.42 |
| | | | | 21-08-2015 | 662 | | 163327 | 1.43 |
| | | | | 28-08-2015 | 2567 | | 165894 | 1.45 |
| | | | | 04-09-2015 | 1013 | | 166907 | 1.46 |
| | | | | 18-09-2015 | 364 | | 167271 | 1.46 |
| | | | | 25-09-2015 | 1951 | | 169222 | 1.48 |
| | | | | 30-09-2015 | 367 | | 169589 | 1.48 |
| | | | | 02-10-2015 | 110 | | 169699 | 1.48 |
| | | | | 09-10-2015 | 1424 | | 171123 | 1.49 |
| | | | | 16-10-2015 | 2077 | | 173200 | 1.51 |
| | | | | 23-10-2015 | 924 | | 174124 | 1.52 |
| | | | | 30-10-2015 | 430 | | 174554 | 1.52 |
| | | | | 06-11-2015 | 1221 | | 175775 | 1.53 |
| | | | | 20-11-2015 | 77 | | 175852 | 1.53 |
| | | | | 27-11-2015 | 298 | | 176150 | 1.54 |
| | | | | 04-12-2015 | 1273 | | 177423 | 1.55 |
| | | | | 11-12-2015 | 634 | 178057 | 1.55 | |
| | | | | 18-12-2015 | 38211 | 216268 | 1.89 | |
| | | | | 22-01-2016 | 445 | 216713 | 1.89 | |

ASIAN HOTELS (WEST) LIMITED

| S. No | Name of the Director/KMP | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2015 to 31-03-2016) | |
|-------|---------------------------|---|----------------------------------|-------------------|-------------------------------------|----------------------|--|----------------------------------|
| | | No of Shares at the beginning (01-04-2015) / end of the year (31-03-2016) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 29-01-2016 | 608 | Open Market Purchase | 217321 | 1.90 |
| | | | | 12-02-2016 | 1456 | | 218777 | 1.91 |
| | | | | 19-02-2016 | 2014 | | 220791 | 1.93 |
| | | | | 26-02-2016 | 1743 | | 222534 | 1.94 |
| | | | | 04-03-2016 | 1262 | | 223796 | 1.95 |
| | | | | 11-03-2016 | 5706 | | 229502 | 2.00 |
| | | | | 18-03-2016 | 2810 | | 232312 | 2.03 |
| | | | | 25-03-2016 | 351 | | 232663 | 2.03 |
| | | | | 31-03-2016 | 237 | | 232900 | 2.03 |
| | | 232900 | 2.03 | 31.03.2016 | | | | |
| 3. | Mr. Sudhir Gupta | 214290 | 1.87 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 214290 | 1.87 | 31-03-2016 | | | | |
| 4. | Mr. Lalit Bhasin | Nil | Nil | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 31-03-2016 | | | | |
| 5. | Mr. Raj Kumar Bhargava | 3826 | 0.03 | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | 3826 | 0.03 | 31-03-2016 | | | | |
| 6 | Surendra Singh Bhandari | Nil | Nil | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 31-03-2016 | | | | |
| 7. | Sunil Vasant Diwakar | Nil | Nil | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 31-03-2016 | | | | |
| 8. | Mr. Surinder Singh Kohli | Nil | Nil | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 31-03-2016 | | | | |
| 9. | Mrs. Meeta Makhan | Nil | Nil | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 31-03-2016 | | | | |
| 10. | Mr. Rakesh Kumar Aggarwal | Nil | Nil | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 31-03-2016 | | | | |
| 11. | Mr. Vivek Jain* | Nil | Nil | 14-11-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 31-03-2016 | | | | |
| 12. | Mr. Nikhil Sethi** | Nil | Nil | 01-04-2015 | Nil | N.A | Nil | Nil |
| | | Nil | Nil | 12-09-2015 | | | | |

*Mr. Vivek Jain has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 14th November, 2015.

**Mr. Nikhil Sethi has resigned as Company Secretary and Compliance Officer of the Company w.e.f 12th September, 2015.

ASIAN HOTELS (WEST) LIMITED

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| a) Principal Amount | 1,63,08,33,432 | 2,07,00,000 | Nil | 1,65,15,33,432 |
| b) Interest due but not paid | Nil | Nil | Nil | Nil |
| c) Interest accrued but not due | 1,77,78,719 | Nil | Nil | 17,77,87,719 |
| Total (i+ii+iii) | 1,64,86,12,151 | 2,07,00,000 | Nil | 1,66,93,12,151 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 10,00,00,000 | Nil | Nil | Nil |
| Reduction | 9,38,68,408 | Nil | Nil | Nil |
| | | | | |
| Net Change | 61,31,592 | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| a) Principal Amount | 1,63,69,65,024 | 2,07,00,000 | Nil | 1,65,76,65,024 |
| b) Interest due but not paid | Nil | Nil | Nil | Nil |
| c) Interest accrued but not due | 1,59,75,159 | Nil | Nil | 15975159 |
| Total (i+ii+iii) | 1,65,29,40,182 | 2,07,00,000 | Nil | 1,67,36,40,182 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

| Sl. No | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|----------|---|-----------------------------|-----------------------|------------------------|--------------------|
| | | Mr. Sushil Kumar Gupta, CMD | Mr. Sudhir Gupta, WTD | Mr. Sandeep Gupta, WTD | |
| 1 | Gross Salary | | | | |
| | a) Salary as per provisions contained in section 17 (1) of the Income tax Act, 1961 | 1,19,79,000 | 1,02,06,349 | 1,02,06,349 | 32,391,698 |
| | b) Value of perquisites u/s 17(2) Income tax Act, 1961 | Nil | 39600 | Nil | 39600 |
| | c) Profits in Lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2. | Stock Option | Nil | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil | Nil |
| 4. | Commission | Nil | Nil | Nil | Nil |
| | – As % of profit | | | | |
| | – Other, specify... | | | | |
| 5 | Other, please specify : | | | | |
| | – Employer contribution to Provided Fund | 8,98,425 | 7,65,476 | 7,65,476 | 24,29,377 |
| | – Telephone | Nil | Nil | Nil | Nil |
| | – Membership | Nil | Nil | Nil | Nil |
| | Total (A) | 1,28,77,425 | 1,10,11,425 | 1,09,71,825 | 3,48,60,675 |
| | Ceiling as per the Act | | | | 3,60,00,000 |

ASIAN HOTELS (WEST) LIMITED

b. Remuneration to other directors:

(Amount in Rs.)

| Sl. No | Particulars of Remuneration | | Name of Directors | | | | | Total Amount |
|--------|--------------------------------------|--|--------------------------|------------------|-----------------------------|--------------------------|-------------------|--------------------|
| | | | Mr. Raj Kumar Bhargava | Dr. Lalit Bhasin | Mr. Surendra Singh Bhandari | Mr. Surinder Singh Kohli | Mrs. Meeta Makhan | |
| 1 | Independent Directors | | | | | | | |
| | a) | Sitting Fee for attending board and committee meetings | 2,04,000 | 1,08,000 | 72,000 | 96,000 | 84,000 | 5,64,000 |
| | b) | Commission | Nil | Nil | Nil | Nil | Nil | Nil |
| | c) | Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. | Other Non-Executive Directors | | Mr. Sunil Diwakar | | | | | |
| | a) | Sitting Fee for attending board and committee meetings | 12,000 | Nil | Nil | Nil | Nil | 12,000 |
| | b) | Commission | Nil | Nil | Nil | Nil | Nil | Nil |
| | c) | Other, please specify | Nil | Nil | Nil | Nil | Nil | Nil |
| | | Total (2) | 12,000 | Nil | Nil | Nil | Nil | 12,000 |
| | | Total (B) =(1 + 2) | 12,000 | Nil | Nil | Nil | Nil | 5,76,000 |
| | | Total Managerial Remuneration | | | | | | 3,48,60,675 |
| | | Overall Ceiling as per the Act* | | | | | | 3,60,00,000 |

*Company pays sitting fees of Rs.12000/- per meeting of the Board & committee attended. Companies Act, 2013 has prescribed that sitting fees shall not exceed Rs. 1 Lakh per meeting of the Board or Committee attended.

c. Remuneration to Key Managerial Personnel Other Than MD/ Manager/WTD

(Amount in Rs.)

| Sl No. | Particulars of Remuneration | | Key Managerial Personnel | | | | Total |
|--------|--|---|--------------------------|----------------------|-------------------|---------------------------|------------------|
| | | | CEO | Ex-Company Secretary | Company Secretary | CFO | |
| 1. | Gross Salary | | | | | | |
| | | | | Mr. Nikhil Sethi** | Mr. Vivek Jain* | Mr. Rakesh Kumar Aggarwal | |
| | (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | N.A | 12,88,403 | 11,43,000 | 40,37,400 | 64,68,803 |
| | (b) | Value of perquisites u/s 17(2) of Income-tax Act, 1961 | N.A | 18,414 | Nil | 39,600 | 58,014 |
| | (c) | Profit in lieu of salary under section 17(3) of Income tax Act, 1961 | N.A | 10,65,512 | Nil | Nil | 10,65,512 |
| 2. | Stock Option | | N.A | N.A | N.A | N.A | N.A |
| 3. | Sweat Equity | | N.A | N.A | N.A | N.A | N.A |
| 4. | Commission | | N.A | N.A | N.A | N.A | N.A |
| | - | as % of profit | N.A | N.A | N.A | N.A | N.A |
| | - | other, specify | N.A | N.A | N.A | N.A | N.A |
| 5. | Others, please specify employer contribution to provident fund | | | 62,592 | 68,400 | 2,77,200 | 4,08,192 |
| | Total | | | 24,34,921 | 12,11,400 | 43,54,200 | 80,00,521 |

*Mr. Vivek Jain has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 14th November, 2015.

**Mr. Nikhil Sethi has resigned as Company Secretary and Compliance Officer of the Company w.e.f 12th September, 2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ Punishment/ Compounding of offences for the year ending 31st March, 2016.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Asian Hotels (West) Limited
(CIN: L55101DL2007PLC157518)
6th Flr Aria Towers JW Marriott New Delhi Aerocity
Asset Area 4 Hospitality District Near IGI Airport
New Delhi – 110037, India

Sir,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Asian Hotels (West) Limited (the Company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **the Company's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the financial year ended on **31st March, 2016** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The company has no Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable as the Company has not issued any securities)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014); (Not Applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme.)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued any debt securities which were listed)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the company has not opted for any Delisting) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the company has not done any Buyback of securities.)

ASIAN HOTELS (WEST) LIMITED

- vi. Other laws as applicable specifically to the Company:
- a. Food Safety And Standards Act, 2006
 - b. Legal Metrology Act, 2009 and rules and regulations thereunder;
 - c. The air (prevention and control of pollution) act, 1981
 - d. The Water (Prevention and Control of Pollution) Act, 1974
 - e. The Environment (Protection) Act, 1986
 - f. The Indian Boilers Act, 1923
 - g. Petroleum Act, 1934
 - h. The Bombay Entertainments Duty Act, 1923
 - i. The Maharashtra Tax On Luxuries Act, 1987

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Ministry of Corporate Affairs w.e.f. 1st July, 2015.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (Except in cases where the meeting is held on shorter notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has taken following major decisions:

- i. Section 181 of the companies Act, 2013: An Authorization to contribute, in any financial year, to bona fide charitable and other funds, any amounts the aggregate of which, may exceed five per cent of its average net profits for the three immediately preceding financial years, subject to a limit of Rs. 25 Lacs per annum.

**For D.S. Associates
Company Secretaries**

**Dhawal Kant Singh
Prop.
ACS No.: A17697
C P No.: 7347**

Place : New Delhi
Date : 24th May, 2016

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and Forms an integral part of this report.

ASIAN HOTELS (WEST) LIMITED

To,
The Members,
Asian Hotels (West) Limited
6th Flr Aria Towers JW Marriott New Delhi Aerocity
Asset Area 4 Hospitality District Near IGI Airport
New Delhi – 110037, India

Sir,

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For D.S. Associates
Company Secretaries

Dhawal Kant Singh
Prop.
ACS No.: A17697
C P No.: 7347

Place : New Delhi
Date : 24th May, 2016

ASIAN HOTELS (WEST) LIMITED

ANNEXURE 8 TO THE DIRECTORS' REPORT

FORM NO. AOC-2

[pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and rule 8(2) of the Companies (Accounts) Rule, 2014]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

- A. Details of contracts or arrangements or transactions not at arm's length basis for the year ended March 31,2016 (Not Applicable)**
- B. Details of contracts or arrangements or transactions at arm's length basis for the year ended March 31,2016 are as follows**

| Sl. No | Name of Related Party and Nature of relationship | Nature of Contract/ arrangements/ transactions | Duration of Contract / arrangements/ transactions | Sailent terms of the Contracts or arrangements or transactions including the value, if any: | Amount Paid as advance, if any (amount in Rs.) |
|--------|--|---|---|--|--|
| 1 | | Rental income from rent of mercedes Car | Monthly Transaction | Receipt of Rental Income for renting of 4 Mercedes Car in terms of Agreement dated 20th September, 2012 effective from 1st November 2013 till 31st October, 2017 for renting of 4 Mercedes Cars entered into by the Company with Aria. | 4,776,417 |
| 2 | | Service tax cost on IFRSD on commercial space acquired by company in JW Marriott commercial Tower | Monthly Transaction | Payment of Service Tax on Interest Free Refundable Security Deposit for commercial space acquired by Company in the J.W. Marriott Hotel Commercial Tower in terms of following Agreements entered into with Aria: i) Agreement dated 18th September, 2012 (valid upto 1st May, 2036 further extension of 30 Years) for commercial space on 6th Floor (Unit 6AD) at Aria Towers, J.W. Marriott. Company has further sublicensed the space to Michelle Susan Dell Foundation ii) Agreement dated 20th February, 2013 (valid upto 19th February, 2028) for commercial space on 6th Floor (Unit 6BC) at Aria Towers, J.W. Marriott. Company is using the space for its corporate office. | 5,797,486 |
| 3 | Aria Hotels and Consultancy Services Pvt Ltd (Subsidiary of the Company) | Annual license fees paid on space acquired in JW Marriott commercial tower | Yearly Transaction | Annual License Fee for commercial space acquired by Company in the J.W. Marriott Hotel Commercial Tower in terms of following Agreements entered into with Aria: i) Agreement dated 18th September, 2012 (valid upto 1st May, 2036 further extension of 30 Years) for commercial space on 6th Floor (Unit 6AD) at Aria Towers, J.W. Marriott. Company has further sublicensed the space to Michelle Susan Dell Foundation ii) Agreement dated 20th February, 2013 (valid upto 19th February, 2028) for commercial space on 6th Floor (Unit 6BC) at Aria Towers, J.W. Marriott. Company is using the space for its corporate office. . | 837,788 |
| 4 | | Refund of security deposit for unit 2D of commercial space at Aria Towers, J.W. Marriott, New Delhi | One Time Transaction | For Termination of Space Agreement between the Company and Ms. Aanchal Jain dated 8th April, 2015 | 3,329,000 |
| 5 | | Money paid for proposing director and receive back | One Time Transaction | Requirement of Companies Act, 2013 for candidature of Appointment of New Director. | 200,000 |

ASIAN HOTELS (WEST) LIMITED

| Sl. No | Name of Related Party and Nature of relationship | Nature of Contract/ arrangements/ transactions | Duration of Contract / arrangements/ transactions | Sailent terms of the Contracts or arrangements or transactions including the value, if any: | Amount Paid as advance, if any (amount in Rs.) |
|--------|--|--|---|---|--|
| 6 | | Unsecured loan given and receive back | One Time Transaction | For financial Support to Aria Hotels And Consultancy Services Pvt. Ltd. | 10,000,000 |
| 7 | M/s Bhasin & Company | Professional services | Event based Transaction | Professional Fee / Re-imbusement of expenses for advise on legal matter/ appearance fee / re-imbusement of expenses etc. for various legal matters. | 179,700 |
| 8 | Ms. Sukriti Gupta | Professional services | Monthly Transaction | Consultancy Fees for professional services rendered | 600,000 |
| 9 | M/s Godfrey Philips India Ltd. | Sale of services | Event based Transaction | Service provided in ordinary course of business by Hotel Hyatt Regency, Mumbai | 1,187,292 |
| 10 | Mr. Sidharth Aggarwal | Professional services | Event based Transaction | Professional Fee / Re-imbusement of expenses for advise on legal matter/ appearance fee / re-imbusement of expenses etc. for various legal matters. | 495,720 |

- Appropriate approval have been taken for Related Party Transaction in the Audit Committee Meeting(s) and Board Meeting(s), respectively.
- Details of all Related Party Transactions are given in note no 35 of the Financial Statement for the Financial Year ended 31st March, 2016.

ANNEXURE 9 TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (ACCOUNT) RULES, 2014

A) CONSERVATION OF ENERGY

| S. No. | Energy conservation measure taken during the year 2015-16 | Impact (savings in Lac Rs. per annum) |
|--------|---|---------------------------------------|
| 1 | Guest room halogen bulb replacement with 7W LED bulb. | 16.00 |
| 2 | Car Parking tube light replacement with LED | 11.00 |
| | Total savings | 27.00 |

| S. No. | Additional Investment – proposal for the year 2016-17 | Impact (savings in Lac Rs. per annum) |
|--------|---|---------------------------------------|
| 1 | Back of the house tube light replacement with LED | 5.30 |
| 2 | UV lights for all AHU | 20.00 |
| 3 | AHU energy efficiency project (Coil & fans) | 10.00 |
| | Total savings | 35.30 |

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 & Outgo

(Rs.Lacs)

| | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|--|-------------------------------------|-------------------------------------|
| Foreign Exchange earnings (on receipt basis) | 6962.21 | 7583.26 |
| Foreign Exchange outgo (on payment basis) | 1418.82 | 1307.41 |

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES.

The policy on Corporate Social Responsibility (CSR) is adopted by the Company to initiate measures and pursue socially useful programmes with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made there under.

The core elements of the CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all the stakeholders including local community and society at large.

The Company would carry out its CSR activities with the objective of overall community development and for philanthropic activities. The Company shall undertake any of the following activity/activities:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognised sports, paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.
- xi. Such other matters as may be prescribed under applicable statute;
- xii. Such other activity as may be thought fit by the CSR Committee and approved by the Board.

Web Link: <http://asianhotelswest.com/policies>

2. THE COMPOSITION OF THE CSR COMMITTEE.

- Mr. Sudhir Gupta, Chairman of the Committee
- Mr. Raj Kumar Bhargava, Member
- Mr. Surendra Singh Bhandari, Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: Rs 582.45 Lacs.

| | |
|---|-------------------------|
| 4. PRESCRIBED CSR EXPENDITURE (2 % OF THE AMOUNT AS IN ITEM 3 ABOVE) | : Rs. 11.65 Lacs |
| Add: unspent amount on CSR activities in the previous FY (2014-15) | : Rs. 11.42 Lacs |
| Total Amount to be spent on CSR activities in the FY 2015-16 | : Rs. 23.07 Lacs |

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR.

- a) Total amount spent for the financial year : Rs.12.37 Lacs/-
- b) Amount unspent if any : Rs. 10.70 Lacs/-
- c) Manner in which the amount spent during the financial year is detailed below.

ASIAN HOTELS (WEST) LIMITED

| S. No. | Csr project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) program wise | Amount spent on the projects or programs sub-heads: (1) direct expenditure on projects or programs. (2) Overheads: (rs. Lakhs) | Cumul-active expenditure upto to the reporting period (rs. Lakhs) | Amount spent: direct or through implementing agency |
|--------|--|--|---|-------------------------------------|---|---|---|
| 1. | Education expenses of 24 girls Students studying in Him Jyoti School, Dehradun for the financial year 2015-16 | Himalayan School Society, Dehradun | Him Jyoti Campus, Sahastradhara Road, Dehradun -248 013 (Uttarakhand) | 7.20 | 7.20 | 7.20 | Direct |
| 2. | Medical (Donation to addresses the lack of services, awareness and to support children with multiple disabilities with visual impairment). | Muskaan Foundation | Bandra Centre 15, Prashanti, Kalanagar, Bandra East, Mumbai, Maharashtra - 400051 | 1.08 | 1.08 | 8.28 | Direct |
| 3. | Religious (Narayan Bhoj during Chaturmas) | Sannyasa Peeth | Paduka Darshan, Munger, Bihar 811201 | 1.08 | 1.08 | 9.36 | Direct |
| 4. | Rashtriya Sewa Bharati (Social service in the field of Health, education, Environment etc) | Navjyoti India Foundation | Sewa Kunj, 10196 / A, Mata Mandir Gali, Jhandewalan, New Delhi - 110055 | 0.51 | 0.51 | 9.87 | Direct |
| 5. | Welfare of the people belonging to Scheduled Castes and other backward communities. | Harijan Sewak Sangh | Kasturba Balika Vidyalaya, Ishwar Nagar, New Delhi - 110 025 | 2.50 | 2.50 | 12.37 | Direct |
| | TOTAL | | | | 12.37 | 12.37 | |

As per the programme, the Company has started implementation of CSR activities. During the year it was considered pragmatic to spend Rs. 12.37 Lacs. The residual amount shall be spent as per the CSR policy.

The Company agrees that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

For Asian Hotels (West) Limited

Sd/-
Sushil Kumar Gupta
Chairman & Managing Director

Sd/-
Sudhir Gupta
Chairman of CSR Committee

ASIAN HOTELS (WEST) LIMITED

DECLARATION REGARDING CODE OF CONDUCT

To
The Members of
Asian Hotels (West) Limited

I hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company. The Code is posted on the Company's website www.asianhotelswest.com

For Asian Hotels (West) Limited

Sushil Kumar Gupta
Chairman & Managing Director
DIN (00006165)

Place : New Delhi
Date : 24th May, 2016

CERTIFICATION BY CHAIRMAN& MANAGING DIRECTOR AND CFO OF THE COMPANY

To
The Board of Directors
Asian Hotels (West) Limited

Dear Sir(s),

As required under 17(8) of the Listing regulations, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2016 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financial reporting during the year, if any;
 - b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant frauds, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours Sincerely,

Sushil Kumar Gupta
Chairman & Managing Director

Rakesh Kumar Aggarwal
CFO

Place : New Delhi
Dated : 24th May, 2016

ASIAN HOTELS (WEST) LIMITED

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

To

The Members of Asian Hotels (West) Limited.

We have examined the compliance of regulations of Corporate Governance by Asian Hotels (West) Limited for the year ended 31st March, 2016, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 regulations 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, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

**For D.S. Associates
Company Secretaries**

**Dhawal Kant Singh
Prop.
ACS No.: A17697
C P No.: 7347**

Place : New Delhi
Date : 24th May, 2016

ASIAN HOTELS (WEST) LIMITED

Independent Auditors' Report

To the Members of Asian Hotels (West) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Asian Hotels (West) Limited ("the Company"), which comprise the balance sheet as at 31st March, 2016, the statement of profit and loss, and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

ASIAN HOTELS (WEST) LIMITED

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statements as referred to in Note 26 to the financial statements.
 - ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.S. KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Date: New Delhi
Place: 24th May, 2016

ASIAN HOTELS (WEST) LIMITED

Annexure A to the Independent Auditor's Report to the Members of Asian Hotels (West) Limited dated May 24, 2016.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have not been physically verified by the management during the year, hence, we are unable to comment on the discrepancies, if any.
- (c) According to the information and explanations given to us, pursuant to the Scheme of Arrangement & Demerger of Asian Hotels Ltd in the year 2009 the immovable property at Hyatt Regency, Mumbai was transferred to and vested in the Company. This immovable property continues to be in the name of Asian Hotels Ltd due to pendency of stamp duty adjudication. The Company has applied to the concerned authority for adjudication of stamp duty applicable on conveyance of the property title in its favor. (Refer note 27 of the financial statements).
- ii. In respect of the Company's inventories:
 - (a) As explained to us the Management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, 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 and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.
- iii. The Company has granted unsecured loans to their subsidiary company Aria Hotels & Consultancy services private limited, covered in the register maintained under Section 189 of the Act. The subsidiary company during the year has fully repaid the loan amount:
 - a. The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;
 - b. The Company has granted tenure based interest free loans as agreed, to party covered in the register maintained under section 189 of the Act. The repayment of loans is as per tenure only.
 - c. Since there is no overdue amount as on the date, the relevant reporting is not applicable.
- iv. In our opinion and according to the information and explanations given to us, Provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v. 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 directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- vi. 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 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. 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, as applicable, 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, 2016 for a period of more than six months from the date they became payable.
- b. According to the records of the Company, the details of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty and Value added tax, as applicable, which have not been deposited on account of any dispute and the forum where the dispute is pending, are as follows :

| Name of the Statute | Period for which the amount relates (Financial year) | Nature of Dues | Forum where the dispute is pending | Amount (Rupees in lacs) |
|---------------------------------------|---|-----------------------|--|-------------------------|
| Maharashtra Value Added Tax Act, 2002 | 2010-11 | VAT Assessment demand | Joint commissioner of Sales Tax (Appeal) | 244 |

- viii. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank. The company does not have any outstanding debentures.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer. Further, term loans taken during the year were applied for the purpose for which the loan were obtained.
- x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. In our opinion, and according to the information and explanations given to us that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

ASIAN HOTELS (WEST) LIMITED

- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.S. KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Date: New Delhi
Place: 24th May, 2016

ASIAN HOTELS (WEST) LIMITED

Annexure B to the Independent Auditor's Report to the Members of Asian Hotels (West) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of Asian Hotels (West) Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S.S. KOTHARI MEHTA & Co.**

Chartered Accountants

Firm's Registration No. 000756N

Sunil Wahal

Partner

Membership No. 087294

Date: New Delhi

Place: 24th May, 2016

ASIAN HOTELS (WEST) LIMITED

BALANCE SHEET AS AT MARCH 31, 2016

(Rs. in Lacs)

| | NOTES | As at March 31, 2016 | As at March 31, 2015 |
|--|-------|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 3 | 1,145.83 | 1,145.83 |
| Reserves and Surplus | 4 | 27,045.20 | 27,570.33 |
| Total shareholders' fund | | 28,191.03 | 28,716.16 |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 5 | 15,378.18 | 15,506.74 |
| Deferred tax liabilities (Net) | 6 | 2,690.45 | 2,944.94 |
| Other long term liabilities | 7 | 254.42 | 230.92 |
| Long - term provisions | 8 | 285.51 | 257.07 |
| Total non - current liabilities | | 18,608.56 | 18,939.67 |
| CURRENT LIABILITIES | | | |
| Short term borrowings | 9 | 183.55 | 211.66 |
| Trade payables | 10 | - | - |
| Total outstanding dues of micro and small enterprises | | 580.89 | 445.82 |
| Total outstanding dues of creditors other than micro and small enterprises | | 2,888.42 | 2,553.73 |
| Other current liabilities | 11 | 284.76 | 274.31 |
| Short - term provisions | 8 | 3,937.62 | 3,485.52 |
| Total current liabilities | | 3,937.62 | 3,485.52 |
| Total | | 50,737.21 | 51,141.35 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 12 | | |
| Tangible Assets | | 24,318.10 | 25,696.78 |
| Capital work-in-progress | | 913.43 | 7.37 |
| Non-current Investments | 13 | 19,741.00 | 19,741.00 |
| Long term Loans and Advances | 14 | 3,707.96 | 3,724.32 |
| Total non - current assets | | 48,680.49 | 49,169.47 |
| CURRENT ASSETS | | | |
| Inventories | 15 | 318.19 | 322.42 |
| Trade receivables | 16 | 473.29 | 543.33 |
| Cash and cash equivalents | 17 | 333.22 | 270.58 |
| Short - term loans and advances | 14 | 909.38 | 763.66 |
| Other current assets | 18 | 22.64 | 71.89 |
| Total current assets | | 2,056.72 | 1,971.88 |
| Total | | 50,737.21 | 51,141.35 |
| Significant accounting policies | 1-47 | | |

Accompanying notes form an integral part of financial statements

As per our report of even date

For & on behalf of the Board

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

ICAI Firm Registration Number : 000756N

Chartered Accountants

Sunil Wahal

Partner

Membership No. : 087294

Place : New Delhi

Dated : May 24, 2016

SUSHIL KUMAR GUPTA

Chairman &
Managing Director

DIN : 00006165

RAKESH KUMAR AGGARWAL

Chief Financial Officer

PAN No. : AAAPA3338D

SANDEEP GUPTA

Executive
(Whole Time) Director

DIN 00057942

VIVEK JAIN

Company Secretary

Membership No. : FCS - 7204

ASIAN HOTELS (WEST) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

| | NOTES | Year ended March 31, 2016 Rs. Lacs | Year ended March 31, 2015 Rs. Lacs |
|--|-------|--|--|
| INCOME | | | |
| Revenue From Operations | 19 | 13,157.83 | 13,437.49 |
| Less : Excise Duty | | 7.52 | 7.02 |
| | | 13,150.31 | 13,430.47 |
| Other Income | 20 | 440.65 | 203.18 |
| Total Revenue | | 13,590.96 | 13,633.65 |
| EXPENSES | | | |
| Consumption of Provisions, Beverages, Smokes and Others | 21 | 1,269.29 | 1,290.24 |
| Employee Benefit Expenses | 22 | 3,472.70 | 3,209.53 |
| Finance Cost | 23 | 2,305.96 | 2,181.40 |
| Depreciation and Amortization Expense | 12 | 1,465.90 | 1,273.84 |
| Other Expenses | 24 | 5,750.09 | 6,000.45 |
| Total Expenses | | 14,263.94 | 13,955.46 |
| Loss before tax | | (672.98) | (321.81) |
| Tax expense | | | |
| Current Tax | | — | 29.81 |
| Earlier Year Tax | | (31.28) | |
| Deferred Tax charge/(Credit) | 6 | (254.48) | (138.08) |
| Loss for the Year | | (387.22) | (213.54) |
| Earning per equity share (Nominal value per share Rs. 10/-) | 25 | | |
| i. Basic | | (3.38) | (1.86) |
| ii. Diluted | | (3.38) | (1.86) |
| Significant accounting policies | 1-47 | | |

Accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For **S.S. KOTHARI MEHTA & CO.**
ICAI Firm Registration Number : 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No. : 087294

Place : New Delhi
Dated : May 24, 2016

For & on behalf of the Board

SUSHIL KUMAR GUPTA
Chairman &
Managing Director
DIN : 00006165
RAKESH KUMAR AGGARWAL
Chief Financial Officer
PAN No. : AAAPA3338D

SANDEEP GUPTA
Executive
(Whole Time) Director
DIN 00057942
VIVEK JAIN
Company Secretary
Membership No. : FCS - 7204

ASIAN HOTELS (WEST) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs |
|--|---------------------|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | (672.98) | (321.81) |
| Adjustment for: | | |
| Depreciation | 1,465.90 | 1,271.42 |
| (Profit)/Loss on sale of fixed assets | 10.75 | 47.87 |
| Depreciation impact Companies Act 2013 | | 2.53 |
| Dividend Income on Investment | (7.47) | (4.42) |
| Interest Paid | 2,305.96 | 2,186.56 |
| Interest Earned | (0.07) | (0.18) |
| | 3,775.07 | 3,503.78 |
| Operating profit before working capital charges | 3,102.09 | 3,181.97 |
| Adjustments for: | | |
| (Increase)/Decrease in Inventories | 4.23 | 0.80 |
| (Increase)/Decrease in Trade Receivables | 70.04 | 19.17 |
| (Increase)/Decrease in Loans and Advances | 142.37 | 418.06 |
| Increase/(Decrease) in Trade Payables | 321.40 | (8.86) |
| Increase/(Decrease) in Provisions | (99.01) | (149.98) |
| | 439.03 | 279.18 |
| Cash generated from operations | 3,541.12 | 3,461.15 |
| Direct taxes paid (Net) | (191.19) | (254.54) |
| Net cash from Operating Activities | 3,349.93 | 3,206.61 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (1,034.98) | (463.23) |
| Sale of fixed assets | 30.96 | 47.04 |
| Sale/(Purchase) of Investments | - | (2,889.87) |
| Dividend Income on Investment | 7.47 | 4.42 |
| Net Cash used in Investing Activities | (996.55) | (3,301.64) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of Borrowings | (966.79) | (5,559.27) |
| Proceeds of Borrowings | 1,000.00 | 8,020.35 |
| Interest Paid | (2,324.01) | (2,186.60) |
| Interest Earned | 0.07 | 0.18 |
| Net Cash from Financing activities [C] | (2,290.73) | 274.66 |
| Net Increase/ (Decrease) in Cash Equivalent [A+B+C] | 62.64 | 179.63 |
| Cash and Cash equivalent (Beginning of the year) | 270.58 | 90.94 |
| Cash and Cash equivalent (End of the year) | 333.22 | 270.58 |

Notes:

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

| | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Components of cash and cash equivalents as at | | |
| Balances with banks in current accounts | 274.75 | 218.51 |
| Cash on hand | 6.58 | 7.84 |
| Cheques in hand | 27.75 | 23.02 |
| Dividend accounts | 24.14 | 21.21 |
| | 333.22 | 270.58 |

As per our report of even date

For & on behalf of the Board

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

ICAI Firm Registration Number : 000756N

Chartered Accountants

Sunil Wahal

Partner

Membership No. : 087294

Place : New Delhi

Dated : May 24, 2016

SUSHIL KUMAR GUPTA

Chairman &
Managing Director

DIN : 00006165

RAKESH KUMAR AGGARWAL

Chief Financial Officer

PAN No. : AAAPA3338D

SANDEEP GUPTA

Executive
(Whole Time) Director

DIN 00057942

VIVEK JAIN

Company Secretary

Membership No. : FCS - 7204

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Background of the company :

The Company was incorporated as Chillwinds Hotels Private Limited on January 8, 2007, under the Companies Act, 1956. The Company had entered into a Scheme of Arrangement and Demerger with M/s Asian Hotels Limited pursuant to which Hyatt Regency, Mumbai was transferred to and vested in the Holding Company. The name of the Company was further changed to Asian Hotels (West) Limited w.e.f February 12, 2010.

The Company is listed on the National Stock Exchange and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs).

2. Significant accounting policies:

a. Basis of accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act ,2013 read together rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared under the historical cost convention on 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.
- 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 from bank.

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 specified percentage of salary. It is a defined contribution scheme and the contribution is charged to the Statement of profit and loss 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, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal/adjustment 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

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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.
- 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. Change in accounting policy

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The Company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of tangible fixed assets.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its tangible fixed assets. Now, the Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

Had the Company continued to use the earlier policy of depreciating tangible fixed assets, depreciation and loss for the current period would have been lower by Rs 170.13 lacs.

iii. Depreciation

- a. Depreciation as per straight line method is charged in the accounts.
- b. The charge is on the basis of rates as prescribed under Schedule II to the Companies Act, 2013 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 realizable 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 recognized in the Statement of Profit and Loss. 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 Statement of Profit and Loss. 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. Shares held as Stock-in-trade are valued at cost or market value whichever is lower.
- iii. Net realizable value is estimated selling/ realizable value in the normal course of business less cost of completing the sale.

Cost is determined on weighted average basis.

n. Leases/License

When the company is the lessee/licensee

Leases/License where the lessor/licensor effectively retains substantially all the risks and benefits of ownership of the leased/licensed item, are classified as operating leases/license. Operating lease/license payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease/license term.

When the company is the lessor/licensor

Assets subject to operating leases/license are included in fixed assets. Lease/License income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease/license term. Costs including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

o. 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).

p. 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.

q. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash/ cheques in hand and fixed deposits with banks with maturity period of three months or less.

r. Dividend

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

s. 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 future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

3 Share capital

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|------------------------|--------------------|------------------------|--------------------|
| | Number | Amount Rs. Lacs | Number | Amount Rs. Lacs |
| Authorised | | | | |
| Equity shares of Rs. 10/- each | 14,000,000 | 1,400 | 14,000,000 | 1,400 |
| Preference shares of Rs. 10/- each | 11,000,000 | 1,100 | 11,000,000 | 1,100 |
| | 25,000,000 | 2,500 | 25,000,000 | 2,500 |
| Issued, subscribed & paid up | | | | |
| Equity shares of Rs. 10/- each* | 11,458,303 | 1,145.83 | 11,458,303 | 1,145.83 |
| Total | 11,458,303 | 1,145.83 | 11,458,303.00 | 1,145.83 |

* Include 11,401,782 equity shares issued pursuant to the Scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide Order dated January 13, 2010.

a. Reconciliation of the number of shares outstanding -

| | As at 31 March 2016 | | As at 31 March 2015 | |
|--|------------------------|--|------------------------|--|
| | Number | | Number | |
| Equity shares outstanding at the beginning of the year | 11,458,303 | | 11,458,303 | |
| Add: issued during the year | - | | - | |
| Equity shares outstanding at the close of the year | 11,458,303 | | 11,458,303 | |

b. Rights, restrictions and preferences attached to each class of Share

"The Company has two class of Shares i.e Equity and Preference having a par value of Rs. 10/- each. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. Subject to the provisions of the Investment Agreement entered into between the Company, its subsidiary & the investors (IL&FS Group), statutory and other approvals, if any, the Company and the subsidiary company – M/s Aria Hotels & Consultancy Services Private Limited(Aria) had to provide the investors (IL&FS Group) the exit option after March 31, 2013 by way of merger of the company with Aria or swap of investors' securities with the equity shares of AHWL or otherwise, not exceeding 14% of the paid up equity of the Company, on fully diluted basis, which is under discussion with the investor."

During the last five years, the company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

The Board of Directors have proposed a Dividend 10 % (Previous Year 10%) i.e. dividend of Rs. 1/- per equity share (Previous Year Rs. 1.00/- per share) subject to approval of the shareholders at the ensuing Annual General Meeting.

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

c. Details of shareholders holding more than 5% shares in the Company

| Name of shareholder | As at 31 March 2016 | | As at 31 March 2015 | |
|--|------------------------|---------------------|------------------------|---------------------|
| | No of Shares | Amount % holding | No of Shares | Amount % holding |
| D.S.O. Limited (Equity Shares of Rs. 10/- each fully paid up) | 5,336,880 | 46.58% | 5,336,880 | 46.58% |

4 Reserves & Surplus

| | As at March 31, 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|---|-------------------------------------|------------------------------------|
| Capital reserve | | |
| Opening balance | 1.41 | 1.41 |
| Add: Transferred from statement of profit & loss | — | — |
| Closing balance | 1.41 | 1.41 |
| Capital redemption reserve | | |
| Opening balance | 990.00 | 990.00 |
| Add: Transferred from statement of profit & loss | — | — |
| Closing balance | 990.00 | 990.00 |
| Securities premium reserve | | |
| Opening balance | 144.36 | 144.36 |
| Add : Received during the year | — | — |
| Closing balance | 144.36 | 144.36 |
| Debenture redemption reserve | | |
| Opening balance | — | — |
| Less: Transferred to statement of profit & loss | — | 1,131.25 |
| Closing balance | — | (1,131.25) |
| Surplus/ (deficit) in the statement of profit and loss | | |
| General reserve | | |
| Opening balance | 15,653.24 | 15,653.24 |
| Add: Transferred from statement of profit & loss | — | — |
| Closing balance | 15,653.24 | 15,653.24 |
| Opening balance | 10,781.32 | 10,003.19 |
| Add: Transfer from debenture redemption reserve | — | 1,131.25 |
| Less: Depreciation on account of change in useful lives of assets as per Companies Act 2013 | — | (2.53) |
| Less: Deferred tax related to depreciation charged | — | 0.86 |
| Add: Loss for the year | (387.22) | (213.54) |
| Amount available for appropriation | 10,394.10 | 10,919.23 |
| Less: Appropriations | | |
| Transfer to general reserve | — | — |
| Proposed dividend on equity shares | 114.58 | 114.58 |
| Dividend distribution tax | 23.33 | 23.33 |
| Closing balance | 10,256.19 | 10,781.32 |
| Total | 27,045.20 | 27,570.33 |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

5 Long term borrowings

| | As at 31 March 2016 | | | As at 31 March 2015 | | |
|---|-------------------------|---------------------|-------------------|-------------------------|---------------------|-------------------|
| | Non Current Rs. lacs | Current Rs. lacs | Total Rs. lacs | Non-Current Rs. lacs | Current Rs. lacs | Total Rs. lacs |
| Secured | | | | | | |
| Term Loans from | | | | | | |
| Banks* | 12,578.43 | 300.01 | 12,878.44 | 12,379.37 | 289.04 | 12,668.41 |
| Non bank financial Institution** | 2,592.75 | 898.46 | 3,491.21 | 2,920.37 | 719.55 | 3,639.92 |
| Unsecured from(\$) | | | | | | |
| Chairman & Managing Director | 207.00 | – | 207.00 | 207.00 | – | 207.00 |
| Total | 15,378.18 | 1,198.47 | 16,576.65 | 15,506.74 | 1,008.59 | 16,515.33 |
| Amount disclosed under the head "Other Current Liabilities" Refer Note No - 11 as : | | | | | | |
| Current maturities of Long-term debts | – | (1,198.47) | (1,198.47) | – | (1,008.60) | (1,008.60) |
| Total | – | (1,198.47) | (1,198.47) | – | (1,008.60) | (1,008.60) |
| Net Amount | 15,378.18 | – | 15,378.18 | 15,506.74 | – | 15,506.74 |

Nature of Security and Terms of Repayment

* Term Loans

Term loans originally obtained from Kotak Mahindra Bank Limited were rescheduled vide their letter dated 10th June 2014. After Rescheduling of Loan, Following facilities are used by the Company over the tenure of facility, repayable by way of 144 unequal monthly installments starting from June 2014 to May 2026.

| | Sanctioned Amount Rs. lacs | Outstanding amount as at 31st March , 2016 Rs. lacs | Outstanding amount as at March 31st , 2015 Rs. lacs |
|---|----------------------------------|--|--|
| Kotak Mahindra Bank Loan | 3,100.00 | 2,999.76 | 2,555.36 |
| Kotak Mahindra Bank Loan A/c | 1,800.00 | 1,724.98 | 1,765.90 |
| Kotak Mahindra Bank Loan A/c | 4,525.00 | 4,336.46 | 4,439.30 |
| Kotak Mahindra Bank Loan (Purchase of Commercial Space) | 1,953.39 | 1,871.99 | 1,916.39 |
| Kotak Mahindra Bank Loan (Purchase of Office Space) | 1,187.40 | 1,137.90 | 1,164.90 |
| Kotak Mahindra Bank Loan | 842.55 | 807.35 | 826.55 |
| Grand Total | 13,408.35 | 12,878.44 | 12,668.41 |

The above facilities are inter alia secured by first pari passu charge on all existing and future current assets, moveable fixed assets and immoveable properties being land & building of Hotel Hyatt Regency, Mumbai and by Personal Guarantee of Mr. Sushil Gupta, Chairman and Managing Director.

** Non bank financial Institution

| | Sanctioned Amount Rs. lacs | Outstanding amount as at March 31, 2016 Rs. lacs | Outstanding amount as at March 31, 2015 Rs. lacs |
|---|----------------------------------|---|---|
| Kotak Mahindra Prime Limited - Term Loan | 3,500.00 | 2,904.17 | 3,500.00 |
| PTC India Limited-Solar project - Term Loan | 585.00 | 500.00 | – |
| Kotak Mahindra Prime Ltd - Vehicle Loan | 177.29 | 87.04 | 139.92 |
| | 4,262.29 | 3,491.21 | 3,639.92 |

Kotak Mahindra Prime Limited (Term Loan)

The above facilities are inter alia secured by first pari passu charge on all existing immoveable properties being land & building of Hotel Hyatt Regency, Mumbai repayable by 50 unequal monthly instalments and by Personal Guarantee of Mr. Sushil Gupta, Chairman and Managing Director.

PTC India Limited - Solar project (Term Loan)

The above facility is secured by first charge of all the immovable property, present and future of the solar project. The above facility is repayable by 162 equal monthly instalments upto June, 2030.

Kotak Mahindra Prime Limited - Vehicle Loan

The above facility are secured by hypothecation of vehicles repayable upto December, 2019 on unequal monthly installments

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

\$ Unsecured Loan :

As per the sanction letter of term loan given by Kotak Mahindra Bank Limited, Mr. Sushil Kumar Gupta (Promoter) has infused subordinated interest free unsecured loan repayable after the term loans from the bank have been fully repaid.

6 Deferred tax liabilities (net)

| | As at March 31, 2016 Rs. Lacs | Charge/ (Credit) during the year | As at March 31, 2015 Rs. Lacs |
|---|-------------------------------------|--|-------------------------------------|
| Deferred tax liabilities | | | |
| Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 2,833.41 | (247.14) | 3,080.55 |
| | <u>2,833.41</u> | <u>(247.14)</u> | <u>3,080.55</u> |
| Deferred tax assets | | | |
| Impact of expenses for retirement benefits charged to the statement of profit and loss in the current year but allowed for tax in future years | 142.95 | (9.21) | 133.74 |
| Impact of expenditure allowable u/s 35DD of the Income Tax Act, 1961 | - | 1.87 | 1.87 |
| | <u>142.95</u> | <u>(7.34)</u> | <u>135.61</u> |
| Net deferred tax liability | <u>2,690.46</u> | <u>(254.48)</u> | <u>2,944.94</u> |

7 Other long term liabilities

| | As at March 31, 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|-------------------|-------------------------------------|------------------------------------|
| Security deposits | 254.42 | 230.92 |
| Total | <u>254.42</u> | <u>230.92</u> |

8 Provisions

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Long term Rs. Lacs | Short term Rs. Lacs | Long term Rs. Lacs | Short term Rs. Lacs |
| Provision for employee benefits | | | | |
| Gratuity (refer note 35) | 238.03 | 139.88 | 208.91 | 123.00 |
| Leave encashment (refer note 35) | 47.48 | 6.97 | 48.16 | 13.40 |
| Other provisions | | | | |
| Proposed dividend (including dividend distribution tax) | - | 137.91 | - | 137.91 |
| Total | <u>285.51</u> | <u>284.76</u> | <u>257.07</u> | <u>274.31</u> |

9 Short term borrowings

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|---|------------------------------------|------------------------------------|
| Loans repayable on demand - from banks on cash credit (secured) | 183.55 | 211.66 |
| Total | <u>183.55</u> | <u>211.66</u> |

The outstanding balance of Rs. 183.55 lacs as on March 31, 2016 (Previous year 211.66 lacs) out of sanctioned limit of Rs. 500 lacs is secured by way of exclusive charge on all existing and future current assets of Hotel Hyatt Regency, Mumbai and by personal guarantee of Mr Sushil Gupta, Chairman and Managing Director.

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

10 Trade Payables

| | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| | Rs. Lacs | Rs. Lacs |
| Trade payables* | 580.89 | 445.82 |
| Total | 580.89 | 445.82 |
| * Includes due to Micro, Small and Medium enterprises(Refer Note No.- 37) (to the extent information is available with the company) | - | - |

11 Other current liabilities

| | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| | Rs. Lacs | Rs. Lacs |
| Current maturities of long-term debt (refer note 5) | 1,198.47 | 1,008.60 |
| Advance From customers | 223.33 | 167.37 |
| Unpaid dividend* | 24.14 | 21.21 |
| Interest accrued but not due | 159.75 | 177.79 |
| Other payables | | |
| Withholding & other taxes | 213.39 | 155.74 |
| Expenses | 963.10 | 895.54 |
| Accrued salaries & benefits | 106.24 | 127.48 |
| Total | 2,888.42 | 2,553.73 |
| * There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund. (previous year Nil) | | |

12 Fixed Assets

(Rs. in Lacs)

| Particulars | Tangible assets | | | | | Total | Capital work in Progress |
|------------------------------------|--------------------|------------------|--|----------------------|---------------|------------------|-----------------------------|
| | Land - freehold | Buildings | Furniture, fixture & furnishings | Plant & Machinery | Vehicles | | |
| Gross Block | | | | | | | |
| As at March 31, 2014 | 9,287.31 | 14,857.51 | 2,778.45 | 9,261.54 | 726.60 | 36,911.41 | 40.01 |
| Additions | - | 16.23 | 108.62 | 286.63 | 51.75 | 463.23 | |
| Sales /Adjustment /Transfer | - | (4.10) | (172.78) | (119.91) | (35.66) | (332.43) | (32.64) |
| As at March 31, 2015 | 9,287.31 | 14,869.64 | 2,714.30 | 9,428.25 | 742.69 | 37,042.21 | 7.37 |
| Additions | 31.93 | 11.85 | 12.95 | 64.82 | | 121.55 | 913.42 |
| Sales /Transfer during the year | - | (0.05) | (45.37) | (60.52) | (88.17) | (194.12) | (7.37) |
| Adjustment | | (148.97) | | 148.97 | | - | - |
| As at March 31, 2016 | 9,319.24 | 14,732.47 | 2,681.88 | 9,581.52 | 654.52 | 36,969.65 | 913.43 |
| Depreciation | | | | | | | |
| As at March 31, 2014 | - | 2,635.91 | 2,485.57 | 4,867.14 | 350.61 | 10,339.22 | - |
| Charge for the year | - | 246.13 | 72.03 | 898.63 | 57.06 | 1,273.84 | - |
| Charge to opening reserve | - | - | 1.80 | 0.73 | - | 2.53 | - |
| Sales /Adjustment /Transfer | - | (0.77) | (164.44) | (78.71) | (26.24) | (270.16) | - |
| As at March 31, 2015 | - | 2,881.27 | 2,394.96 | 5,687.79 | 381.43 | 11,345.43 | - |
| Charge for the year | | 387.53 | 57.80 | 935.75 | 84.83 | 1,465.90 | - |
| Sales /Transfer during the year | | (0.01) | (41.54) | (44.79) | (73.45) | (159.78) | - |
| Adjustment | | (69.79) | | 69.79 | | - | - |
| As at March 31, 2016 | | 3,199.00 | 2,411.22 | 6,648.53 | 392.81 | 12,651.54 | - |
| Net Block | | | | | | | |
| As at March 31, 2016 | 9,319.24 | 11,533.47 | 270.66 | 2,932.99 | 261.71 | 24,318.10 | 913.43 |
| As at March 31, 2015 | 9,287.31 | 11,988.37 | 319.34 | 3,740.46 | 361.26 | 25,696.78 | 7.37 |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

13 Non current investments

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|------------------------|--------------------|------------------------|--------------------|
| | Number | Amount Rs. Lacs | Number | Amount Rs. Lacs |
| Trade Investments (valued at cost unless stated otherwise) | | | | |
| Shares in subsidiary companies | | | | |
| Equity Shares - Unquoted | | | | |
| Aria Hotels & Consultancy Services Private Limited | 59,610,000 | 11,497.00 | 59,610,000 | 11,497.00 |
| Equity shares of Rs.10/- each | | | | |
| | 59,610,000 | 11,497.00 | 59,610,000 | 11,497.00 |
| Preferences Shares - Unquoted | | | | |
| Aria Hotels & Consultancy Services Private Limited | | | | |
| Compulsorily Convertible Preference share of Rs. 10/- each | 3,861,538 | 1,004.00 | 3,861,538 | 1,004.00 |
| Optional Convertible Preference Shares. | 24,133,333 | 7,240.00 | 24,133,333 | 7,240.00 |
| | 27,994,871 | 8,244.00 | 27,994,871 | 8,244.00 |
| Total | 87,604,871 | 19,741.00 | 87,604,871 | 19,741.00 |
| Cost of unquoted shares | | 19,741.00 | | 19,741.00 |

14 Loans and advances (unsecured considered good)

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Long term Rs. Lacs | Short term Rs. Lacs | Long term Rs. Lacs | Short term Rs. Lacs |
| Security deposits | 3,217.21 | - | 3,213.65 | - |
| Advances recoverable in cash or in kind (Considered good) | - | 595.35 | - | 381.90 |
| Prepaid expenses | - | 136.40 | 202.80 | 229.38 |
| Advance to suppliers/contractors | - | 57.21 | - | 67.38 |
| Advance to employees | - | 3.50 | 8.32 | 1.80 |
| Advance tax (net of provision or Rs. 174.21 lacs (previous year Rs. 1206 lacs)) | 490.75 | - | 299.54 | - |
| Balances with statutory authorities | - | 116.92 | - | 83.20 |
| Total | 3,707.96 | 909.38 | 3,724.32 | 763.66 |

15 Inventories

(Valued at lower of cost and net realizable value)

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|---|------------------------------------|------------------------------------|
| Wines & liquor | 113.56 | 118.75 |
| Provisions, other beverages and smokes | 23.81 | 21.31 |
| Crockery, cutlery, silverware, linen etc. | 122.54 | 125.96 |
| General stores and spares | 55.09 | 52.45 |
| Shares in trade | 3.19 | 3.95 |
| Total | 318.19 | 322.42 |

16 Trade receivables (Unsecured, considered good unless otherwise stated)

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|---|------------------------------------|------------------------------------|
| Outstanding for a period exceeding six months from the due date | | |
| Considered good | 3.30 | 0.99 |
| Outstanding for a period less than six months from the due date | | |
| Considered good | 469.99 | 542.34 |
| Total | 473.29 | 543.33 |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

17 Cash and cash equivalents

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|---|------------------------------------|------------------------------------|
| Cash and bank balances | | |
| Balances with banks in current accounts | 274.75 | 218.51 |
| Cash on hand | 6.58 | 7.84 |
| Cheques in hand | 27.75 | 23.02 |
| | <u>309.08</u> | <u>249.37</u> |
| Other bank balances | | |
| Dividend accounts | 24.14 | 21.21 |
| | <u>24.14</u> | <u>21.21</u> |
| Total | <u>333.22</u> | <u>270.58</u> |

18 Other Current Asset

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|------------------|------------------------------------|------------------------------------|
| Unbilled revenue | 22.64 | 71.89 |
| Total | <u>22.64</u> | <u>71.89</u> |

19 Revenue from operations

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|--|---|---|
| Sale of services | | |
| Rooms | 8,374.72 | 8,612.71 |
| Wines and liquor | 569.66 | 620.78 |
| Food, other beverages, smokes & banquets | 3,470.81 | 3,429.34 |
| Others | 742.64 | 774.66 |
| Total | <u>13,157.83</u> | <u>13,437.49</u> |

20 Other income

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|--------------------------------|---|---|
| Interest Income | 0.07 | 0.18 |
| Dividend Income | 7.47 | 4.42 |
| Profit on sale of Fixed Assets | 13.74 | 3.77 |
| Rental Income | 380.90 | 191.05 |
| Miscellaneous Income | 38.47 | 3.76 |
| Total | <u>440.65</u> | <u>203.18</u> |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

21 Consumption of provisions, beverages, smokes and others

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|---|---|---|
| Wines & liquor | | |
| Opening stock | 118.75 | 102.93 |
| Add : Purchases | 210.89 | 215.94 |
| | <u>329.64</u> | <u>318.87</u> |
| Less : Closing stock | 113.56 | 118.75 |
| | <u>216.08</u> | <u>200.12</u> |
| Food, provisions, other beverages and smokes | | |
| Opening stock | 21.31 | 19.97 |
| Add : Purchases | 1,055.71 | 1,091.44 |
| | <u>1,077.02</u> | <u>1,111.43</u> |
| Less : Closing stock | 23.81 | 21.31 |
| | <u>1,053.21</u> | <u>1,090.12</u> |
| Total | <u>1,269.29</u> | <u>1,290.24</u> |
| Indigeneous | 1,041.59 | 1,129.29 |
| Imported | 227.70 | 160.95 |

22 Employee benefit expenses

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|---|---|---|
| Salaries, wages, allowances & commission | 2,459.77 | 2,210.46 |
| Contribution to gratuity, provident and other funds | 160.84 | 162.59 |
| Staff welfare expenses* | 347.17 | 331.67 |
| Contract labour & services | 504.92 | 504.81 |
| Total | <u>3,472.70</u> | <u>3,209.53</u> |
| *includes: | | |
| Cost of provisions consumed in staff cafeteria | 183.22 | 161.05 |
| Realisation on sale of food coupons to staff | | |

23 Finance Cost

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|-----------------------|---|---|
| Interest on | | |
| Debentures | - | 144.89 |
| Term Loans | 2,014.43 | 1,892.10 |
| Vehicle loans | 10.87 | 13.82 |
| Cash credit facility | 3.41 | 20.29 |
| Other Borrowing Costs | 277.25 | 110.30 |
| Total | <u>2,305.96</u> | <u>2,181.40</u> |

24 Other expenses

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|--|---|---|
| Consumption of linen, room, catering and other supplies/services | 308.28 | 293.17 |
| Operating equipments and supplies written off | 87.61 | 99.4 |
| Fuel, power and light (Net) | 1,507.30 | 1,489.18 |
| Repairs, maintenance and refurbishing* | 957.66 | 946.26 |
| Rent | 13.38 | 13.89 |
| Rates and taxes | 406.38 | 548.92 |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|--|---|---|
| Insurance | 58.22 | 59.14 |
| Directors' sitting fee | 5.64 | 6.12 |
| Legal and professional expenses | 240.42 | 165.11 |
| Music & television | 14.85 | 54.48 |
| Artist fee | 0.64 | 1.04 |
| Stationery and printing | 24.58 | 46.29 |
| Travelling and conveyance | 376.16 | 379.28 |
| Communication expenses | 81.15 | 90.68 |
| Technical services | 535.17 | 560.90 |
| Advertisement and publicity | 262.49 | 271.46 |
| Commission and brokerage | 692.72 | 789.67 |
| Bank charges | 2.61 | 5.16 |
| Charity & donation | 12.86 | 15.48 |
| Gain/(loss) on trading of shares/derivatives | 0.75 | - |
| Loss on fixed assets sold/discarded (net) | 24.49 | 49.22 |
| Recruitment & training | 36.43 | 37.49 |
| Miscellaneous | 100.30 | 78.11 |
| Total | 5,750.09 | 6,000.45 |
| * | | |
| Repairs & maintenance - buildings | 312.48 | 328.53 |
| Repairs & maintenance - plant & machinery | 421.63 | 424.75 |
| Repairs & maintenance - others | 223.55 | 192.98 |

25 Earnings Per Share

| | | |
|--|------------|------------|
| Loss for the year | (387.22) | (213.54) |
| Weighted average of number of equity shares used in computing basic earnings per share | 11,458,303 | 11,458,303 |
| Basic earnings per share | (3.38) | (1.86) |
| Weighted average of number of equity shares including potential dilutive shares* | 11,458,303 | 11,458,303 |
| Diluted earnings per share | (3.38) | (1.86) |

*Subject to exit provision of the investment agreement, statutory and other approval if any, the Company and subsidiary Company - M/s Aria Hotels and Consultancy Services Pvt. Ltd. (ARIA) had to provide the investor (IL&FS) group the exit option after March 31, 2013. However since the option is under deliberation with the investor and not concluded 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 earnings per share.

26. Contingent Liabilities not provided for in respect of:

| Particulars | Amount as at March 31, 2016 (Rs. Lacs) | Amount as at March 31, 2015 (Rs. Lacs) |
|---|--|--|
| Duty Saved against Export obligation | 87.10 | 146.62 |
| Corporate Guarantees on behalf of Subsidiaries | 2296.92 | 2834.79 |
| Show cause Notice raised by Service Tax Authorities and contested by the company. | 515.00 | 515.00 |
| Show cause Notice raised by Service Tax Authorities and contested by the company. (refer note 29) | 40.37 | 40.37 |
| Property Tax Demand (Refer Note 30) | 266.55 | 266.55 |
| Maharashtra VAT Act, 2002 | | |
| Demand Notice raised for VAT Assessment FY 2010-11 and contested by the company. | 244.00 | - |
| Demand Notice raised for VAT Assessment FY 2011-12 and contested by the company. | 87.00 | - |
| Consumer dispute redressal forum Mumbai – Guest compliant for forfeiture of event deposit | 19.00 | 19.00 |

27. Pursuant to the Scheme of Arrangement & Demerger, Hyatt Regency, Mumbai was transferred to and vested in the Company. The Company has applied to the concerned authority for adjudication of stamp duty applicable on conveyance of the property title in favour of the Company, which has not been ascertained. Maximum liability which could be levied is estimated at Rs. 1500 Lacs.

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

28. Capital and other Commitments :

| Particulars | 2015-16 Rs. Lacs | 2014-15 Rs. lacs |
|--|-----------------------------|---------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 67.98 | 48.06 |
| Other Commitments | 60.47 | 46.52 |
| Amount payable to Yes Bank Limited as a facility arrangement fee (refer note 37). | 1,200 | - |

29. Company has received refund of Rs. 55.56 lacs out of Rs. 95.94 lacs towards the amount paid under protest for the Service Tax demand raised in earlier years. The petition is already filed with Tribunal Authorities for refund of remaining amount and hence been included under "Loans and Advances" as "Claims Recoverable". On February 9, 2016 Asst. Commissioner of Refund has rejected company refund claims on ground of unjust enrichment and does not prove that burden of tax paid was not passed to the customer directly or by way of increase in the cost of services. Company has filed Appeal with Commissioner of Appeal contesting department claims.

30. The Company has received property tax demand of Rs. 569.18 lacs from Mumbai Municipal Corporate ("MMC") based on capital value system which is retrospectively from April 01, 2010, out of which, we have already booked and paid Rs. 302.63 lacs in our books of accounts pertaining from Financial Year 2010-11 to 2014-15. Hotels & Restaurant Association (Maharashtra) has filed a writ application in the High Court of Bombay against the new capital value system.

Hon'ble High Court has passed an interim Order on February 24, 2014 directing all petitioners to pay municipal property tax at pre-amended rates plus 50% of the differential tax between rateable value system and capital value system. Final decision of Hon'ble High Court is pending. Meanwhile company has made provision as per Interim High Court Order for the demand raised by MMC in the financial statements.

31. 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.

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

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|---------------------------------|-------------------------|
| a. Not later than one year | 18.38 | 17.42 |
| b. Later than one year and not later than five years | 84.20 | 79.81 |
| c. Later than five years | 547.24 | 570.01 |

(Rs. in Lacs)

33. Auditors Remuneration (Exclusive of Service Tax):

| Particulars | Year ended March 31, 2016 Rs. Lacs | Year ended March 31, 2015 Rs. Lacs |
|------------------------|---|--|
| a. Statutory Audit Fee | 11.00 | 9.00 |
| b. Tax Audit Fee | 2.00 | 2.00 |
| c. Limited Review Fee | 3.00 | 3.00 |
| Total | 16.00 | 14.00 |

34. 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, 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 are 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 taken into account. Again a long- term view as to the trend in salary increase rates is taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

- a. The following tables set out the unfunded status of the gratuity plan and earned leave and amounts recognized in the Company's financial statements as at March 31, 2016

i. **Change in benefit obligations:**

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|--|---------------------|---------------------|---|---------------------|
| | 2015-16 Rs. lacs | 2014-15 Rs. lacs | 2015-16 Rs. lacs | 2014-15 Rs. lacs |
| Present value of obligations as at the beginning of the year | 331.91 | 285.49 | 61.56 | 56.88 |
| Current service cost | 42.02 | 38.31 | 17.88 | 15.48 |
| Interest cost | 26.55 | 22.84 | 4.92 | 4.55 |
| Benefit Paid | (31.15) | (8.34) | (44.90) | (12.15) |
| Actuarial (gain)/ loss on obligation | 8.58 | (6.39) | 14.98 | (3.19) |
| Present value of obligations as at the year end | (377.91) | 331.91 | 54.45 | 61.56 |

ii. **Expenses recognized in the Statement of Profit and Loss :**

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|--|---------------------|---------------------|---|---------------------|
| | 2015-16 Rs. lacs | 2014-15 Rs. lacs | 2015-16 Rs. lacs | 2014-15 Rs. lacs |
| Current Service cost | 42.02 | 38.31 | 17.88 | 15.48 |
| Interest cost | 26.55 | 22.84 | 4.92 | 4.55 |
| Actuarial (gain)/loss recognized during the year | 8.58 | (6.39) | 14.98 | (3.19) |
| Net charge/(credit) | 77.15 | 54.76 | 37.79 | 16.48 |

iii. **Amount recognized in balance Sheet :**

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|---|---------------------|---------------------|---|---------------------|
| | 2015-16 Rs. lacs | 2014-15 Rs. lacs | 2015-16 Rs. lacs | 2014-15 Rs. lacs |
| Present value of obligations as at the end of the year | 377.91 | 331.91 | 54.45 | 61.56 |
| Fair value of plan assets as at the end of the period | - | - | - | - |
| Funded status / Difference | (377.91) | (331.91) | (54.45) | (61.56) |
| Excess of actual over estimated | - | - | - | - |
| Unrecognized actuarial (gain)/ losses | - | - | - | - |
| Net assets/ (liability) recognized in the balance sheet | (377.91) | (331.91) | (54.45) | (61.56) |

iv. **Bifurcation of PBO at the end of year**

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|------------------------------|-------------------------------|-------------------------------|---|-------------------------------|
| | As at 31/03/16 Rs. lacs | As at 31/03/15 Rs. lacs | As at 31/03/16 Rs. lacs | As at 31/03/15 Rs. lacs |
| | Current liability | 139.9 | 123.00 | 6.97 |
| Non-Current liability | 238.03 | 208.91 | 47.48 | 48.16 |
| Total PBO at the end of year | 377.91 | 331.91 | 54.45 | 61.55 |

v. **Disclosure as required by para 120(n) of AS-15**

| Particulars | Gratuity (Unfunded) | | | | |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 15-16 Rs. Lacs | 14-15 Rs. lacs | 13-14 Rs. lacs | 12-13 Rs. lacs | 11-12 Rs. lacs |
| Present value of obligation as at the end of period | 377.91 | 331.91 | 285.49 | 267.31 | 234.97 |
| Fair value of plan assets at the end of the period | - | - | - | - | - |
| Surplus / (Deficit) | (377.91) | (331.91) | (285.49) | (267.31) | (234.97) |
| Experience adjustment on plan Liabilities (loss) / gain | (8.58) | 6.39 | 1.92 | (1.09) | (4.89) |
| Experience adjustment on plan Assets (loss) / gain | - | - | - | - | - |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

| Particulars | Compensated absences Earned leave (Unfunded) | | | | |
|---|--|-------------------|-------------------|-------------------|-------------------|
| | 15-16 Rs. lacs | 14-15 Rs. lacs | 13-14 Rs. lacs | 12-13 Rs. lacs | 11-12 Rs. lacs |
| Present value of obligation as at the end of period | 54.45 | 61.56 | 56.88 | 69.87 | 52.21 |
| Fair value of plan assets at the end of the period | – | – | – | – | – |
| Surplus / (Deficit) | (54.45) | (61.56) | (56.88) | (69.87) | (52.21) |
| Experience adjustment on plan | | | | | |
| Liabilities (loss) / gain | (14.98) | 3.19 | 16.45 | (5.47) | 5.73 |
| Experience adjustment on plan | | | | | |
| Assets (loss) / gain | – | – | – | – | – |

vi. Principal Actuarial Assumptions:

| Particulars | Refer Note below | Year ended 31-Mar-16 | Year ended 31-Mar-15 |
|-------------------------------|------------------|-------------------------|-------------------------|
| 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 are unfunded.

Demographic assumptions:

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

35. In accordance with the Accounting Standard on “ Related Party Disclosures” (AS-18) & Companies Act 2013, 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 Private Limited

(ii) Key Management Personnel

- Mr. Sushil Gupta (Chairman & Managing Director)
- Mr. Sudhir Gupta (Executive Whole –Time Director)
- Mr. Sandeep Gupta (Executive Whole –Time Director)
- Mr. Vivek jain (Company Secretary wef. 14-11-2015)
- Mr. Nikhil Sethi (till 12-09-2015)
- Mr. Rakesh Kumar Aggarwal(Chief Financial Officer)

(iii) Relative of Key Management Personnel

- Ms. Sukriti Gupta (Daughter of Executive Director)
- Mr. Sidharth Agarwal (Son of Chief Financial Officer)

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

- Eden Park Hotels Private Limited
- Bhasin & Co.
- Godfrey Philips India Limited
- Mettel Estates Private Limited

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Balances outstanding/transactions with related parties

| Particulars | Subsidiary Company | Key Management Personnel | Relative of Key Management Personnel | Associate Company | Entities Controlled By Directors & their relatives | Total |
|--|--------------------|--------------------------|--------------------------------------|-------------------|--|----------|
| | Rs. lacs | Rs. lacs | Rs. lacs | Rs. lacs | Rs. lacs | Rs. lacs |
| A. Transactions during the year | | | | | | |
| (i) Purchases/Services availed during the year | | | | | | |
| Bhasin & Co | - | - | - | - | 1.79 | 1.79 |
| | (-) | (-) | (-) | (-) | (11.94) | (11.94) |
| Aria Hotels and Consultancy Services Private Limited * | 66.35 | - | - | - | - | 66.35 |
| | (59.76) | - | - | - | - | (59.76) |
| Mr. Sidharth Agarwal | - | - | 4.95 | - | - | 4.95 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Ms.Sukriti Gupta | - | - | 6.00 | - | - | 6.00 |
| | (-) | (-) | (6.00) | (-) | (-) | (6.00) |
| (ii) Sales/Services Provided during the year | | | | | | |
| Aria Hotels and Consultancy Services Private Limited | 47.76 | - | - | - | - | 47.76 |
| | (48.98) | - | - | - | - | (48.98) |
| Godfrey Philips India Limited | - | - | - | - | 11.87 | 11.87 |
| | (-) | (-) | (-) | (-) | (11.54) | (11.54) |
| (iii) Expenses Paid | | | | | | |
| Aria Hotels and Consultancy Services Private Limited | 2.00 | - | - | - | - | 2.00 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| (iv) Reimbursement of Expenses | | | | | | |
| Aria Hotels and Consultancy Services Private Limited | 2.00 | - | - | - | - | 2.00 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| (v) Advances Given | | | | | | |
| Aria Hotels and consultancy services Pvt ltd | 100.00 | - | - | - | - | 100.00 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| (vi) Advances Received Back | | | | | | |
| Aria Hotels and consultancy services Pvt ltd | 100.00 | - | - | - | - | 100.00 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Mr. Nikhil Sethi | - | 4.40 | - | - | - | 4.40 |
| | (-) | (1.20) | (-) | (-) | (-) | (1.20) |
| (vii) Advances Received | | | | | | |
| Mr. Sushil Gupta | - | - | - | - | - | - |
| | (-) | (207.00) | (-) | (-) | (-) | (207.00) |
| (viii) Managerial remuneration/Salary | | | | | | |
| Mr. Sushil Gupta# | - | 128.77 | - | - | - | 128.77 |
| | (-) | (107.76) | (-) | (-) | (-) | (107.76) |
| Mr. Sudhir Gupta# | - | 110.11 | - | - | - | 110.11 |
| | (-) | (90.24) | (-) | (-) | (-) | (90.24) |
| Mr. Sandeep Gupta# | - | 109.71 | - | - | - | 109.71 |
| | (-) | (90.24) | (-) | (-) | (-) | (90.24) |
| Mr. Rakesh Aggarwal | - | 43.54 | - | - | - | 43.54 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Mr. Vivek Jain | - | 12.11 | - | - | - | 12.11 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Mr. Nikhil Sethi | - | 24.34 | - | - | - | 24.34 |
| | (-) | (29.09) | (-) | (-) | (-) | (29.09) |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

| | Particulars | Subsidiary Company | Key Management Personnel | Relative of Key Management Personnel | Associate Company | Entities Controlled By Directors & their relatives | Total |
|-----------|--|------------------------|--------------------------|--------------------------------------|-------------------|--|------------------------|
| | | Rs. lacs | Rs. lacs | Rs. lacs | Rs. lacs | Rs. lacs | Rs. lacs |
| (ix) | Investment during the year in Subsidiary Company | | | | | | |
| | Aria Hotels and Consultancy Services Private Limited – | – (2890.00) | – (–) | – (–) | – (–) | – (–) | – (2890.00) |
| (x) | Security Deposit refunded | | | | | | |
| | Aria Hotels and Consultancy Services Private Limited – | 33.29 (–) | – (–) | – (–) | – (–) | – (–) | 33.29 (–) |
| B. | Balances outstanding at the year end | | | | | | |
| (i) | Account Payable | | | | | | |
| | Bhasin & Co. | – (–) | – (–) | – (–) | – (–) | – (1.76) | – (1.76) |
| | Mr. Sushil Gupta | – (–) | 207 (207) | – (–) | – (–) | – (–) | 207 (207) |
| (ii) | Account Receivable | | | | | | |
| | Aria Hotels and Consultancy Services Private Limited | – (8.09) | – (–) | – (–) | – (–) | – (–) | – (8.09) |
| | Mr. Nikhil Sethi | – (–) | – (4.40) | – (–) | – (–) | – (–) | – (4.40) |
| (iii) | Advance Receivable/Security deposit | | | | | | |
| | Aria Hotels and Consultancy Services Private Limited against Security Deposit paid for office space/ commercial space on Lease | 3193.61 (3193.61) | – (–) | – (–) | – (–) | – (–) | 3193.61 (3193.61) |
| (iv) | Investment in Equity / Preference | | | | | | |
| | Aria Hotels and Consultancy Services Private Limited – Preference Shares/ Equity | 19741.00 (19741.00) | – (–) | – (–) | – (–) | – (–) | 19741.00 (19741.00) |

* Service Tax portion reimbursed to Aria Hotels and Consultancy Services Private Limited by company

includes employer contribution to provident fund and all taxable perquisites.

Note : Previous Year Figure has been shown in bracket

36. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 to the extent of information available with the company:

| Particulars | 2015–16 | 2014–15 |
|--|--------------|--------------|
| | Rs. lacs | Rs. lacs |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | – | – |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | – | – |
| The 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 Micro Small and Medium Enterprise Development Act, 2006. | – | – |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | – | – |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | – | – |
| Total | 00.00 | 00.00 |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

37. In April 2016, the company has taken a short term unsecured loan from related party, Mettel Estates Private Ltd of Rs 10000.00 Lacs, Which has been utilized for repaying Kotak Bank Term loan.

In April 2016, the Company has entered into facility arrangement with Yes Bank Limited (YBL) for its entire banking and borrowing facilities. The Company was sanctioned borrowing facilities aggregating to Rs 21500.00 Lacs from the YBL (Term Loan of Rs 20000.00 Lacs, Overdraft Facility of Rs 1000.00 Lacs and Non-fund LC/ BG facility of Rs 500.00 Lacs). Term Loan shall be repayable in 44 structured quarterly installments after 36 months of moratorium period.

38. Details of share held as Stock- in- trade is as under:

| Name of the Company | No. of Shares | | Cost/Market Value whichever is lower | |
|--------------------------|----------------------|----------------------|--------------------------------------|----------------------|
| | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| ICICI Bank Limited | 350 | 350 | .83 | 1.10 |
| Reliance Capital Limited | 500 | 500 | 1.84 | 2.12 |
| State Bank of India | 270 | 270 | .52 | 0.72 |
| Total | | | 3.19 | 3.95 |

39. 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. Lacs |
|------------------|-----------------------|--------------|----------|
| Accounts payable | USD | 3,28,530 | 223.40 |
| | | (7,07,946) | (442.67) |

There is no hedged foreign currency exposure.

Figures in brackets relate to the previous year.

40. (a) C.I.F. Value of Imports

| S. No. | Particulars | As at March 31, 2016 Rs lacs | As at March 31, 2015 Rs lacs |
|--------|--|---------------------------------|---------------------------------|
| a. | Food & Beverages - through canalizing agencies | 63.54 | 74.03 |
| b. | Stores & Spares | 29.10 | 28.36 |
| c. | Capital Goods | 5.08 | 89.13 |
| d. | Beverages- through canalizing agencies | 176.73 | 166.93 |

(b) Expenditure in foreign currency - On payment basis

| S. No. | Particulars | Year ended March 31, 2016 Rs lacs | Year ended March 31, 2015 Rs lacs |
|--------|---------------------------|--------------------------------------|--------------------------------------|
| a. | Technical services | 371.26 | 523.78 |
| b. | Advertisement & Publicity | 31.37 | 27.04 |
| c. | Commission & Brokerage | 301.92 | 260.15 |
| d. | Training & Recruitment | 24.12 | 20.07 |
| e. | Others | 655.94 | 358.84 |

(c) Earnings in Foreign Exchange

| S. No. | Particulars | Year ended March 31, 2016 Rs lacs | Year ended March 31, 2015 Rs lacs |
|--------|------------------|--------------------------------------|--------------------------------------|
| a. | On Receipt basis | 6,962.21 | 7,549.13 |

41. Loan and advances in the nature of Loans (including interest) given to subsidiaries and Joint ventures – Disclosure as per clause 32 of listing agreement with stock exchanges :

| S. No | Particulars | As at 31st March 2016 Rs lacs | Maximum balance during the year Rs lacs |
|-------|--|----------------------------------|--|
| | Subsidiary company | | |
| 1 | Aria Hotels and Consultancy Services Private Limited | Nil | 100 |
| | | Nil | 100 |

ASIAN HOTELS (WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

42. Disclosure required under Section 186(4) of the Companies Act 2013

- a. Particulars of Loans given: Nil
b. Particulars of Guarantee given: Nil
c. Particulars of Investment made:

| S. No. | Name of Investee | Opening Balance | Investment made | Investment redeemed | Outstanding Balance | Purpose |
|---------------------------------------|--|-----------------|-----------------|---------------------|---------------------|----------------------|
| | | Rs. Lacs | Rs. Lacs | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| Investment in equity shares | | | | | | |
| 1 | Aria Hotels and Consultancy Services Private Limited | 11,497 | - | - | 11,497 | Long term Investment |
| Investment in Preference share | | | | | | |
| 2 | Aria Hotels and Consultancy Services Private Limited | 8,244 | - | - | 8,244 | Long term Investment |

- d. Particulars of Security Deposit: NIL

43. There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard 29 on "Provisions, Contingent Liabilities & Contingent Asset".
44. The Company has not recognized 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.
45. In the opinion of Board, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they stated and provision for all known liabilities has been made and considered adequate.
46. During the year, the budget outlay of Rs. 23.07 Lacs (Rs. 11.65 Lacs for current financial year 2015-16 and Rs. 11.42 Lacs unspent amount for the last financial year 2014-15) has been approved by the Board of Directors. As per the programme, the Company has started implementation of CSR activities. However, during the year it was considered pragmatic to spend Rs. 12.37 lacs.
47. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with current year's figures.

As per our report of even date

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

ICAI Firm Registration Number : 000756N

Chartered Accountants

Sunil Wahal

Partner

Membership No. : 087294

Place : New Delhi

Dated : May 24, 2016

For & on behalf of the Board

SUSHIL KUMAR GUPTA

Chairman &
Managing Director

DIN : 00006165

RAKESH KUMAR AGGARWAL

Chief Financial Officer

PAN No. : AAAPA3338D

SANDEEP GUPTA

Executive
(Whole Time) Director

DIN 00057942

VIVEK JAIN

Company Secretary

Membership No. : FCS - 7204

ASIAN HOTELS (WEST) LIMITED

Independent Auditors' Report

To The Members of Asian Hotels (West) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Asian Hotels (West) Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of one subsidiary whose financial statements reflect total assets of Rs. 86,585.47 lacs as at 31st March, 2016, total revenues of Rs. 18,837.40 lacs and net cash outflows amounting to Rs. 664.73 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

ASIAN HOTELS (WEST) LIMITED

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary incorporated in India, none of the directors of the Group incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 25 to the consolidated financial statements.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary incorporated in India.

For S.S.KOTHARI MEHTA & Co.
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 24, 2016

ASIAN HOTELS (WEST) LIMITED

Annexure A to the Independent Auditor's Report to the Members of Asian Hotels (West) Limited dated May 23, 2016 on its consolidated financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

In conjunction with our audit of the consolidated financial statements of Asian Hotels (West) Limited as of and for the year ended March 31, 2016, we have audited the Internal Financial Controls Over Financial Reporting of Asian Hotels (West) Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary, which is companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For S.S.KOTHARI MEHTA & Co.

Chartered Accountants

Firm's Registration No. 000756N

Sunil Wahal

Partner

Membership No. 087294

Place: New Delhi

Date: May 24, 2016

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

| | Notes | As at March 31, 2016 (Rs. in Lacs) | As at March 31, 2015 (Rs. in Lacs) |
|--|-------|--|--|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 3 | 1,145.83 | 1,145.83 |
| Reserves and Surplus | 4 | 16,311.89 | 21,506.30 |
| Total shareholders' fund | | 17,457.72 | 22,652.13 |
| MINORITY INTEREST | | 1,903.92 | 2,958.20 |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 5 | 72,736.20 | 71,394.84 |
| Deferred tax liabilities (Net) | 6 | 2,690.48 | 2,944.94 |
| Other long term liabilities | 7 | 10,720.34 | 10,460.42 |
| Long - term provisions | 8 | 362.11 | 314.99 |
| Total non - current liabilities | | 86,509.13 | 85,115.19 |
| CURRENT LIABILITIES | | | |
| Short term borrowings | 9 | 761.11 | 762.86 |
| Trade payables | 10 | | |
| Total outstanding dues of micro and small enterprises | | 1.78 | 1.23 |
| Total outstanding dues of creditors other than micro and small enterprises | | 2,246.91 | 2,301.17 |
| Other current liabilities | 11 | 5,221.19 | 4,675.50 |
| Short - term provisions | 8 | 286.32 | 293.74 |
| Total current liabilities | | 8,517.31 | 8,034.50 |
| Total | | 1,14,388.08 | 1,18,760.02 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | | | |
| Tangible Assets | 12 | 94,223.62 | 99,119.73 |
| Intangible Assets | | 224.51 | 266.79 |
| Capital work-in-progress | | 954.82 | 30.75 |
| Long Term Loans and Advances | 13 | 13,753.31 | 13,541.66 |
| Other Non Current Assets | 17 | 0.90 | 0.90 |
| Total non - current assets | | 1,09,157.16 | 1,12,959.84 |
| CURRENT ASSETS | | | |
| Inventories | 14 | 803.78 | 788.28 |
| Trade receivables | 15 | 1,329.15 | 1,523.69 |
| Cash and cash equivalents | 16 | 1,467.99 | 2,070.06 |
| Short - term loans and advances | 13 | 1,597.18 | 1,338.49 |
| Other current assets | 17 | 32.82 | 79.66 |
| Total current assets | | 5,230.92 | 5,800.18 |
| Total | | 1,14,388.08 | 1,18,760.02 |

SIGNIFICANT ACCOUNTING POLICIES

1 - 44

Accompanying notes form an integral part of the Financial Statements

As per our report of even date

For & on behalf of the Board

For S.S. KOTHARI MEHTA & CO.

ICAI Firm Registration Number : 000756N

Chartered Accountants

Sunil Wahal

Partner

Membership No. : 087294

Place : New Delhi

Dated : May 24, 2016

SUSHIL KUMAR GUPTA

Chairman &
Managing Director

DIN : 00006165

RAKESH KUMAR AGGARWAL

Chief Financial Officer

PAN No. : AAAPA3338D

SANDEEP GUPTA

Executive
(Whole Time) Director

DIN 00057942

VIVEK JAIN

Company Secretary

Membership No. : FCS - 7204

ASIAN HOTELS (WEST) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | Year ended March 31, 2016 (Rs. in Lacs) | Year ended March 31, 2015 (Rs. in Lacs) |
|--|-------|---|---|
| INCOME | | | |
| Revenue From Operations | 18 | 31,924.70 | 27,447.28 |
| Less : Excise Duty | | 7.52 | 7.02 |
| | | <u>31,917.18</u> | <u>27,440.26</u> |
| Other Income | 19 | 463.42 | 266.83 |
| Total Revenue | | <u>32,380.60</u> | <u>27,707.09</u> |
| EXPENSES | | | |
| Consumption of provisions, beverages, smokes and others | 20 | 3,703.49 | 3,236.85 |
| Employee benefit expenses | 21 | 6,565.37 | 5,987.47 |
| Finance cost | 22 | 9,568.56 | 9,526.78 |
| Depreciation and amortization expense | 12 | 5,238.28 | 4,938.24 |
| Other expenses | 23 | 13,701.44 | 12,790.34 |
| Total Expenses | | <u>38,777.14</u> | <u>36,479.68</u> |
| Loss before tax | | <u>(6,396.54)</u> | <u>(8,772.59)</u> |
| Tax expense | | | |
| Current Tax | | - | 29.81 |
| Earlier Year Tax | | (31.28) | - |
| Deferred Tax charge/(Credit) | | (254.48) | (138.08) |
| Loss after Tax | | <u>(6,110.78)</u> | <u>(8,664.32)</u> |
| Minority Share of Profit/(Loss) | | <u>(1,054.28)</u> | <u>(1,556.71)</u> |
| Loss for the Year | | <u>(5,056.50)</u> | <u>(7,107.61)</u> |
| Earning per Equity Share (Nominal value per Share Rs. 10/-) | 24 | | |
| Basic | | (44.13) | (62.03) |
| Diluted | | (44.13) | (62.03) |

SIGNIFICANT ACCOUNTING POLICIES

1 - 44

Accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For & on behalf of the Board

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

ICAI Firm Registration Number : 000756N

Chartered Accountants

Sunil Wahal

Partner

Membership No. : 087294

Place : New Delhi

Dated : May 24, 2016

SUSHIL KUMAR GUPTA

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Executive
(Whole Time) Director

DIN 00057942

VIVEK JAIN

Company Secretary

Membership No. : FCS - 7204

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| | 2015-16 (Rs. in Lacs) | 2014-15 (Rs. in Lacs) |
|--|--------------------------|--------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | (6,396.54) | (8,772.59) |
| Adjustment for: | | |
| Depreciation | 5,238.28 | 4,935.82 |
| (Profit)/Loss on sale of fixed assets | 21.29 | 51.54 |
| Dividend Income on Investment | (7.47) | (4.42) |
| Interest Paid | 9,568.56 | 9,531.95 |
| Interest Earned | (42.50) | (22.72) |
| | <u>14,778.16</u> | <u>14,492.17</u> |
| Operating profit before working capital charges | 8,381.62 | 5,719.58 |
| Adjustments for: | | |
| (Increase)/Decrease in Inventories | (15.49) | 456.65 |
| (Increase)/Decrease in trade receivables | 194.54 | (310.01) |
| (Increase)/Decrease in loans and advances | (948.95) | (70.92) |
| Increase/(Decrease) in trade payables | 132.58 | (1,898.43) |
| Increase/(Decrease) in provisions | 169.18 | (224.03) |
| | <u>(468.14)</u> | <u>(2,046.75)</u> |
| Cash generated from operations | 7,913.48 | 3,672.83 |
| Direct taxes paid (Net) | (191.21) | (331.99) |
| Net cash from Operating Activities (A) | 7,722.27 | 3,340.84 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (1,292.18) | (1,547.22) |
| Sale of fixed assets | 46.98 | 316.27 |
| Sale/(Purchase) of Investments | - | 0.13 |
| Dividend Income on Investment | 7.50 | 4.42 |
| Net Cash from Investing Activities (B) | (1,237.70) | (1,226.40) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of Borrowings | (966.79) | 16,229.46 |
| Proceeds of Borrowings | 3,381.69 | (7,201.62) |
| Interest Paid | (9,541.62) | (9,531.95) |
| Interest Earned | 40.09 | 22.72 |
| Net Cash from Financing activities [C] | (7,086.63) | (481.39) |
| Net Increase/ (Decrease) in Cash Equivalent [A+B+C] | (602.07) | 1,633.05 |
| Cash and Cash equivalent (Beginning of the year) | 2,070.96 | 437.89 |
| Cash and Cash equivalent (End of the year) | <u>1,468.89</u> | <u>2,070.96</u> |
| | <u>1,468.89</u> | <u>2,070.96</u> |

Notes:

Figures in bracket represent Cash Outflow.

Previous Year's figures have been regrouped/rearranged wherever necessary.

Components of cash and cash equivalents as at

| | | |
|---|-----------------|-----------------|
| Balances with banks in current accounts | 1,057.90 | 975.54 |
| Cash on hand | 15.38 | 16.75 |
| Cheques in hand | 27.75 | 75.95 |
| Dividend accounts | 24.14 | 21.21 |
| Deposit Account | 342.82 | 980.61 |
| Non Current Bank Balances | 0.90 | 0.90 |
| | <u>1,468.89</u> | <u>2,070.96</u> |

As per our report of even date

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

ICAI Firm Registration Number : 000756N

Chartered Accountants

Sunil Wahal

Partner

Membership No. : 087294

Place : New Delhi

Dated : May 24, 2016

For & on behalf of the Board

SUSHIL KUMAR GUPTA

Chairman &
Managing Director

DIN : 00006165

RAKESH KUMAR AGGARWAL

Chief Financial Officer

PAN No. : AAAPA3338D

SANDEEP GUPTA

Executive
(Whole Time) Director

DIN 00057942

VIVEK JAIN

Company Secretary

Membership No. : FCS - 7204

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Background of the Company

The Company was incorporated as Chillwinds Hotels Private Limited on January 8, 2007, under the Companies Act, 1956. The Company had entered into a Scheme of Arrangement and Demerger with M/s Asian Hotels Limited pursuant to which Hyatt Regency, Mumbai was transferred to and vested in the Holding Company. The name of the Company was further changed to Asian Hotels (West) Limited (the company or holding company) w.e.f February 12, 2010.

The Company has one subsidiary "Aria Hotels and Consultancy Services Private Limited ("Aria"). The Company and Aria collectively called "the Group". Aria has entered into Development Agreement, dated July 4, 2009, with Delhi International Airport Private Limited for acquiring Development Rights by way of a license over the specified area at the Airport site for developing, designing, financing, constructing, owning, operating and maintaining an upscale and Luxury hotel property till May 02, 2036 extendable up to May 02, 2066 (in case DIAL's term under Operation, Maintenance and Development Agreement (OMDA) is extended for additional period of 30 years).

The Company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (Rs).

2. Significant accounting policies:

a. Basis of accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on 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.
- 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.
- v. License fee from sub license rights are recognized on accrual basis over the period of space/sub licensing agreement.

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 from bank.

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).

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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 specified percentage of salary. It is a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss 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/adjustment 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.

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.

Subsidiary company considered Main Building (RCC) life 52 years based on development agreement entered with Delhi International Airport Private Limited.

ii. Change in accounting policy

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The Company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of tangible fixed assets.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its tangible fixed assets. Now, the Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

Had the Company continued to use the earlier policy of depreciating tangible fixed assets, depreciation and loss for the current period would have been lower by Rs. 242.73 lacs.

iii. Depreciation

- a. Depreciation as per straight line method is charged in the accounts.
- b. The charge is on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013 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.
- c. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed six years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds six years, the Company amortizes the intangible asset over the best estimate of its useful

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

life. Such intangible assets are tested for impairment annually, either individually or at the cash-generating unit level.

i. Investments

Investments that are readily realizable 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 recognized in the Statement of Profit and Loss. 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 Statement of Profit and Loss. 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. Shares held as Stock-in-trade are valued at cost or market value whichever is lower.
- iii. Net realizable value is estimated selling/realizable value in the normal course of business less cost of completing the sale.

Cost is determined on weighted average basis.

n. Leases/License

When the Company is the lessee/licensee

Leases/License where the lessor/licensor effectively retains substantially all the risks and benefits of ownership of the leased/licensed item, are classified as operating leases/license. Operating lease/license payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease/license term.

When the Company is the lessor/licensor

Assets subject to operating leases/license are included in fixed assets. Lease/License income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease/licensed term. Costs including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

o. 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).

p. 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.

q. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash/cheques in hand and fixed deposits with banks with maturity period of three months or less.

r. Dividend

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

s. 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 future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

t. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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.

u. Principles of consolidation

The Consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) – “Consolidated Financial Statements”. The Consolidated financial statements comprise the financial statements of Asian Hotels (West) Limited and its subsidiary Aria Hotels & Consultancy Services Private Limited (Aria) (81.58% Stake), Incorporated in India.

3 Share capital

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|---------------------|--------------------|---------------------|--------------------|
| | Number | Amount Rs. Lacs | | Amount Rs. Lacs |
| Authorised | | | | |
| Equity shares of Rs. 10/- each | 1,40,00,000 | 1,400.00 | 1,40,00,000 | 1,400.00 |
| Preference shares of Rs. 10/- each | 1,10,00,000 | 1,100.00 | 1,10,00,000 | 1,100.00 |
| | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500 |
| Issued, subscribed & paid up | | | | |
| Equity shares of Rs. 10/- each* | 1,14,58,303 | 1,145.83 | 1,14,58,303 | 1,145.83 |
| Total | 1,14,58,303 | 1,145.83 | 1,14,58,303 | 1,145.83 |

* Include 11,401,782 equity shares issued pursuant to the Scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide Order dated January 13, 2010.

a. Reconciliation of the number of shares outstanding -

| | As at 31 March 2016 Number | As at 31 March 2015 Number |
|--|----------------------------------|----------------------------------|
| Equity shares outstanding at the beginning of the year | 1,14,58,303 | 1,14,58,303 |
| Add: issued during the year | – | – |
| Equity shares outstanding at the close of the year | 1,14,58,303 | 1,14,58,303 |

b. Rights, restrictions and preferences attached to each class of Share

"The Company has two class of Shares i.e Equity and Preference having a par value of Rs. 10/- each. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. Subject to the provisions of the Investment Agreement entered into between the Company, its subsidiary & the investors (IL&FS Group), statutory and other approvals, if any, the Company and the subsidiary company – M/s Aria Hotels & Consultancy Services Private Limited(Aria) shall provide the investors (IL&FS Group) the exit option after March 31, 2013 by way of merger of the company with Aria or swap of investors' securities with the equity shares of AHWL or otherwise, not exceeding 14% of the paid up equity of the Company, on fully diluted basis, which is under discussion with the investor."

During the last five years, the company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

The Board of Directors have proposed a Dividend 10 % (Previous Year 10%) i.e. dividend of Rs. 1 /- per equity share (Previous Year Rs. 1.00/- per share) subject to approval of the shareholders at the ensuing Annual General Meeting.

c. Details of shareholders holding more than 5% shares in the Company

| Name of shareholder | As at 31 March 2016 | | As at 31 March 2015 | |
|--|---------------------|-----------|---------------------|-----------|
| | No of Shares | % holding | No of Shares | % holding |
| D.S.O. Limited (Equity Shares of Rs. 10/- each fully paid up) | 53,36,880 | 46.58% | 53,36,880 | 46.58% |

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

4 Reserves & Surplus

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|---|------------------------------------|------------------------------------|
| Capital reserve | | |
| Opening balance | 2,974.61 | 2,974.61 |
| Add: Transferred from statement of profit & loss | - | - |
| Closing balance | <u>2,974.61</u> | <u>2,974.61</u> |
| Capital redemption reserve | | |
| Opening balance | 990.00 | 990.00 |
| Add: Transferred from statement of profit & loss | - | - |
| Closing balance | <u>990.00</u> | <u>990.00</u> |
| Securities premium reserve | | |
| Opening balance | 144.36 | 144.36 |
| Add : Received during the year | - | - |
| Less: received during the year | - | - |
| Closing balance | <u>144.36</u> | <u>144.36</u> |
| General reserve | | |
| Opening balance | 15,653.24 | 15,653.24 |
| Add: Transferred from statement of profit & loss | - | - |
| Closing balance | <u>15,653.24</u> | <u>15,653.24</u> |
| Surplus/ (deficit) in the statement of profit and loss | | |
| Opening balance | 1,744.09 | 7,860.82 |
| Add: Transfer from debenture redemption reserve | - | 1,131.25 |
| Less: Depreciation on account of change in useful lives of assets as per Companies Act 2013 | - | (3.32) |
| Add: Deferred tax related to depreciation charged | - | 0.86 |
| Add: Profit for the year | (5,056.50) | (7,107.61) |
| Amount available for appropriation | <u>(3,312.41)</u> | <u>1,882.00</u> |
| Less: Appropriations | | |
| Transfer to general reserve | - | - |
| Proposed dividend on equity shares | 114.58 | 114.58 |
| Dividend distribution tax | 23.33 | 23.33 |
| Closing balance | <u>(3,450.32)</u> | <u>1,744.09</u> |
| Total | <u><u>16,311.89</u></u> | <u><u>21,506.30</u></u> |

5 Long term borrowings

| | As at 31 March 2016 | | | As at 31 March 2015 | | |
|---|-------------------------|---------------------|-------------------|-------------------------|---------------------|-------------------|
| | Non Current Rs. lacs | Current Rs. lacs | Total Rs. lacs | Non-Current Rs. lacs | Current Rs. lacs | Total Rs. lacs |
| Secured | | | | | | |
| Term Loans from | | | | | | |
| Banks* | 68,657.95 | 979.01 | 69,636.96 | 66,766.97 | 319.05 | 67,086.02 |
| Non banking financial Institution** | 2,592.75 | 898.46 | 3,491.21 | 2,920.37 | 719.55 | 3,639.92 |
| Lease Rental Discounting Loan*** | 1,278.50 | 222.00 | 1,500.50 | 1,500.50 | 222.00 | 1,722.50 |
| Unsecured from(\$) | | | | | | |
| Chairman & Managing Director | 207.00 | - | 207.00 | 207.00 | - | 207.00 |
| Total | <u>72,736.20</u> | <u>2,099.47</u> | <u>74,835.67</u> | <u>71,394.84</u> | <u>1,260.60</u> | <u>72,655.44</u> |
| Amount disclosed under the head "Other Current Liabilities" Refer Note No - 11 as : | | | | | | |
| Current maturities of Long-term debts | | (2,099.47) | (2,099.47) | - | (1,260.60) | (1,260.60) |
| Total | - | <u>(2,099.47)</u> | <u>(2,099.47)</u> | - | <u>(1,260.60)</u> | <u>(1,260.60)</u> |
| Net Amount | <u>72,736.20</u> | <u>-</u> | <u>72,736.20</u> | <u>71,394.84</u> | <u>-</u> | <u>71,394.84</u> |

Nature of Security and Terms of Repayment

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

* Term Loans (holding Company)

Term loans originally obtained from Kotak Mahindra Bank Limited have been rescheduled vide letter dated 10th June 2014. After Rescheduling of Loan, following facilities are used by the Company over the tenure of facility, repayable by way of 144 unequal monthly installments starting from June 2014 to May 2026.

| | Sanctioned Amount | Outstanding amount as at March 31, 2016 | Outstanding amount as at March 31, 2015 |
|---|-------------------|---|---|
| | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| Kotak Mahindra Bank Loan | 3,100.00 | 2,999.76 | 2,555.36 |
| Kotak Mahindra Bank Loan A/c | 1,800.00 | 1,724.98 | 1,765.90 |
| Kotak Mahindra Bank Loan A/c | 4,525.00 | 4,336.46 | 4,439.30 |
| Kotak Mahindra Bank Loan (Purchase of Commercial Space) | 1,953.39 | 1,871.99 | 1,916.39 |
| Kotak Mahindra Bank Loan (Purchase of Office Space) | 1,187.40 | 1,137.90 | 1,164.90 |
| Kotak Mahindra Bank Loan | 842.55 | 807.35 | 3,500.00 |
| Grand Total | 13,408.35 | 12,878.44 | 15,341.86 |

The above facilities are inter alia secured by first pari passu charge on all existing and future current assets, moveable fixed assets and immoveable properties being land & building of Hotel Hyatt Regency, Mumbai and by Personal Guarantee of Mr. Sushil Gupta, Chairman and Managing Director.

* Term Loans (Subsidiary Company)

-Term loans originally obtained from above Consortium of banks (with the Union Bank of India as lead bank) amounting to 4,500,513,831 were restructured on June 16, 2014 with retrospective effect from 1st January 2014 (i.e. Cut off Date. Accordingly principal repayment of loan was deferred till March 2016 and interest on these loans were deferred till June 30, 2015 (i.e funded interest term loan -FITL). These term loan carry interest rate of 11.90% w.e.f 05th October 2015.

| | Outstanding amount as at March 31, 2016 |
|--|---|
| | Rs. Lacs |
| Original term loan | 45,005.14 |
| Add: Interest on above loan (ie FITL) till June 30, 2015 | 8,379.93 |
| Add: Additional term loan availed during the year | 2,411.16 |
| Add: LRD loan outstanding | 1,722.50 |
| Add: SOD outstanding | 1,000.00 |
| Less: Repayment during the year | (259.71) |
| Total outstanding | 58,259.02 |

The term loans are repayable in 52 structured unequal quarterly installments, as per the repayment schedule, the first installment was payable from 31st March 2016 and FITL is repayable in 28 structured unequal quarterly installments, as per the repayment schedule, the first instalment was payable from 30th September 2015.

Secured overdraft (SOD) Loan from Union Bank of India payable in 4 quarterly installments, first installment payable from December 2016 and thereafter March 2017, June 2017 & September 2017. The loan carries interest rate of 14.40% p.a. payable on monthly basis.

- Secured Term Loans including FITL are secured by way of 1st pari passu charge on the under mentioned:

A first mortgage and charge on all the Company's immoveable properties pertaining to the Project, both present and future (save and except Project Site) subject to first pari-pasu charge in favour of Union Bank of India for Lease Rental Discounting (LRD) loan as below and excluding charge on commercial space to be Sub Licensed on long term basis covering 45% of total commercial area being sub Licensed for a long period i.e. Non-cancellable tenure of > 15 years).

A first charge on the movable fixed assets and pertaining to the Project, both present and future (save and except Current Assets);

A second charge on all Current Assets, including but not limited to stock, receivables in respect of the Project, both present and future provided that first charge may be created in favour of working capital lender with respect to working capital facilities.

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 Authorised Investments or other securities representing all amounts credited thereto;

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 there in and in all authorised investment or other securities representing all amounts credited thereto.

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A first charge on all intangibles of the Company including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;

An assignment by way of security:

- (i) of the right, title and interest of the Company in, to and under the Project Documents;
- (ii) of the right, title and interest of the Company in, to and under all the contracts, the approvals and Insurance Contracts; and
- (iii) of the right, title and interest of the Company 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 the Company as per the Development Agreement between DIAL and the Company dated July 4, 2009

Irrevocable and unconditional personal guarantee of Mr. Sushil Gupta, Chairman and Managing Director

** Non bank financial Institution (holding company)

| | Sanctioned Amount | Outstanding amount as at March 31, 2016 | Outstanding amount as at March 31, 2015 |
|---|----------------------|---|---|
| | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| Kotak Mahindra Prime Limited - Term Loan | 3,500.00 | 2,904.17 | 3,500.00 |
| PTC India Limited-Solar project - Term Loan | 585.00 | 500.00 | - |
| Kotak Mahindra Prime Ltd - Vehicle Loan | 177.29 | 87.04 | 139.92 |
| | 4,262.29 | 3,491.21 | 3,639.92 |

Kotak Mahindra Prime Limited (Term Loan)

The above facilities are inter alia secured by first pari passu charge on all existing immoveable properties being land & building of Hotel Hyatt Regency, Mumbai repayable by 50 unequal monthly instalments and by Personal Guarantee of Mr. Sushil Gupta, Chairman and Managing Director.

PTC India Limited-Solar project (Term Loan)

The above facility is secured by first charge of all the immovable property, present and future of the solar project. The above facility is repayable by 162 equal monthly instalments upto June, 2030.

Kotak Mahindra Prime Limited (Vehicle Loan)

The above facility are secured by hypothecation of vehicles repayable upto December, 2019 on unequal monthly installments.

*** Lease Rental Discounting Loan

Lease Rental Discounting (LRD) Loan from Union Bank of India is secured by first pari-passu charge over fixed assets of the Company and priority charge over lease rentals receivable by the Company from three of its sub Licensee. LRD is repayable in 108 monthly installments i.e. Rs.18.50 lacs every month, the first installment is payable from 31st January, 2014. The loan carries interest rate of 12.90% p.a. payable on monthly basis.

\$ Unsecured Loan :

As per the sanction letter of term loan given by Kotak Mahindra Bank Limited, Mr. Sushil Kumar Gupta (Promoter) has infused subordinated interest free unsecured loan repayable after the term loans from the bank have been fully repaid.

6 Deferred tax liabilities (net)

| | As at March 31, 2016 Rs. Lacs | Charge/ (Credit) during the year | As at March 31, 2015 Rs. Lacs |
|---|-------------------------------------|--|-------------------------------------|
| Deferred tax liabilities | | | |
| Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 4,077.64 | 549.80 | 4,627.44 |
| | 4,077.64 | 549.80 | 4,627.44 |
| Deferred tax assets # | | | |
| Impact of expenses for retirement benefits charged to the statement of profit and loss in the current year but allowed for tax in future years | 182.08 | 29.30 | 152.78 |
| Impact of expenditure allowable u/s 35DD of the Income Tax Act, 1961 | - | (1.87) | 1.87 |
| Unabsorbed depreciation | 1,205.08 | (322.77) | 1,527.85 |
| | 1,387.16 | (295.34) | 1,682.50 |
| Net deferred tax liability | 2,690.48 | 254.46 | 2,944.94 |

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- # In view of the fact that there is no virtual certainty supported by convincing evidence in Aria Hotels & Consultancy Services Private Limited, that there will be sufficient taxable income in the near future against which deferred tax asset arising on unabsorbed depreciation/carry forward business losses can be realised, deferred tax asset has been recognised only to the extent of deferred tax liabilities.

7 Other long term liabilities

| | As at March 31, 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|---------------------|-------------------------------------|------------------------------------|
| Security deposits * | <u>10,720.34</u> | <u>10,460.42</u> |
| | <u>10,720.34</u> | <u>10,460.42</u> |

* Security deposit received represents interest free refundable security deposit received against sub-license agreements for commercial space in hotel premises.

8 Provisions

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|-----------------------|------------------------|-----------------------|------------------------|
| | Long term Rs. Lacs | Short term Rs. Lacs | Long term Rs. Lacs | Short term Rs. Lacs |
| Provision for employee benefits | | | | |
| Gratuity (refer note 35) | 268.53 | 139.97 | 233.56 | 128.66 |
| Leave encashment (refer note 35) | 93.57 | 8.44 | 81.43 | 27.17 |
| Other provisions | | | | |
| Proposed dividend (including dividend distribution tax) | | 137.91 | - | 137.91 |
| Total | <u>362.11</u> | <u>286.32</u> | <u>314.99</u> | <u>293.74</u> |

9 Short term borrowings

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|--|------------------------------------|------------------------------------|
| Loans repayable on demand - from banks on cash credit (secured)* | <u>734.74</u> | <u>731.11</u> |
| Vehicle Loan** | <u>26.37</u> | <u>31.75</u> |
| Total | <u>761.11</u> | <u>762.86</u> |

* The outstanding balance of Rs. 183.55 lacs as on March 31,2016 (Previous year 211.66 lacs) out of sanctioned limit of Rs. 500 lacs is secured by way of exclusive charge on all existing and future current assets of Hotel Hyatt Regency, Mumbai and by personal guarantee of Mr Sushil Gupta, Chairman and Managing Director.

* The outstanding balance of Rs. 551.19 lacs (previous year Rs. 519.45 lacs) is Secured by first charge by way of hypothecation on current assets and second charge on immovable property of Aria Hotels and Consultancy Services Private Limited. Cash Credit facility currently carries an interest rate of 11.90% to 12.25%.

** Loan obtained from Kotak Mahindra Prime Limited is Repayable in 59 equated montly installments of Rs. 69,148 beginning from March 1, 2015.

10 Trade Payables

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|-----------------|------------------------------------|------------------------------------|
| Trade payables* | <u>2,248.69</u> | <u>2,302.40</u> |
| Total | <u>2,248.69</u> | <u>2,302.40</u> |
| | 1.78 | 1.23 |

* Includes due to Micro, Small and Medium enterprises (Refer Note No.- 37) (to the extent information is available with the company)

ASIAN HOTELS (WEST) LIMITED

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11 Other current liabilities

| | As at 31 March 2016 Rs. Lacs | As at 31 March 2015 Rs. Lacs |
|--|------------------------------------|------------------------------------|
| Current maturities of long-term debt (refer note 5) | 2,099.47 | 1,260.60 |
| Advance From customers | 407.22 | 488.59 |
| Sundry Creditors for capital goods (including retention money) | | |
| - Retention money | 308.02 | 794.79 |
| - Others | 206.17 | 478.71 |
| Unpaid dividend* | 24.14 | 21.21 |
| Interest accrued but not due | 204.74 | 177.79 |
| Interest accrued and due on loans | - | 22.20 |
| Other payables | | |
| Withholding & other taxes | 576.33 | 381.39 |
| Expenses | 1,206.98 | 886.62 |
| Accrued salaries & benefits | 188.12 | 163.60 |
| Total | 5,221.19 | 4,675.50 |

* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund. (previous year Nil).

12 Fixed Assets

(Rs. in Lacs)

| Particulars | Tangible assets | | | | | | Intangible asset | | Capital work in progress** | |
|------------------------------|-----------------|------------------|------------------|----------------------------------|-------------------|---------------|--------------------|---------------|----------------------------|---------------|
| | Land - freehold | Land - leasehold | Buildings | Furniture, fixture & furnishings | Plant & Machinery | Vehicles | Total | Software | | Total |
| As at March 31, 2014 | 9,297.62 | 3.78 | 62,634.89 | 11,237.40 | 29,281.44 | 816.43 | 1,13,271.53 | 303.79 | 303.79 | 182.56 |
| Additions | - | 10.30 | 749.58 | 215.07 | 463.85 | 91.82 | 1,530.62 | 16.59 | 16.59 | - |
| Sales /Adjustment / Transfer | | | (93.41) | (177.95) | (169.00) | (41.83) | (482.19) | (0.19) | (0.19) | (151.81) |
| As At March 31, 2015 | 9,297.62 | 14.08 | 63,291.06 | 11,274.52 | 29,576.30 | 866.43 | 1,14,319.96 | 320.20 | 320.20 | 30.75 |
| Additions | 31.93 | - | 82.00 | 19.06 | 218.97 | - | 351.96 | 8.79 | 8.79 | 931.43 |
| Sales /Adjustment / Transfer | - | - | (0.05) | (45.37) | (60.90) | (126.39) | (232.71) | - | - | (7.37) |
| Adjustment | - | - | (755.39) | 486.94 | 268.45 | | | | | |
| As At March 31, 2016 | 9,329.55 | 14.08 | 62,617.62 | 11,735.15 | 30,002.82 | 740.03 | 1,14,439.21 | 328.99 | 328.99 | 954.82 |
| Depreciation | | | | | | | | | | |
| As at March 31, 2014 | - | - | 2,702.25 | 2,556.33 | 4,954.45 | 366.20 | 10,579.23 | 4.18 | 4.18 | - |
| Charge for the year | - | - | 1,125.67 | 1,077.26 | 2,617.55 | 67.75 | 4,889.01 | 49.23 | 49.23 | - |
| Charge to opening reserve | - | - | - | 1.80 | 1.52 | - | 3.32 | - | - | - |
| Sales /Adjustment / Transfer | | | (0.77) | (164.44) | (78.71) | (27.41) | (271.33) | - | - | - |
| As at March 31, 2015 | - | - | 3,827.15 | 3,470.94 | 7,494.81 | 406.53 | 15,200.23 | 53.41 | 53.41 | - |
| Charge for the year | - | - | 1,671.60 | 1,138.61 | 2,280.74 | 96.26 | 5,187.20 | 51.08 | 51.08 | - |
| Sales /Adjustment / Transfer | - | - | (0.01) | (41.54) | (44.97) | (85.30) | 171.82 | - | - | - |
| Adjustment | | | (69.79) | | 69.79 | | - | | | |
| As at March 31, 2016 | - | - | 5,428.94 | 4,651.09 | 9,890.31 | 588.10 | 20,215.62 | 104.48 | 104.48 | - |
| Net Block | | | | | | | | | | |
| As at March 31, 2015 | 9,297.62 | 14.08 | 59,463.92 | 7,803.58 | 22,081.48 | 459.89 | 99,119.73 | 266.79 | 266.79 | 30.75 |
| As at March 31, 2016 | 9,329.55 | 14.08 | 57,188.68 | 7,084.07 | 20,112.51 | 151.93 | 94,223.62 | 224.51 | 224.51 | 954.82 |

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13 Loans and advances (unsecured considered good)

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | Long term | Short term | Long term | Short term |
| | Rs lacs | Rs lacs | Rs lacs | Rs lacs |
| Capital advance | - | 34.10 | - | 34.73 |
| Security deposits # | 12,885.08 | 13.07 | 12,879.97 | 7.26 |
| Advances recoverable in cash or in kind | - | - | | |
| a. Considered good | - | 748.28 | | 528.91 |
| b. Considered doubtful | - | - | | - |
| Less : Provision for doubtful advances | - | - | | - |
| Prepaid expenses | - | 336.98 | 202.80 | 390.25 |
| Advance to suppliers/contractors | - | 233.13 | | 223.53 |
| Advance to employees | - | 15.15 | 8.32 | 9.40 |
| Advance tax (net of provision for tax 174.21 lacs (previous year Rs 1206 lacs)) | 868.23 | - | 450.57 | - |
| Balances with statutory authorities | - | 216.47 | | 144.41 |
| Total | 13,753.31 | 1,597.18 | 13,541.66 | 1,338.49 |

In subsidiary Company Aria Hotels & Consultancy services Private Limited, in terms of the Development Agreement with DIAL, to secure the payment of the annual Licence Fee and the performance of all other obligations under the Development Agreement, it was agreed to pay to DIAL an interest free Security Deposit refundable at the expiry of the term of the said Agreement unless extended.

14 Inventories

(Valued at lower of cost and net realizable value)

| | As at 31 March 2016 | As at 31 March 2015 |
|---|------------------------|------------------------|
| | Rs. Lacs | Rs. Lacs |
| Wines & liquor | 403.83 | 291.13 |
| Provisions, other beverages and smokes | 60.11 | 76.28 |
| Crockery, cutlery, silverware, linen etc. | 122.54 | 125.96 |
| General stores and spares | 214.10 | 290.96 |
| Shares in trade | 3.19 | 3.95 |
| Total | 803.78 | 788.28 |

15 Trade receivables (Unsecured, considered good unless otherwise stated)

| | As at 31 March 2016 | As at 31 March 2015 |
|---|------------------------|------------------------|
| | Rs. Lacs | Rs. Lacs |
| Outstanding for a period exceeding six months from the due date | | |
| Considered good | 63.29 | 89.89 |
| Outstanding for a period less than six months from the due date | | |
| Considered good | 1,265.86 | 1,433.80 |
| Total | 1,329.15 | 1,523.69 |

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

16 Cash and cash equivalents

| | As at March 31, 2016 | | As at March 31, 2015 | |
|--|----------------------|----------|----------------------|----------|
| | Non Current | Current | Non Current | Current |
| | Rs. Lacs | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| Cash and bank balances | | | | |
| Balances with banks in current accounts | - | 1,057.90 | - | 975.54 |
| Deposits with original maturity of less than 3 months | - | 170.00 | - | 500.61 |
| Cash on hand | - | 15.38 | - | 16.75 |
| Cheques in hand | - | 27.75 | - | 75.95 |
| | - | 1,271.04 | - | 1,568.85 |
| Other bank balances | | | | |
| Dividend accounts | - | 24.14 | | 21.21 |
| Deposits with original maturity of more than 12 months* | 0.90 | - | 0.90 | - |
| Deposits with original maturity for more than 3 months but less than 12 months | - | 172.82 | | 480.00 |
| | 0.90 | 196.96 | 0.90 | 501.21 |
| Less : Non current bank balances (shown under note - 17) | (0.90) | | (0.90) | |
| Total | - | 1,467.99 | - | 2,070.06 |
| * includes under lien against bank guarantee issued to | | | | |
| - Value added tax Authorities | | 0.90 | | 0.90 |

17 Other Assets

| | As at 31 March 2016 | | As at 31 March 2015 | |
|---|---------------------|--------------|---------------------|--------------|
| | Non Current | Current | Non Current | Current |
| | Rs. Lacs | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| Unbilled revenue | - | 22.64 | - | 71.89 |
| Interest accrued on fixed deposits | - | 10.18 | - | 7.77 |
| Non current bank balances (refer note 16) | 0.90 | - | 0.90 | - |
| Total | 0.90 | 32.82 | 0.90 | 79.66 |

18 Revenue from operations

| | Year ended | Year ended |
|---|------------------|------------------|
| | 31 March 2016 | 31 March 2015 |
| | Rs. Lacs | Rs. Lacs |
| Sale of services | | |
| Rooms | 17,000.80 | 14,368.92 |
| Wines and liquor | 1,970.74 | 1,778.25 |
| Food, other beverages, smokes & banquets | 10,102.00 | 8,409.76 |
| Sub License Fees (including maintenance fees) | 622.64 | 1,023.24 |
| Others | 2,228.53 | 1,867.11 |
| Total | 31,924.70 | 27,447.28 |

ASIAN HOTELS (WEST) LIMITED

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19 Other income

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|--------------------------------|---|---|
| Interest Income | 42.50 | 22.72 |
| Dividend Income | 7.47 | 4.42 |
| Profit on sale of Fixed Assets | 13.74 | 3.77 |
| Rental Income | 333.14 | 146.05 |
| Provision written back | - | 56.63 |
| Miscellaneous Income | 66.57 | 33.24 |
| Total | 463.42 | 266.83 |

20 Consumption of provisions, beverages, smokes and others

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|---|---|---|
| Wines & liquor | | |
| Opening stock | 291.13 | 354.35 |
| Add : Purchases | 770.27 | 489.40 |
| | 1,061.40 | 843.75 |
| Less : Closing stock | 403.83 | 291.13 |
| | 657.57 | 552.62 |
| Food, provisions, other beverages and smokes | | |
| Opening stock | 76.28 | 87.36 |
| Add : Purchases | 3,029.75 | 2,673.15 |
| | 3,106.03 | 2,760.51 |
| Less : Closing stock | 60.11 | 76.28 |
| | 3,045.92 | 2,684.23 |
| Total | 3,703.49 | 3,236.85 |

21 Employee benefit expenses

| | Year ended 31 March 2016 Rs. Lacs | Year ended 31 March 2015 Rs. Lacs |
|---|---|---|
| Salaries, wages, allowances & commission | 4,829.39 | 4,338.35 |
| Contribution to gratuity, provident and other funds | 288.44 | 283.26 |
| Staff welfare expenses* | 452.50 | 437.53 |
| Contract labour & services | 995.04 | 928.33 |
| Total | 6,565.37 | 5,987.47 |

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22 Finance Cost

| | Year ended 31 March 2016 | Year ended 31 March 2015 |
|-----------------------|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| Interest on | | |
| Debentures | – | 144.89 |
| Term Loans | 9,030.03 | 8,422.72 |
| Vehicle loans | 10.87 | 13.82 |
| Cash credit facility | 47.36 | 100.62 |
| others | 43.52 | 155.88 |
| Other Borrowing Costs | 436.78 | 688.85 |
| Total | 9,568.56 | 9,526.78 |

23 Other expenses

| | Year ended 31 March 2016 | Year ended 31 March 2015 |
|--|-----------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| Consumption of linen, room, catering and other supplies/services | 704.56 | 1,173.40 |
| Operating equipments and supplies written off | 297.54 | |
| Fuel, power and light (Net) | 3,469.61 | 3,216.12 |
| Repairs, maintenance and refurbishing* | 1,665.49 | 1,445.44 |
| Rent/License fees | 872.27 | 828.18 |
| Rates and taxes | 826.14 | 777.68 |
| Insurance | 94.75 | 105.72 |
| Directors' sitting fee | 9.88 | 9.16 |
| Legal and professional expenses | 598.29 | 496.76 |
| Music & television | 14.85 | 54.48 |
| Artist fee | 0.64 | 1.04 |
| Stationery and printing | 91.88 | 100.18 |
| Travelling and conveyance | 855.31 | 783.75 |
| Communication expenses | 194.23 | 179.96 |
| Technical services | 1,608.16 | 1,253.19 |
| Advertisement and publicity | 759.10 | 831.25 |
| Commission and brokerage | 1,123.34 | 1,050.17 |
| Bank charges | 2.61 | 5.16 |
| Charity & donation | 12.86 | 15.48 |
| Gain/(loss) on trading of shares/derivatives | 0.75 | - |
| Loss on fixed assets sold/discarded (net) | 35.03 | 52.88 |
| Recruitment & training | 47.43 | 72.61 |
| Gain/Loss on foreign exchange | 29.54 | 13.27 |
| Equipment Hire Charges | 95.08 | 53.58 |
| Miscellaneous | 292.11 | 270.87 |
| Total | 13,701.44 | 12,790.34 |
| * Repairs & maintenance - buildings | 508.37 | 512.39 |
| Repairs & maintenance - plant & machinery | 933.57 | 740.07 |
| Repairs & maintenance - others | 223.55 | 192.98 |

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

24 Earnings Per Share

| | Year ended 31 March 2016 | Year ended 31 March 2015 |
|--|-------------------------------------|-----------------------------|
| | Rs. Lacs | Rs. Lacs |
| Loss for the year | (5,056.50) | (7,107.61) |
| Weighted average of number of equity shares used in computing basic earnings per share | 1,14,58,303 | 1,14,58,303 |
| Basic earnings per share | (44.13) | (62.03) |
| Weighted average of number of equity shares including potential dilutive shares* # | 1,14,58,303 | 1,14,58,303 |
| Diluted earnings per share | (44.13) | (62.03) |

* Subject to the exit provisions of the Investment Agreement, statutory and other approvals, if any, the Company and the subsidiary company – M/s Aria Hotels & Consultancy Services Private Limited(Aria) had to provide the investors (IL&FS Group) the exit option after March 31, 2013. However, since the option is under deliberation with the investor and not concluded 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 earnings per share.

25. Contingent liabilities not provided for in respect of:

| Particulars | Amount As At March 31, 2016 (Rs. in Lacs) | Amount As At March 31, 2015 (Rs. in Lacs) |
|---|--|---|
| Duty Saved against Export obligation* | 2198.42 | 2725.41 |
| Corporate Guarantees on behalf of Subsidiaries | 2296.92 | 2834.79 |
| Show cause Notices raised by Service Tax Authorities and contested by the company. | 515.00 | 515.00 |
| Show cause Notices raised by Service Tax Authorities and contested by the company. (refer note 28) | 40.37 | 40.37 |
| Property Tax Demand (Refer Note 29) | 392.21 | 443.18 |
| Maharashtra VAT Act, 2002 | | |
| Demand Notice raised for VAT Assessment FY 2010-11 and contested by the company. | 244.00 | – |
| Demand Notice raised for VAT Assessment FY 2011-12 and contested by the company. | 87.00 | – |
| Consumer dispute redressal forum Mumbai – Guest compliant for forfeiture of event deposit | 19.00 | 19.00 |
| Stamp duty matter** | – | – |

* The Group had imported certain capital goods under the EPCG Licenses obtained for imports. As against licensed imports, the Company has undertaken a future export obligation to earn additional foreign exchange which stands at Rs 16890 lakhs as on 31st March 2016 (Previous Year: 20630 lakhs).

** The subsidiary company (“Aria”) has received a show cause notice under the Indian Stamp Act, 1899 stating that the stamp duty is payable on development agreement for the use of land given by Delhi International Airport (P) Ltd. (DIAL). However as per legal advice obtained by the company, there are reasonable chances that there will not be any liability on company on account of the above as the Development Agreement with DIAL is in the nature of License. The Company has filed a writ petition before the Hon'ble High Court of Delhi (HC) and the HC has granted ex-parte interim stay.

26. Pursuant to the Scheme of Arrangement & Demerger, Hyatt Regency, Mumbai was transferred to and vested in the Holding Company. The Holding Company has applied to the concerned authority for adjudication of stamp duty applicable on conveyance of the property title in favour of the Holding Company, which has not been ascertained. Maximum liability which could be levied is estimated at Rs. 1500 Lacs.

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

27. Capital and other Commitments :

| Particulars | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs |
|--|---------------------|---------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 67.98 | 48.06 |
| Undrawn Loan Commitments | – | 1423.27 |
| Other Commitments | 60.47 | 46.52 |
| Amount payable to Yes Bank Limited as a facility arrangement fee (refer note 36). | 1200.00 | – |

28. Holding Company has received refund of Rs. 55.56 lacs out of Rs. 95.94 lacs towards the amount paid under protest for the Service Tax demand raised in earlier years. The petition is already filed with Tribunal Authorities for refund of remaining amount and hence been included under “Loans and Advances” as “Claim Recoverable”. On February 9, 2016 Asst. Commissioner of Refund has rejected company refund claims on ground of unjust enrichment and does not prove that burden of tax paid was not passed to the customer directly or by way of increase in the cost of services . Company has filed Appeal with Commissioner of Appeal contesting department claims.

29. a. The holding Company has received property tax demand of Rs. 569.18 lacs from Mumbai Municipal Corporate (“MMC”) based on capital value system which is retrospectively from April 01, 2010, out of which, we have already booked and paid Rs. 302.63 lacs in our books of accounts pertaining from Financial Year 2010-11 to 2014-15. Hotels & Restaurant Association (Maharashtra) has filed a writ application in the High Court of Bombay against the new capital value system.

Hon’ble High Court has passed an interim Order on February 24, 2014 directing all petitioners to pay municipal property tax at pre-amended rates plus 50% of the differential tax between rateable value system and capital value system. Final decision of Hon’ble High Court is pending. Meanwhile company has made provision as per Interim High Court Order for the demand raised by MMC in the financial statements.

b. In Aria Hotels & Consultancy Services Private Limited, the subsidiary Company, Property Tax demand raised by South Delhi Municipal Corporation for the period 2009-10 to 2013-14. The Company has challenged the said notice and has filed an appeal with the Hon’ble High Court of Delhi, inter alia on grounds of the jurisdiction of the South Delhi Municipal Corporation and non provision of the infrastructural services by the said authority. The Company is hopeful of obtaining a favorable order in this regard. Based on interim order of the Hon’ble High Court of Delhi, the company has paid Rs.195.94 lacs for the period July 2009 to March 2016(including Rs.50.96 lacs for the period 2009-10 to 2013-14).

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

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

| S. No. Particulars | As at March 31, 2016 (Rs. Lacs) | As at March 31, 2015 (Rs. Lacs) |
|--|---------------------------------------|---------------------------------------|
| a. Not later than one year | 956.41 | 923.97 |
| b. Later than one year and not later than five years | 4381.43 | 4153.01 |
| c. Later than five years | 28,254.73 | 29,439.56 |

(B) Future Commitments in respect of minimum payments (Sub-License Fees) receivable in case of non-cancellable agreement entered into by the Group with various parties:

| S. No. Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| a. Not later than one year | 564.37 | 327.74 |
| b. Later than one year and not later than five years | 955.02 | 417.50 |
| c. Later than five years | 1,571.26 | 1,589.30 |

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

32. Auditors Remuneration (Exclusive of Service Tax):

(Rs in Lacs)

| Particulars | Year ended | Year ended |
|------------------------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| a. Statutory Audit Fee | 27.00 | 20.00 |
| b. Tax Audit Fee | 3.00 | 2.75 |
| c. Limited Review Fee | 9.00 | 7.00 |
| d. Reimbursement of Expenses | 1.05 | 0.52 |
| Total | 40.05 | 30.27 |

33. The Group 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, 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 are 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 taken into account. Again a long- term view as to the trend in salary increase rates is 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 leave and amounts recognized in the Company's financial statements as at March 31, 2016

i. Change in benefit obligations:

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|--|---------------------|---------------------|--|---------------------|
| | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs |
| Present value of obligations as at the beginning of the year | 362.22 | 317.71 | 108.60 | 116.05 |
| Current service cost | 58.02 | 55.46 | 45.61 | 43.98 |
| Interest cost | 28.89 | 25.57 | 8.56 | 9.57 |
| Benefit Paid | (36.84) | (8.34) | (75.10) | (43.31) |
| Actuarial (gain)/ loss on obligation | (3.79) | (28.18) | 14.32 | (17.69) |
| Present value of obligations as at the year end | 408.50 | 362.22 | 101.99 | 108.60 |

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

ii. Expenses recognized in the Statement of Profit and Loss :

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|--|---------------------|---------------------|--|---------------------|
| | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs |
| Current Service cost | 58.02 | 55.46 | 45.61 | 43.98 |
| Interest cost | 28.89 | 25.57 | 8.56 | 9.57 |
| Actuarial (gain)/loss recognized during the year | (3.79) | (28.18) | 14.32 | (17.69) |
| Net charge/(credit) | 83.12 | 52.85 | 68.49 | 35.86 |

iii. Amount recognized in balance Sheet :

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|--|---------------------|---------------------|--|---------------------|
| | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs | 2015-16 Rs. Lacs | 2014-15 Rs. Lacs |
| Present value of obligations as at the end of the year | 408.50 | 362.22 | 101.99 | 108.60 |
| Fair value of plan assets as at the end of the period | - | - | - | - |
| Funded status / Difference | (408.50) | (362.22) | (101.99) | (108.60) |
| Excess of actual over estimated | | - | | - |
| Unrecognized actuarial (gain)/ losses | | - | | - |
| Net assets/ (liability) recognized in the balance sheet | (408.50) | (362.22) | (101.99) | (108.60) |

iv. Bifurcation of PBO at the end of year

| Particulars | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|-------------------------------------|
| | As at March 31, 2016 Rs. Lacs | As at March 31, 2015 Rs. Lacs | As at March 31, 2016 Rs. Lacs | As at March 31, 2015 Rs. Lacs |
| Current liability | 139.97 | 128.66 | 8.43 | 27.17 |
| Non-Current liability | 268.53 | 233.56 | 93.56 | 81.43 |
| Total PBO at the end of year | 408.50 | 362.22 | 101.99 | 108.60 |

v. Disclosure as required by Para 120(n) of AS-15

| Particulars | Gratuity (Unfunded) | | | | |
|---|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 15-16 Rs. Lacs | 14-15 Rs. Lacs | 13-14 Rs. Lacs | 12-13 Rs. Lacs | 11-12 Rs. Lacs |
| Present value of obligation as at the end of period | 408.50 | 362.22 | 317.70 | 283.11 | 242.71 |
| Fair value of plan assets at the end of the period | | | - | - | - |
| Surplus / (Deficit) | (408.50) | (362.22) | (317.70) | (283.11) | (242.71) |
| Experience adjustment on plan | | | | | |
| Liabilities (loss) / gain | (3.79) | 6.39 | 4.83 | 0.22 | 4.06 |
| Experience adjustment on plan | | | | | |
| Assets (loss) / gain | - | - | - | - | - |

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CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

| Particulars | Compensated absences Earned leave (Unfunded) | | | | |
|---|--|-------------------|-------------------|-------------------|-------------------|
| | 15-16 Rs. Lacs | 14-15 Rs. Lacs | 13-14 Rs. Lacs | 12-13 Rs. Lacs | 11-12 Rs. Lacs |
| Present value of obligation as at the end of period | 101.99 | 108.60 | 116.05 | 98.10 | 60.67 |
| Fair value of plan assets at the end of the period | | – | – | – | – |
| Surplus / (Deficit) | (101.99) | (108.60) | (116.05) | (98.10) | (60.67) |
| Experience adjustment on plan | | | | | |
| Liabilities (loss) / gain | 14.32 | 3.19 | 27.13 | 5.43 | 6.02 |
| Experience adjustment on plan | | | | | |
| Assets (loss) / gain | – | – | – | – | – |

vi. Principal Actuarial Assumptions:

| Particulars | Refer Note below | Year ended | Year ended |
|--|------------------|---------------|---------------|
| | | March 31,2016 | March 31,2015 |
| Discount rate (p.a.) | 1 | 8% | 8% |
| Salary escalation rate (p.a.) - Holding Co. | 2 | 7% | 7% |
| Salary escalation rate (p.a.) - Subsidiary Co. | 3 | 5.5% | 5.5% |

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 are unfunded.

Demographic assumptions:

- Retirement age 58 - 60 years
- Mortality rate

Published rates under LIC (1994-96) mortality table.

- 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: -

List of related parties

(i) Investor in Aria Hotels & Consultancy Services Pvt. Ltd.

- IIRF India Realty XVI limited, Mauritius, the Associate Company (a company of IL&FS Group)

(ii) Key Management Personnel

- Mr. Sushil Gupta (Chairman & Managing Director)
- Mr. Sudhir Gupta (Executive Director)
- Mr. Sandeep Gupta (Executive Director)
- Mr. Rakesh Kumar Aggarwal (Group Chief Financial Officer w.e.f 28.05.2014)
- Mr. Vivek jain (Company Secretary wef. 14-11-2015)
- Mr. Nikhil Sethi (till 12-09-15)
- Mrs. Nupur Garg (Company Secretary)

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(iii) Relative of Key Management Personnel

- Mrs. Vinita Gupta (Wife of Chairman & Managing Director)
- Ms.Sukriti Gupta (Daughter of Executive Director)
- Mr.Sidharth Aggarwal (Son of Mr. Rakesh Kumar Aggarwal)

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

- Eden Park Hotels Private Limited
- Aria Investments & Holdings Limited, Mauritius
- Chaman Lal S. Gupta
- Bhasin & Co.
- Mettel Estates Private Limited
- Godfrey Philips India Ltd
- Aria International Limited
- Export Trade Corporation , Hong Kong
- CLG Hotels and Resorts Private Limited

Balances outstanding/transactions with related parties

| Particulars | Key Management Personnel | Relative of Key Management Personnel | Entities Controlled By Directors & their relatives | Total |
|---|--------------------------|--------------------------------------|--|----------|
| | Rs. Lacs | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| A. Transactions during the year | | | | |
| (i) Purchases/Services availed during the year | | | | |
| Bhasin& Co | - | - | 1.79 | 1.79 |
| | (-) | (-) | (11.94) | (11.94) |
| Mr. Sidharth Aggarwal | - | 10.34 | - | 4.95 |
| | (-) | (3.61) | (-) | (3.61) |
| Ms. Sukriti Gupta | - | 6.00 | - | 6.00 |
| | (-) | (6.00) | (-) | (6.00) |
| (ii) Sales/Services Provided during the year | | | | |
| Godfrey Philips India Ltd | - | - | 11.87 | 11.87 |
| | (-) | (-) | (11.54) | (11.54) |
| (iii) Expenses Paid | | | | |
| Aria International Limited | - | - | 75.47 | 75.47 |
| | (-) | (-) | (67.61) | (67.61) |
| (iv) Advances Received Back | | | | |
| Mr. Nikhil Sethi | 4.40 | - | - | 4.40 |
| | (1.20) | (-) | (-) | (1.20) |
| (v) Advances Received | | | | |
| Mr. Sushil Gupta | - | - | - | - |
| | (207) | (-) | (-) | (207) |

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| Particulars | Key Management Personnel | Relative of Key Management Personnel | Entities Controlled By Directors & their relatives | Total |
|---|--------------------------|--------------------------------------|--|----------|
| | Rs. Lacs | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| (vi) Advances Repaid | | | | |
| Mr. Sushil Gupta | - | - | - | - |
| | (275) | (-) | (-) | (275) |
| M/s Chaman Lal S. Gupta | - | - | - | - |
| | (-) | (-) | (150) | (150) |
| Mrs. Vinita Gupta | - | - | - | - |
| | (-) | (125) | (-) | (125) |
| (vii) Managerial remuneration/Salary | | | | |
| Mr. Sushil Gupta# | 128.77 | - | - | 128.77 |
| | (107.76) | (-) | (-) | (107.76) |
| Mr. Sudhir Gupta# | 110.11 | - | - | 110.11 |
| | (90.24) | (-) | (-) | (90.24) |
| Mr. Sandeep Gupta# | 109.71 | - | - | 109.71 |
| | (90.24) | (-) | (-) | (90.24) |
| Mr. Nikhil Sethi | 24.34 | - | - | 24.34 |
| | (29.09) | (-) | (-) | (29.09) |
| Mr. Rakesh Kumar Aggarwal | 60.38 | - | - | 60.38 |
| | (43.37) | (-) | (-) | (43.37) |
| Mr. Vivek Jain | 12.11 | - | - | 12.11 |
| | (-) | (-) | (-) | (-) |
| Mrs Nupur Garg | 15.15 | - | - | 15.15 |
| | (9.21) | (-) | (-) | (9.21) |
| B. Balances outstanding at the year end | | | | |
| (i) Account Payable | | | | |
| M/s Bhasin & Co. | - | - | - | - |
| | (-) | (-) | (1.76) | (1.76) |
| Mr. Sushil Gupta – Subordinated loan | (207) | - | - | (207) |
| | (207) | (-) | (-) | (207) |
| (ii) Account Receivable/Security Deposit | | | | |
| Mr. Nikhil Sethi | - | - | - | - |
| | (4.40) | (-) | (-) | (4.40) |
| (iii) Share Application Money Refunded | | | | |
| Aria Investments & Holdings Limited, Mauritius | - | - | - | - |
| | (-) | (-) | (418.65) | (418.65) |

Note : Previous Year Figure has been shown in bracket

includes employer contribution to provident fund and all taxable perquisites.

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

35. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 to the extent of information available with the Group:

| Particulars | 2015-16 Rs Lacs | 2014-15 Rs Lacs |
|--|--------------------|--------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 1.78 | 1.23 |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | – | – |
| The 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 Micro Small and Medium Enterprise Development Act, 2006. | – | – |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | – | – |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | – | – |
| Total | 1.78 | 1.23 |

36. In April 2016, the Holding company has taken a short term unsecured loan from related party, M/s Mettel Estates Private Ltd of Rs 10000.00 Lacs, which has been utilized for repaying Kotak Bank Term loan.

In April 2016, the Company has entered into facility arrangement with Yes Bank Limited (YBL) for its entire banking and borrowing facilities. The Company was sanctioned borrowing facilities aggregating to Rs 21500.00 Lacs from the YBL (Term Loan of Rs 20000.00 Lacs, Overdraft Facility of Rs 1000.00 Lacs and Non-fund LC/ BG facility of Rs 500.00 Lacs). Term Loan shall be repayable in 44 structured quarterly installments after 36 months of moratorium period.

37. Details of share held as Stock- in- trade is as under:

| Name of the Company | No. of Shares | | Cost/Market Value whichever is lower | |
|--------------------------|----------------------|----------------------|--------------------------------------|---------------------------------|
| | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 Rs Lacs | As at March 31, 2015 Rs Lacs |
| ICICI Bank Limited | 350 | 350 | 0.83 | 1.10 |
| Reliance Capital Limited | 500 | 500 | 1.84 | 2.12 |
| State Bank of India | 270 | 270 | 0.52 | 0.72 |
| Total | | | 3.19 | 3.95 |

38. 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. Lacs |
|---------------------|-----------------------|--------------|----------|
| Accounts payable | USD | 9,26,925 | 619.39 |
| | | (16,00,094) | (998.79) |
| Accounts receivable | | – | – |
| | | (83,268) | (51.90) |

There is no hedged foreign currency exposure.

Figures in brackets relate to the previous year.

39. There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard 29 on "Provisions, Contingent Liabilities & Contingent Assets".
40. The Group has not recognized 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.

ASIAN HOTELS (WEST) LIMITED

41. In the opinion of Board, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they stated and provision for all known liabilities has been made and considered adequate.
42. During the year, the budget outlay of Rs. 23.07 Lacs (Rs. 11.65 Lacs for current financial year 2015-16 and Rs. 11.42 Lacs unspent amount for the last financial year 2014-15) has been approved by the Board of Directors. As per the programme, the Company has started implementation of CSR activities. However, during the year it was considered pragmatic to spend Rs. 12.37 lacs. The remaining amount will be spent as per Company CSR Policy.
43. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013.

| Name of the entity | 31st March 2016 | | | | 31st March 2015 | | | |
|--|--|----------|-------------------------------------|-----------|--|----------|-------------------------------------|-----------|
| | Net assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Net assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| A Parent Subsidiary Indian | | | | | | | | |
| Aria Hotels and Consultancy Services Private Limited | 62.50% | 10911.64 | 93.66% | (5723.56) | 73.44% | 16635.20 | 97.54% | (8451.21) |
| Minority Share holders | 10.90% | 1903.92 | 17.25% | (1054.28) | 13.06% | 2958.20 | 17.97% | (1556.71) |

44. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with current year's figures.

As per our report of even date

For **S.S. KOTHARI MEHTA & CO.**
ICAI Firm Registration Number : 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No. : 087294

Place : New Delhi
Dated : May 24, 2016

For & on behalf of the Board

| | |
|---|--|
| SUSHIL KUMAR GUPTA Chairman & Managing Director DIN : 00006165 | SANDEEP GUPTA Executive (Whole Time) Director DIN 00057942 |
| RAKESH KUMAR AGGARWAL Chief Financial Officer PAN No. : AAAPA3338D | VIVEK JAIN Company Secretary Membership No. : FCS - 7204 |

ASIAN HOTELS (WEST) LIMITED

CIN: L55101DL2007PLC157518

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