

F I F T H

*Annual
Report*

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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

Sushil Gupta	Chairman and Managing Director
Sudhir Gupta	Executive (Whole-Time) Director
Sandeep Gupta	Executive (Whole-Time) Director
Lalit Bhasin	Independent Non-Executive Director
S. K. Chhibber, IAS (Retd.)	Independent Non-Executive Director
Raj Kumar Bhargava, IAS (Retd.)	Independent Non-Executive Director
Surendra Singh Bhandari	Independent Non-Executive Director
Sunil Diwakar	Non-Executive Director
Rajesh Adhikary	Alternate Director to Mr. Sunil Diwakar (w.e.f. 10th August, 2011)

COMPANY SECRETARY

Nikhil Sethi

AUDITORS

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

BANKERS

Kotak Mahindra Bank Ltd.
IDBI Bank Ltd.

**REGISTERED OFFICE & INVESTOR
RELATIONS DEPARTMENT**

E- 5, Clarion Collection-The Qutab Hotel,
Shaheed Jeet Singh Marg,
New Delhi - 110016
Tel No 011-46101207/46101210
Fax: 011-46101202
www.asianhotelswest.com

DEBENTURE TRUSTEE

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad - 500 081
Tel No. : 040-23420815-24
Fax No : 040-23420814
E Mail : mailmanager@karvy.com

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ASIAN HOTELS (WEST) LIMITED

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

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of Asian Hotels (West) Limited will be held on Wednesday, 12th September, 2012 at 3.00 p.m. at Airforce Auditorium, Subroto Park, New Delhi 110010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date alongwith the Auditors' Report and Directors' Report thereon.
2. To declare dividend of Rs. 4/- per Equity Share.
3. To appoint a Director in place of Mr. Surendra Singh Bhandari who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Raj Kumar Bhargava who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

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

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

Place : New Delhi
Date : 3rd August, 2012

**Nikhil Sethi
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representative/(s) u/s 187 of the Companies Act, 1956 (the Act), are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
3. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
4. All the documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. and 5.00 p.m. on all working days, for a period of twenty one days before the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 6th September, 2012 till Wednesday, 12th September, 2012, inclusive of both days.
6. The dividend, if declared by the Company in the Annual General Meeting, will be paid to those members or to their mandates whose name stand registered as:
 - a) Beneficial owners as at the end of business on 5th September, 2012, as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form, and
 - b) Members whose names stand in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company, as at the end of business on 5th September, 2012.
7. Shareholders who have not received and/or not encashed the dividend warrant(s) in respect of Dividend declared for the Financial Year 2009-10 & Financial Year 2010-11 are requested to apply for duplicate dividend warrant(s) by writing to the Company/Registrar.
8.
 - a) Members are requested to notify the Registrar and Share Transfer Agent/Company change in their address, if any, with pin code, quoting their folio number.
 - b) Members holding shares in electronic form should notify any change in their residential address or bank details directly to their respective Depository Participants.
9. Non-Resident Indian Shareholders are requested to inform the Registrar & Share Transfer Agent / Company/ respective Depository Participant:
 - a) Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
 - b) Change, if any, in their Residential status.

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10. The Securities and Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company prints the bank account details, if available, on the warrant for distribution of dividend. Therefore, to avoid any fraudulent encashment of warrants, the members are requested to furnish, quoting their folio number, following information to the Registrar & Share Transfer Agents/Company/respective depository participant so that requisite details could be printed on all future dividend warrants:
- Name of the Sole/First Joint Holder, and
 - Particulars of his/her Bank account, viz. account number, name of Bank and complete address of the Branch with Pin code Number.
11. As per the provisions of the Act, facility for making nominations, in prescribed Form 2B, is available to individuals holding shares in the Company.
12. The Company has implemented the "Green Initiative" as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Members who wish to receive Notices/ documents including those covered under Section 219 of the Companies Act, 1956 through electronic mode, are requested to confirm their email address to the Company / Registrar and Share Transfer Agent M/s Karvy Computershare Pvt. Ltd. quoting their Folio No./ DP Id - Client Id. The Notice of the AGM and copies of Audited Financial Statements, Directors Report, Auditors' Report etc will also be displayed on the website of the Company www.asianhotelswest.com and the other requirements of the aforesaid MCA circular will be duly complied with.
13. Shareholders are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons.

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

Name of Director	Mr. Surendra Singh Bhandari	Mr. Raj Kumar Bhargava
Date of Birth	20th January, 1948	26th October, 1935
Date of Appointment	23rd December, 2008	23rd December, 2008
Expertise in specific functional areas	Mr. Surendra Singh Bhandari is a Chartered Accountant with more than 39 years of rich experience and is a Senior Partner of M/s Surendra Singh Bhandari and Company, Chartered Accountants	Mr. Raj Kumar Bhargava is Retd. IAS Officer has held various portfolios during his tenure in Government of India and was former Secretary, Ministry of Home Affairs
Qualifications	F.C.A	B.A. (Hons); M.A. (History)
Details of shares held in the Company	Nil	3826
List of Companies in which outside Directorships held as on 31.03.2012 (excluding private & foreign Companies)	<ol style="list-style-type: none"> Asian Hotels (East) Limited Vaibhav Gems Limited Bank of Baroda 	<ol style="list-style-type: none"> Kajaria Ceramics Limited Duncan's Limited H. B. Portfolio Limited Noida Toll Bridge Company Limited Inovoa Hotels and Resorts Limited JCL International Limited
Chairman / Member of the Committees of other Companies on which he is a Director as on 31.03.2012	<p>Audit Committee</p> <ol style="list-style-type: none"> Vaibhav Gems Limited Asian Hotels (East) Limited <p>Remuneration & Compensation Committee</p> <ol style="list-style-type: none"> Vaibhav Gems Limited Asian Hotels (East) Limited Bank of Baroda <p>Shareholders/Investor Grievance Committee</p> <ol style="list-style-type: none"> Vaibhav Gems Limited Bank of Baroda <p>ALM & Risk Management Sub Committee & Sub Committee of the Board on High Value Frauds</p> <ol style="list-style-type: none"> Bank of Baroda 	<p>Audit Committee</p> <ol style="list-style-type: none"> Noida Toll Bridge Company Limited Duncan's Limited H. B. Portfolio Limited Kajaria Ceramics Limited <p>Share Transfer and Investor Grievance Committee</p> <ol style="list-style-type: none"> Noida Toll Bridge Company Limited Duncan's Limited H. B. Portfolio Limited

ASIAN HOTELS (WEST) LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 5th Annual Report and Audited Accounts for the Financial Year ended on 31st March, 2012 (i.e. for the period commencing from 1st April, 2011 to 31st March, 2012).

OBJECTS, OPERATIONS AND FINANCIAL RESULTS

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

(Rupees in Crores)

Particulars	2011-12	2010-11
Income	135.78	134.94
Expenditure	116.38	111.64
Profit Before Tax	19.40	23.30
Provision for Taxation		
– Current Tax	5.82	7.02
– Deferred Tax Charge (Credit)	0.31	(0.64)
Net Profit	13.27	16.92
Amount Brought Forward	105.71	97.57
Profit Available for Appropriation	118.98	114.49
Transfer to General Reserve	1.35	1.75
Proposed Dividend on Equity Shares	4.58	4.58
Dividend on Non Convertible Preference Shares	–	0.01
Corporate Dividend Tax	0.73	0.75
Transfer to Debenture Redemption Reserve	3.50	1.69
Surplus Carried Forward	108.82	105.71
Earnings Per Share – Basic (Rupees)	11.58	14.83
Earnings Per Share – Diluted (Rupees)	11.58	14.75

CONSOLIDATED FINANCIAL STATEMENTS

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

The Board of Directors of the Company has approved availing of the benefit under the aforesaid circular. Accordingly, the members have been circulated standalone Financial Statement of the Company for the Financial Year 2011-12 alongwith Consolidated Financial Statement for the Financial Year 2011-12.

DIVIDEND

The Board has recommended for approval of shareholders, a dividend of 40% (amounting to Rs. 4/-per Share) (Previous period dividend @ 40%) for the Financial Year ended 31st March, 2012 to be paid on 1,14,58,303 Equity Shares of the Company aggregating a distribution of Rs. 4.58 Crores (Previous Year Rs. 4.58 Crores).

SUBSIDIARY COMPANIES

A. ARIA HOTELS AND CONSULTANCY SERVICES PRIVATE LIMITED (ARIA)

The upcoming J. W. Marriott Hotel at the Hospitality District near the Indira Gandhi International Airport, New Delhi, being developed by Aria, is expected to be operational in the month of September, 2012. The management had reviewed the estimated project cost at approx. Rs. 754.86 Crores i.e. an increase of approx. Rs. 50.00 Crores from the originally estimated cost of Rs. 704.86 Crores primarily due to adverse Foreign exchange fluctuations, increase in steel & cement prices etc. The said escalation in Project cost is proposed to be funded partly through additional term loan and balance through deposit against sub-licensing of commercial space at the aforesaid Hotel. The entire funding for the Project has been tied up.

B. INOVOA HOTELS AND RESORTS LIMITED (IHRL)

M/s Inovia Hotels and Resorts Limited became a Subsidiary of the Company during the financial year under review. IHRL is presently owning and operating The Clarion Hotel, EPIP Zone, Whitefield, Bengaluru. The Clarion Hotel, Bengaluru is a Contemporary Boutique Hotel.

SALE OF LAND AT PUNE, MAHARASHTRA

The Company had earlier acquired a land situated at Hinjewadi District, Pune for construction of 4 star Hotel but in view of excess supply of Hotel rooms in Pune and lower ARR levels at Pune, the Company do not envisage opening of a new Hotel at the said land in near future and has accordingly, executed a MOU for sale of said land at a total consideration of Rs. 8.90 Crores.

BORROWINGS

A. NON CONVERTIBLE DEBENTURES

On 25th June, 2010 the Company had issued 1000 Rated, Taxable, Secured, redeemable, Non - Convertible Debentures (NCDs) of the face value of Rs. 10 Lacs each, aggregating to Rs. 100 Crores, on private placement basis to Kotak Mahindra Bank Limited. The

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Company has appointed M/s IDBI Trusteeship Services Limited, Mumbai as the Debenture Trustee and M/s Karvy Computershare Pvt. Ltd. as Registrar and Transfer Agents in relation to the aforesaid NCDs. In terms of the issue of the aforesaid NCDs, during the Financial Year 2011-12 your Company has redeemed NCDs of the face value of Rs. 14 Crores. Total outstanding NCDs as on 30th June, 2012 is Rs. 75.25 Crores, which shall be redeemed by the Financial Year 2015-16 in unequal quarterly installments.

B. LOANS

- (i) The Company had availed secured loan of Rs. 45 Crores from Kotak Mahindra Bank Limited during previous Financial Year. In accordance with the terms and conditions of the aforesaid loan, during the Financial Year 2011-12, the Company has partly repaid the above loan upto the extent of Rs. 6 Crores. The outstanding loan as on June 30, 2012 amounts to Rs. 34 Crores which shall be repaid by the Financial Year 2015-16 in unequal quarterly installments.
- (ii) The Company had earlier availed Loan of Rs. 1 Crore from Kotak Mahindra Prime Limited for purchase of cars for Hotel Hyatt Regency, Mumbai.

C. GUARANTEES

- (i) During the period under review, the Company granted Corporate Guarantee(s) for import of Capital Goods under EPCG to customs authorities / DGFT for and on behalf of:
 - Aria Hotels and Consultancy Services Pvt. Ltd., Subsidiary of the Company for an aggregate amount of Rs. 26.42 Crores as on 30th June, 2012.
 - Inova Hotels and Resorts Limited (IHRL), Subsidiary of the Company for replacement of Bank Guarantees furnished by IHRL for an aggregate amount of Rs. 44.48 Crores (Previous Year Rs. Nil).
- (ii) The Company also issued Corporate Guarantee aggregating to Rs. 37.50 Crores in favour of Kotak Mahindra Bank Ltd. for an on behalf of Inova Hotels and Resorts Limited (IHRL), Subsidiary Company for availing of loan by IHRL.

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

FUTURE PROSPECTS

The Company is on the lookout for sites having growth potential and your Directors are reasonably confident that it will result in expanding our footprint and thereby enhancing the Shareholders' value.

AUDITORS

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

INTERNAL AUDIT

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

DIRECTORS

During the period under review, Mr. Rajesh Adhikary was appointed as the Alternate Director to Mr. Sunil Diwakar, Director of the Company with effect from 10th August, 2011.

In accordance with the requirement of the Companies Act, 1956 and pursuant to the Article 116 of the Articles of Association, two of your Directors viz. Mr. Surendra Singh Bhandari and Mr. Raj Kumar Bhargava retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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

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

- that in the preparation of annual accounts for the year ended 31st March, 2012, the applicable Accounting Standards have been followed along with proper explanation relating to any material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period under review and of the profit of the Company for that period.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis;

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

The Audit Committee of the Board of Directors reviewed the financial statements, prepared in accordance with revised Schedule VI of the Companies Act, 1956 for the year under review at its meeting held on 3rd August, 2012 and recommended the same for the approval of the Board of Directors.

INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to the conservation of energy, technology absorption, foreign exchange earnings and outgo are to the extent possible, in the opinion of your Directors, given in Annexure 'A' annexed hereto.

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PERSONNEL

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

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

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance for the Financial Year 2011-12 together with Auditor's Certificate on Corporate Governance is appended to the Annual Report as Annexure 'C' and 'D' respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Industry Structure, Development & Outlook

Tourism industry is one of the largest industries in the world today with more and more people travelling for leisure or business, thanks to higher disposable income and falling travelling costs. The Indian hospitality industry has recorded healthy growth fuelled by robust inflow of foreign tourists as well as increased tourist movement within the country and it has become one of the leading players in the global industry. In the past few years, India has witnessed spurring growth in both international and domestic tourists. The country greets around 5.5 million international visitors every year and nearly 740 million domestic tourists.

In 2011, the global travel and tourism industry employed close to 258 million people and generated USD 5,991.9 billion or 9.1% of the world's GDP.

According to the World Travel and Tourism Council (WTTC) estimates, India's total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts) was around 37.6 million jobs in 2011 (7.5% of total employment). By 2021, Travel & Tourism is forecast to support 47.4 million jobs (8.1% of total employment), an increase of 2.3% per annum over the period.

The fortunes of the hospitality industry are closely linked with the tourism industry and hence tourism is one of the most important growth drivers for the hospitality industry. In addition, all the factors that aid growth in the tourism industry are also the major growth drivers for the hospitality industry. The Indian hospitality industry has recorded healthy growth in recent years.

India occupies the sixty-eighth (68th) position among the top tourist destinations in the world, according to the Travel and Tourism Competitiveness Report 2011.

Government of India has increased spending on advertising campaigns (including for the campaigns 'Incredible India' and 'Athithi Devo Bhava' - Visitors are like God) to reinforce the rich variety of tourism in India.

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow by 8.2 % between 2010 and 2019. This will place India at the third position in the world. India's travel and tourism sector is expected to be the second largest employer in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019. The report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020

Industry observers feel that 2012 will be bearish as it may not be possible for the Government of India to get out of the current slump with various state governments going into election mode would have a further negative impact on business sentiments and travel. There is still a fair bit of new supply which will enter many of the Indian cities and this will continue to offer rate pressure on the hotels resulting in the rates declining 5-10 percent across India and occupancy will be under pressure to hold on to 2011 levels in many of the markets.

In the long-term, the outlook for the sector is very promising. Demand levels are likely to improve as economic growth gathers momentum and companies increase spending on travel. The number of foreign tourists is expected to reach 11.1 million by 2021.

Opportunities, Threats, Risks and Concerns

India offers a readymade tourist destination with the resources it has. Thus the magnet to pull tourists already exists and has potential to grow. Hotels form one of the most important support service that affect the arrival of tourist to a country. A very wide variety of hotels is present in the country that can fulfill the demand of the tourists. The strengths of the industry includes that the manpower costs in the Indian hotel industry is one of the lowest in the world. This provides better margins for Indian hotel industry. Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays. For international tourists the peak season for arrival is between September to March when the overall climatic conditions is pleasant and suitable, whereas the national tourist normally wait for school holidays, generally the summer months. In the long-term the hotel industry in India has latent potential for growth. This is because India is an ideal destination for tourists as it is the only country with the most diverse topography. For India, the inbound tourists are a mere 0.49% of the global figures. This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry.

If there are opportunities one can find threats. Inadequate infrastructure and high rate of taxation continues to be a stumbling block for the growth of tourist traffic. The government also needs to build more Convention Centres to attract MICE business. The economic conditions of a country also have a direct impact on the earnings in hotel industry.

Review of Operational and Financial Performance

The Company has achieved an aggregate turnover of Rs. 135.78 Crores (Previous period Rs. 134.94 Crores) for the financial year ended on 31st March, 2012. Profit after taxes for the year under review was Rs. 13.27 Crores (Previous period Rs. 16.92 Crores).

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.

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Internal Control Systems and their Adequacy

The Company has standard operating procedures. It has in place adequate reporting systems in respect of financial performance, operational efficiencies and reporting with respect to compliance of various statutory and regulatory matters. The internal auditors of the Company had regularly conducted exhaustive internal audits pertaining to all operational areas and their reports were placed before the Audit Committee for its review and recommendations.

Human Resources and Industrial Relations

Smooth Industrial Relations and effective Human Resource Management are the key factors contributing towards success in the industry. As our company is part of the hospitality industry the importance of efficient and motivated human resources helps in achieving complete customer satisfaction, which in turn has direct impact on the brand image and turnover of the Company. The Company enjoys harmonious relationship with its employees. The employee strength of the Company, as on 31st March, 2012 was 687.

ACKNOWLEDGEMENT

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

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

Place : New Delhi
Dated : 3rd August, 2012

Sushil Gupta
Chairman and Managing Director
DIN 00006165

ANNEXURE – A FORMING PART OF THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

S. No.	Energy conservation measure taken during the year 2011-12	Impact (savings in Lac Rs. per annum)
1.	Replacement of guest room corridor 35 watt halogen lamps with 10 watt LED lamps	10.0
2.	Replacement of guest room side 20 W emergency halogen lamps with 10 W LED lamps	4.25
3.	Replacement of steam traps and steam control at laundry	2.0
4.	Sensor taps in back areas and Recycled STP water for water bodies.	6.5

S. No.	Additional Investment – proposal for the year 2012-13	Impact (savings in Lac Rs. per annum)
1.	Recycling of STP water back to flush and cooling tower, 3D TRASAR technology	20.00
2.	Replacement of AR111 lamps with IRC lamps	7.5
3.	Wind power benefit on monthly energy bill	40.0
4.	Heat Pump for hot water	45.0
5.	Replacement of 50 Watt halogen lamps in lobby with 10 Watt LED lamps	15.0

B) TECHNOLOGY ABSORPTION

In the Opinion of the Board, the required particulars, pertaining to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable as hotels form part of the service industry and the Company does not have any significant manufacturing operations.

C) FOREIGN EXCHANGE EARNINGS

- The Company has a strong commitment to international business and is continuously exploring avenues to increase its foreign exchange earnings.
- Foreign exchange earnings (on receipt basis) have shown a downfall considering the global meltdown and the recession in the economies across the world. Current period earnings amounted to Rs. 75.66 Crores (Rs. 86.25 Crores in previous period) against which the outgo in foreign exchange was equivalent to Rs. 15.40 Crores (Rs. 12.73 Crores in previous period).
- Details of foreign exchange earnings and outgo are given at Note 43 to the Balance sheet and Profit and Loss Account of the Company for the financial year ended on 31st March, 2012.

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ANNEXURE B FORMING PART OF THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 (FINANCIAL YEAR 2011-12)

S. No.	NAME	AGE (YRS.)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION (IN RS.)	QUALIFICATION	EXPERIENCE (YRS)	DATE OF COMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD / DESIGNATION / PERIOD
EMPLOYED THROUGHOUT THE YEAR								
1	Sushil Gupta	69	Chairman & Managing Director	86,49,200	F.S.C., CHA	49	10.04.1981	Industrialist
2	Aseem Kapoor	43	General Manager, Hyatt Regency Mumbai	1,14,70,636	Diploma in Hotel Management, IHM Mumbai	23	01.06.2008	Resident Manager, Park Hyatt Dubai (3 Yrs)
3.	Sudhir Gupta	53	Executive (Whole-time) Director	73,91,360	B.Com	29	10.05.2010	Industrialist
4.	Sandeep Gupta	43	Executive (Whole-time) Director	59,43,600	B.Com(Hons) SRCC, New Delhi, MBA from Notre Dame University, USA., Specializing in Finance & Marketing, PDP – Cornell University	21	10.05.2010	Hotelier

- Total remuneration comprises Basic Salary, HRA, Special Allowance, Company's contribution to pension fund, LTA, monetary value of other perquisites, if any, on the basis of Income Tax Rules, Performance incentive, Ex-gratia payments and Commission to Chairman & Managing Director. Performance incentives and Ex-gratia payments to the executives and commission to Chairman & Managing Director and Executive (Whole-time) Directors are included on payment basis.
- All the appointments except that of Mr. Aseem Kapoor are on contractual basis.
- Mr.Sushil Gupta, Chairman and Managing Director of the Company, is brother of Mr. Sudhir Gupta Executive (Whole-time) Director of the Company and is father of Mr. Sandeep Gupta, Executive (Whole time) Director of the Company. Mr. Aseem Kapoor is not related to any of Directors of the Company.

ASIAN HOTELS (WEST) LIMITED

ANNEXURE "C" FORMING PART OF DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

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

The status of compliance with Clause 49 of the Standard Listing Agreement for the Financial Year 2011-12 is enumerated herein below:

Board of Directors

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

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

The Company is following prescribed Board procedures and provided detailed notes in advance on all the businesses proposed to be dealt with at the Board Meetings. The Board meets at least once every quarter. During the period under review, 4 meetings of the Board of Directors took place. These meetings were held on 30th May, 2011; 10th August, 2011; 12th November, 2011; 9th February, 2012.

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

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

* Appointed as an Alternate Director to Mr. Sunil Diwakar of the Company w.e.f. 10th August, 2011.

Committee of Directors

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

a) Audit Committee:

The Audit Committee of the Board of Directors of the Company comprise of three Independent & Non – Executive Directors, namely Mr. Raj Kumar Bhargava, Mr. Lalit Bhasin and Mr. Surendra Singh Bhandari.

The Committee functions under the chairmanship of Mr. Raj Kumar Bhargava, a Retired IAS Officer, who has held various portfolios during his tenure in the Central Government and has adequate knowledge of the finance and accounts function.

The terms of reference and the powers of the Audit Committee are in conformity with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 (the Act).

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

During the year under review, five meetings of the Audit Committee were held on 30th May, 2011; 10th August, 2011; 12th November, 2011; 9th February, 2012 and 23rd March, 2012 details of which are as under:

Name of the member	Category	No. of Audit Committee meetings attended
Mr. Raj Kumar Bhargava,	Independent, Non-Executive	5
Mr. Lalit Bhasin	Independent, Non-Executive	4
Mr. Surendra Singh Bhandari	Independent, Non-Executive	3

ASIAN HOTELS (WEST) LIMITED

b) Share Transfer & Shareholders Grievance Committee:

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

During the period under review, Mr. Raj Kumar Bhargava resigned from the Chairmanship of the committee and Mr. S. K. Chhibber was appointed as Chairman of the committee.

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

The Company received 70 complaints during the period, which have been resolved and/or appropriately replied to. None of the investor complaints is lying unresolved at the end of the Financial Year.

During the year under review, four meetings of the Share Transfer & Shareholders Grievance Committee were held on 30th May, 2011; 10th August, 2011; 12th November, 2011 and 9th February, 2012 details of which are as under:

Name of the member	Category	No. of Share Transfer Committee meetings attended
Mr. S. K. Chhibber	Independent, Non-Executive	4
Mr. Raj Kumar Bhargava	Independent, Non-Executive	4
Mr. Lalit Bhasin	Independent, Non-Executive	3

c) Remuneration Committee / Remuneration

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

The terms of reference of the Committee is to determine, on behalf of the Board, the Company's policy governing remuneration payable to Whole-Time Directors, and recommend their remuneration subject to requisite approvals. On the recommendations of the Committee, the Board, subject to requisite approvals, decides the remuneration of the Whole-Time Directors. The Remuneration package of the Whole-Time Directors comprises of a fixed component viz. salary, perquisites and allowances and a variable component viz. commission on profits.

The Committee functions under the chairmanship of Mr. Lalit Bhasin a senior Lawyer of repute with over 50 years of experience in Legal matters.

During the year under review, no meeting of the Remuneration Committee was held.

Pursuant to the approval of the shareholder at the Third Annual General Meeting of the Company, the Non-Executive Directors are collectively entitled to commission at the rate of 1% of the net profits of the Company (computed under Section 349 and 350 of the Act) subject to a maximum of Rs. 5,00,000/- (Rupees Five Lacs only) per year per Non-Executive Director. In addition to the above, Non-Executive Directors are entitled to sitting fees for the meetings of the Board and the Committees thereof attended by them. No stock options were offered to the Directors or Executives of the Company.

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

(Amount in Rs.)

Name of the Directors	Salary including perquisites	Commission (payable)	Sitting Fees	Total
Mr. Sushil Gupta*	86,49,200	–	–	86,49,200
Mr. S.K. Chhibber	–	4,38,400	96,000	5,34,400
Mr. Raj Kumar Bhargava#	–	4,38,400	1,68,000	6,06,400
Mr. Lalit Bhasin	–	4,38,400	1,20,000	5,58,400
Mr. Surendra Singh Bhandari	–	4,38,400	72,000	5,10,400
Mr. Sunil Diwakar	–	1,21,000	12,000	1,33,000
Mr. Rajesh Adhikary\$	–	3,63,000	36,000	3,99,000
Mr. Sudhir Gupta*	73,91,360	–	–	73,91,360
Mr. Sandeep Gupta*	59,43,600	–	–	59,43,600
TOTAL	2,19,84,160	22,37,600	5,04,000	2,47,25,760

* Mr. Sushil Gupta was appointed as Chairman and Managing Director for a term of five years ending 31st October, 2014 and Mr. Sudhir Gupta and Mr. Sandeep Gupta were appointed as Executive (Whole-time) Directors for a term of five years ending 9th May, 2015.

Included sitting fee in respect of meeting of Share Allotment Committee held on 30th April, 2011.

\$ Appointed as Alternate Director to Mr. Sunil Diwakar of the company w.e.f. 10th August, 2011.

ASIAN HOTELS (WEST) LIMITED

Details of shareholdings of the Non-Executive Directors of the Company as on 31st March, 2012 are as under:

Name of Director	Category	Shareholding as on 31st March, 2012	% age of Total Shareholding
Mr. Raj Kumar Bhargava	Independent Non- Executive	3826	0.03
Mr. S.K. Chhibber	Independent Non- Executive	70	0.00
Mr. Lalit Bhasin	Independent Non- Executive	NIL	NIL
Mr. Surendra Singh Bhandari	Independent Non- Executive	NIL	NIL
Mr. Sunil Diwakar	Non Executive	NIL	NIL
Mr. Rajesh Adhikary*	Non-Executive	NIL	NIL

* Appointed as an Alternate Director to Mr. Sunil Diwakar of the Company w.e.f. 10th August, 2011.

General Body Meetings: -

The details of the Last Three Annual General Meetings held by the Company are given below:

Financial Year	Venue	Date	Time
2008-09	Hotel Hyatt Regency, Bhikaiji Cama Place, Mahatma Gandhi Marg, New Delhi – 110066	03.10.2009	1.00 P.M.
2009-10	Airforce Auditorium, Subroto Park, New Delhi 110010	18.09.2010	3.30 P.M
2010-11	Airforce Auditorium, Subroto Park, New Delhi 110010	02.08.2011	3.00 P.M

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

During the Year under review, No Special Resolution was passed by the company through Postal Ballot.

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

Code of Conduct

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

Material Disclosures

• Related Party Transaction

In compliance with the Accounting Standard – 18, transactions pertaining to related parties are given under Note 36 to the Balance Sheet as at 31st March, 2012, and the Profit & Loss Account for the period ended on that date.

• Legal Compliances

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

• Risk Assessment and Minimisation Procedures

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

• Conflict of Interest

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

• CEO/CFO Certification

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

ASIAN HOTELS (WEST) LIMITED

Means of Communication

The quarterly financial results are generally published in the Business Standard (English) and Business Standard (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

• Half-Yearly report sent to each shareholder:	:	No. The financial results are displayed on the Company's website.
• Publication of Quarterly results Which newspaper normally published in	:	Yes.
	:	1) Business Standard (English)
	:	2) Business Standard (Hindi)
• Any website where displayed	:	As mentioned above, the financial results and other statutory reports are uploaded on the Company's website.
Whether it also displays official news Releases	:	Yes
Presentation made to the institutional investors or the analysts	:	Shall be displayed as and when it happens
• Management Discussion and Analysis is part of Annual Report.	:	Yes, it is a part of the Directors' Report.

Shareholder Information

Annual General Meeting

Day, Date & Time : Wednesday, 12th September, 2012 at 3.00 p.m.

Venue : Air Force Auditorium, Subroto park, New Delhi 110010

Financial Calendar

The financial calendar for the Financial Year 2012-13 is proposed as under:

Financial Reporting for the quarter ending 30th June, 2012	1st – 2nd week of August, 2012
Financial Reporting for the half year ending 30th September, 2012	1st – 2nd week of November, 2012
Financial Reporting for the third quarter ending 31st December, 2012	1st – 2nd week of February, 2013
Financial Reporting for the year ending 31st March, 2013	End May, 2013

Book Closure	Thursday, 6th September, 2012 to Wednesday, 12th September, 2012 (Inclusive of both days)
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Dividend Payment Date : 1st week of October, 2012.

Listing on Stock Exchanges : Bombay Stock Exchange Ltd,
National Stock Exchange of India Ltd, and
The Company has paid Annual Listing Fees to the Stock Exchanges.

Stock Code : BSE - 533221, NSE - AHLWEST

Stock Market Data

The equity shares of the Company are listed on BSE and NSE from 5th August, 2010. The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 1st April, 2011 to 31st March, 2012 are given below:

Month	BSE			NSE		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (in Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (in Nos.)
April, 2011	210.00	185.25	11387	210.40	178.00	48047
May, 2011	210.00	181.00	12924	211.00	182.00	42661
June, 2011	203.00	181.70	175526	200.95	181.00	7629
July, 2011	200.00	177.00	23381	217.00	175.00	18930
August, 2011	202.20	142.00	155298	188.90	139.05	49951
September, 2011	177.90	150.00	229231	174.40	148.20	19169
October, 2011	164.45	141.35	4188	159.30	141.25	9131
November, 2011	157.85	123.00	3874	152.90	125.10	6856
December, 2011	144.45	113.15	18865	143.00	112.00	18227
January, 2012	142.20	107.00	11331	143.00	112.60	23850
February, 2012	149.95	134.00	34884	152.95	135.45	18145
March, 2012	149.75	127.15	5155	150.00	129.00	24765

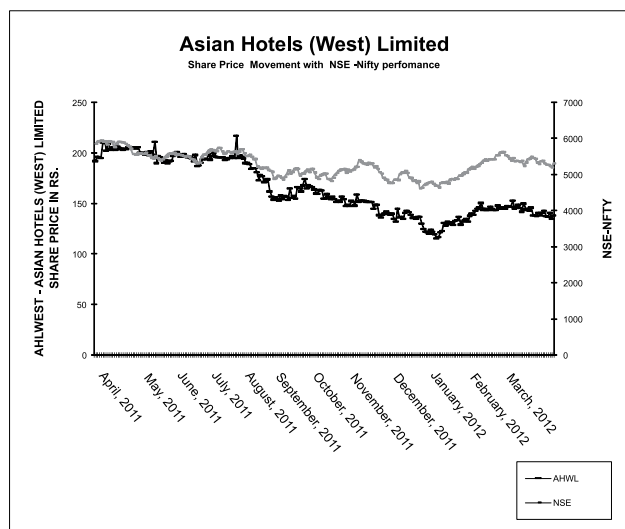
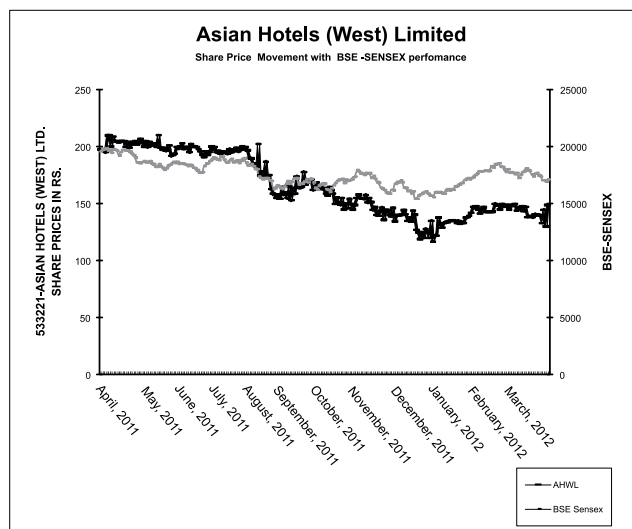
Source: www.bseindia.com and www.nseindia.com

Further, Share Price Performance in comparison to BSE SENSEX and NSE S&P CNX NIFTY for the period from 1st April, 2011 to 31st March, 2012 is given below.

ASIAN HOTELS (WEST) LIMITED

PRICE COMPARISON

CHARTS



Distribution of shareholders

Number of equity shares held	As on 31st March, 2012				As on 31st March, 2011			
	No. of Shareholders	% of Total Shareholders	Number of shares held	% Shareholding	No. of Shareholders	% of Total Shareholders	Number of shares held	% Shareholding
Upto 500	17921	96.87	984758	8.59	17559	96.84	1017199	8.92
501-1000	325	1.76	233089	2.03	314	1.73	223627	1.96
1001-2000	119	0.64	168542	1.47	127	0.70	177016	1.55
2001-3000	36	0.19	87571	0.76	34	0.19	82674	0.72
3001-4000	16	0.09	56764	0.50	21	0.12	74117	0.65
4001-5000	14	0.08	62392	0.54	10	0.05	44707	0.39
5001-10000	25	0.14	171107	1.49	25	0.14	175412	1.54
10000 - above	44	0.24	9694080	84.60	42	0.23	9607030	84.26
TOTAL	18500	100.00	11458303	100.00	18132	100.00	11401782	100.00

Category wise shareholding

CATEGORY	As on 31st March, 2012		As on 31st March, 2011	
	No. of shares held	% age of Shareholding	No. of shares held	% age of Shareholding
A. Promoters Shareholding (Gupta Group)				
- Indian	1420872	12.40	1420872	12.46
- Foreign	5468380	47.72	5336880	46.81
Total Promoters shareholding	6889252	60.12	6757752	59.27
B. Public Shareholding				
- Mutual Funds/Financial Institutions/ Banks and Insurance Companies	265029	2.31	335676	2.94
- FII's	23440	0.20	25540	0.22
- NRI's	1021142	8.91	991948	8.70
- Bodies Corporate (Domestic)	1036250	9.04	1550507	13.60
- Individuals (Indian Public)	2200408	19.20	1732596	15.20
- Clearing Members	3942	0.03	7763	0.07
- Foreign Bodies	18840	0.16	-	-
Total Public shareholding	4569051	39.85	4644030	40.73
GRAND TOTAL	11458303	100.00	11401782	100.00

ASIAN HOTELS (WEST) LIMITED

Share Transfer System

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

- i) Share Transfer and Shareholders Grievances Committee comprising of Directors and
- ii) Executive Share Transfer Committee comprising of executives of the Company.

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

Share Transfer Agent

Karvy Computershare Pvt Limited
"Karvy House"
Plot no. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad-500081
Website : www.karvy.com
Tel No. 040-23420815-24
Fax No. 040-23420814
e-mail : mailmanager@karvy.com

Karvy Computershare Pvt Limited
105-108 Arunachal Building, 1st Floor
19, Barakhamba Road
New Delhi-110001
Telephone No. 011-23324401/23324409
e-mail : delhi@karvy.com

Dematerialisation of Shares

11021508 equity shares (equivalent to 96.19%) of the total equity shares of the Company are held in dematerialized form as on 31st March, 2012.

Dividend Information:

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

Plant Locations

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

HYATT REGENCY, MUMBAI

Sahar Airport Road,
Andheri East, Mumbai-400099.

Address for Correspondence

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

Registered Office

ASIAN HOTELS (WEST) LIMITED

E-5, Clarion Collection, The Qutab Hotel,
Shaheed Jeet Singh Marg, New Delhi – 110016
Telephone No.011-46101234 / 46101207/46101210
Fax No. 011-46101202
Email Id. nikhil.sethi@asianhotelswest.com

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

In terms of Clause 5A of the Listing Agreement, the Registrar of the Company has issued a final reminder to the shareholders of the company on 19th December, 2011 to whom Share Certificates were issued pursuant to the Scheme of Arrangement and Demerger of erstwhile Asian Hotels Limited in the year 2010, which are lying unclaimed. The Company is in the process of opening the Demat Suspense Account for dematerializing the aforesaid securities.

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

ASIAN HOTELS (WEST) LIMITED

ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

3rd August, 2012

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

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

Dear Sirs,

This is to certify that pursuant to Clause 49(I)(D) of the Listing Agreement, the Board of Directors has adopted a Code of Conduct for its members and Senior Management personnel and that they have affirmed having complied with the said Code of Conduct for the 12 months period ended 31st March, 2012.

FOR ASIAN HOTELS (WEST) LIMITED

**SUSHIL GUPTA
CHAIRMAN AND MANAGING DIRECTOR**

ANNEXURE 'D' TO DIRECTORS' REPORT

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

To

The Members of Asian Hotels (West) Limited.

We have examined the compliance of the mandatory conditions of Corporate Governance by Asian Hotels (West) Limited during the Financial Year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement. We state that in respect of investor grievance received during the year ended 31st March, 2012 no investor grievances are pending for a period exceeding one month against the Company as per the records available with the Company.

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

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

Place : New Delhi
Date : 3rd August, 2012

**Dhawal Kant Singh
Proprietor
CP No.: 7347**

ASIAN HOTELS (WEST) LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF

ASIAN HOTELS (WEST) LIMITED

1. We have audited the attached Balance Sheet of **Asian Hotels (West) Limited**, as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (Collectively the Order) issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012, from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 3rd August, 2012

ASIAN HOTELS (WEST) LIMITED

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

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a programme of physically verifying its fixed assets in a phased manner designed to cover all assets over a period of time, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, the Management had carried out a physical verification of some of its fixed assets during the year and the discrepancies noted on such verification were not material and have been suitably dealt with in the books.
 - c. No substantial part of the fixed assets was disposed off during the year.
- ii. In respect of its inventories:
 - a. As explained to us, all inventories have been physically verified during the year by the management at reasonable intervals.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.
- iii. The Company has granted unsecured loan to its subsidiary company Inova Hotels & Resorts Limited listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance of such loan is Rs. 3500 lacs and Rs. NIL respectively. Apart from this, there are no other loans granted during the year. The rate of interest and other terms & conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- iv. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e), (f) and (g) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control systems.
- vi.
 - a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakh in respect of each party have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vii. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- viii. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- ix. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-Section (1) of Section 209 of the Companies Act, 1956 for the Company's activities. Hence, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- x.
 - a. According to the records of the Company examined by us and the information and explanations given to us, the Company has generally deposited its statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues within the prescribed time with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute.

ASIAN HOTELS (WEST) LIMITED

- xi. There are no accumulated losses of the Company as at the end of the financial year. There are no cash losses during the financial year and in the immediately preceding financial year.
- xii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- xiii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records and making timely entries for all transactions and contracts in shares and other investments. All shares have been held by the Company in its own name.
- xvi. According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiary Companies from banks. The terms & conditions of which are not, prima facie, prejudicial to the interest of the Company.
- xvii. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained where such end use has been stipulated by the lender.
- xviii. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis, have prima facie, not been utilised for long term investment.
- xix. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xx. Based on the books and records produced to us by the management, securities have been created in respect of debentures issued, wherever required.
- xxi. The Company has not raised any money by way of public issues during the year.
- xxii. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

Place : New Delhi
Dated : 3rd August, 2012

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

ARUN K. TULSIAN
Partner
Membership No.: 89907

ASIAN HOTELS (WEST) LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

(Rs. in Lacs)

	NOTES	As at 31st March, 2012		As at 31st March, 2011	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
a. Share Capital	2	1,145.83		1,142.96	
b. Reserves and Surplus	3	28,132.23	29,278.06	27,339.39	28,482.35
2. NON-CURRENT LIABILITIES					
a. Long-term Borrowings	4	9,175.61		11,585.78	
b. Deferred Tax Liabilities (Net)	5	2,854.93		2,824.04	
c. Other Long term Liabilities	6	3.10		2.10	
d. Long Term Provisions	7	195.17	12,228.81	151.31	14,563.23
3. CURRENT LIABILITIES					
a. Short Term Borrowings	8	512.10		279.53	
b. Trade Payables	9	559.73		538.98	
c. Other Current Liabilities	10	3,615.77		3,206.25	
d. Short Term Provisions	7	674.61	5,362.21	666.31	4,691.07
			46,869.08		47,736.65
ASSETS					
4. NON-CURRENT ASSETS					
a. Fixed assets	11				
i. Tangible Assets		28,591.08		29,488.62	
ii. Capital work-in-progress		41.48	28,632.56	28.45	29,517.07
b. Non-current Investments	12	14,542.67		12,666.67	
c. Long Term Loans and Advances	13	8.43	14,551.10	13.83	12,680.50
5. CURRENT ASSETS					
a. Current Investments	14	831.00		312.65	
b. Inventories	15	334.82		276.75	
c. Trade Receivables	16	613.21		853.37	
d. Cash and Cash Equivalents	17	87.66		761.48	
e. Short-term Loans and Advances	13	1,725.14		3,275.84	
f. Other Current Assets	18	93.59	3,685.42	58.99	5,539.08
			46,869.08		47,736.65
SIGNIFICANT ACCOUNTING POLICIES					
	1				

Accompanying notes form an integral part of the Financial Statements

AS PER REPORT OF EVEN DATE

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

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 3rd August, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Chairman &
Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive
(Whole-Time) Director
DIN : 00057942

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Rs. in Lacs)

	NOTE	Year ended 31st March, 2012	Year ended 31st March, 2011
1. INCOME			
a. Revenue From Operations	19	13,040.72	13,459.74
Less : Excise Duty		7.09	4.85
		<u>13,033.63</u>	<u>13,454.89</u>
b. Other Income	20	544.72	39.58
Total Revenue		<u>13,578.35</u>	<u>13,494.47</u>
2. EXPENSES			
a. Consumption of Provisions, Beverages, Smokes and others	21	1,134.72	1,089.92
b. Employee Benefit Expenses	22	2,757.56	2,586.25
c. Finance Cost	23	1,808.00	1,246.64
d. Depreciation and Amortization Expense	11	1,029.68	1,023.14
e. Other Expenses	24	4,908.35	5,218.72
Total Expenses		<u>11,638.31</u>	<u>11,164.66</u>
3. Profit Before Tax		1,940.04	2,329.81
4. Tax expense			
i. Current Tax		582.00	702.00
ii. Deferred Tax charge/(Credit)		30.89	(63.80)
		<u>612.89</u>	<u>638.20</u>
5. Profit/(Loss) for the Year		1,327.15	1,691.61
Earning per Equity Share (Nominal value per Share Rs. 10/-) (Refer Note No. 40)			
i. Basic		11.58	14.83
ii. Diluted		11.58	14.75

SIGNIFICANT ACCOUNTING POLICIES 1

Accompanying notes form an integral part of the Financial Statements.

AS PER REPORT OF EVEN DATE

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

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 3rd August, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Chairman &
Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive
(Whole-Time) Director
DIN : 00057942

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Rs. in Lacs)

	2011-12	2010-11
	Rs.in lacs	Rs.in lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
[a] Net Profit before Tax	1,940.04	2,329.81
Adjustment for:		
Depreciation	1,029.68	1,023.14
Loss on sale of fixed assets	6.18	77.45
Dividend Income on Investment	(19.33)	(21.94)
Interest Paid	1,802.19	1,240.20
Interest Earned	(146.37)	(14.81)
	2,672.35	2,304.04
[b] Operating profit before working capital charges	4,612.39	4,633.85
Adjustments for:		
(Increase)/Decrease in inventories	(58.07)	(6.30)
(Increase)/Decrease in Trade Receivables	205.55	(237.87)
(Increase)/Decrease in Loans and Advances	1,556.10	609.47
Increase/(Decrease) in Trade Payables	23.75	420.87
Increase/(Decrease) in Provisions	(470.55)	(488.69)
	1,256.78	297.48
[c] Cash generated from operations	5,869.17	4,931.33
Direct taxes paid (Net)	(590.74)	(645.62)
Net cash from Operating Activities (A)	5,278.43	4,285.71
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(164.35)	(1,190.59)
Sale of fixed assets	13.00	13.06
Purchase of Investments	(2,394.35)	(10,328.24)
Dividend Income on Investment	19.33	21.94
Net Cash from Investing Activities (B)	(2,526.37)	(11,483.83)
C CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Fully Convertible Preference Shares	-	14,596.95
Repayment of Borrowings	(1,803.70)	(975.00)
Proceeds of Borrowings	33.64	-
Increase in Share Capital	-	(4,780.36)
Interest Paid	(1,802.19)	(1,240.20)
Interest Earned	146.37	14.81
Net Cash from Financing activities [C]	(3,425.88)	7,616.20
Net Increase/ (Decrease) in Cash Equivalent [A+B+C]	(673.81)	418.08
Cash and Cash equivalent (Beginning of the year)	761.47	343.40
Cash and Cash equivalent (End of the year)	87.66	761.48

Notes:

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

AS PER REPORT OF EVEN DATE

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

ARUN K. TULSIAN
Partner
Membership No. 89907

Place : New Delhi
Dated : 3rd August, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Chairman &
Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive
(Whole-Time) Director
DIN : 00057942

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE : 1

SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on 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.

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. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

k. Fixed Assets and Depreciation

i. Fixed Assets

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

ii. Depreciation

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

l. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments or short-term investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are 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. Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.
- iii. Shares held as Stock- in -trade are valued at cost or market value whichever is lower.
- iv. Net realizable value is estimated selling/ realizable value in the normal course of business less cost of completing the sale. Cost is determined on weighted average basis.

n. LEASES

When the Company is the lessee

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

When the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised 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 events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE -2		
SHARE CAPITAL		
AUTHORISED		
i. 14,000,000 (Previous year 14,000,000) Equity Shares of Rs. 10/- each	1,400.00	1,400.00
ii. 11,000,000 (Previous year 11,000,000) Preference Shares of Rs. 10/- each	1,100.00	1,100.00
	2,500.00	2,500.00
ISSUED, SUBSCRIBED & PAID UP		
i. 11,458,303 (Previous year 11,401,782) Equity Shares of Rs. 10/-each fully paid up*	1,145.83	1,140.18
ii. NIL (Previous year 27,780) Fully Convertible Preference Shares of Rs.10/- each	-	2.78
	1,145.83	1,142.96

* 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 date 13th January, 2010.

a. Reconciliation of the Shares outstanding at the beginning and at the end of reporting period

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rs. in lacs	No. of Shares	Rs. in lacs
i. Equity Shares of Rs. 10/- each fully paid up				
Balance at the beginning of the year	11,401,782	1,140.18	11,401,782	1,140.18
Add: Issued during the year	56,521	5.65	-	-
Balance at the end of the year	11,458,303	1,145.83	11,401,782	1,140.18
ii. 1% Compulsory Redeemable Non-Convertible Preference Shares (NCPS) of Rs. 10/- each fully paid up				
Balance at the beginning of the year	-	-	4,950,000	495.00
Add: Issued during the year	-	-	-	-
Less: Redeemed during the year	-	-	4,950,000	495.00
Balance at the end of the year	-	-	-	-
iii. Fully Convertible Preference Shares (FCPS) of Rs. 10 each				
Balance at the beginning of the year	27,780	2.78	27,780	2.78
Add: Issued during the year	-	-	-	-
Less: Converted into equity shares	27,780	2.78	-	-
Balance at the end of the year	-	-	27,780	2.78

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

The Authorised Share Capital of the Company comprise of equity shares and preference share 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, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

The Preference Shares were 1% Non-Cumulative Fully Convertible Shares of Rs. 10/- each. They Carry a non-cumulative dividend of 1% p.a. Each Holder of Preference shares was entitled to preferential dividend and preferential distribution on liquidation of the Company. These shares carry no voting rights except for one vote per share only on resolutions placed before the Company which directly affect their rights. These shares were converted into equity shares at the conversion price as calculated in terms of the mechanism provided in the Scheme of Arrangement and Demerger and the pricing formula as provided in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. During the year these shares were converted into 56,521 equity shares of Rs. 10 each at a premium of Rs. 255.40 each.

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% holding	No. of Shares	% holding
D.S.O. Limited	5,336,880	46.58	5,336,880	46.81
Forex Finance Limited	-	-	861,377	7.55

	As at 31st March, 2012		As at 31st March, 2011	
	Rs. in Lacs		Rs. in Lacs	

NOTE - 3

RESERVES & SURPLUS

A. Capital Reserve		1.41		1.41
B. Capital Redemption Reserve				
Balance at the beginning of the year	990.00		990.00	
Add: Transferred during the year	-	990.00	-	990.00
C. Debenture Redemption Reserve				
Balance at the beginning of the year	168.75		-	
Add: Transferred from Statement of Profit & Loss	350.00	518.75	168.75	168.75
D. Securities Premium Reserve				
Balance at the beginning of the year	147.23		147.23	
Add: Received during the year	-		-	
Less: Expenses incurred on issue of shares	2.87	144.36	-	147.23
E. Tourism Development Utilised Reserve				
Balance at the beginning of the year	5,332.02		5,332.02	
Less: Transferred to General Reserve	5,332.02	-	-	5,332.02
F. General Reserve				
Balance at the beginning of the year	10,128.98		9,953.98	
Add: Transferred from Tourism Development Utilised Reserve	5,332.02		-	
Add: Transfer from Statement of Profit & Loss	135.00	15,596.00	175.00	10,128.98
Surplus/(Deficit) in the Statement of Profit and Loss				
Balance at the beginning of the year	10,570.99		9,757.06	
Add: Profit for the year	1,327.16		1,691.61	
Amount available for appropriation	11,898.15		11,448.67	
Less: Appropriations				
a. Transfer to General Reserve	135.00		175.00	
b. Proposed Dividend on Equity Shares	458.33		458.33	
c. Proposed Dividend on Non Convertible Preference Shares	-		1.24	
d. Dividend Distribution tax	73.11		74.35	
e. Transfer to Debenture Redemption Reserve	350.00	10,881.71	168.75	10,571.00
		28,132.23		27,339.39

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012			As at 31st March, 2011		
	Non-Current	Current	Total	Non-Current	Current	Total
	Rs. In Lacs			Rs. In Lacs		
NOTE - 4						
LONG-TERM BORROWINGS						
SECURED						
a. Debentures						
i. Non Convertible Debentures of Rs. 10 lacs each#	6,325.00	1,600.00	7,925.00	7,925.00	1,400.00	9,325.00
b. Term Loans from						
i. Banks*	2,800.00	800.00	3,600.00	3,600.00	600.00	4,200.00
ii. Banks - Vehicle Loans **	50.61	43.71	94.32	60.78	36.17	96.95
Total	9,175.61	2,443.71	11,619.32	11,585.78	2,036.17	13,621.95
Amount disclosed under the head "Other Current Liabilities" Refer Note No - 10 as :						
Current Maturities of Long-Term Debts	-	(2,443.71)	(2,443.71)	-	(2,036.17)	(2,036.17)
Total	-	(2,443.71)	(2,443.71)	-	(2,036.17)	(2,036.17)
Net Amount	9,175.61	-	9,175.61	11,585.78	-	11,585.78

Nature of Security and Terms of Repayment

Debentures

1,000 rated, taxable, secured, redeemable, non-convertible debentures (NCDs) of Rs.10 lacs each aggregating to Rs.10,000 lacs were issued to Kotak Mahindra Bank limited on private placement basis on June 25, 2010. M/s IDBI Trusteeship Services Limited, Mumbai was appointed as the Debenture Trustee to the aforesaid NCDs. The rate of interest on these NCDs has been linked to Kotak Mahindra Bank's Prime Lending Rate (PLR) less 5% p.a. The outstanding balance of Rs. 7,925 Lacs as on 31st March,2012 (Previous year Rs. 9,325 lacs) is secured by way of first pari passu charge on all existing and future 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. The outstanding balance as on 31st March, 2012 is repayable in 16 unequal quarterly installments ranging from Rs. 400 lacs to Rs. 660 lacs.

Term Loans

* The outstanding balance of Rs. 3,600 lacs as on 31st March, 2012 (Previous year Rs. 4,200 lacs) out of sanctioned loan of Rs. 4,500 lacs is secured by way of first pari passu charge on all existing and future 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. The outstanding balance as on 31st March, 2012 is repayable in 16 unequal quarterly installments ranging from Rs. 200 lacs to Rs. 275 lacs.

** The outstanding balance of Rs. 94.32 lacs as on 31st March, 2012 (Previous year Rs. 96.95 lacs) from bank/corporate body against Vehicle / Equipment loans are secured by hypothecation of vehicles and equipments. The outstanding balance as on 31st March, 2012 is repayable in 29 unequal monthly installments ranging from Rs.0.38 lacs to Rs. 1.07 lacs.

Rs. in Lacs

	As at 31st March, 2012	Charge/ (Credit) during the year	As at 31st March, 2011
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NOTE- 5

DEFERRED TAX LIABILITIES (NET)

A. Deferred Tax Liabilities

i. Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	2,978.78	30.27	2,948.51
	2,978.78	30.27	2,948.51

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs. in Lacs

	As at 31st March, 2012	Charge/ (Credit) during the year	As at 31st March, 2011
B. Deferred Tax Assets			
i. 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	93.17	(14.09)	79.08
ii. Provision for doubtful debts and advances	3.18	1.81	4.99
iii. Impact of expenditure allowable u/s 35DD of the Income Tax Act, 1961	27.50	12.90	40.40
	<u>123.85</u>	<u>0.62</u>	<u>124.47</u>
Net deferred tax liability	<u>2,854.93</u>	<u>30.89</u>	<u>2,824.04</u>

Rs. in Lacs

	As at 31st March, 2012	As at 31st March, 2011
NOTE - 6		
OTHER LONG TERM LIABILITIES		
Security Deposits	3.10	2.10
	<u>3.10</u>	<u>2.10</u>

Rs. in Lacs

	As at 31st March, 2012		As at 31st March, 2011	
	Long Term	Short Term	Long Term	Short Term
NOTE - 7				
PROVISIONS				
A. Provision for employee benefits				
i. Gratuity (Refer Note No. 35)	144.68	90.28	110.70	89.66
ii. Leave Encashment (Refer Note No. 35)	50.49	1.72	40.61	2.77
B. Other Provisions				
i. Provision for Taxation (Net of Advance Income Tax and TDS Rs. 1,734.19 lacs (Previous year Rs. 1,161.19 lacs))	-	49.93	-	41.19
ii. Proposed Dividend (including Dividend Distribution Tax)	-	532.68	-	532.69
	<u>195.17</u>	<u>674.61</u>	<u>151.31</u>	<u>666.31</u>

Rs. in Lacs

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 8		
SHORT TERM BORROWINGS		
Loans repayable on Demand-From Banks on Cash Credit (Secured)	512.10	279.53
Total	<u>512.10</u>	<u>279.53</u>

The outstanding balance of Rs. 512.10 lacs as on 31st March, 2012 (Previous year 279.53 lacs) out of sanctioned limit of Rs. 650 lacs (including adhoc limit of Rs. 150 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 FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 9		
TRADE PAYABLES		
Trade Payables*	559.73	538.98
Total	559.73	538.98
* Includes due to Micro, Small and Medium enterprises (Refer Note No. 39) (to the extent information is available with the Company)	5.94	1.07

NOTE - 10

OTHER CURRENT LIABILITIES

a. Current Maturities of Long-term debt	2,443.71	2,036.17
b. Advance From Customers	264.81	260.91
c. Unpaid Dividend*	9.53	4.27
d. Interest accrued but not due	61.03	65.90
e. Other Payables		
i. Withholding & Other Taxes	150.50	159.80
ii. Expenses	565.81	603.31
iii. Accrued Salaries & Benefits	120.38	75.89
Total	3,615.77	3,206.25

* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund.

NOTE - 11

FIXED ASSETS

Particulars	(Rs. in Lacs)						Capital work in Progress
	Tangible Assets					Total	
	Land - Freehold	Buildings	Furniture Fixture & Furnishings	Plant & Machinery	Vehicles		
Gross Block							
As at 1st April, 2010	9,287.31	14,791.10	2,752.97	9,117.97	442.28	36,391.63	-
Additions	781.91	-	18.51	154.06	126.15	1,080.63	28.45
Sales /Adjustment /Transfer	-	2.78	23.75	148.55	-	175.08	-
As at 31st March, 2011	10,069.22	14,788.32	2,747.73	9,123.48	568.43	37,297.18	28.45
Additions	-	19.88	7.80	36.11	87.52	151.32	96.20
Sales /Adjustment /Transfer	-	-	-	26.71	89.04	115.75	83.17
As at 31st March, 2012	10,069.22	14,808.20	2,755.53	9,132.88	566.91	37,332.75	41.48
Depreciation							
As at 1st April, 2010	-	1,672.61	1,714.45	3,246.60	236.33	6,869.99	-
Charge for the year	-	241.07	261.72	458.33	62.02	1,023.15	-
Sales /Adjustment /Transfer	-	0.34	17.69	66.54	-	84.57	-
As at 31st March, 2011	-	1,913.34	1,958.48	3,638.39	298.35	7,808.56	-
Charge for the year	-	241.16	260.86	455.89	71.77	1,029.68	-
Sales /Adjustment /Transfer	-	-	-	14.30	82.27	96.58	-
As at 31st March, 2012	-	2,154.50	2,219.34	4,079.98	287.86	8,741.67	-
Net Block							
As at 31st March, 2011	10,069.22	12,874.98	789.25	5,485.08	270.08	29,488.62	28.45
As at 31st March, 2012	10,069.22	12,653.70	536.19	5,052.90	279.05	28,591.08	41.48

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 12		
NON-CURRENT INVESTMENTS		
Trade Investments (valued at cost unless stated otherwise)		
SHARES IN SUBSIDIARY COMPANIES		
a. Equity Shares -Unquoted		
i. Aria Hotels & Consultancy Services Private Limited 5,96,10,000 (Previous Year 5,96,10,000) Equity shares of Rs.10/- each	11,497.00	11,497.00
ii. Inova Hotels & Resorts Limited * 9,998,186 (Previous Year 6,498,186) Equity shares of Rs. 10/- each	1,799.67	1,169.67
b. Preferences Shares -Unquoted		
i. Aria Hotels & Consultancy Services Private Limited 38,61,538 (Previous Year Nil) Compulsorily Convertible Preference share of Rs. 10/- each.	1,004.00	-
ii. Inova Hotels & Resorts Limited* 1,344,408 (Previous Year Nil) Optionally Convertible Preference share of Rs. 10/- each.	241.99	-
	14,542.67	12,666.67
* Associate up to May 27, 2012, thereafter has become a subsidiary.		
Cost of unquoted shares	14,542.67	12,666.67

	As at 31st March, 2012		As at 31st March, 2011	
	Non Current	Current	Non Current	Current
	Rs. in Lacs		Rs. in Lacs	

NOTE - 13

LOANS AND ADVANCES (unsecured considered good)

A. Capital Advances	-	-	-	81.51
B. Security Deposits	8.43	25.25	13.83	17.50
C. Other Advances to Related Parties				
i. Subsidiary Company (Share application money pending allotment).	-	-	-	1,004.00
D. Others				
i. Advances recoverable in cash or in kind				
a. Considered good	-	1,307.02	-	1,918.01
b. Considered doubtful		9.78		9.78
Less : Provision for doubtful advances		(9.78)		(9.78)
ii. Prepaid Expenses	-	120.72	-	127.12
iii. Advances to Suppliers/Contractors	-	99.45	-	60.40
iv. Advances to Employees		9.63		11.98
v. Balances with Statutory Authorities	-	163.07	-	55.32
	8.43	1,725.14	13.83	3,275.84

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 14		
CURRENT INVESTMENTS		
Non-Trade Investments (Valued at cost unless stated otherwise)		
MUTUAL FUND		
i. 5,748,108.61 (Previous Year 3,116,731.54) units of Rs. 10 each of HDFC Cash Management Fund-TAP-Retail	576.62	312.65
ii. 2,531,812.88 (Previous Year Nil) units of Rs. 10 each of Kotak Flexi Debt Fund	254.38	-
	<u>831.00</u>	<u>312.65</u>
Cost of quoted investments	831.00	312.65
Market value of quoted investments	831.00	312.65

NOTE -15

INVENTORIES

(As Taken, Valued and Certified by the Management)

i. Wines & Liquor	126.36	76.94
ii. Provisions, Other Beverages and Smokes	30.84	24.31
iii. Crockery, Cutlery, Silverware, Linen etc.	114.29	111.52
iv. General Stores and Spares	60.18	59.55
v. Shares in Trade	3.15	4.43
Total	<u>334.82</u>	<u>276.75</u>

NOTE - 16

TRADE RECEIVABLES (Unsecured, considered good unless otherwise stated)

A. OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DUE DATE

i. Considered Good	143.25	155.56
ii. Considered Doubtful	5.59	5.59
Less: Provision for Doubtful Debts	(5.59)	(5.59)

B. OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS FROM THE DUE DATE

i. Considered Good	469.96	697.81
Total	<u>613.21</u>	<u>853.37</u>

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 17		
CASH AND CASH EQUIVALENTS		
A. Cash and Cash Equivalents		
i. Balances with banks in Current Accounts	33.25	22.27
ii. Cash in hand	7.97	8.07
iii. Cheques in hand	36.91	36.87
iv. Deposits with original maturity for less than 3 months	-	590.00
	<u>78.13</u>	<u>657.21</u>
B. Other bank balances		
i. Dividend accounts	9.53	4.27
ii. Deposits with original maturity for more than 3 months but less than 12 months	-	100.00
	<u>9.53</u>	<u>104.27</u>
	<u>87.66</u>	<u>761.48</u>
NOTE - 18		
OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	-	3.65
Unbilled Revenue	93.59	55.33
	<u>93.59</u>	<u>58.99</u>
	Year ended 31st March, 2012	Year ended 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 19		
REVENUE FROM OPERATIONS		
SALE OF SERVICES		
i. Rooms	8,520.39	8,904.55
ii. Wines and Liquor	572.84	534.20
iii. Food, Other Beverages, Smokes & Banquets	2,985.70	3,096.48
iv. Communications	134.96	159.74
v. Others	826.83	764.77
Total	<u>13,040.72</u>	<u>13,459.74</u>
NOTE - 20		
OTHER INCOME		
i. Interest Income	146.37	14.81
ii. Dividend on Investments	19.33	21.94
iii. Miscellaneous Income	379.02	2.83
Total	<u>544.72</u>	<u>39.58</u>

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March, 2012	Year ended 31st March, 2011
	<u>Rs. in Lacs</u>	<u>Rs. in Lacs</u>
NOTE - 21		
CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES AND OTHERS		
A. WINES & LIQUOR		
Opening Stock	76.94	95.90
Add : Purchases	225.00	130.35
	<u>301.94</u>	<u>226.25</u>
Less : Closing Stock	126.36	76.94
	<u>175.58</u>	<u>149.31</u>
B. FOOD, PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	24.31	20.18
Add : Purchases	965.67	944.74
	<u>989.98</u>	<u>964.92</u>
Less : Closing Stock	30.84	24.31
	<u>959.14</u>	<u>940.61</u>
Total	<u>1,134.72</u>	<u>1,089.92</u>
Indigeneous	950.65	911.41
Imported	184.07	178.51
NOTE - 22		
EMPLOYEE BENEFIT EXPENSES		
i. Salaries, Wages, Allowances & Commission	1,928.58	1,833.47
ii. Contribution to Gratuity, Provident and Other Funds	136.27	127.93
iii. Contract Labour & Services	411.75	365.89
iv. Staff welfare Expenses*	280.96	258.96
	<u>2,757.56</u>	<u>2,586.25</u>
*includes:		
Cost of provisions consumed in staff cafeteria	135.01	112.54
Realisation on sale of food coupons to staff	(2.61)	(6.68)
NOTE - 23		
FINANCE COST		
a. Interest on		
i. Debentures	1,177.78	857.60
ii. Term Loans	601.36	379.84
iii. Vehicle loans	10.65	2.76
b. Other borrowing costs	18.21	6.44
	<u>1,808.00</u>	<u>1,246.64</u>

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March, 2012	Year ended 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 24		
OTHER EXPENSES		
i. Linen, Room, Catering and Other Supplies/Services	211.81	227.62
ii. Operating equipments and Supplies written off	76.10	61.87
iii. Fuel, Power and Light (Net)	1,013.33	927.09
iv. Repairs, Maintenance and Refurbishing*	965.46	983.14
v. Rent	41.73	33.00
vi. Rates and Taxes	66.95	172.55
vii. Insurance	59.72	60.51
viii. Directors' Sitting Fee	5.04	5.40
ix. Legal and Professional Expenses	281.78	453.22
x. Artist Fee	2.24	2.10
xi. Stationery and Printing	57.82	56.74
xii. Travelling and Conveyance	336.42	346.23
xiii. Communication Expenses	109.17	129.14
xiv. Technical Services	621.86	687.11
xv. Advertisement and Publicity	213.36	243.02
xvi. Commission and Brokerage	654.60	539.42
xvii. Charity & Donation	27.29	52.77
xviii. Provision for Doubtful debts/advances (Net)	-	9.78
xix. Gain/Loss on Trading of Shares/Derivatives	1.29	32.39
xx. Loss on Fixed Assets Sold/Discarded (Net)	6.18	77.45
xxi. Recruitment & Training	12.88	32.98
xxii. Miscellaneous	143.32	85.18
	4,908.35	5,218.72
*includes:		
Repairs & Maintenance - Buildings	253.89	133.66
Repairs & Maintenance - Plant & Machinery	453.81	419.37
Repairs & Maintenance - Others	158.53	345.91

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25. Contingent Liabilities not provided for in respect of:

		(Rs. in Lacs)	
S. No.	Particulars	Amount As At 31st March, 2012	Amount As At 31st March, 2011
i.	Export obligation in respect of EPCG Licenses	2,831.47	2,831.47
ii.	Corporate Gurantees on behalf of Subsidiaries	5,763.72	1.59
iii.	Demand raised by Service Tax Authorities and contested by the company.	61.49	61.49

26. 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.

27. **Capital and other Commitments :**

		Rs. in Lacs	
Particulars	2011-12	2010-11	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1.04	103.28	
Other Commitments	NIL	NIL	

28. Land-Freehold includes Land admeasuring approx. 4600 Sq. Mtrs, at Pune, Maharashtra. During the year, the Company entered into MOU for sale of the aforesaid land at a consideration of Rs. 890 Lacs. Necessary procedural formalities to consummate the transaction are being complied with.

29. Out of Rs. 95.94 lacs paid under protest in respect of Service Tax demand raised by the Department in earlier years, Rs. 40.38 lacs is still outstanding. In the opinion of the management, the above Rs. 40.38 lacs is recoverable for which the petition is filed with Tribunal Authorities and hence been included under "Loans and Advances" as "Claims Recoverable" based on the progress made in the matter so far.

30. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management, the reduction in value of any asset, to the extent required, has already been provided for in the books.

31. During the year, Aria Hotels and Consultancy Services Private Limited, subsidiary company has issued 38,61,538 Compulsory Convertible Preference Shares of the face value of Rs. 10 each at a premium of Rs. 16 each on 30th April, 2011 to the Company, which has been presented under non-current investments.

32. 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.

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

		(Rs. in Lacs)	
S. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
a.	Not later than one year	19.25	24.75
b.	Later than one year and not later than five years	-	

34. **Auditors Remuneration (Exclusive of Service Tax):**

		(Rs. in Lacs)	
Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011	
a.	Statutory Audit Fee	8.00	8.00
b.	Tax Audit Fee	1.75	1.75
c.	Limited Review Fee	3.00	3.00
	Total	12.75	12.75

35. 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

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 leaves and amounts recognised in the Company's financial statements as at 31st March, 2012

i. Change in benefit obligations :

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)			Compensated absences Earned leave (unfunded)		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Present value of obligations as at the beginning of the year	200.36	182.77	-	43.37	34.78	-
Transferred pursuant to the Scheme of Arrangement and Demerger	-	-	175.05	-	-	31.77
Current service cost	35.86	30.93	13.39	16.92	18.29	6.19
Interest cost	16.03	14.62	7.00	3.47	2.78	1.27
Benefit Paid	(22.19)	(26.28)	(16.26)	(5.82)	(8.88)	(4.97)
Actuarial (gain)/ loss on obligation	4.89	(1.67)	3.59	(3.73)	(3.60)	0.52
Present value of obligations as at the year end	234.96	200.37	182.77	52.21	43.37	34.78

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

(Rs. in Lacs)

Current Service cost	35.86	30.93	13.39	16.92	18.29	6.19
Interest cost	16.02	14.62	7.00	3.47	2.78	1.27
Actuarial (gain)/loss recognised during the year	4.89	(1.67)	3.59	(5.73)	(3.60)	0.52
Net charge/(credit)	56.78	43.88	23.98	14.66	17.47	7.98

iii. Amount recognized in balance sheet:

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)			Compensated absences Earned leave (unfunded)		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Present value of obligations as at the end of the year	234.96	200.37	182.77	52.21	43.37	34.78
Fair value of plan assets as at the end of the period	-	-	-	-	-	-
Funded status / Difference	(234.96)	(200.37)	(182.77)	(52.21)	(43.37)	(34.78)
Excess of actual over estimated	-	-	-	-	-	-
Unrecognized actuarial (gain)/ losses	-	-	-	-	-	-
Net assets/ (liability) recognized in the balance sheet	(234.96)	(200.37)	(182.77)	(52.21)	(43.37)	(34.78)

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iv. Principal actuarial assumptions:

Particulars	Refer Note below	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Discount rate (p.a.)	1	8%	8%	8%
Salary escalation rate (p.a.)	2	7%	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.

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

a. List of related parties

(i) Subsidiary Company

- Aria Hotels and Consultancy Services Private Limited
- Inovoa Hotels & Resorts Limited (with effect from May 27, 2011)

(ii) Associate Company

- Inovoa Hotels & Resorts Limited (upto May 27, 2011)

(iii) Key Management Personnel

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

(iv) Relatives of Key Management Personnel

- Mrs. Vinita Gupta
- Mrs. Gunjan Jain

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

- Eden Park Hotels Private Limited
- M/s Bhasin & Co.
- Aria Investments & Holdings Limited
- M/s Chaman Lal Gupta & Sons

Balances outstanding/transactions with related parties

(Rs. in Lacs)

Particulars	Subsidiary Company	Key Management Personnel	Relative of Key Management Personnel	Associate Company	Entities Controlled By Directors & their relatives	Total
(i) Transactions during the year						
Purchases/Services availed during the year						
Bhasin & Co	- (-)	- (-)	- (-)	- (-)	4.13 (3.36)	4.13 (3.36)
Inovoa Hotels & Resorts limited	0.34 (-)	- (-)	- (-)	- (14.70)	- (-)	0.34 (14.70)
(ii) Sales/Services Provided during the year						
Eden Park Hotels Pvt. Ltd	- (-)	- (-)	- (-)	- (-)	1.11 (0.47)	1.11 (0.47)
Inovoa Hotels & Resorts Limited	142.76* (-)	- (-)	- (-)	- (2.25)	- (-)	142.76 (2.25)

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Subsidiary Company	Key Management Personnel	Relative of Key Management Personnel	Associate Company	Entities Controlled By Directors & their relatives	Total
Expenses Paid						
Eden Park Hotels Private Ltd	- (-)	- (-)	- (-)	- (-)	40.37 (40.85)	40.37 (40.85)
Advances Given						
Inovoa Hotels & Resorts Limited	3,565.00 (1,434.98)	- (-)	- (-)	- (-)	- (-)	3,565.00 (1,434.98)
Advances Received Back						
Inovoa Hotels & Resorts Limited	3,565.00 (1,447.15)	- (-)	- (-)	- (-)	- (-)	3,565.00 (1,447.15)
(iii) Managerial remuneration						
Mr. Sushil Gupta	- (-)	86.49 (95.00)	- (-)	- (-)	- (-)	86.49 (95.00)
Mr. Sudhir Gupta	- (-)	73.91 (71.84)	- (-)	- (-)	- (-)	73.91 (71.84)
Mr. Sandeep Gupta	- (-)	59.44 (71.50)	- (-)	- (-)	- (-)	59.44 (71.50)
(iv) Investment In Subsidiary Company						
Inovoa Hotels & Resorts Limited – Equity/Preference Shares	871.99 (-)	- (-)	- (-)	- (-)	- (-)	871.99 (-)
Aria Hotels and Consultancy Services Private Limited – Preference/Equity Shares	1,004.00 (8,996.00)	- (-)	- (-)	- (-)	- (-)	1,004.00 (8,996.00)
(v) Share Application Money pending allotment						
Aria Hotels and Consultancy Services Private Limited	- (1,004.00)	- (-)	- (-)	- (-)	- (-)	- (1,004.00)
(vi) Purchase of Shares of Associate/Subsidiary Company						
M/s Chaman Lal Gupta & Sons	- (-)	- (-)	- (-)	- (-)	- (56.86)	- (56.86)
Mr. Sushil Gupta	- (-)	- (133.82)	- (-)	- (-)	- (-)	- (133.82)
Mrs. Vinita Gupta	- (-)	- (-)	- (12.26)	- (-)	- (-)	- (12.26)
Mr. Sandeep Gupta	- (-)	- (1.17)	- (-)	- (-)	- (-)	- (1.17)
Mrs. Gunjan Jain	- (-)	- (-)	- (94.17)	- (-)	- (-)	- (94.17)
Aria Investments & Holdings Limited	- (-)	- (-)	- (-)	- (-)	630.00 (389.32)	630.00 (389.32)
(vii) Purchase of Land						
Inovoa Hotels & Resorts Limited	- (-)	- (-)	- (-)	- (743.38)	- (-)	- (743.38)
(viii) Balances outstanding at the end						
Account Payable						
Bhasin & Co.	- (-)	- (-)	- (-)	- (-)	0.15 (1.55)	0.15 (1.55)
(ix) Investment in Equity / Preference						
Inovoa Hotels & Resorts Limited	2,041.66 (1,169.67)	- (-)	- (-)	- (-)	- (-)	2,041.66 (1,169.67)
Aria Hotels and Consultancy Services Private Limited – Preference Shares/Equity	12,501.01 (11,497.00)	- (-)	- (-)	- (-)	- (-)	12,501.01 (11,497.00)

* Interest and financial charges received.

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

37. During the year under review, the Company acquired Controlling Stake in Invoa Hotels and Resorts Limited (IHRL) by increasing its stake to 50.495% of the paid up equity capital of IHRL, pursuant to which, IHRL has become Subsidiary of the Company.

38. Dividend

The Board of Directors have proposed a Dividend 40% (Previous Year 40%) i.e. dividend of Rs. 4/- per equity share (Previous Year Rs. 4/- per equity share) subject to approval of the shareholders at the ensuing Annual General Meeting.

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

Particulars	Rs. in Lacs	
	2011-12	2010-11
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	5.94	1.07
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	5.94	1.07

40. Earning Per Share

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

S. No.	Particulars	Units	Year ended March 31, 2012	Year ended March 31, 2011
a.	Net profit/ (loss) after tax	Rs./ Lacs	1,327.15	1691.60
b.	Less: Dividend on preference shares (including Corporate dividend tax)	Rs./ Lacs	-	1.24
c.	Profit available for equity shareholders	Rs./ Lacs	1,327.15	1690.36
d.	Weighted average of number of equity shares used in computing basic earnings per share	No.	11,458,303	11,401,782
e.	Basic earnings per share	Rs.	11.58	14.83
f.	Weighted average of number of equity shares including potential diluted shares	No.	11,458,303	11,458,303
g.	Diluted earnings per share	Rs.	11.58	14.75

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

41. Details of shares held as Stock- in- trade is as under:

Name of the Company	Rs. in Lacs			
	No. of Shares		Cost/Market Value whichever is lower	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
ICICI Bank Limited	70	70	0.62	0.78
Reliance Capital Limited	500	500	1.96	2.90
State State Bank of India	27	27	0.56	0.75
Total			3.14	4.43

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Foreign Currency Exposures

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

Particulars	Foreign Currency (FC)	Amount in FC	Rs. in Lacs
Accounts payable	USD	629,167	325.15
		(590,667)	(269.99)
	Sterling Pound	1,722	1.43
		(Nil)	(Nil)

There are no hedged foreign currency exposure.

Figures in brackets relate to the previous year.

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

(Rs. in Lacs)

S. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
a.	Food & Beverages - through canalising agencies	58.97	54.15
b.	Stores & Spares	100.43	86.94
c.	Capital Goods	37.55	32.85
d.	Beverages- through canalizing agencies	165.75	92.90

(b) Expenditure in Foreign Currency -On payment basis

(Rs. in Lacs)

S. No.	Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
a.	Technical services	442.19	460.99
b.	Commission & Brokerage	372.48	240.00
c.	Training & Recruitment	11.72	5.42
d.	Others	351.35	299.81

(c) Earnings in Foreign Exchange

(Rs. in Lacs)

S. No.	Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
a.	On Receipt basis	7,565.67	8,624.99

44. The Financial Statements for the year ended 31st March, 2011 had been prepared as per then applicable, pre revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. There is no change in the recognition & measurement, however, there are changes in the presentation & disclosures.

AS PER REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Chartered Accountants

ARUN K. TULSIAN

Partner

Membership No. 89907

Place : New Delhi

Dated : 3rd August, 2012

SUSHIL GUPTA

Chairman &
Managing Director
DIN : 00006165

SANDEEP GUPTA

Executive
(Whole-Time) Director
DIN : 00057942

NIKHIL SETHI

Company Secretary

ASIAN HOTELS (WEST) LIMITED

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

1	Name of the Subsidiary	Aria Hotels and Consultancy Services Private Limited	Inovoa Hotels & Resorts Limited
2	Financial Year of the Subsidiary ended on	31st March, 2012	31st March, 2012
3	Date from which it became Subsidiary	31st October, 2009	27th May, 2011
4	a) No. of shares of the Subsidiary held by the Holding Company in its own name / name of nominee at the end of the financial year of the Subsidiary. b) Extent of interest of the Holding Company at the end of the financial year of the Subsidiary.	5,96,010,000 (Equity shares of Rs. 10 each) 81.58%	9,998,186 (Equity shares of Rs. 10 each) 50.50%
5	The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the members of the Holding Company and is not dealt with in the Holdings Company's Accounts; i. for the Subsidiary's financial year ended on March 31st, 2012 ii. for prior years since becoming subsidiary	Rs. (157.11) Lacs Rs.116.07 Lacs	Rs. (280.65) Lacs NIL
6	The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the member of the Holding Company and has been dealt with in the Holdings Company's Accounts: i. for the subsidiary's financial year ended on March 31st, 2012 ii. for prior years since becoming subsidiary	NIL NIL	NIL NIL
7.	Changes if any, in the Holding Company's interest in the subsidiary between the end of financial year of the subsidiary and the end of financial year of holding Company.	Not Applicable	Not Applicable
8.	Details of material changes, if any, which occurred between the end of financial year of the subsidiary and the end of financial year of the Holding company, in respect of : a) The subsidiary's Fixed Assets b) The subsidiary's Investments c) The moneys lent by d) The moneys borrowed by if for any purpose other than that of meeting current liabilities	Not Applicable	Not Applicable

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA
Chairman &
Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive
(Whole-Time) Director
DIN : 00057942

NIKHIL SETHI
Company Secretary

Place : New Delhi
Dated : 3rd August, 2012

Summary of Financial Information of Subsidiaries as on 31st March, 2012

Rs. in Lacs

Particulars	Aria Hotels and Consultancy Services Pvt. Ltd.	Inovoa Hotels and Resorts Ltd.
Capital	9,424.08	2,148.00
Reserves	10,995.68	(194.14)
Total Liabilities	32,048.59	3,810.72
Total Assets	52,468.35	5,764.58
Investments	Nil	Nil
Total Income	1.31	551.21
Profit before taxation	(195.15)	(660.73)
Provision for taxation	(2.56)	Nil
Profit after taxation	(192.59)	(660.73)
Proposed/ Interim Dividend	Nil	Nil

ASIAN HOTELS (WEST) LIMITED

AUDITORS' REPORT

To

The Members of Asian Hotels (West) Limited

1. We have audited the attached Consolidated Balance Sheet of Asian Hotels (West) Limited and its subsidiaries (the Group) as at 31st March, 2012, the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs 58,232.93 lacs as at 31st March, 2012, total revenues of Rs. 552.52 lacs and total cash flows of Rs. (-)604.80 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the these subsidiaries, is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard AS-21, 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the subsidiaries included in the Consolidated Financial Statements.
5. Based on our audit and on consideration of the report of other auditors on separate financial statements and on other information of the subsidiaries, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i. In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - ii. In the case of Consolidated Statement of Profit and Loss, of the results of the operations of the Group for the year ended on that date; and
 - iii. In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

ARUN K. TULSIAN
Partner
Membership No.: 89907

Place : New Delhi
Dated : 3rd August, 2012

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

(Rs. in Lacs)

	NOTE	As at 31st March, 2012		As at 31st March, 2011	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
a. Share Capital	2	1,145.83		1,142.96	
b. Reserves and Surplus	3	30,096.49	31,242.32	28,774.12	29,917.08
2. MINORITY INTREST			5,866.66		6,676.64
3. NON-CURRENT LIABILITIES					
a. Long-term borrowings	4	42,675.73		21,735.78	
b. Deferred Tax Liabilities (Net)	5	2,851.06		2,822.66	
c. Other Long term liabilities	6	1,904.78		2.10	
d. Long term provisions	7	208.87	47,640.44	153.85	24,714.39
4. CURRENT LIABILITIES					
a. Short-term borrowings	8	590.86		279.53	
b. Trade payables	9	662.32		556.45	
c. Other current liabilities	10	3,875.39		3,265.70	
d. Short-term provisions	7	663.30	5,791.87	659.13	4,760.81
			<u>90,541.29</u>		<u>66,068.92</u>
ASSETS					
5. NON-CURRENT ASSETS					
a. Fixed assets					
i. Tangible assets	11	34,021.33		29,507.68	
ii. Intangible assets		7.34		-	
iii. Capital work-in-progress		34,847.27	68,875.94	16,241.60	45,749.28
b. Non-current investments	12	-		1,169.68	
c. Long term loans and advances	14	12,778.65		12,756.09	
d. Other non-current assets	15	117.15	12,895.80	-	13,925.77
6. CURRENT ASSETS					
a. Current investments	13	831.00		312.65	
b. Inventories	16	351.88		276.75	
c. Trade receivables	17	649.47		853.37	
d. Cash and Bank Balances	18	653.67		1,932.26	
e. Short-term loans and advances	14	6,189.19		2,959.27	
f. Other current assets	19	94.34	8,769.55	59.57	6,393.87
			<u>90,541.29</u>		<u>66,068.92</u>
SIGNIFICANT ACCOUNTING POLICIES	1				

Accompanying notes form an integral part of the Financial Statements

As per report of even date

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL GUPTA
Chairman & Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive (Whole-Time) Director
DIN : 00059742

Place : New Delhi
Dated : 3rd August, 2012

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Rs. in Lacs)

	NOTE	Year ended 31st March, 2012	Year ended 31st March, 2011
1. INCOME			
a. Revenue From Operations	20	13,574.55	13,459.74
Less : Excise Duty		7.09	4.85
		<u>13,567.46</u>	<u>13,454.89</u>
b. Other Income	21	420.62	39.85
Total Revenue		<u>13,988.08</u>	<u>13,494.74</u>
2. EXPENSES			
a. Consumption of Provisions, Beverages, Smokes and Others	22	1,219.61	1,089.92
b. Employee Benefit Expense	23	2,982.26	2,586.24
c. Finance Cost	24	2,188.84	1,246.64
d. Depreciation and Amortization Expense	11	1,197.56	1,023.14
e. Other Expenses	25	5,315.68	5,234.98
Total Expenses		<u>12,903.95</u>	<u>11,180.92</u>
3. Profit before Tax		<u>1,084.13</u>	<u>2,313.82</u>
4. Tax expense:			
i. Current Tax		582.00	702.08
ii. Deferred Tax charge/(Credit)		28.40	(65.53)
iii. Earlier year tax expense		(0.07)	(0.49)
		<u>610.33</u>	<u>636.06</u>
5. Profit After Tax		<u>473.80</u>	<u>1,677.76</u>
Share of Profit in Associates		—	0.01
6. Net Profit before Minority Interest		<u>473.80</u>	<u>1,677.77</u>
Minority Share of Profit		(362.52)	(4.72)
7. Profit/(Loss) for the Year		<u>836.32</u>	<u>1,682.49</u>
Earning per Equity Share (Nominal value per Share Rs. 10/-) (Refer Note No. 41)			
(1) Basic		7.30	14.75
(2) Diluted		7.30	14.68

SIGNIFICANT ACCOUNTING POLICIES 1

Accompanying notes form an integral part of the Financial Statements

As per report of even date

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL GUPTA
Chairman & Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive (Whole-Time) Director
DIN : 00059742

Place : New Delhi
Dated : 3rd August, 2012

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

	2011-12 Rs. in Lacs	2010-11 Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
[a] Net Profit before Tax	1,084.14	2,313.84
<u>Adjustment for:</u>		
Depreciation	1,197.56	1,023.14
Loss on sale of fixed assets	6.18	77.45
Dividend Income on Investment	(19.33)	(21.94)
Interest Paid	2,150.50	1,240.20
Interest Earned	(19.69)	(15.08)
	3,315.22	2,303.77
[b] Operating profit before working capital charges	4,399.36	4,617.61
<u>Adjustments for:</u>		
(Increase)/Decrease in inventories	(75.13)	(6.30)
(Increase)/Decrease in Trade Receivables	203.90	(237.87)
(Increase)/Decrease in Loans and Advances	173.73	611.37
Increase/(Decrease) in Trade Payables	400.51	406.05
Increase/(Decrease) in Provisions	(469.35)	(488.67)
	233.66	284.58
[c] Cash generated from operations	4,633.02	4,902.19
Direct taxes paid (Net)	(584.87)	(645.66)
Net cash from Operating Activities (A)	4,455.76	4,256.53
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,738.70)	(1,196.44)
Capital work in progress deduction/(addition) during the year	(16,545.72)	(8,369.35)
(Increase)/Decrease in advance for capital goods	(3,578.11)	(3,185.57)
Sale of fixed assets	97.14	13.06
Purchase of Investments	651.33	(10,328.24)
Interest Received (capitalised)	0.85	58.85
Interest Received (revenue)	0.47	10.91
Dividend Income on Investment	19.33	21.94
Net Cash from Investing Activities (B)	(25,093.41)	(22,974.84)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (including share application money)	-	18,000.00
Change in Capital Reserve	969.52	-
Change in Minority Interest	(396.54)	-
Redemption of Fully Convertible Preference Shares	-	(4,780.36)
Repayment of Borrowings	(2,036.00)	(15,475.00)
Proceeds of Borrowings	23,694.87	24,746.95
Proceeds from security deposits	1,810.06	-
Interest Paid (capitalised)	(2,144.44)	(1,271.82)
Interest Paid	(2,150.50)	(1,240.20)
Interest Earned	19.69	14.81
Net Cash from Financing activities [C]	19,766.66	19,994.38
Net Increase/ (Decrease) in Cash Equivalent [A+B+C]	(1,278.59)	1,276.07
Cash and Cash equivalent (Beginning of the year)	1,932.26	656.19
Cash and Cash equivalent (End of the year)	653.67	1,932.26

Notes:

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

As per our report of even date

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL GUPTA
Chairman & Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive (Whole-Time) Director
DIN : 00059742

Place : New Delhi
Dated : 3rd August, 2012

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE : 1

SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

b. Use of Estimates

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

c. Revenue Recognition

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

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

d. Income in Foreign Exchange

The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.

e. Interest on Income Tax Refunds / Demands

It is accounted for as income in the year when granted and as tax expense when determined by the tax authorities.

f. Claims Recoverable

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

g. Expenses remittable in foreign exchange

These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.

h. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year-end are translated at the year-end rates resulting in exchange differences being recognized as income /expenses (net). Foreign Currency balances at the year-end are converted at the year-end rate of exchange except those covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

i. Employee Benefits

- i. Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an approved actuary using projected unit credit method.
- ii. All employees are covered under contributory provident fund benefit of a contribution of 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 tax 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 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.

ii. Depreciation

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

l. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments or short-term investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the 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. Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.
 - iii. Shares held as Stock- in -trade are valued at cost or market value whichever is lower.
 - iv. Net realizable value is estimated selling/ realizable value in the normal course of business less cost of completing the sale
- Cost is determined on weighted average basis.

n. LEASES

When the Company is the lessee

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

When the Company is the lessor

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

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 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” and Accounting Standard 23 (AS – 23) – “ Accounting for Investment in Associate in Consolidated Financial Statements”. The Consolidated financial statements comprise the financial statements of Asian Hotels (West) Limited and its subsidiaries Aria Hotels & Consultancy Services Private Limited (Aria) (81.58% Stake) and Inovia Hotels & Resorts Limited (50.50% Stake), both Incorporated in India.

As at 31st March, 2012	As at 31st March, 2011
Rs. in Lacs	Rs. in Lacs

NOTE -2

SHARE CAPITAL

AUTHORISED

i. 14,000,000 (Previous year 14,000,000) Equity Shares of Rs. 10/- each	1,400.00	1,400.00
ii. 11,000,000 (Previous year 11,000,000) Preference Shares of Rs. 10/- each	1,100.00	1,100.00
	<u>2,500.00</u>	<u>2,500.00</u>

ISSUED, SUBSCRIBED & PAID-UP

i. 11,458,303 (Previous year 11,401,782) Equity Shares of Rs. 10/-each fully paid up*	1,145.83	1,140.18
ii. NIL (Previous year 27,780) Fully Convertible Preference Shares of Rs.10/- each	-	2.78
	<u>1,145.83</u>	<u>1,142.96</u>

* 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 date 13th January, 2010.

a. Reconciliation of the Shares outstanding at the beginning and at the end of reporting period

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
i. Equity Shares of Rs 10/- each fully paid up				
Balance at the beginning of the year	11,401,782	1,140.18	11,401,782	1,140.18
Add: Issued during the year	56,521	5.65	-	-
Balance at the end of the year	<u>11,458,303</u>	<u>1,145.83</u>	<u>11,401,782</u>	<u>1,140.18</u>

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
ii. 1% Compulsory Redeemable Non-Convertible Preference Shares (NCPS) of Rs 10/- each fully paid up				
Balance at the beginning of the year	-	-	4,950,000	495.00
Add: Issued during the year	-	-	-	-
Less: Redeemed during the year	-	-	4,950,000	495.00
Balance at the end of the year	-	-	-	-
iii. Fully Convertible Preference Shares (FCPS) of Rs. 10 each				
Balance at the beginning of the year	27,780	2.78	27,780	2.78
Add: Issued during the year	-	-	-	-
Less: Converted into equity shares	27,780	2.78	-	-
Balance at the end of the year	-	-	27,780	2.78

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

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, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

The Preference Shares were 1% Non-Cumulative Fully Convertible Shares of Rs. 10/- each. They Carry a non-cumulative dividend of 1% p.a. Each Holder of Preference shares was entitled to preferential dividend and preferential distribution on liquidation of the Company. These shares carry no voting rights except for one vote per share only on resolutions placed before the Company which directly affect their rights. These shares were converted into equity shares at the conversion price as calculated in terms of the mechanism provided in the Scheme of Arrangement and Demerger and the pricing formula as provided in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. During the year these shares were converted into 56,521 equity shares of Rs. 10 each at a Premium of Rs. 255.40 each.

c. Details of Shareholders holding more than 5% shares in the company

Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% holding	No. of Shares	% holding
D.S.O. Limited	5,336,880	46.58	5,336,880	46.81
Forex Finance Limited	-	-	861,377	7.55

	As at 31st March, 2012		As at 31st March, 2011	
	Rs. in Lacs		Rs. in Lacs	

NOTE - 3

RESERVES & SURPLUS

A. Capital Reserve on consolidation

Balance at the beginning of the year	1,320.05		1.41	
Add: During the year	969.52	2,289.57	1,318.64	1,320.05

B. Capital Redemption Reserve

Balance at the beginning of the year	990.00		990.00	
Add: Transferred during the year	-	990.00	-	990.00

C. Debenture Redemption Reserve

Balance at the beginning of the year	168.75		-	
Add: Transferred from Statement of Profit & Loss	350.00	518.75	168.75	168.75

D. Securities Premium Reserve

Balance at the beginning of the year	147.23		147.23	
Add: Received during the year	-		-	
Less: Expenses incurred on issue of shares	2.87	144.36	-	147.23

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012		As at 31st March, 2011	
	Rs. in Lacs		Rs. in Lacs	
E. Tourism Development Utilised Reserve				
Balance at the beginning of the year	5,332.02		5,332.02	
Less: Transferred to General Reserve	5,332.02	–	–	5,332.02
F. General Reserve				
Balance at the beginning of the year	10,128.98		9,953.98	
Add : Transfer from Tourism Development Utilised Reserve	5,332.02		–	
Add: Transfer from Statement of Profit & Loss	135.00	15,596.00	175.00	10,128.98
Surplus/(Deficit) in the Statement of Profit and Loss				
Balance at the beginning of the year	10,687.08		9,882.26	
Add: Profit for the year	836.32		1,682.49	
Add: Adjustment on consolidation	50.86		–	
Amount available for appropriation	11,574.26		11,564.75	
Less: Appropriations				
a. Transfer to General Reserve	135.00		175.00	
b. Proposed Dividend on Equity Shares	458.33		458.33	
c. Proposed Dividend on Non Convertible Preference Shares	–		1.24	
d. Dividend Distribution tax	73.11		74.35	
e. Transfer to Debenture Redemption Reserve	350.00	10,557.82	168.75	10,687.08
		30,096.49		28,774.12

(Rs. In lacs)

	As at 31st March, 2012			As at 31st March, 2011		
	Non Current	Current	Total	Non Current	Current	Total

NOTE - 4

LONG-TERM BORROWINGS

SECURED

a. Debentures

i. Non Convertible Debentures of Rs. 10 lacs each#	6,325.00	1,600.00	7,925.00	7,925.00	1,400.00	9,325.00
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b. Term Loans from

i. Banks*	36,300.00	800.00	37,100.00	13750.00	600.00	14350.00
ii. Banks - Vehicle Loans **	50.73	45.06	95.79	60.78	36.17	96.95
Total	42,675.73	2,445.06	45,120.79	21,735.78	2,036.17	23,771.95

Amount disclosed under the head "Other Current Liabilities" as :(Note no 10)

Current Maturities of Long-Term Debts	–	(2,445.06)	(2,445.06)	–	(2,036.17)	(2,036.17)
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Total	–	(2,445.06)	(2,445.06)	–	(2,036.17)	(2,036.17)
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Net Amount	42,675.73	–	42,675.73	21,735.78	–	21,735.78
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Nature of Security and Terms of Repayment

Debentures

1,000 rated, taxable, secured, redeemable, non-convertible debentures (NCDs) of Rs.10 lacs each aggregating to Rs.10,000 lacs were issued to Kotak Mahindra Bank Limited on private placement basis on 25th June, 2010. M/s IDBI Trusteeship Services Limited, Mumbai was appointed as the Debenture Trustee to the aforesaid NCDs. The rate of interest on these NCDs has been linked to Kotak Mahindra Banks Prime Lending Rate (PLR) less 5% p.a. The outstanding balance of Rs. 7,925 lacs as on 31st March, 2012 (Previous year 9,325 lacs) is secured by way of first pari passu charge on all existing and future 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. The outstanding balance as on 31st March, 2012 is repayable in 16 unequal quarterly installments ranging from Rs. 400 lacs to Rs. 660 lacs.

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Term Loans

* The outstanding balance of Rs. 3,600 lacs as on 31st March, 2012 (Previous year 4,200 lacs) out of sanctioned loan of Rs. 4,500 lacs is secured by way of first pari passu charge on all existing and future 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. The outstanding balance as on 31st March, 2012 is repayable in 16 unequal quarterly installments ranging from Rs. 200 lacs to Rs. 275 lacs.

The outstanding balance of Rs. 30,000 lacs as on 31st March, 2012 (Previous year Rs. 10,150 lacs) is secured by first mortgage and charge on all the Aria Hotels and Consultancy Services Private Limited (ARIA) immoveable properties pertaining to the Project, both present and future (save and except Project Site), movable fixed assets pertaining to the Project, both present and future (save and except Current Assets), Escrow Account, (or any account in substitution thereof), including without limitation, any other accounts and all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto and all intangibles of the ARIA including but not limited to goodwill, rights, undertakings and uncalled capital, present and future. A second charge on all Current Assets, including but not limited to stock, receivables in respect of the Project, both present and future as well as 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. An assignment by way of security of the right, title and interest of ARIA in, to and under the Project Documents, all the contracts, the approvals and Insurance Contracts, any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents, assignment of all rights, titles, benefits arising out of the grant of license to the ARIA as per the Development Agreement between DIAL and ARIA dated 4th July, 2009 and Personal Guarantee of Mr. Sushil Gupta, Chairman and Managing Director. The outstanding balance as on 31st March, 2012 is repayable in 36 unequal quarterly installments ranging from Rs. 317.19 lacs to Rs. 845.84 lacs starting from 30th June, 2013.

The outstanding balance of Rs. Nil as on 31st March, 2012 (Previous year Rs. Nil) is secured by first and exclusive hypothecation charge on all existing and future current & movable assets of Inovia Hotels and Resorts Limited (IHRL) (both present & future) and all the piece parcel of the land bearing survey number 23, now bearing Corporation No. 1577 & admeasuring 34450 square feet and situated in Kundalahalli village, Krishnarajapuram and installations, fitments and plant & machinery, if any, affixed to the earth or permanently affixed to something attached to the earth.

The outstanding balance of Rs. 3,500 lacs as on 31st March, 2012 (Previous year Rs. Nil) is secured by first and exclusive hypothecation charge on all existing and future current & movable assets of the Inovia Hotels and Resorts Ltd. (IHRL) (both present & future) and all the piece parcel of the land bearing survey number 23, now bearing Corporation No. 1577 & admeasuring 34450 square feet and situated in Kundalahalli village, Krishnarajapuram and installations, fitments and plant & machinery, if any, affixed to the earth or permanently affixed to something attached to the earth and Personal Guarantee of one of the Directors. The outstanding balance as on 31st March, 2012 is repayable in 90 monthly installments of Rs. 38.89 lacs each starting from 7th May, 2013.

** The outstanding balance of Rs. 94.32 lacs as on 31st March, 2012 (Previous year Rs. 96.95 lacs) from bank/corporate body against Vehicle/ Equipment loans are secured by hypothecation of vehicles and equipments. The outstanding balance as on 31st March, 2012 is repayable in 29 unequal monthly installments ranging from Rs.0.38 lacs to Rs. 1.07 lacs.

The Company does not have any continuing default in payment of interest as at 31st March, 2012.

As at 31st March, 2012 Rs. in Lacs	Charge/ (Credit) during the year	As at 31st March, 2011 Rs. in Lacs
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NOTE- 5

DEFERRED TAX LIABILITIES (NET)

A. Deferred Tax Liabilities

i. Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	2,978.55	30.12	2,948.43
	2,978.55	30.12	2,948.43

B. Deferred Tax Assets

i. 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	96.82	16.49	80.33
ii. Provision for doubtful debts and advances	3.17	(1.82)	4.99
iii. Impact of expenditure allowable u/s 35DD of the Income Tax Act, 1961	27.50	(12.95)	40.45
	127.49	1.72	125.77
Net deferred tax liability	2,851.06	28.40	2,822.66

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 6		
OTHER LONG TERM LIABILITIES		
i. Security Deposits	1,814.16	2.10
ii. Sundry Creditors for capital goods (retention money)	42.60	-
iii. Earnout Advance *	48.02	-
	1,904.78	2.10

* Earnout amount is an advance amount received by the Inova Hotels and Resorts Limited (IHRL) from Choice International for selling IHRL's shareholding in Choice Hospitality (India) Private Limited to Choice International. The said amount is advance consideration received for the aforesaid transaction and is to be determined on the basis of financial results of Choice Hospitality (India) Private Limited for the financial year 2014-15.

	As at 31st March, 2012		As at 31st March, 2011	
	Long Term	Short Term	Long Term	Short Term
	Rs. in Lacs		Rs. in Lacs	
NOTE - 7				
PROVISIONS				
A. Provision for employee benefits				
i. Gratuity (Refer Note No. 37)	152.36	90.36	112.12	90.51
ii. Leave Encashment (Refer Note No. 37)	56.51	4.17	41.73	3.48
B. Other Provisions				
i. Provision for Taxation (Net of Advance Income Tax and TDS Rs. 1,748.02 lacs (previous year Rs 1,169.93 lacs))	-	36.09	-	32.45
ii. Proposed Dividend (including Dividend Distribution Tax)	-	532.68	-	532.69
	208.87	663.30	153.85	659.13

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs

NOTE - 8

SHORT TERM BORROWINGS

Loans repayable on Demand-From Banks on		
i. Cash Credit (Secured)	590.86	279.53
Total	590.86	279.53

The outstanding balance of Rs. 512.10 lacs as on 31st March, 2012 (Previous year Rs. 279.53 lacs) out of sanctioned limit of Rs. 650 lacs (including adhoc limit of Rs. 150 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. 78.76 lacs (Previous year Rs. Nil) is secured against first and exclusive hypothecation charge on all existing and future current and movable assets of the Inova Hotels and Resorts Ltd. (both present and future). First & exclusive charge on all that piece and parcel of land bearing survey no. 23, now bearing corporation No. 1577 and admeasuring 34450 square feet and situated in kundalahalli village, Krishnarajapuram and installations, fitments and plant & machinery, if any, affixed to the earth or permanently affixed to something attached to the earth. The loan is secured by personal guarantee of one of the Directors and Corporate guarantee of the holding Company.

NOTE - 9

TRADE PAYABLES

i. Trade Payables*	662.32	556.45
Total	662.32	556.45
* Includes due to Micro, Small and Medium enterprises (to the extent information is available with the company)	5.94	1.08

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 10		
OTHER CURRENT LIABILITIES		
a. Current Maturities of Long-term debt	2,445.06	2,036.17
b. Advance From Customers	264.81	260.92
c. Unpaid Dividend*	9.53	4.27
d. Interest accrued but not due	104.95	65.90
e. Other Payables		
i. Withholding & other taxes	277.42	210.40
ii. Expense	565.81	603.27
iii. Accrued Salaries & benefits	121.16	76.50
iv. Security Deposit	20.56	-
v. Other Liabilities	66.09	8.27
Total	3,875.39	3,265.70

* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund.

NOTE - 11

FIXED ASSETS

(Rs. in Lacs)

Particulars	TANGIBLE ASSETS						INTANGIBLE ASSETS		Capital work in Progress
	LAND - FREEHOLD	BUILDINGS	FURNITURE & FURNISHINGS	PLANT & MACHINERY	VEHICLES	Total	Software	Total	
Gross Block									
As at 1st April, 2010	9,287.31	14,791.10	2,752.97	9,118.49	461.02	36,410.88	-	-	7,308.50
Additions	781.91	3.33	18.51	156.57	126.15	1,086.48	-	-	8,933.11
Sales /Adjustment /Transfer	-	2.78	23.75	148.55	-	175.08	-	-	-
As at 31st March, 2011	10,069.22	14,791.65	2,747.73	9,126.51	587.17	37,322.27	-	-	16,241.60
Additions	-	27.82	9.01	56.44	87.52	180.77	-	-	18,613.72
Adjustment due to acquisition of new subsidiary	1,044.45	2,818.24	390.91	1,364.07	8.82	5,626.49	10.40	10.40	75.12
Sales /Adjustment /Transfer	-	-	-	28.35	89.04	117.38	-	-	83.17
As at 31st March, 2012	11,113.67	17,637.71	3,147.65	10,518.67	594.47	43,012.15	10.40	10.40	34,847.27
Depreciation									
As at 1st April, 2010	-	1,672.61	1,714.45	3,246.63	236.44	6,870.14	-	-	-
Charge for the year	-	241.21	261.72	459.24	66.84	1,029.00	-	-	-
Sales /Adjustment /Transfer	-	0.34	17.69	66.54	-	84.57	-	-	-
As at 31st March, 2011	-	1,913.48	1,958.48	3,639.33	303.28	7,814.57	-	-	-
Charge for the year	-	287.31	297.50	528.86	76.18	1,189.86	1.69	1.69	-
Adjustment due to acquisition of new subsidiary	-	22.93	19.93	40.47	0.31	83.63	1.38	1.38	-
Sales /Adjustment /Transfer	-	-	-	14.98	82.26	97.24	-	-	-
As at 31st March, 2012	-	2,223.71	2,275.91	4,193.68	297.51	8,990.83	3.06	3.06	-
Net Block									
As at 31st March, 2011	10,069.22	12,878.17	789.25	5,487.18	283.89	29,507.68	-	-	16,241.60
As at 31st March, 2012	11,113.67	15,414.00	871.74	6,325.00	296.96	34,021.33	7.34	7.34	34,847.27

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in Lacs)	
	31st March, 2012	31st March, 2011
Capital Work-in Progress represents:		
Building under construction	10,513.01	3,560.54
Furniture & Fixtures under erection	1,986.16	87.24
Other Equipment	969.44	–
Technical/ Consultancy Fees	2,077.36	1,220.72
Mock Up Room cost	78.84	74.60
Plumbing & Sanitation	1,565.70	3.67
Air Conditioning under installation	1,256.18	170.30
Electrification under installation	1,657.52	17.00
Elevators under installation	533.51	1.10
Custom Duty recoverable ^	30.45	–
Payments to Delhi International Airport Private Limited (DIAL)		
– Advance Development Costs	6,358.00	6,358.00
– Licence Fees	2,021.82	1,290.03
Incidental expenditure during construction (refer note below)	5,799.27	3,458.41
	34,847.27	16,241.60

^ During the year certain goods imported by the Aria Hotels and Consultancy Services Private Limited (ARIA) under EPCG Licence were seized under Section 110 of the Customs Act, 1962 on ground of alleged mis-declaration of ITC HS Codes. ARIA applied for the amendment of its EPCG licence to Directorate General of Foreign Trade (DGFT). Further, ARIA also requested for the provisional release of the said goods and same was allowed by the Commissioner of Customs, ICD, Tughlakabad, New Delhi on (a) execution of a Bond equivalent to the value of seized goods i.e. Rs. 12,810,507/-; (b) on execution of Bank Guarantee amounting Rs. 13 lacs in favour of President of India through Dy. Commissioner of Customs and (c) on payment of differential duty amounting to Rs. 30.44 lacs.

All indirect expenses incidental to construction have been accounted for as expenditure during construction. ARIA has prepared following Statement of Incidental Expenditure during Construction. The necessary disclosure as per requirement have also been made in the said statement.

	(Rs. in Lacs)	
	31st March, 2012	31st March, 2011
Statement of Incidental Expenditure during Construction		
– Salary & Wages	234.36	113.06
– Legal & Professional Charges (Including loan processing and arranging fees)	1,183.86	1,169.91
– Auditors' remuneration		
Audit fee	–	4.50
Tax audit fee	–	1.00
Limited review	–	1.50
Certification charges	0.25	0.25
Service Tax reimbursement	0.03	0.75
– Rent	18.82	14.06
– Rates & Taxes	8.43	7.87
– Meeting & Conference	4.80	4.83
– Travelling Directors	12.39	7.90
– Travelling Others	41.59	29.80
– Advertisement for project staff recruitment Expenses	0.04	0.62
– Repair and maintenance	7.16	–
– Vehicle Upkeep	8.95	4.10
– Electricity Gas & Water Charges	7.72	1.58
– Communication expenses	3.49	1.40
– Insurance expenses	18.64	5.76
– Directors Sittting fees	–	3.84
– Depreciation	–	6.02
– Interest on Loans	4,271.78	2,114.28

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in Lacs)	
	31st March, 2012	31st March, 2011
Less: Interest on Fixed Deposit	(66.64)	(66.36)
- Bank Guarantee and other charges	17.78	17.03
- Finance Charges	2.67	2.67
- Gratuity Expenses	2.69	2.26
- Leave Encashment	3.68	1.84
- Miscellaneous Expenses	16.79	7.92
	5,799.27	3,458.41

NOTE - 12

NON-CURRENT INVESTMENTS

Trade Investments (valued at cost unless stated otherwise)

A. SHARES IN SUBSIDIARY COMPANIES

i. Invoia Hotels & Resorts Limited *	-	597.50
9,998,186 (Previous Year 6,498,186) Equity shares of Rs. 10/- each		
Add : Goodwill on consolidation	-	471.93
Add : Share in Pre Acquisition Profit	-	100.24
Add : Share in Post Acquisition Profit	-	0.01
	-	1,169.68

* Associate up to May 27, 2012, thereafter has become a subsidiary.

NOTE - 13

CURRENT INVESTMENT

Non-Trade investments (Valued at cost unless stated otherwise)

MUTUAL FUNDS

i. 5,748,108.61 (Previous Year 3,116,731.54) units of Rs. 10 each of HDFC Cash Management Fund-TAP-Retail	576.62	312.65
ii. 2,531,812.88 (Previous Year Nil) units of Rs. 10 each of Kotak Flexi Debt Fund	254.38	-
	831.00	312.65
Cost of quoted investments	831.00	312.65
Market value of quoted investments	831.00	312.65

As at 31st March, 2012		As at 31st March, 2011	
Non Current	Current	Non Current	Current
Rs. in Lacs		Rs. in Lacs	

NOTE - 14

LOANS AND ADVANCES (unsecured considered good)

A. Capital advances	-	4,302.47	-	761.64
B. Security deposits	12,778.65	42.48	12,756.09	19.85
C. Others				
i. Advances recoverable in cash or in kind	-	1,309.43	-	1,919.00
a. Considered doubtful	-	9.78	-	9.78
b. Provision for doubtful advances	-	(9.78)	-	(9.78)
ii. Prepaid Expenses	-	138.33	-	130.93
iii. Advance to Suppliers/Contractors	-	99.45	-	60.40
iv. Advance to Employees	-	10.18	-	12.13
v. Balances with Statutory Authorities	-	286.85	-	55.32
	12,778.65	6,189.19	12,756.09	2,959.27

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE-15		
OTHER NON CURRENT ASSETS		
i. Non-current bank balances (Refer Note No. 18)	104.06	–
ii. Interest accrued on fixed deposits	13.09	–
	<u>117.15</u>	<u>–</u>

NOTE -16

INVENTORIES

(As Taken, Valued and Certified by the Management)

i. Wines & Liquor	129.86	76.94
ii. Provisions, Other Beverages and Smokes	33.77	24.31
iii. Crockery, Cutlery, Silverware, Linen etc.	121.23	111.52
iv. General Stores and Spares	63.87	59.55
v. Shares in Trade	3.15	4.43
Total	<u>351.88</u>	<u>276.75</u>

NOTE - 17

TRADE RECEIVABLES (Unsecured, considered good unless otherwise stated)

A. OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM DUE DATE

i. Considered Good	144.01	155.56
ii. Considered Doubtful	13.78	5.59
Less: Provision for Doubtful Debts	(13.78)	(5.59)

B. OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS FROM DUE DATE

i. Considered Good	505.46	697.81
Total	<u>649.47</u>	<u>853.37</u>

As at 31st March, 2012		As at 31st March, 2011	
Current	Non Current	Current	Non Current
Rs. in Lacs		Rs. in Lacs	

NOTE - 18

CASH AND BANK BALANCES

A. Cash and Cash Equivalents

i. Balances with banks in Current Accounts	401.19	–	192.55	–
ii. Cash in hand	14.58	–	8.57	–
iii. Cheques in hand	187.96	–	36.87	–
iv. Deposits with original maturity for less than 3 months	–	–	1,590.00	–
	<u>603.73</u>	<u>–</u>	<u>1,827.99</u>	<u>–</u>

B. Other bank balances

i. Dividend accounts	9.53	–	4.27	–
ii. Deposits with original maturity for more than 3 months but less than 12 months	13.50	7.40	100.00	–
iii. Margin Money	26.91	96.66	–	–
	<u>49.94</u>	<u>104.06</u>	<u>104.27</u>	<u>–</u>
	<u>653.67</u>	<u>104.06</u>	<u>1,932.26</u>	<u>–</u>

NOTE - 19

	As at 31st March, 2012	As at 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	0.75	4.24
Unbilled Revenue	93.59	55.33
	<u>94.34</u>	<u>59.57</u>

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March, 2012	Year ended 31st March, 2011
	Rs. in Lacs	Rs. in Lacs
NOTE - 20		
REVENUE FROM OPERATIONS		
SALE OF SERVICES		
i. Rooms	8,885.86	8,904.55
ii. Wines and Liquor	597.59	534.20
iii. Food, Other Beverages, Smokes & Banquets	3,117.37	3,096.48
iv. Communications	134.96	159.74
v. Others	838.77	764.77
Total	13,574.55	13,459.74
NOTE - 21		
OTHER INCOME		
i. Interest Income	19.69	15.08
ii. Dividend on Current Investment	19.33	21.94
iii. Miscellaneous Income	381.60	2.83
Total	420.62	39.85
NOTE - 22		
CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES AND OTHERS		
A. WINES & LIQUOR		
Opening Stock	80.12	95.90
Add : Purchases	231.63	130.35
	311.75	226.25
Less : Closing Stock	129.86	76.94
	181.89	149.31
B. FOOD, PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	27.96	20.18
Add : Purchases	1,043.53	944.74
	1,071.49	964.92
Less : Closing Stock	33.77	24.31
	1,037.72	940.61
Total	1,219.61	1,089.92
NOTE - 23		
EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages, Allowances & Commission	2,134.46	1,833.47
Contribution to Gratuity, Provident and Other Funds	150.70	127.93
Contract Labour & Services	411.75	365.89
Staff welfare Expenses*	285.35	258.95
	2,982.26	2,586.24
NOTE - 24		
FINANCE COST		
a. Interest On		
i. Debentures	1,177.78	857.60
ii. Term Loans	962.07	379.84
iii. Vehicle loan	10.65	2.76
b. Other borrowing costs		
	38.34	6.44
	2,188.84	1,246.64

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March, 2012	Year ended 31st March, 2011
	Rs. in lacs	Rs. in lacs
NOTE - 25		
OTHER EXPENSES		
Linen, Room, Catering and Other Supplies/Services	219.24	227.62
Operating equipments and Supplies written off	112.91	61.87
Fuel, Power and Light (Net)	1,083.44	927.09
Repairs, Maintenance and Refurbishing*	987.61	983.14
Rent	51.14	33.00
Rates and Taxes	83.54	188.80
Insurance	63.46	60.51
Directors' Sitting Fee	11.78	5.40
Legal and Professional Expenses	379.31	453.22
Artist Fee	2.24	2.10
Stationery and Printing	63.22	56.74
Travelling and Conveyance**	370.23	346.23
Communication Expenses	120.30	129.14
Technical Services	621.86	687.11
Advertisement and Publicity	231.32	243.02
Commission and Brokerage	664.17	539.42
Charity & Donation	27.29	52.77
Provision for Doubtful debts/advances (Net)	0.55	9.78
Gain/Loss on Trading of Shares/Derivatives	1.29	32.39
Loss on Fixed Assets Sold/Discarded (Net)	6.18	77.45
Bank Charges	5.59	-
Miscellaneous	209.01	118.17
	5,315.68	5,234.98

26. Contingent Liabilities not provided for in respect of:

S . No.	Particulars	Rs. in lacs	
		Amount As at 31st March, 2012	Amount As at 31st March, 2011
i.	Export obligation in respect of EPCG Licenses	5,202.62	4,209.54
ii.	Corporate Guarantees on behalf of subsidiaries	5,763.72	1.59
iii.	Demand raised by Service Tax Authorities and contested by the Company	61.49	61.49
iv.	Dividend on Cumulative Preference Shares not paid/ declared	0.82	-
v.	Income Tax Demand*	-	-

* Inova Hotels & Resorts Limited (IHRL), a subsidiary company received the notice for income tax assessment for the assessment year 2010-11 Under section 143(2) dated 23rd September, 2011 which is pending with relevant authorities.

27. Capital and other Commitments :

Particulars	(Rs. in Lacs)	
	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	14,397.66	13,547.41
Loan Commitments	12,292.00	32,142.00

28. IHRL has received the notice from BBMP for payment of property tax amounting to Rs. 69.34 lacs. IHRL has disputed the said assessment of property tax and has filed a writ petition in High Court of Karnataka. IHRL has deposited Rs. 6.05 lacs on the basis of interim order of the Court dated 24th March, 2011. Adjustment, if any, for this liability will be made on disposal of writ petition and no provision has been made for disputed unpaid amount.

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

29. 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.
30. a. The Subsidiary Company Aria Hotels and Consultancy Services Private Limited (ARIA) had made a bid to Delhi International Airport (P) Limited (DIAL) for the proposal of development of asset area 4 (Upscale and Mid Market Hotel) at the Delhi International Airport site. The bid was awarded to ARIA by issuing Letter of Award dated May 5, 2009 and thereafter ARIA entered into with DIAL, a Development Agreement dated July 4, 2009. Under the said Agreement the ARIA has the right to operate the hotel constructed on DIAL site till May 02, 2036 extendable upto May 02, 2066 in terms of the Agreement for which the ARIA has to pay an annual License Fee as stipulated in the Agreement. ARIA has paid the annual License Fee during the financial year. In terms of the Agreement, to secure the payment of the annual License Fee and the performance of all other obligations under the Development Agreement, it was agreed to pay to DIAL an interest free Security Deposit aggregating Rs. 12742.26 Lacs refundable at the expiry of the term of the said Agreement unless extended. In addition to above ARIA also entered into an 'Infrastructure Development and Service Agreement' with DIAL on 4th July, 2009, for the use of infrastructure facilities and services being developed by DIAL, for which ARIA has to pay an Advance Development Cost aggregating to Rs. 6358.00 Lacs.
- b. Work in Progress includes amounts paid by the subsidiary Company Aria to DIAL on account of Advance Development Cost aggregating to Rs 6358.00 and License fees up to 31st March, 2012 amounting to Rs. 2021.82 lacs (Previous year Rs. 1290.03 lacs) as mentioned above.
- c. The subsidiary Company Aria has also paid Rs. 12742.26 Lacs on account of an Interest Free Refundable Security Deposit to DIAL as per terms of the above mentioned Development Agreement, shown as a separate long term asset.
31. Land-Freehold includes Land admeasuring approx. 4600 Sq. Mtrs, at Pune, Maharashtra. During the year, the Company entered into MOU for sale of the aforesaid land at a consideration of Rs. 890 Lacs. Necessary procedural formalities to consummate the transaction are being complied with.
32. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of subsidiaries, such decision is based on the audited accounts of the subsidiaries, as available and on the basis of the information and explanations given.
33. Out of Rs. 95.94 lacs paid under protest in respect of Service Tax demand raised by the Department in earlier years, Rs. 40.38 lacs is still outstanding. In the opinion of the management, the above Rs. 40.38 lacs is recoverable for which the petition is filed with Tribunal Authorities and hence been included under "Loans and Advances" as "Claims Recoverable" based on the progress made in the matter so far.
34. 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.
35. (A) Future commitments in respect of minimum lease payments payable for non cancellable operating leases (other than land) entered into by the Company:

(Rs. in Lacs)

S. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
a.	Not later than one year	791.28	756.54
b.	Later than one year and not later than five years	3,536.76	3,352.38
c.	Later than five years	32,636.16	33,592.57

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

(Rs. in Lacs)

S. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
a.	Not later than one year	23.48	756.54
b.	Later than one year and not later than five years	184.42	3,352.38
c.	Later than five years	1701.25	33,592.57

36. **Auditors Remuneration** (Exclusive of Service Tax): (Rs in Lacs)

S. No.	Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
a.	Statutory audit Fee	14.50	12.50
b.	Tax Audit Fee	3.50	2.75
c.	Limited Review Fee	4.50	4.50
d.	Certification Charges	-	0.72

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

37. 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.

a. The following tables set out the unfunded status of the gratuity plan and earned leaves and amounts recognised in the Company's financial statements as at 31st March, 2012

i. Change in benefit obligations :

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)			Compensated absences Earned leave (unfunded)		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Present value of obligations as at the beginning of the year	204.73	182.77	–	47.50	34.78	–
Transferred pursuant to the Scheme of Arrangement and Demerger	–	–	175.05	–	–	31.77
Current service cost	39.62	32.70	13.39	21.20	19.75	6.19
Interest cost	16.39	14.62	7.00	3.81	2.78	1.27
Benefit Paid	(22.19)	(26.28)	(16.26)	(5.82)	(8.88)	(4.97)
Actuarial (gain)/ loss on obligation	4.06	(1.18)	3.59	(6.02)	(3.22)	0.52
Present value of obligations as at the year end	242.61	202.63	182.77	60.67	45.21	34.78

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

(Rs. in Lacs)

Current Service cost	39.62	32.70	13.39	21.20	19.75	6.19
Interest cost	16.39	14.62	7.00	3.81	2.78	1.27
Actuarial (gain)/loss recognised during the year	4.06	(1.18)	3.59	(6.02)	(3.22)	0.52
Net charge/(credit)	60.07	46.14	23.98	18.99	19.31	7.98

iii. Amount recognized in Balance Sheet:

(Rs. in Lacs)

Particulars	Gratuity (Unfunded)			Compensated absences Earned leave (unfunded)		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Present value of obligations as at the end of the year	242.61	202.63	182.77	60.67	45.21	34.78
Fair value of plan assets as at the end of the period	–	–	–	–	–	–
Funded status / Difference	(242.61)	(202.63)	(182.77)	(60.67)	(45.21)	(34.78)
Excess of actual over estimated	–	–	–	–	–	–
Unrecognized actuarial (gain)/ losses	–	–	–	–	–	–
Net assets/(liability) recognized in the balance sheet	(242.61)	(202.63)	(182.77)	(60.67)	(45.21)	(34.78)

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iv. Principal actuarial assumptions:

Particulars	Refer Note below	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Discount rate (p.a.)	1	8%	8%	8%
Salary escalation rate (p.a.)	2	7%	7%	7%

Notes:

1. 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.
2. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.
3. The gratuity plan and earned leave are unfunded.
4. All the above figures for the year 2011-12 include figures for Inovia Hotels & Resorts Limited becoming subsidiary company during the year.

Demographic assumptions:

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

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

a. List of related parties

i. Entities in respect of which the subsidiary company Aria Hotels and Consultancy Services Private Limited is an Associate

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

ii. Key Management Personnel

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

iii. Relatives of Key Management Personnel

- Mrs Vinita Gupta
- Mrs Gunjan Jain
- Mrs Madhu Jain

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

- Eden Park Hotels Private Limited
- M/s Bhasin & Co.
- Aria Investments & Holdings Limited
- M/s Chaman Lal Gupta & Sons
- CLG Hotels and Resorts Private Limited
- Export Trade Corporation, Hongkong

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b. Balances outstanding/transactions with related parties

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Entities in respect of which Subsidiary is an Associate	Entities Controlled By Directors & their relatives	Total
(i) Transaction during the Year					
Bhasin & Co	- (-)	- (-)	- (-)	4.13 (3.36)	4.13 (3.36)
Inovoa Hotels & Resorts limited	- (-)	- (-)	- (14.70)	- (-)	- (14.70)
(ii) Sale/Services provided during the Year					
Eden Park Hotels Pvt. Ltd	- (-)	- (-)	- (-)	1.11 (0.47)	1.11 (0.47)
Inovoa Hotels & Resorts Limited	- (-)	- (-)	- (2.25)	- (-)	- (2.25)
Expenses paid					
Eden Park Hotels Private Ltd	- (-)	- (-)	- (-)	18.34 (59.54)	18.34 (59.54)
Aria Hotels & Consultancy Services Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)
Income Received					
Interest Income	- (-)	- (-)	- (-)	7.00 (-)	7.00 (-)
Advances Received Back	- (-)	70.00 (-)	- (-)	- (-)	70.00 (-)
(iii) Managerial Remuneration					
Mr. Sushil Gupta	86.49 (95.00)	- (-)	- (-)	- (-)	86.49 (95.00)
Mr. Sudhir Gupta	73.91 (71.84)	- (-)	- (-)	- (-)	73.91 (71.84)
Mr. Sandeep Gupta	59.44 (71.50)	- (-)	- (-)	- (-)	59.44 (71.50)
(iv) Purchase of Share					
M/s Chaman Lal Gupta & Sons	- (-)	- (-)	- (-)	- (56.86)	- (56.86)
Mr. Sushil Gupta	- (133.82)	- (-)	- (-)	- (-)	- (133.82)
Mrs. Vinita Gupta	- (-)	- (12.26)	- (-)	- (-)	- (12.26)
Mr. Sandeep Gupta	- (1.17)	- (-)	- (-)	- (-)	- (1.17)
Mrs. Gunjan Jain	- (-)	- (94.17)	- (-)	- (-)	- (94.17)
Aria Investments & Holdings Limited	- (-)	- (-)	- (-)	630 (389.32)	630 (389.32)
(v) Purchase of Land	- (-)	- (-)	- (743.38)	- (-)	- (743.38)
(vi) Purchase of Fixed Assets	- (-)	- (-)	- (-)	1,364.69 (-)	1,364.69 (-)

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Particulars	Key Management Personnel	Relatives of Key Management Personnel	Entities in respect of which Subsidiary is an Associate	Entities Controlled By Directors & their relatives	Total
(vii)	Balance outstanding at the year end					
	Account Payable					
	Bhasin & Co.	- (-)	- (-)	- (-)	0.15 (1.55)	0.15 (1.55)
	Account Receivable					
	Eden Park Hotels Private Ltd	- (-)	- (-)	- (-)	2.25 (-)	2.25 (-)
	Export Trade Corporation, Hongkong	- (-)	- (-)	- (-)	1,364.69 (-)	1,364.69 (-)
	Investment in Subsidiary / Associate Company	- (-)	- (-)	- (1169.67)*	- (-)	- (1169.67)

*Represents investment in Invoa Hotels & Resorts Limited, associate company in the previous year, has become subsidiary company during the year.

39. The Board of Directors of the Company has approved availing of the benefit under the General Circular No: 2/2011 dated 8th February, 2011 exempting the Company from attaching with the Balance Sheet of the Company a copy of the balance sheet, Statement of Profit and Loss etc of each of its subsidiary.
40. Details of shares held as Stock-in-trade is as under:

(Rs. in lacs)

Name of the Company	No. of Shares		Cost/Market Value whichever is lower	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
ICICI Bank Limited	70	70	0.62	0.78
Reliance Capital Limited	500	500	1.96	2.90
State Bank of India	27	27	0.56	0.75
Total			3.14	4.43

41. Earnings Per Share

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

S. No.	Particulars	Units	Year ended 31st March, 2012	Year ended 31st March, 2011
a.	Net profit/ (loss) after tax	Rs./ Lacs	836.32	1682.50
b.	Less: Dividend on preference shares (including Corporate dividend tax)	Rs./ Lacs	-	1.24
c.	Profit available for equity shareholders	Rs./ Lacs	836.32	1681.26
d.	Weighted average of number of equity shares used in computing basic earnings per share	No.	11,458,303	11,401,782
e.	Basic earnings per share	Rs.	7.30	14.75
f.	Weighted average of number of equity shares including potential diluted shares	No.	11,458,303	11,458,303
g.	Diluted earnings per share	Rs.	7.30	14.68

Subject to the provisions of Investment Agreement entered into between the Company, subsidiary Company Aria Hotels and Consultancy Services Private Limited (ARIA) and the promoters, Statutory and other approvals, if any, Asian Hotels (West) Limited (AHL) and ARIA shall provide the investors the exit option after 31st March, 2013 by way of merger of ARIA with AHL or swap of investors Securities with equity shares of AHL or otherwise. However, in the case of exit through AHL, the investors shall be entitled for not more than 14% (fourteen percent) of the issue and paid up equity share capital of AHL, on a Fully Diluted Basis. However, since the option is not exclusive and subject to certain conditions/ approvals, with number of shares not being determined, impact of future dilutive potential equity shares has not been considered in calculating diluted earnings per share.

ASIAN HOTELS (WEST) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

42. Foreign Currency Exposures

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

Particulars	Foreign Currency (FC)	Amount in FC (in Lacs)	Rs. in Lacs
Accounts payable	USD	44.05	2,276.46
		(5.91)	(269.99)
	Sterling Pound	0.02	1.43
		(Nil)	(Nil)
	EURO	1.49	100.93
		(Nil)	(Nil)
	SGD	0.17	6.77
		(Nil)	(Nil)
HKD	0.16	1.06	
	(Nil)	(Nil)	

There are no hedged foreign currency exposures.

Figures in brackets relate to the previous year.

43. The financial statements for the year ended 31st March, 2011 had been prepared as per then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. There are no changes in the recognition and measurement, however, there are changes in the presentation and disclosures.

As per report of even date

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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

ARUN K. TULSIAN
Partner
Membership No. 89907

SUSHIL GUPTA
Chairman & Managing Director
DIN : 00006165

SANDEEP GUPTA
Executive (Whole-Time) Director
DIN : 00059742

Place : New Delhi
Dated : 3rd August, 2012

NIKHIL SETHI
Company Secretary

ASIAN HOTELS (WEST) LIMITED

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

PROXY FORM

I / We resident(s) of being a Member / Members of Asian Hotels (West) Limited, hereby appoint Mr./Mrs. resident of..... as my / our proxy to attend and vote for me / us, on my / our behalf, at the 5th Annual General Meeting of the Company to be held on Wednesday, 12th September, 2012, and at any adjournment thereof in the following manner:

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

As witness my / our hands this day of, 2012.
(Date) (Month)

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

No. of shares held.....

Affix
Rupee One
Revenue
Stamp

Signature(s)

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

TEAR HERE

ASIAN HOTELS (WEST) LIMITED

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

ATTENDANCE SLIP

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

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

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

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

I / We hereby record my / our presence at the 5th Annual General Meeting of the Company held at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on this 12th September, 2012 at 3.00 P.M.

Signature(s)

IMPORTANT

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

TEAR HERE

ASIAN HOTELS (WEST) LIMITED

Regd. Office : E-5, Clarion Collection, The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi – 110016
Telephone No.011-46101234 / 46101207 / 46101210, Fax No. 011-46101202

Website : www.asianhotelswest.com