

31<sup>st</sup>  
Annual Report 2011-2012



*Asian Hotels (North) Limited*

**BOARD OF DIRECTORS**

Shiv Kumar Jatia Chairman and Managing Director  
Lalit Bhasin  
Vinod Kumar Dhall  
Priya Shankar Dasgupta  
Gautam Ramanlal Divan  
Dinesh Chandra Kothari  
Raj Kumar Jatia  
Ramesh Jatia  
Amritesh Jatia  
Adarsh Jatia Joint Managing Director

**PRESIDENT-FINANCE  
& OPERATIONS**

Jyoti Subarwal

**VICE PRESIDENT (CORP) &  
COMPANY SECRETARY**

Dinesh Kumar Jain

**AUDITORS**

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

**BANKERS**

DBS Bank Limited  
Axis Bank Limited  
ING Vysya Bank Limited

**REGISTERED OFFICE & INVESTOR  
RELATIONS DEPARTMENT**

Bhikaiji Cama Place  
M. G. Marg  
New Delhi - 110 066  
Tel. No. 011-66771225 / 66771226  
Fax: 011-26791033  
[www.asianhotelsnorth.com](http://www.asianhotelsnorth.com)

**REGISTRAR & TRANSFER AGENTS**

Karvy Computershare Pvt. Ltd.  
17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad – 500 081  
Tel. No. : 91 40 4465 5000, 2342 0818  
Fax: 91 40 2342 0814  
[www.karvycomputershare.com](http://www.karvycomputershare.com)  
[www.karvy.com](http://www.karvy.com)

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# ASIAN HOTELS (NORTH) LIMITED

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Registered Office: Bhikaiji Cama Place, M. G. Marg, New Delhi- 110 066

## NOTICE

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of ASIAN HOTELS (NORTH) LIMITED will be held on Tuesday, the 25<sup>th</sup> September, 2012, at 11.30 a.m. at Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, M. G. Marg, New Delhi-110 066 to transact the following business:

### ORDINARY BUSINESS

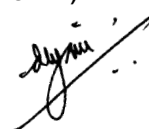
1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2012, and the Statement of Profit and Loss for the year ended on that date along with the Auditors' Report and Directors' Report thereon.
2. To approve and ratify payment of dividend of Rs. 0.10 per share [@ 1%] to the holders of 1% cumulative redeemable non-convertible preference shares.
3. To declare dividend.

The Board of Directors of the Company has recommended dividend of Rs. 1.50 per equity share.

4. To appoint a Director in place of Mr. Gautam Ramanlal Divan, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ramesh Jatia, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Lalit Bhasin, who retires by rotation, and being eligible, offers himself for re-appointment.
7. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

M/s. Mohinder Puri & Company, Chartered Accountants (Firm Registration No.: 000204N), 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 (NORTH) LIMITED**



Dinesh Kumar Jain  
Vice-President (Corporate) &  
Company Secretary

Place: New Delhi  
Date: 14<sup>th</sup> August, 2012

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives u/s 187 of the Companies Act, 1956 (the Act), are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
3. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
4. All documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. 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 Saturday, the 22<sup>nd</sup> September, 2012 to Tuesday, the 25<sup>th</sup> September, 2012, inclusive of both days.
6. The dividend on equity shares, if declared by the Company in the Annual General Meeting, will be paid to those members or to their mandates whose names stand registered as:
  - a) Beneficial owners as at the end of business on Friday, the 21<sup>st</sup> 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 21<sup>st</sup> September, 2012.

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7. Dividend amount which remains unpaid/unclaimed for a period of seven years in terms of Section 205A of the Act is liable to be transferred by the Company to the credit of Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Act. Once transferred, no claim shall lie against the Company or the Central Government in this regard.

Therefore, shareholders who have not received and / or encashed the dividend warrant(s) so far are specifically requested to apply for duplicate dividend warrant(s) by writing to the Company quoting their Folio No. / Client ID No., number of shares held etc.

Attention of the members is also drawn to the fact that unpaid/unclaimed dividends pertaining to the following years are due for transfer to the IEPF during calendar years 2012 and 2013.

Financial Year	Due date for transfer to IEPF
2004-05 Final dividend	12.09.2012
2005-06 Interim dividend	24.02.2013
2006-07 Interim dividend	05.07.2013
2005-06 Final dividend	01.09.2013

8. a) Members are requested to notify change in their address, if any, with pin code, quoting their folio number to the Registrar & Transfer Agents/Company.
- b) Members holding shares in electronic form should notify any change in their residential address, bank details etc. directly to their respective Depository Participants.
9. Non-Resident Indian shareholders are requested to inform the Registrar & Transfer Agents/Company:
- a) Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
- b) Change, if any, in their residential status.
10. The Securities 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 National Electronic Clearing Service (NECS) to investors wherever requisite bank details are available. Members holding shares in physical form are also requested to register their mandate for transfer of dividend through NECS.

In the absence of NECS 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 & Transfer Agents/Company so that requisite details could be printed on all future dividend warrants:

- a) Name of the Sole / First Joint Holder, and
- b) Particulars of his / her Bank account, viz. 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. In pursuance of the "Green Initiative in Corporate Governance" initiated by the Ministry of Corporate Affairs allowing paperless compliances by companies through electronic mode, the Company, like the previous year, has electronically mailed the soft copy of the annual report to shareholders whose email addresses are registered with the Company and who have not opted for a printed copy in response to the option given in pursuance of Circular No. 17/2011 dated 21<sup>st</sup> April, 2011 issued by the said Ministry. However, such shareholders may still obtain a printed copy on request. Shareholders whose email addresses are not registered or those who have opted against the soft copy, have been served the printed annual report by post.

Further, the Members may access and download the Annual report of the Company from its website [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com)

Members who have not registered their e-mail ids are requested to register / update the same with their Depository Participants or the Registrar & Transfer Agent, as the case may be.

13. Brief resume, detailing nature of expertise in specific functional areas, directorships and membership of committees held in other companies, shareholding in the Company and inter-se relationship amongst directors is given on Page 12, under the heading "Profile of Directors seeking appointment / re-appointment", a part of Corporate Governance Report.
14. **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.**

# ASIAN HOTELS (NORTH) LIMITED

## DIRECTORS' REPORT

### To the Members,

Your Directors are pleased to submit their 31<sup>st</sup> Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS (on stand-alone basis)

(Rupees in Crores)

	FY 2011-12	FY 2010-11
Revenue from Operations (Net)	225.76	240.58
Other Income	50.51	1.91
Profit Before Interest, Depreciation & Prior period adjustments	112.87	84.64
Interest & Finance charges	46.90	29.97
Depreciation & Amortisation	11.49	10.88
Prior Year Adjustments	(0.01)	(0.01)
Profit Before Tax	54.49	43.80
Provision for Taxation (Net)	18.83	15.22
Net Profit	35.66	28.58
Surplus Brought Forward	132.38	112.36
Profit Available for Appropriation	168.04	140.94
Transfer to General Reserve	3.57	2.85
Proposed/Paid Dividend - Preference Shares	0.05	0.05
Proposed Dividend – Equity	2.92	4.86
Corporate Dividend Tax	0.48	0.80
<b>Surplus Carried Forward</b>	<b>161.02</b>	<b>132.38</b>
Earning per share - Basic & Diluted (Rs.)	18.30	21.10

Net revenue from operations declined marginally to Rs. 225.76 crores for the year under review as compared to Rs. 240.58 crores achieved during prior year. In comparison, the Company registered a significant increase in other income viz. Rs. 50.51 crores as against Rs. 1.91 crores during prior year, which was primarily due to difference in exchange rates (Rs. 39.64 crores for the year under review as against Rs. 0.01 crores in the prior year) and interest income of Rs. 9.56 crores on loan extended to the overseas subsidiary (prior year Nil).

Resultantly, the Company registered an increase of nearly 25% in post-tax profits at Rs. 35.66 crores for the year under review as against Rs. 28.58 crores in the prior year.

As regards the Auditors' observation in para 17 of the Annexure to their Report, your Directors wish to clarify that due to the ongoing Serviced Apartments and Expansion projects, the Company temporarily utilized certain short term funds for long term purposes to meet the cash flow mismatch. The said short term loans are being re-paid as per schedule.

Your Directors are confident that the Company has adequate arrangements to meet its liabilities in time.

### DIVIDEND

After providing for obligatory dividend of 1% on the outstanding non-convertible preference shares, your Directors are pleased to recommend a dividend of Rs. 1.50 per equity share.

### FOREIGN EXCHANGE RECEIPTS

The Company's earnings in foreign exchange for the year under review amounted to Rs. 149.70 crores [including interest income of Rs. 9.56 crores (prior year Nil) from an overseas subsidiary] as compared to Rs. 148.19 crores during the prior year.

### CAPITAL STRUCTURE

There is no change in the Company's capital structure since the last report.

### Un-claimed Shares

In terms of Clause 5A.II of the Listing Agreement, 73907 equity shares relating to 875 shareholders, which remained un-claimed as on 5<sup>th</sup> August, 2011, were transferred to a separate folio namely "Asian Hotels (North) Limited – Un-claimed Suspense Account". These shares are being held with Karvy Stock Broking Limited in a separate demat account entitled "Asian Hotels (North) Limited – Un-claimed Suspense Account".

Sl. No.	Status	No. of holders whose shares are marked as un-claimed	No. of shares marked as un-claimed
1.	Initial status of un-claimed shares	875	73907
2.	No. of claims lodged till date	24	3094
3.	No. of claims settled and shares released to the rightful claimants till date	9	1390
4.	No. of claims lodged but pending for want of documents, as on date (2-3)	15	1704
5.	<b>Balance un-claimed shares as on date (1-3)</b>	<b>866</b>	<b>72517</b>

### PROMOTERS

The Company is controlled by the Jatia Group, comprising inter-alia Mr. Raj Kumar Jatia, Mr. Shiv Kumar Jatia and in turn companies controlled by them namely Fineline Holdings Ltd., Yans Enterprises (H.K.) Ltd. and Asian Holdings Pvt. Ltd.

Such persons directly or indirectly own and control various operating companies of the Jatia Group viz Asian Hotels (North) Limited (AHNL), Magus Estates and Hotels Limited (Magus) and Ascent Hotels Private Limited (Ascent). All the said constituents singularly and collectively, including the operating companies comprise Jatia group in terms of the definition of "Group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969. Some of the said constituents exercise control over the Company as directors and / or shareholders. The said group and its constituents have no control over the persons / entities clubbed under "Other Promoters" and should not be deemed to be acting in concert with any entity or person other than those forming part of the Jatia Group.

# ASIAN HOTELS (NORTH) LIMITED

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## EXPANSION PLANS / FUTURE PROSPECTS

### Serviced Apartments Project

Your Directors, in their previous report had expected completion of the "Serviced Apartments" project by March 2012. However, due to various reasons, including the ongoing cash crunch, completion of the project is delayed by 6-8 months. While 6 floors comprising commercial area would be ready and operative beginning October 2012, the rest comprising another 3 floors and 15 apartments would be operational by end of October 2012.

### Expansion Project

Similarly, the first phase of renovation and expansion of the existing facilities, comprising addition of 24 bays, Regency Club Lounge and renovation of existing suites shall be completed by September 2012. However, the construction of new ball room, a part of second phase, which was to commence in April 2012, started ahead of schedule and is expected to be operational by the end of the on-going financial year. Rest of the activities comprising up-gradation of the fitness center, pre-function area, additional meeting rooms and additional 24 bays, is expected to be completed by December 2013.

### Kolkata Project

Your Directors in their previous report had informed of the offer made by West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO) to allot a plot of land measuring approx. six acres on free hold basis for setting up of a five-star hotel in Kolkata, in response to a financial bid made by the Company. The Company is expected to make full payment for the land by December 2012.

The Company has received an Expression of Interest, together with advances aggregating Rs. 14 Crores, for forging a joint venture in respect of the Kolkata project from a company, of which one of the directors is related to certain directors of the Company.

## INVESTMENTS / SUBSIDIARIES

In their previous report you were informed of the investment of Rs. 391 Crores made by the Company in Finline Hospitality and Consultancy Pte. Ltd., Mauritius (Finline Hospitality), a company in the hospitality sector, thus acquiring 53% of its equity capital and optionally convertible preference capital. As a result thereof, the Company also acquired indirect control of the subsidiaries of Finline Hospitality, namely Most Prof Hospitality and Consultancy Pte. Ltd., Mauritius (Most Prof), Lexon Ventures Pte. Ltd., BVI (Lexon) and Magus Estates & Hotels Limited, India (Magus). Magus owns India's first Four Seasons Hotel in Mumbai.

To maintain a lean structure two of the step down subsidiaries, namely Most Prof and Lexon were amalgamated with Finline Hospitality w.e.f. 23<sup>rd</sup> August, 2011, and 14<sup>th</sup> September, 2011, respectively.

At the request of your Company, Finline Hospitality prematurely redeemed the optionally convertible preference shares effective 30<sup>th</sup> September, 2011, and its proceeds were converted into a loan to subsidiary in consonance with prevailing laws and extant exchange control regulations.

In October 2011, your Company made additional investment in Finline Hospitality by subscribing to redeemable cumulative preference shares aggregating to Rs. 50 crores.

### Consolidated Financial Results

In pursuance of General Circular No. 2/2011 dated 8<sup>th</sup> February, 2011, issued by the Ministry of Corporate Affairs, Government of India, your Directors have opted to avail of the general exemption granted under Section 212(8) of the Act from attaching individual balance sheet, statement of profit & loss and reports of the Board of Directors and Auditors of the subsidiaries along with the holding company's balance sheet.

In view of the above, your directors have presented the stand-alone financial statements of the Company; and consolidated financial statements comprising financials of the Company, its subsidiary, Finline Hospitality and its sole step-down subsidiary namely Magus, as part of this Annual Report.

Individual balance sheet, statement of profit & loss, report of Board of Directors and report of Auditors of each of the subsidiaries are open for inspection by the shareholders at the registered office of the Company and its subsidiaries' respectively, copies of which may be furnished, if desired by any shareholder.

### AUDITORS

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

The Audit Committee has recommended their re-appointment.

### INTERNAL AUDIT

M/s. Lodha & Co., Chartered Accountants, New Delhi, the internal auditors of the Company have been conducting periodic audit of the operations of the Company.

The Audit Committee regularly takes stock of the actions taken on the observations and recommendations made by the Internal Auditors.

### DIRECTORS

In accordance with the provisions of Section 255 read with Section 256 of the Act and Article 116 and Article 117 of the Article of Association, Mr. Gautam Ramanlal Divan, Mr. Ramesh Jatia and Mr. Lalit Bhasin retire by rotation at the ensuing annual general meeting and, being eligible, offer themselves for re-appointment.

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

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

- that in the preparation of annual accounts for the year ended 31<sup>st</sup> March, 2012, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with 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.

Significant accounting policies followed by the Company, and the required disclosures are detailed in the Notes to the Financial Statements.

# ASIAN HOTELS (NORTH) LIMITED

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## **INFORMATION REGARDING CONSERVATION OF ENERGY ETC.**

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

## **PARTICULARS OF EMPLOYEES**

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

## **CORPORATE GOVERNANCE**

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

## **CORPORATE SOCIAL RESPONSIBILITY**

As part of Corporate Social Responsibility drive, the Company through the Hyatt Thrive corporate responsibility platform, look after the communities through volunteerism, fund raising and other initiatives to help sustain thriving communities.

In April 2011, the Company in partnership with SMILE FOUNDATION launched a new initiative named Smile on Wheels, a mobile promotional, curative and preventive health care service. Besides basic facilities to conduct x-rays, E.C.G. and laboratory tests, the mobile unit is also equipped with an operation theatre for conducting minor surgeries.

Further, the Company supported and hosted the Virgin Atlantic Cycle Bike tour to raise money for an Indian village adopted by it. Tamana, a school for special needs children, providing its students with an individual educational programme, was also supported for its charity fashion show.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **Industry Structure & Developments and Opportunities & Outlook**

Various Industry reports show that during the year under review demand for rooms in key business and leisure destinations in India moved in tandem with room additions. As a result occupancy rates in hotels remain stable on a year to year basis; however, with increase in room inventory, there was a slight decline in the average room rates. It is expected that the occupancy in hotels in the luxury segment of major metros would continue to remain optimistic despite increase in room inventory, the average rates may, however, drop by a couple of percentile points.

The World Trade & Tourism Council expects travel and tourism demands in India to grow above 8% annually for the next five to seven years, the highest growth, thereby making India second highest tourist destination after China. With the buoyant growth in the Indian economy, the Indian middle class has higher disposable income, which would lead to occupancy levels in five star deluxe hotels remaining high. Unfortunately, the plethora of taxes acts as a detriment for rate enhancements in accommodation at hotels. The recent enhancement of service tax from 10% to 12% is a typical example.

### **Threats, Risks and Concerns**

Domestic insurgency, terrorism, global geo-political situations and slow down of world economy are major concerns for the hospitality industry.

### **Review of Operational and Financial performance**

The Company achieved aggregate revenue from operations of Rs. 225.76 crores for the year ended 31<sup>st</sup> March, 2012. Said revenue in the prior year was Rs. 240.58 crores.

During the year under review, both the occupancy level and the average room rate dropped impacting the overall profitability.

### **Segment wise performance**

During the year under review, your Company operated an integrated hotel business at only one location i.e. New Delhi. Power generation, the other business segment being pursued by the Company is governed by a different set of risks and returns. Your Company has two Wind Turbine Generators (WTGs) operating in Maharashtra, but the quantum of assets as well as revenue generated was not significant enough for reporting in terms of the applicable Accounting Standard.

### **Internal Control Systems and their adequacy**

The Company has standard operating procedures for each operational area. It has in place adequate reporting systems in respect of financial performance, operational efficiencies and reporting with respect to compliance of various statutory and regulatory matters. As detailed above, the Internal Auditors have regularly conducted exhaustive internal audits pertaining to different operational areas and their reports were periodically placed before the Audit Committee for its review and recommendations.

The Company has in place adequate internal controls and systems.

### **Human Resources and Industrial Relations**

An organization's success depends largely on its human resources, its management and good industrial relations. Your Company has always viewed human resource development as a critical activity for achieving its business goals.

The Company enjoys harmonious relationship with its employees. The Company had 816 employees on its rolls as on 31<sup>st</sup> March, 2012.

## **ACKNOWLEDGEMENT**

Your Directors place on record their sincere appreciation and gratitude to the Company's valued customers, the Government of India, State Government of Delhi, and the Financial Institution and Banks for their continued support and confidence in the Company.

Your Directors also place on record their sincere gratitude to Hyatt International for their co-operation and guidance.

Your Directors also commend the sincere efforts put in by the employees at all levels for the growth of the Company.

**For and on behalf of the Board**

Place : New Delhi  
Dated : 14<sup>th</sup> August, 2012

**Shiv Kumar Jatia**  
**Chairman & Managing Director**  
**DIN : 00006187**



# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE 'A' FORMING PART OF DIRECTORS' REPORT

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

#### A. CONSERVATION OF ENERGY

S. No.	Energy conservation measures taken during the financial year 2011-2012	Impact (savings in Lac Rs. per annum)
1	Installed solar panel for water heating	7.30
2	Installed energy efficient chillers	60.11
3	Installed LED lighting in newly renovated wing	2.50
4	WC cisterns and waterless urinals installed in public areas to reduce flush water consumption	1.13

S. No.	Additional Investment-proposal for the year 2012-2013	Impact (savings in Lac Rs. per annum)
1	To install aerator in staff lockers, kitchen and guest rooms to save water	10.16
2	To recycle STP water for cooling towers, gardening and for flushing in staff lockers	9.13
3	To install LED lighting in new apartments	10.20

#### B. TECHNOLOGY ABSORPTION

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

#### C. FOREIGN EXCHANGE EARNINGS

- i) The Company has a strong commitment to international business and is continuously exploring avenues to increase its foreign exchange earnings.
- ii) Current year earnings amounted to Rs. 149.70 Crores (Rs. 148.19 crores in prior year) against which the outgo in foreign exchange was equivalent to Rs. 37.98 crores (Rs. 28.26 crores in prior year).
- iii) Details of foreign exchange earnings and outgo are given at Note 32 to the Financial Statements.

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'B' FORMING PART OF DIRECTORS' REPORT

### PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

S. NO	NAME	AGE (YRS)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION IN (RS.)	QUALIFICATION	EXPERIENCE IN (YRS)	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD/ DESIGNATION/PERIOD
<b>EMPLOYED THROUGHOUT THE PERIOD</b>								
1	Shiv Jatia	57	Chairman and Managing Director	1,91,69,381	B.COM	39	10.04.1981	Industrialist
2	Adarsh Jatia	31	Joint Managing Director	83,75,792	B.A. (Hons) Bussiness Studies	6	01.01.2011	Managing Director , Ascent Hotels Pvt. Ltd. ( 4 years & 9 months)
3	Jyoti Subarwal	59	President-Finance & Operations	1,36,10,220	F.C.A.	34	01.08.1983	Mohinder Puri & Co., Chartered Accountants, New Delhi, Audit Manager (5 Yrs.)
4	Arun N Tandon	53	Chief Operating Officer- Projects	80,86,470	MOT – I Class (Motor) Bombay DMET (Marine), Bombay, BE (Mech) Ravi Shankar University.	32	01.09.2008	DLF Hotel Holdings Limited (8 months)
5	Timothy Bruce	52	General Manager – Hyatt Regency, Delhi	1,41,32,975	7GCEO' Levels City & Guilds 706 1/706 2 Diploma of Hotel Management, Canberra TAFF	26	07.09.2004	Park Hyatt Canberra, Director of Food & Beverage (2Yrs.)
6	Dirk Holsheher	45	Executive Chef	92,67,262	Culinary Studies from Trade School Graduate	25	15.07.2010	Executive Chef, Grand Hyatt Cairo
7	Paul Murphy	53	Hotel Manager	95,23,565	High School, Graduate	29	16.01.2011	Director of Catering, Grand Hyatt Dubai

#### Notes:

- Total remuneration comprises Basic Salary, HRA, Special Allowance, Company's contribution to Provident Fund, LTA, monetary value of other perquisites, if any, on the basis of Income Tax rules, Performance incentive, Exgratia payments and commission payable to Managing Director/Joint Managing Director.
- All appointments except that of Mr. Jyoti Subarwal, and Mr. Arun N Tandon are on contractual basis.
- None of the employees is a relative of any Director of the Company except in the following cases:
  - Mr. Shiv Jatia is brother of Mr. R.K. Jatia and Mr. Ramesh Jatia, and father of Mr. Amritesh Jatia
  - Mr. Adarsh Jatia is son of Mr. R.K. Jatia

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE 'C' FORMING PART OF DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good governance practices while conducting its business and has upheld the core concept of Corporate Governance. The four pillars on which corporate governance rests are transparency, integrity, accountability and compliance of laws, which Asian Hotels (North) Limited, as a Company has imbibed and endeavors to follow.

Pursuant to Clause 49 of the Equity Listing Agreement, the Company's 'Corporate Governance Report' is given below:

#### BOARD OF DIRECTORS

In consonance with the requirements of Clause 49 of the Listing Agreement, the Company's Board is constituted of an appropriate mix of executive and non-executive Directors to maintain its independence; and to exercise effective governance and control over its executive functioning. Through out the year under review, the composition of the Board of Directors was in conformity with the aforesaid Clause, as the Board comprises five Independent Non-executive Directors, three Promoter Non-executive directors and two executive directors as tabulated below.

The Company follows the prescribed Board procedures and furnishes detailed notes in advance on the businesses to be dealt with at the Board Meetings. The Board meets at least once every quarter ensuring gap between any two meetings does not exceed four months.

During the year under review, six Board meetings were held i.e. on 30<sup>th</sup> May, 2011, 12<sup>th</sup> August, 2011, 22<sup>nd</sup> September, 2011, 8<sup>th</sup> October, 2011, 13<sup>th</sup> November, 2011, and 9<sup>th</sup> February, 2012.

Pursuant to the provisions of Clause 49 of the Listing Agreement, the composition of the Board, details of Directorships held, Committee memberships/ Chairmanships held, and attendance of the Director at the Board meetings and previous Annual General Meeting (AGM) are given below:

S. No.	Name of the Director@	Category	Board meetings attended vis-à-vis meetings held during their respective tenure including the meeting in which appointed	Last AGM attended: 22 <sup>nd</sup> September, 2011	No. of Directorships held in private companies <sup>^</sup>	No. of Directorships held in public companies <sup>^</sup>	No. of Committee memberships in public companies <sup>^</sup>	No. of Chairmanship in such Committees <sup>^</sup>
1.	Mr. Shiv Kumar Jatia	Executive [Chairman & Managing Director]	6/6	YES	21	5	1	0
2.	Mr. Lalit Bhasin	Independent Non-Executive	6/6	YES	3	10	8	1
3.	Mr. Gautam Ramanlal Divan	Independent Non-Executive	5/6	YES	3	3	2	1
4.	Mr. Dinesh Chandra Kothari	Independent Non-Executive	4/6	NO	9	5	5	2
5.	Mr. Vinod Kumar Dhall	Independent Non – Executive	3/6	NO	0	5	4	2
6.	Mr. Priya Shankar Dasgupta	Independent Non – Executive	3/6	YES	7	9	8	2
7.	Mr. Raj Kumar Jatia	Non-Executive	4/6	YES	4	3	0	0
8.	Mr. Adarsh Jatia	Executive [Joint Managing Director]	3/6	NO	8	3	1	0
9.	Mr. Amrithesh Jatia	Non - Executive	6/6	YES	1	1	0	0
10.	Mr. Ramesh Jatia	Non -Executive	0/6	NO	4	2	0	0

@ Inter-se relationship of directors is as follows - Mr. Raj Kumar Jatia, Mr. Shiv Kumar Jatia and Mr. Ramesh Jatia are brothers. Mr. Adarsh Jatia is son of Mr. Raj Kumar Jatia & Mr. Amrithesh Jatia is son of Mr. Shiv Kumar Jatia.

^ Includes directorship/membership/chairmanship of the Board/ Committees of Asian Hotels (North) Limited; exclude foreign bodies corporate; and reflects status as at the close of financial year under review. Only membership and/or chairmanship of Audit Committee and Investor Grievance Committee in public limited companies have been taken for this purpose.

#### COMMITTEES OF DIRECTORS

Apart from committees for different operational purposes, the Company's Board has constituted the following Committees required under the Companies Act, 1956 (the Act) and Listing Agreement:

##### a) Audit Committee:

Audit Committee comprises of Mr. Lalit Bhasin as its Chairman, and Mr. Dinesh C. Kothari and Mr. Gautam R. Divan, as its Members. Mr. Shiv Jatia, Managing Director and Mr. Jyoti Subarwal, the Chief Finance Officer of the Company designated as President- Finance and Operations are the permanent invitees to the committee meetings. The Company Secretary acts as Secretary to the Committee.

Mr. Bhasin is an eminent lawyer and member of Audit Committee and/or Shareholders' Grievance Committee of several other listed companies. Both Mr. Kothari and Mr. Divan are Chartered Accountants by profession having rich experience in financial restructuring and accounting and assurance services. Both hold membership in various Committees of some prominent companies.

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

# ASIAN HOTELS (NORTH) LIMITED

During the year under review, six meetings of the Committee were held viz. 30<sup>th</sup> May, 2011, 12<sup>th</sup> August, 2011, 22<sup>nd</sup> September 2011, 8<sup>th</sup> October, 2011, 13<sup>th</sup> November, 2011 and 9<sup>th</sup> February, 2012.

Name of the Director	Category	No. of Meetings Attended
Mr. Lalit Bhasin	Independent Non-Executive	6/6
Mr. Dinesh Chandra Kothari	Independent Non-Executive	4/6
Mr. Gautam Ramanlal Divan	Independent Non-Executive	5/6

## b) Share Transfer & Shareholders Grievances Committee:

The Committee comprises of three members namely Mr. Dinesh C. Kothari, Mr. Lalit Bhasin and Mr. Shiv Kumar Jatia.

Mr. Kothari chairs the Committee's meetings. The Board of Directors appointed Mr. Jyoti Subarwal, President-Finance & Operations as Advisor to the Committee effective 9<sup>th</sup> February, 2012.

Mr. Dinesh Kumar Jain, Vice President (Corporate) & Company Secretary is the Compliance Officer of the Company and acts as Secretary to the Committee. The Committee's primary responsibility is to supervise redressal of shareholders' grievances. It acts as a catalyst for matters concerning shareholders and is quite proactive in its approach. The Committee met four times during the year.

The Company received 79 complaints during the year, which were appropriately resolved and/or replied to. None of the investor complaints is lying unresolved or unattended at the year end.

## c) Remuneration Committee:

The Remuneration Committee Comprises of three Independent Non-Executive Directors viz. Mr. Lalit Bhasin, as Chairman of the Committee, and Mr. Dinesh C. Kothari and Mr. Gautam R. Divan as its members.

The Remuneration Committee, on behalf of the Board of Directors, determines the Company's policy towards remuneration payable to the whole-time directors including pension rights and compensation payment, if any. On the recommendation of the Committee, the Board, subject to requisite approvals, decides the remuneration of the whole-time directors. The Committee's terms of reference also include considering remuneration and other terms & conditions of employment of and/or for holding office or place of profit by persons falling within the purview of Section 314 of the Act.

During the year under review no meeting of the Committee took place.

The remuneration package of the whole-time Directors comprises a fixed component in the form of salary, perquisites and allowances, and a variable component of commission on profits.

Non-executive directors are entitled to remuneration by way of commission, as may be quantified by the Board of Directors for each year, based upon the financial performance of the Company, provided that such commission collectively for all non-executive directors does not exceed 1% of the net profits of the Company computed in terms of Section 198 of the Act. 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 option was offered to the directors or executives of the Company.

Details of remuneration paid/ payable to the directors for the year under review are given below:

Name of Director	FEES & REMUNERATION			(in Rs.)
	Sitting Fees	Salary & Perks	Commission	Total
Mr. Shiv Kumar Jatia <sup>^</sup>	0	1,27,97,798	63,71,583	1,91,69,381
Mr. Lalit Bhasin	1,80,000	0	5,00,000	6,80,000
Mr. Gautam Ramanlal Divan	1,20,000	0	5,00,000	6,20,000
Mr. Dinesh Chandra Kothari	1,56,000	0	5,00,000	6,56,000
Mr. Vinod Kumar Dhall	36,000	0	5,00,000	5,36,000
Mr. Priya Shankar Dasgupta	36,000	0	5,00,000	5,36,000
Mr. Raj Kumar Jatia	48,000	0	5,00,000	5,48,000
Mr. Adarsh Jatia <sup>^^</sup>	0	51,90,000	31,85,792	83,75,792
Mr. Amrithesh Jatia	72,000	0	5,00,000	5,72,000
Mr. Ramesh Jatia	0	0	5,00,000	5,00,000

<sup>^</sup> Current tenure is for five years beginning 10<sup>th</sup> April, 2011

<sup>^^</sup>Current tenure is for five years beginning 1<sup>st</sup> January, 2011

## Shareholding of Non-Executive Directors

Following non-executive directors of the Company hold shares in the Company as on 31<sup>st</sup> March 2012:

- Mr. Ramesh Jatia 75190 equity shares equivalent to 0.38% of the total outstanding equity shares
- Mr. Gautam R. Divan 1 equity share equivalent to 0.00% of the total outstanding equity shares

None of the other non-executive directors hold any equity shares in the Company.

# ASIAN HOTELS (NORTH) LIMITED

## GENERAL BODY MEETINGS

Financial Year	Nature of Meeting	Venue	Date	Time
2008-09	AGM*	Hotel Hyatt Regency Delhi, Bhikaiji Cama Place, M. G. Marg, New Delhi – 110066	19.03.2010	11.30 a.m.
	EGM#	-do-	12.07.2010	11.30 a.m.
2009-10	AGM##	-do-	28.09.2010	11.30 a.m.
2010-11	AGM^	-do-	22.09.2011	11.30 a.m.

\* There was no item requiring approval by special resolution.

# Special resolutions were approved: (i) u/s 81(1A) for issue of further securities; (ii) u/s 198, 269, 309 and 310 for increase in remuneration of the Managing Director; and (iii) u/s 198, 309 and 310 for payment of commission to non-executive directors.

## A special resolution was approved u/s 314 for holding an office or place of profit by Mr. Amrutesh Jatia, as Vice President (Business Development) in the overseas office of the Company. However, he did not join the said office.

^ A special resolution was approved u/s 314 for holding an office or place of profit by Mr. Lalit Bhasin, an Independent Non-Executive Director for acting as the Trustee of the Board of Directors of the Company to discharge certain obligations and duties under the Scheme of Arrangement and De-merger sanctioned by the High Court of Delhi.

None of the special resolutions passed in the above mentioned meetings were required to be put through a postal ballot.

## SUBSIDIARY COMPANIES

As reported in the last Annual Report, in the financial year 2010-11, your Company made an investment of Rs. 391 crores in an overseas company, namely Finline Hospitality and Consultancy Pte. Ltd., Mauritius (Finline Hospitality), a company in the hospitality sector, acquiring 53% of its equity capital and optionally convertible preference capital. Resultantly, the Company also acquired indirect control of the subsidiaries of Finline Hospitality, namely Most Prof Hospitality & Consultancy Pte. Ltd., Mauritius (Most Prof), Lexion Ventures Pte. Ltd., BVI (Lexion) and Magus Estates and Hotels Limited, India (Magus).

With a view to achieve a leaner structure, Most Prof and Lexion were merged with Finline Hospitality and Consultancy Pte. Ltd. with effect from 23<sup>rd</sup> August, 2011 and 14<sup>th</sup> September, 2011 respectively. Hence at present the Company has only two subsidiaries namely Finline Hospitality and Magus.

In September 2011, the Company approached Finline Hospitality to prematurely redeem 76782214 3.5% Optionally Convertible Redeemable Preference Shares of USD 1 each (OCRPS) aggregating to USD 76782214 w.e.f. 30<sup>th</sup> September, 2011, and convert the proceeds thereof into loan from the holding company. The said loan is equivalent to Rs. 392.79 Crores as at 31<sup>st</sup> March, 2012.

During the year under review, the Company made further investment of Rs. 50 crores in Finline Hospitality, subscribing to 10193679 5% Cumulative Redeemable Preference Share of USD 1 each.

Magus owns India's first Four Seasons Hotel in Mumbai which commenced operations in 2008. Being a material non-listed Indian subsidiary of the Company, it co-opted one of the independent directors of the Company namely, Mr. Dinesh C. Kothari on its Board as an independent director.

The Audit Committee of the Company reviews financials of its subsidiaries while considering the consolidated accounts. Minutes of the Board meeting of the said subsidiaries are placed and taken note of by the Board of the Company.

## MATERIAL DISCLOSURES

### 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. All concerned have affirmed their compliance with the said Code during the year under review. As required, a declaration to this effect by the Managing Director of the Company is annexed to this report.

### Conflict of Interest

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

### Independence of Directors

All independent non-executive directors have confirmed that they continue to fulfill the conditions pertaining to the independent directors as laid down in Clause 49 of the Listing Agreement vis-à-vis holding the office of an independent director in the Company. Reliance has been placed on those confirmations/declarations while ascertaining the adequacy of number of independent directors for the purposes of compliance with Clause 49 of the Listing Agreement.

### Related Party Transactions

In compliance with the Accounting Standard – 18, transactions pertaining to related parties are given under Note No. 29 to the Financial Statements (stand-alone) for the year ended 31<sup>st</sup> March, 2012. These transactions have been approved by the Board of Directors from time to time. The Board has also certified that these transactions are in the ordinary course of business and on an arm's length basis.

### Legal Compliances

Timely compliance of multifarious and complex regulatory framework is always a challenge. Compliance Status on all applicable laws is reviewed by the Board on quarterly basis. In the opinion of your Directors there has been no significant non-compliance by the Company during the last three years.

### Risk Assessment and Minimization Procedures

As part of the risk assessment and minimization procedures, the Company had, in the previous years, identified certain major risk areas with regard to the operations of the Company and initiated steps, wherever possible, for risk minimization. The Company's Board is conscious of the need to review the risk assessment and minimization procedures periodically.

# ASIAN HOTELS (NORTH) LIMITED

During the year under review, the Company engaged an independent agency to undertake a comprehensive study on the subject, and their report was received by the Board.

## CEO/CFO Certification

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

## SHAREHOLDERS' INFORMATION

### Profile of Directors seeking appointment / re-appointment

Name Of Director	Expertise In Specific Functional Area	Companies In Which Directorships Held
Mr. Gautam Ramanlal Divan	<p>Mr. Gautam R. Divan is a Fellow Member of the Institute of Chartered Accountants of India and a Partner of Rahul Gautam Divan &amp; Associates, Chartered Accountants. He has wide experience in financial and taxation planning for individuals and limited companies, auditing the accounts of large public limited companies and nationalized banks and structuring overseas investments to and from India. Besides, holding directorships in the companies listed alongside, Mr. Divan had earlier served on the Board of HDFC Bank Ltd.</p> <p>He is a member of the International Fiscal Association and the Indian Management Association.</p> <p>Mr. Divan holds 1 share in the Company.</p>	<p>Brady &amp; Morris Engineering Company Limited HDFC Standard Life Insurance Company Limited (also Chairman, Audit Committee) Baltic Consultancy and Services Private Limited Serendib Investments Private Limited Chandabhoj and Jassoobhoj Consultancy Private Limited</p>
Mr. Ramesh Jatia	<p>Mr. Ramesh Jatia is a graduate. He is an entrepreneur having rich business experience. Mr. Ramesh Jatia is related to Mr. Shiv Kumar Jatia, Chairman &amp; Managing Director and Mr. Raj Kumar Jatia, Director. He holds 75190 shares in the Company in his individual capacity and/or as Karta of an HUF.</p>	<p>Naumeer Ceramica India Limited Deepak Garden Fresh Private Limited Renown Pharmaceuticals Private Limited Glorious Trading Private Limited Robust Ceratech Private Limited</p>
Mr. Lalit Bhasin	<p>Mr. Bhasin is a distinguished lawyer with over five decades of law practice. He is the Managing Partner of M/s. Bhasin &amp; Co., Advocates.</p> <p>Mr. Bhasin started his law practice in 1962 and has developed Bhasin &amp; Co. as one of the largest law firms in north India. His areas of specialization include Employment &amp; Labour Laws, Corporate Law (Formation of Joint Venture Companies, Foreign Collaborations, Amalgamations, Mergers, Acquisitions, Disinvestment); Laws relating to Information Technology; Contract and Conveyance; Sports Law; Entertainment &amp; Media Laws; Constitutional Law; Banking and Finance; Consumer Protection Laws; Disputes relating to Foreign Investment e.g. Shareholders Agreements, Collaboration Agreements, Agency and Distribution Agreements, Technology Transfer Agreements and Dispute Resolution Practice.</p> <p>He is President of The Society of Indian Law Firms, Vice-President of Bar Association of India, Chairman, Services Export Promotion Council, President, India Society for Afro-Asian Studies, Executive President, The India Law Foundation and Chairman, Film Certification Appellate Tribunal. In addition to the above, he is associated with many business, trade and professional bodies.</p> <p>Mr. Bhasin does not hold any shares in the Company.</p>	<p>Ansal Properties &amp; Industries Limited (also Member of Shareholders' Grievance Committee) Apollo Zippers India Limited Asian Hotels (West) Limited (also Member of Audit Committee &amp; Shareholders' Grievance Committee) Bharat Hotels Limited (also Member of Audit Committee) Godfrey Phillips India Limited (also Member of Audit Committee &amp; Shareholders' Grievance Committee) LMJ International Limited Modicare Limited Omax Autos Limited Urban Infrastructure Trustees Limited Comma Consulting Private Limited iMark Public Relations Private Limited Quattro Legal Solutions Private Limited</p>

Note: Only membership and/or chairmanship of Audit Committee and Investors' Grievance Committee in public limited companies have been indicated above.

## Means of Communication

Presently, the quarterly financial results are published in the Business Standard (English and Hindi). All official declarations, notices or news releases are first forwarded to the Stock Exchanges and, if considered necessary, subsequently released to the media. Further, all periodic statutory reports including the quarterly financial results and other official news releases are uploaded on the Company's official website [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com)

## Annual General Meeting

Day, Date & Time:

Tuesday, the 25<sup>th</sup> September, 2012 at 11.30 a.m.

Venue:

Regency Ball Room  
Hyatt Regency Delhi  
Bhikaiji Cama Place, M.G. Marg,  
New Delhi – 110 066

# ASIAN HOTELS (NORTH) LIMITED

## Financial Year/Calendar

The Company follows 1<sup>st</sup> April to 31<sup>st</sup> March as its financial year.

The calendar for the current financial year 2012-13 is proposed as under:

Financial Reporting for the quarter ending 30 <sup>th</sup> June, 2012	14 <sup>th</sup> August, 2012
Financial Reporting for the half yearly ending 30 <sup>th</sup> September, 2012	By the mid of November 2012
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2012	By the mid of February 2013
Financial Reporting for the year ending 31 <sup>st</sup> March, 2013	By the end of May 2013

<b>Book Closure</b>	From Saturday, the 22 <sup>nd</sup> September, 2012 To Tuesday, the 25 <sup>th</sup> September, 2012 (inclusive of both days)
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**Dividend Payment Date:** On or around 16<sup>th</sup> October, 2012

**Listing on Stock Exchanges:** Bombay Stock Exchange Limited and National Stock Exchange of India Limited  
The Company has paid up to date Annual Listing Fees to the respective Stock Exchanges.

**Scrip Code/Scrip ID:** BSE - 500023/ASIANHOT  
NSE - 233/ASIANHOTNR

**International Securities Identification Number (ISIN) for Equity shares** INE 363A 01022

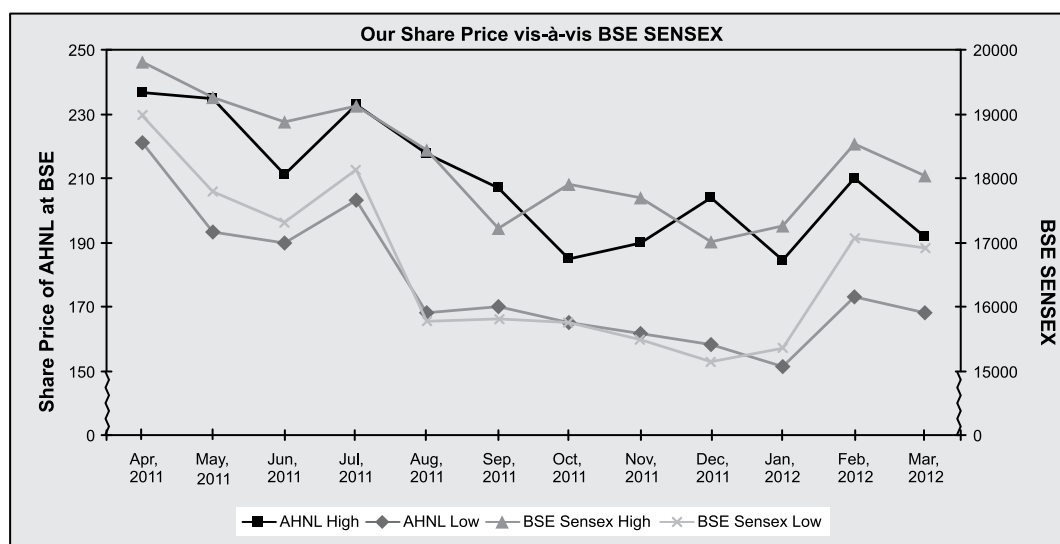
## Stock Market Data

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

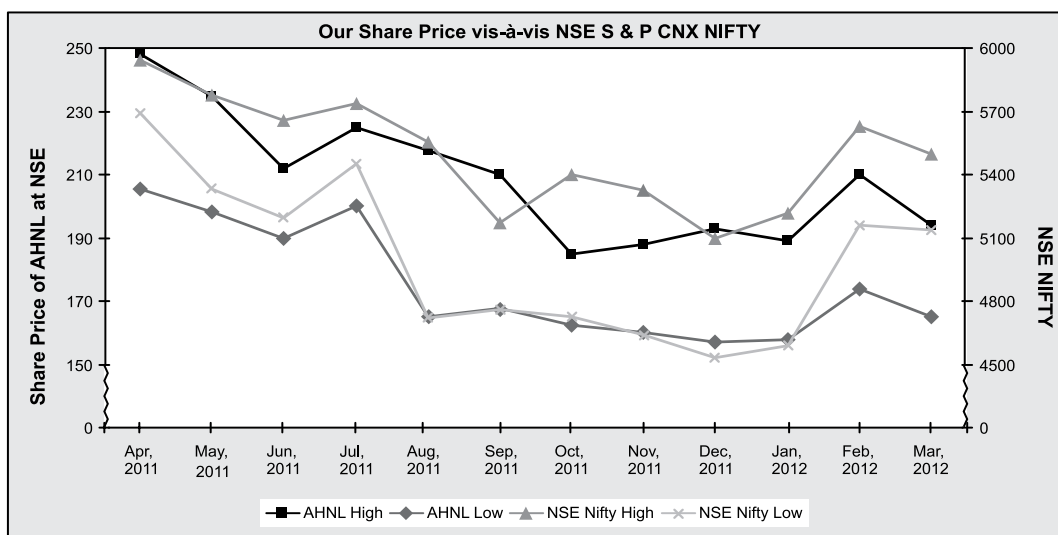
Month	BSE			NSE		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)
April 2011	236.80	221.00	48843	248.00	205.60	45332
May 2011	234.95	193.05	39294	234.95	198.10	113231
June 2011	211.00	190.00	41271	211.90	190.00	55950
July 2011	232.85	203.10	32263	224.75	200.25	35772
August 2011	217.80	168.15	13417	217.50	165.00	49232
Sept 2011	206.90	170.00	29238	210.00	167.90	44134
Oct 2011	184.95	165.05	11419	184.90	162.25	22047
Nov 2011	190.00	161.50	36989	187.95	160.05	48293
Dec 2011	203.90	158.05	21498	193.00	157.00	20205
Jan 2012	184.45	151.25	68998	189.00	158.00	18065
Feb 2012	209.95	173.00	51103	209.90	173.95	75961
Mar 2012	191.65	168.00	64500	194.00	165.10	84957

Source-www.bseindia.com & www.nseindia.com

## Share Price performance in comparison to BSE SENSEX & NSE S & P CNX NIFTY



# ASIAN HOTELS (NORTH) LIMITED



## Distribution of shareholders

Number of equity shares held	As on 31 <sup>st</sup> March, 2012				As on 31 <sup>st</sup> March, 2011			
	No. of Shareholders	% of Total Shareholders	Number of shares held	% Share holding	No. of Shareholders	% of Total Shareholders	No. of shares held	% share holding
Upto 500	17546	96.19	1093126	5.62	19095	96.22	1193981	6.14
501 – 1000	374	2.05	271514	1.40	397	2.00	289123	1.49
1001 – 2000	156	0.85	228325	1.17	171	0.86	243233	1.25
2001 – 3000	63	0.35	155556	0.80	61	0.31	154633	0.79
3001 – 4000	20	0.11	71761	0.37	31	0.16	110152	0.57
4001 – 5000	14	0.08	63324	0.32	15	0.07	68018	0.35
5001 – 10000	25	0.14	165679	0.85	32	0.16	207926	1.07
10001 - above	42	0.23	17403944	89.47	43	0.22	17186163	88.34
<b>TOTAL</b>	<b>18240</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>	<b>19845</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>

## Category wise shareholding

CATEGORY	As on 31 <sup>st</sup> March, 2012		As on 31 <sup>st</sup> March, 2011	
	No. of shares held	% age of shareholding	No. of shares held	% age of shareholding
<b>A. Promoters Shareholding</b>				
- Indian	1892371	9.73	1892396	9.73
- Foreign	12697525	65.27	12697525	65.27
Total Promoters shareholding	14589896	75.00	14589921	75.00
<b>B. Public Shareholding</b>				
- Mutual Funds/Financial Institutions/Banks and Insurance Companies	136068	0.70	277299	1.43
- FII's	11010	0.06	15738	0.08
- NRI's	624124	3.21	662995	3.41
- Bodies Corporate (Domestic)	819275	4.21	783793	4.03
- Bodies Corporate (Foreign)	690802	3.55	690802	3.55
- Individuals (Indian Public)	2574936	13.24	2424401	12.46
- Clearing Members	7118	0.03	8280	0.04
- Total Public shareholding	4863333	25.00	4863308	25.00
- <b>GRAND TOTAL</b>	<b>19453229</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>



# ASIAN HOTELS (NORTH) LIMITED

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## 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 Equity Listing Agreement, the transfer of shares received in physical form are approved and given effect to every fortnight. With effect from October 2012, this cycle would further be reduced to ensure compliance with recent changes in the said Agreement which requires the transfers to be effected and/or dealt with and responded to within 15 days of the lodgement thereof.

## Share Transfer Agent

Karvy Computershare Pvt Ltd.  
17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081  
Tel: 040-2342 0818; 040-44655000; Fax: 040-2342 0814  
www.karvycomputershare.com  
e-mail : mailmanager@karvy.com

## Dematerialisation of Shares

19093286 shares (equivalent to 98.15%) of the total outstanding shares of the Company are held in dematerialized form as on 31<sup>st</sup> March, 2012. During the year under review, the Company's shares were not frequently traded in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

## Dividend Information

Dividend amount which remains unpaid/unclaimed for a period of seven years in terms of Section 205A of the Act is liable to be transferred by the Company to the credit of Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Act.

Accordingly, unclaimed and unpaid amount pertaining to dividend declared for the financial year 2003-2004 (Final), which remained unclaimed and unpaid as on 4<sup>th</sup> October, 2011 has been transferred to IEPF.

Attention of the members is also drawn to the fact that unpaid/unclaimed dividends pertaining to the following years are due for transfer to the IEPF during calendar years 2012 & 2013. Once transferred, no claim shall lie against the Company or the Central Government in this regard.

Financial Year	Due date for transfer to IEPF
2004-05 Final dividend	12.09.2012
2005-06 Interim dividend	24.02.2013
2006-07 Interim dividend	05.07.2013
2005-06 Final dividend	01.09.2013

Shareholders who have, so far, not received and/or encashed the dividend warrant(s) are advised to write to the Company requesting for fresh warrants, providing details of Folio No./Client ID No., No. of shares held etc.

The Company has uploaded the details of Unpaid/unclaimed dividend on the official website of the Ministry of Corporate Affairs and on its own website in terms of Notification No. G.S.R. No. 352(E) dated 10<sup>th</sup> May, 2012, issued by the said Ministry.

## Plant Locations

The Company has only one five-star deluxe hotel namely

### HYATT REGENCY DELHI

Bhikaiji Cama Place,  
M. G. Marg, New Delhi -110 066

### Address for Correspondence:

The investors may forward their queries to the Company at its registered office address given below. Queries pertaining to shareholding, transfer, transmission, dividend etc., should be addressed directly to the Registrar & Transfer Agent.

### Registered Office:

#### ASIAN HOTELS (NORTH) LIMITED

Bhikaiji Cama Place, M. G. Marg, New Delhi – 110 066  
Telephone No.011-66771225/66771226  
Fax No. 011-26791033

Email Id. investorrelations@asianhotelsnorth.com

### Adoption of Non-Mandatory Requirements of Clause 49 of the Listing Agreement and Corporate Governance Voluntary Guidelines, 2009:

Besides constituting the Remuneration Committee, the Company has so far not implemented other non-mandatory requirements of Clause 49 of the Listing Agreement and other provisions of the Corporate Governance Voluntary Guidelines, 2009.

# ASIAN HOTELS (NORTH) LIMITED

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## ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

Date: 14<sup>th</sup> August, 2012

The Board of Directors  
Asian Hotels (North) Limited  
Bhikaiji Cama Place,  
M.G. Marg, New Delhi – 110 066

**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 Equity Listing Agreement, the Board of Directors has adopted a Code of Conduct for its members and Senior Management personnel and that they have affirmed having complied with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2012.

**SHIV KUMAR JATIA**  
**CHAIRMAN & MANAGING DIRECTOR**  
DIN : 00006187

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## ANNEXURE 'D' TO DIRECTORS' REPORT

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE EQUITY LISTING AGREEMENT.**

To

The Members of Asian Hotels (North) Limited

We have examined the compliance of the mandatory conditions of Corporate Governance by Asian Hotels (North) Limited for the Financial Year ended 31<sup>st</sup> 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 further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MOHINDER PURI & COMPANY**  
Chartered Accountants  
Firm Registration No.: 000204N

Place : New Delhi  
Date : 14<sup>th</sup> August, 2012

**VIKAS VIG**  
PARTNER  
Membership No.: 16920

# ASIAN HOTELS (NORTH) LIMITED

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## AUDITORS' REPORT

To the Members of **ASIAN HOTELS (NORTH) LIMITED**

We have audited the attached Balance Sheet of **ASIAN HOTELS (NORTH) LIMITED** as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
- (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (v) On the basis of written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon and attached thereto give, in the prescribed manner, the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For MOHINDER PURI & COMPANY**  
Chartered Accountants  
Firm Registration No.: 000204N

Place: New Delhi  
Dated : 28<sup>th</sup> May 2012

**VIKAS VIG**  
PARTNER  
Membership Number: 16920

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE TO THE AUDITORS' REPORT OF ASIAN HOTELS (NORTH) LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2012

- 1a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1b) Though all the assets have not been physically verified by the management during the year, as per the information furnished to us, there exists a programme of physical verification of entire fixed assets over a reasonable period. In our opinion the frequency of verification of the fixed assets by the management is at reasonable intervals having regard to the size of the Company and nature of the assets and no material discrepancies were noticed between the book records and the physical inventory in respect of the assets physically verified.
- 1c) During the year, the Company has not disposed off a substantial part of the fixed assets. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the fixed assets, if any, has not affected the going concern status of the Company.
- 2a) The stocks of stores, provisions, beverages, crockery etc., have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 2b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- 2c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- 3a) The following are the particulars of loans granted by the Company, secured or unsecured, to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:

Sl. No.	Name of Party	Relationship with Company	Maximum Amount (excluding interest) Involved during the year (Rs. In Lakhs)	Year end Balance (excluding interest) (Rs. in Lakhs)
1	Fineline Hospitality & Consultancy Services Pte. Ltd.	Subsidiary Company	39,279.09 (unsecured foreign currency loan)	39,279.09

- 3b) In our opinion the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.
- 3c) In respect of above loan, repayment of principal and interest is not yet due.
- 3d) In respect of above loan, there is no overdue amount.
- 3e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of stores, provisions, beverages, crockery etc., plant and machinery, equipment and other assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weakness in internal control systems.
- 5a) Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 5b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices to the extent available with the Company of similar items supplied under similar circumstances sale of such services to others except where due to certain special reasons as explained to us prices have been charged with no comparison available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. Internal Audit has been conducted by an independent firm of Chartered Accountants during the year and it is commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed for the Company the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 9a) According to the records of the Company examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues.  
According to the information and explanations given to us, there are no undisputed amounts payable in respect of the aforesaid dues that were outstanding as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.
- 9b) According to the records of the Company examined by us and according to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty or Cess which have not been paid on account of any dispute except the following demand of service tax:

Name of the Statute	Year to which it relates	Amount unpaid (Rs in lakhs)	Forum where dispute is pending
Finance Act, 1994	2002-2007	467.96	Commissioner Of Central Excise(Appeals)

# ASIAN HOTELS (NORTH) LIMITED

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10. The Company had no accumulated losses as at the end of the current financial year and has not incurred any cash losses in such financial year and in the immediately preceding financial period, hence provisions of clause 4 (x) of the Companies (Auditor's Report) Order, 2003 are not applicable.
11. As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in the repayment of any dues to financial institutions, banks or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society, hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts of dealing or trading in shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures and other investments in its own name.
15. As at the balance sheet date, there are no guarantees given for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans were applied for the purposes for which they were raised except to the limited extent as mentioned in 17 below.
17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment, except the following:

Particulars	Amount in lakhs
A short term loan availed during the year from Bank	1,000.00
Short term loans availed during the previous year from Banks	2,875.00*

\* Repaid during the year

18. As the Company made no preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. As the Company has not issued any debentures the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. As the Company has not raised any money during the year by public issue, the provisions relating to end use thereof as per clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For MOHINDER PURI & COMPANY**  
Chartered Accountants  
Firm Registration No.: 000204N

Place: New Delhi  
Dated : 28<sup>th</sup> May 2012

**VIKAS VIG**  
PARTNER  
Membership Number: 16920

# ASIAN HOTELS (NORTH) LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2012

	NOTES	As At 31 <sup>st</sup> March 2012 (Rs. In Lakhs)	As At 31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	2,435.32	2,435.32
Reserves and Surplus	4	82,236.89	79,069.77
		<u>84,672.21</u>	<u>81,505.09</u>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	59,465.20	48,568.73
Deferred Tax Liabilities (net)	6	805.20	754.80
Other Long Term Liabilities	7	2,879.33	381.73
Long-Term Provisions	8	673.55	684.35
		<u>63,823.28</u>	<u>50,389.61</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	9	2,875.65	7,232.83
Trade Payables	10	1,089.37	692.99
Other Current Liabilities	11	22,961.47	15,424.14
Short-Term Provisions	8	1,235.23	705.29
		<u>28,161.72</u>	<u>24,055.25</u>
<b>TOTAL</b>		<u>176,657.21</u>	<u>155,949.95</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
Tangible Assets		98,323.45	97,723.36
Intangible Assets		—	—
Capital Work-in-Progress		20,019.74	13,374.66
Non-Current Investments	13	10,466.14	39,106.22
Long-Term Loans and Advances	14	43,938.53	1,872.35
Other Non-Current Assets	15	959.13	—
		<u>173,706.99</u>	<u>152,076.59</u>
<b>Current Assets</b>			
Inventories	16	555.29	699.79
Trade Receivables	17	1,163.61	1,076.89
Cash and Cash Equivalents	18	337.51	330.02
Short-Term Loans and Advances	14	892.51	1,766.66
Other Current Assets	15	1.30	—
		<u>2,950.22</u>	<u>3,873.36</u>
<b>TOTAL</b>		<u>176,657.21</u>	<u>155,949.95</u>

### CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

1 & 2

### CONTINGENT LIABILITIES AND COMMITMENTS

27

The accompanying notes 1 to 35 are an integral part of the Financial Statements

“As per our report attached”

### For MOHINDER PURI & COMPANY

Chartered Accountants

Firm Registration Number: 000204N

### VIKAS VIG

Partner

Membership Number: 16920

### JYOTI SUBARWAL

President- Finance  
& Operations

### DINESH KUMAR JAIN

Vice President (Corporate) &  
Company Secretary

### ON BEHALF OF THE BOARD OF DIRECTORS

### SHIV JATIA

Chairman & Managing Director  
DIN : 00006187

### DINESH C. KOTHARI

Director  
DIN : 00195609

### ADARSH JATIA

Joint Managing Director  
DIN : 00136214

### LALIT BHASIN

Director  
DIN : 00001607

Place: New Delhi

Dated: 28<sup>th</sup> May 2012

# ASIAN HOTELS (NORTH) LIMITED

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

	Notes	For The Year Ended 31 <sup>st</sup> March 2012 (Rs. In Lakhs)	For The Year Ended 31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>INCOME</b>			
I Revenue from Operations (gross)	19	22,600.19	24,078.19
Less: Excise Duty paid		(23.71)	(20.27)
Revenue from Operations (net)		22,576.48	24,057.92
II Other Income	20	5,051.39	190.97
<b>III Total Income (I+II)</b>		<b>27,627.87</b>	<b>24,248.89</b>
<b>IV EXPENSES</b>			
Consumption of Provisions, Beverages, Smokes & Others	21	2,672.38	2,660.73
Employee Benefits Expense	22	5,522.00	5,075.07
Other Expenses	23	8,146.08	8,048.82
<b>Total Expenses</b>		<b>16,340.46</b>	<b>15,784.62</b>
<b>V Earnings before interest, tax, depreciation and amortisation (EBITDA) (III-IV)</b>		<b>11,287.41</b>	<b>8,464.27</b>
Depreciation & Amortisation Expenses	12	1,202.59	1,142.07
Less: Transferred from Revaluation Reserve		(53.91)	(53.91)
Finance Costs	24	4,690.11	2,996.83
<b>VI Profit before exceptional, prior period items and tax</b>		<b>5,448.62</b>	<b>4,379.28</b>
Exceptional Items		-	-
<b>VII Profit before prior period items and tax</b>		<b>5,448.62</b>	<b>4,379.28</b>
Prior period items	25	(0.55)	(1.03)
<b>VIII Profit before tax</b>		<b>5,449.17</b>	<b>4,380.31</b>
<b>IX Tax Expense</b>			
Current Tax		1,860.00	1,430.00
Earlier Years Tax (written back)		(27.09)	35.75
Deferred Tax Liability		50.40	56.16
Total Tax		1,883.31	1,521.91
<b>X Profit for the year (VIII-IX)</b>		<b>3,565.86</b>	<b>2,858.40</b>
<b>Earnings per Equity Share (in Rupees)</b>	26		
Basic		18.30	21.10
Diluted		18.30	21.10

### CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

1 & 2

The accompanying notes 1 to 35 are an integral part of the Financial Statements

“As per our report attached”

For MOHINDER PURI & COMPANY

Chartered Accountants

Firm Registration Number: 000204N

ON BEHALF OF THE BOARD OF DIRECTORS

**VIKAS VIG**

Partner

Membership Number: 16920

**JYOTI SUBARWAL**

President- Finance

& Operations

**SHIV JATIA**

Chairman & Managing Director

DIN : 00006187

**ADARSH JATIA**

Joint Managing Director

DIN : 00136214

Place: New Delhi

Dated: 28<sup>th</sup> May 2012

**DINESH KUMAR JAIN**

Vice President (Corporate) &

Company Secretary

**DINESH C. KOTHARI**

Director

DIN : 00195609

**LALIT BHASIN**

Director

DIN : 00001607

# ASIAN HOTELS (NORTH) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	5,449.17	4,380.31
Adjustments for:		
Depreciation and amortisation	1,148.68	1,088.16
Interest and finance charges	2,564.97	2,833.59
Interest income	(1,012.94)	(53.18)
Income from Investment - dividends	(4.82)	(18.07)
Loss on fixed assets sold/ discarded (net)	89.88	117.85
Net (gain)/loss on foreign currency transaction and translation	(1,843.34)	163.24
Bad debts / advances written off	5.60	-
Obsolete / damaged inventories written off	5.49	-
Provision for bad & doubtful debts/advances	0.14	-
Liability no longer required written back	(42.63)	(109.26)
Provision no longer required written back	(21.55)	(5.78)
Provision for gratuity and leave encashment	120.12	121.19
Prior period expenses/(income) (net)	(0.55)	(1.03)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>6,458.22</b>	<b>8,517.02</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	312.30	384.36
(Increase)/decrease in inventories	139.01	(111.16)
Increase/(decrease) in trade payables, other liabilities and provisions	9,088.66	5,825.14
<b>CASH GENERATED FROM OPERATIONS</b>	<b>15,998.19</b>	<b>14,615.36</b>
Income Tax paid	(739.59)	(1,068.13)
Prior period (expenses)/income (net)	0.55	1.03
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>15,259.15</b>	<b>13,548.26</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets		
Additions during the year	(1,920.34)	(1,085.01)
Capital work in progress		
Deductions/(additions) during the year	(7,642.45)	(14,526.44)
Proceeds from sale of fixed assets	27.78	56.94
Proceeds from redemption of investments	37,565.92	-
Loan to subsidiary	(37,565.92)	-
Purchase of investments	(5,000.00)	(39,106.22)
Investments in bank deposits (with original maturity over 3 months)	(115.69)	-
Proceeds from bank deposit (with original maturity over 3 months)	-	-
Interest received (revenue)	99.74	54.02
Dividend received	4.82	18.07
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(14,546.14)</b>	<b>(54,588.64)</b>



# ASIAN HOTELS (NORTH) LIMITED

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		
Receipts	11,032.02	44,568.63
Payments	(4,602.69)	(6,610.21)
Redemption of preference shares	–	(5.00)
Additional premium paid on redemption of preference shares	–	(43.32)
Interest and finance charges	(2,271.94)	(2,472.79)
Dividend paid	(491.28)	(577.65)
Dividend tax paid	(79.70)	(95.94)
<b>NET CASH FROM/(USED) IN FINANCING ACTIVITIES</b>	<b>(770.77)</b>	<b>40,868.06</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(57.76)</b>	<b>(172.32)</b>
CASH AND CASH EQUIVALENTS - OPENING	252.16	424.48
CASH AND CASH EQUIVALENTS - CLOSING	194.40	252.16
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(57.76)</b>	<b>(172.32)</b>

**NOTES:**

- 1 The above cash flow statement has been prepared under the "Indirect method" set out in the Accounting Standard- 3 on Cash Flow Statements.
- 2 Figures in brackets indicate cash outflow.
- 3 Previous year figures have been re-grouped and recast wherever necessary to conform to current year's classification.
- 4 Cash and cash equivalents at the end of the year consist of cash on hand, cheques on hand and balance with banks as follows:

	As At 31 <sup>st</sup> March 2012 (Rs. In Lakhs)	As At 31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Balances with banks		
In current accounts	30.72	68.82
In deposits with original maturity of less than 3 months	45.26	4.96
Cheques, drafts on hand	92.93	158.36
Cash on hand	25.49	20.02
	<b>194.40</b>	<b>252.16</b>

“As per our report attached”

**For MOHINDER PURI & COMPANY**  
Chartered Accountants  
Firm Registration Number: 000204N

**VIKAS VIG**  
Partner  
Membership Number: 16920

**Place: New Delhi**  
**Dated: 28<sup>th</sup> May 2012**

**JYOTI SUBARWAL**  
President- Finance  
& Operations

**DINESH KUMAR JAIN**  
Vice President (Corporate) &  
Company Secretary

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV JATIA**  
Chairman & Managing Director  
DIN : 00006187

**DINESH C. KOTHARI**  
Director  
DIN : 00195609

**ADARSH JATIA**  
Joint Managing Director  
DIN : 00136214

**LALIT BHASIN**  
Director  
DIN : 00001607

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 1. Corporate information

Asian Hotels (North) Limited is a public limited company domiciled in India, incorporated under the provisions of the Companies Act, 1956 and listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is operating a Five-star deluxe hotel namely Hyatt Regency in Delhi since 1982.

### 2. Significant accounting policies

#### a) Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### b) Basis of presentation and disclosures of financial statements

During the year ended 31<sup>st</sup> March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation and presentation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### c) Use of Estimates

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

#### d) Fixed assets, depreciation/amortisation and Capital Work-in-progress

(i) Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss, if any, less depreciation/ amortisation. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put to use. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, recognised. The Company adjusts exchange differences arising on translation/ settlement of long term foreign currency monetary items pertaining to the acquisition of depreciable assets to the cost of the asset and depreciates the same over the remaining life of the asset.

(ii) Depreciation on Tangible Fixed Assets:

- (a) Depreciation as per straight line method has been charged in the accounts based on circular no 1/86 of the Department of Company Affairs;
- (b) On the assets acquired on or after 2.4.87 at the rates as prescribed under Schedule XIV to the Companies Act, 1956, pro rata from the month of purchase. If purchased on or before 15<sup>th</sup> of the month, depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.
- (c) Depreciation is provided from the date of installation/acquisition on a pro-rata basis. Depreciation on assets is provided on the written down value method as per the rates specified in Schedule XIV to the Companies Act, 1956. Assets individually costing Rs. 5,000/- or less are depreciated fully in the year when they are put to use.
- (d) Leasehold improvements are depreciated over the period of lease.
- (e) On the assets prior to 2.4.87 at the rates computed in the respective years of acquisition of those assets on the basis of rates specified by the Income Tax Act, 1961 and the rules made there under in terms of Section 205(2)(b) of the Companies Act, 1956 without making any adjustment in respect of excess depreciation provided for in the earlier years amounting to Rs. 244.16 Lakhs.
- (f) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (g) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve Account.
- (h) No depreciation is charged on the assets sold/ discarded during the year.

(iii) Amortization of Intangible Fixed Assets:

Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

(iv) Capital Work-in-progress:

Capital work-in-progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period to be capitalized as part of construction cost to the extent to which these expenditures are specifically attributable to the construction. Interest income earned on temporary investment of funds brought in for the project during construction period has been set off from the interest expense accounted for as expenditure during the construction period.

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flows of next five years projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### f) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

For exchange differences arising on certain long term foreign currency monetary items, refer to note 2d above on tangible fixed assets.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

### g) Revenue recognition

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

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

### h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as non-current investment or long-term investments. Current investments are valued at lower of cost and fair value determined on an individual investment basis. Changes in the carrying amount of current investments are recognized in the statement of profit and loss. Non-current investments are valued at cost. However, provision for diminution in value is made to recognize a decline that is other than temporary in the value of investments, wherever considered necessary. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

### i) Inventories

Inventory is valued at cost or net realizable value whichever is lower. The cost is determined by weighted average method.

Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

### j) Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There is no obligation other than the contribution payable to the respective fund.
- (ii) Provision for Employees' Gratuity is based on actuarial valuation as on the date of balance sheet. All actuarial gains/losses arising during the accounting year are recognized immediately in the statement of profit and loss as income or expense.
- (iii) Accrual for leave encashment benefit is based on actuarial valuation as on the date of balance sheet in pursuance of the Company's leave rules.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### k) **Income and Deferred Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward losses is recognized only to the extent that there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

### l) **Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### m) **Earnings per equity share**

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

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.

### n) **Provisions**

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

### o) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will be required to settle the obligations. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### p) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and cash/cheques on hand and short term deposits with Banks with an original maturity of three months.

### q). **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 3 SHARE CAPITAL

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>AUTHORISED</b>		
40,000,000 Equity Shares of Rs. 10 each	4,000.00	4,000.00
30,000,000 Preference Shares of Rs. 10 each	3,000.00	3,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
19,453,229 Equity Shares of Rs. 10 each fully paid up	1,945.32	1,945.32
4,900,000 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs. 10 each fully paid	490.00	490.00
(NCPS are due for redemption on 30 <sup>th</sup> June, 2013 as per the revised schedule of redemption, with the consent of the holder thereof, namely 'Magus Estates and Hotels Limited, which during the prior year became a subsidiary of the Company)		
	2,435.32	2,435.32

#### (a) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31<sup>st</sup> March 2012, the amount of per share dividend proposed as distribution to equity shareholders is Rs.1.50 (31<sup>st</sup> March 2011: Rs. 2.50).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (b) Rights, preferences and restrictions attached to NCPS

NCPS carry a cumulative dividend of 1% p.a. Each holder of NCPS is entitled to preferential dividend and preferential distribution on liquidation of the Company. These shares carry no voting right except for one vote per share only on resolutions which directly affect their rights.

#### (c) The details of shareholders holding more than 5% shares are set out below :

Name of shareholder	As at 31 <sup>st</sup> March 2012		As at 31 <sup>st</sup> March 2011	
	No. of Shares	% Shares	No. of Shares	% Shares
<b>Equity Shares of Rs. 10 each fully paid up</b>				
Fineline Holdings Limited, (an overseas entity)	7,360,645	37.84	7,360,645	37.84
Yans Enterprises (H.K.) Limited, (an overseas entity)	5,336,880	27.43	5,336,880	27.43
<b>NCPS of Rs. 10 each fully paid up</b>				
Magus Estates and Hotels Limited, a subsidiary company	4,900,000	100.00	4,900,000	100.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### (d) The reconciliation of the number of shares outstanding as at 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 is set out below:

Particulars	As at	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Equity Shares of Rs. 10 each fully paid</b>		
Number of shares in the beginning	19,453,229	11,401,782
Add: FCPS converted into Equity Shares on 26 <sup>th</sup> December, 2010*	-	8,051,447
Less: Shares bought back	-	-
Number of shares at the end	19,453,229	19,453,229
<b>NCPS of Rs. 10 each fully paid up</b>		
Number of shares in the beginning	4,900,000	4,950,000
Add: Shares issued	-	-
Less: Redemption on 30 <sup>th</sup> June 2010	-	(50,000)
Number of shares at the end	4,900,000	4,900,000

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

\*During the previous year, the entire lot of 6,259,255 1% Fully Convertible Preference Shares (FCPS) were converted into equity shares of Rs. 10 each at a price of Rs. 419.80 per equity share, as computed in accordance with the mechanism provided in the Scheme of Arrangement and Demerger (the Scheme of demerger), as sanctioned by the High Court of Delhi, read with provisions relating to 'Preferential Issue' under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Consequently, 8,051,447 equity shares of Rs. 10 each had been issued.

(e) **Aggregate number and class of shares allotted / bought back during the period of five years immediately preceding 31st March 2012:**

Particulars	31 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>
	March 2011	March 2010	March 2009	March 2008	March 2007
Increase of Equity shares of Rs. 10 each*	–	11,401,782	–	–	–
Reduction of Equity shares of Rs. 10 each**	–	22,803,564	–	–	–

\* Capitalisation of general reserves to the tune of Rs. 1,140.18 Lakhs as per the terms of the Scheme of demerger for the purposes of allocation of capital among the demerging entities.

\*\* Represents allocation of capital among resulting entities as per the terms of the Scheme of demerger.

#### 4 RESERVES & SURPLUS

	Additions	Deductions	31 <sup>st</sup>	31 <sup>st</sup>
	(Rs. In Lakhs)	(Rs. In Lakhs)	March 2012	March 2011
Capital Reserve	–	–	1.41	1.41
Capital Redemption Reserve for redeemed NCPS	–	–	500.00	500.00
Capital Redemption Reserve for redeemable NCPS	–	–	490.00	490.00
Securities Premium Account	–	–	36,914.83	36,914.83
General Reserve	356.58	–	3,453.19	3,096.61
Tourism Development Utilised Reserve	–	–	5,332.02	5,332.02
Revaluation Reserve	–	(53.91)	19,443.07	19,496.98
Surplus in Statement of Profit and Loss	3,565.86	(701.41)	16,102.37	13,237.92
	3,922.44	(755.32)	82,236.89	79,069.77

(a) Deduction to Revaluation Reserve represents amount withdrawn on account of depreciation during the year.

(b) Surplus in Statement of Profit and Loss

Opening balance		13,237.92	11,235.45
Add: Profit for the year		3,565.86	2,858.40
Amount available for appropriation		16,803.78	14,093.85
Less: Appropriations			
Proposed dividend on equity shares		291.80	486.33
Dividend on preference shares		4.90	4.90
Dividend distribution tax		48.13	79.70
Amount transferred to General Reserve		356.58	285.00
Total		701.41	855.93
Closing balance		16,102.37	13,237.92

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 5 LONG-TERM BORROWINGS

	Non-Current		Current	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>SECURED</b>				
<b>TERM LOANS</b>				
<b>FROM BANKS</b>				
DBS Bank Limited				
- Rupee loan	4,500.00	5,785.71	1,285.71	1,285.72
- External commercial borrowings (USD 849.44 lakhs, Previous Year USD 747.50 lakhs)	42,619.72	33,189.00	834.49	-
Axis Bank - Rupee loan	11,500.00	8,500.00	1,500.00	1,500.00
<b>For business of generation of electricity</b> (Refer Note 28 on Segment Reporting)				
Punjab National Bank- Rupee loan	-	928.44	-	200.00
ING Vysya Bank -Rupee loan	784.95	-	147.19	-
<b>For acquisition of vehicles</b>				
Axis Bank- Rupee loan	11.09	-	7.28	-
ICICI Bank Limited- Rupee loan	22.37	133.93	115.20	115.58
<b>FROM FINANCIAL INSTITUTION</b>				
<b>For acquisition of vehicles</b>				
Kotak Mahindra Prime Limited - Rupee loan	27.07	31.65	25.47	15.98
	<b>59,465.20</b>	48,568.73	<b>3,915.34</b>	3,117.28
Amount disclosed under the head "Other Current Liabilities" (Note 11)			<b>(3,915.34)</b>	(3,117.28)
	<b>59,465.20</b>	48,568.73	-	-

There is no continuing default in repayment of loans and interest as on 31<sup>st</sup> March 2012

#### Nature of security and terms of repayment for secured long term borrowings:

- DBS Bank Limited -Rupee loan (carried interest @ 12.95%) and external commercial borrowings (carried interest range 4.2% to 5.95%) are secured / to be secured by exclusive first charge of land & building of Hotel Hyatt Regency Delhi; Personal guarantee of Chairman & Managing Director, pledge of shares held by him and an entity controlled by him; and pledge of shares representing Company's investment in foreign subsidiary Company. Rupees loan balance is repayable in 18 equal quarterly installments and External Commercial Borrowings are repayable as under: a. USD 217.50 lakhs is payable in 24 quarterly installments commencing from September, 2012; b. USD 530.00 lakhs is payable in 12 semi-annual installments commencing from April, 2013 and; c. USD 101.94 lakhs is payable in 12 semi-annual installments commencing from April, 2014.
- Axis Bank Limited -Rupee loan (carried interest @ 13.00%) is secured by exclusive first charge on moveable fixed assets of the Company - present & future; Personal guarantee of Chairman & Managing Director and Second Charge to be created on immovable assets of Hotel Hyatt Regency Delhi. Balance is repayable in 19 quarterly installments upto March 2017.
- Punjab National Bank-Rupee loan for business of generation of electricity (carried interest @ 14.25%) was secured by first charge by way of mortgage of freehold land and hypothecation of plant and machinery pertaining to windmills situated at Sinner & Sangli, Maharashtra.
- ING Vysya Bank-Rupee loan for business of generation of electricity (carried interest @ 12.50%) is secured by first charge and /or hypothecation of freehold land, plant & machinery and book-debts pertaining to the windmills situated at Sinner & Sangli in Maharashtra and personal guarantee of Chairman & Managing Director. Balance repayable in 19 equal installment upto October, 2016.
- Axis Bank-Rupee loan for acquisition of vehicles (carried interest @ 11.12%) is secured against hypothecation of certain vehicles. Balance repayable in 28 monthly installments upto July, 2014.
- ICICI Bank-Rupee loan for acquisition of vehicles (carried interest @ 7.75% to 8.50%) is secured against hypothecation of certain vehicles. Balance repayable in 17 monthly installments upto August, 2013.
- Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carried interest @ 7.50% to 10.28%) is secured against hypothecation of certain vehicles. Balance repayable in 37 monthly installments upto April, 2015.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(h) The details of repayment of long term borrowings as at 31<sup>st</sup> March, 2012 are as follow:

Particulars	Up to 1 year (Rs. In Lakhs)	2 to 5 years (Rs. In Lakhs)	Above 5 years (Rs. In Lakhs)	Total (Rs. In Lakhs)
Secured term loans				
From banks	3,889.87	46,101.52	13,336.61	63,328.00
From financial institution	25.47	27.07	–	52.54
Unsecured term loans	–	–	–	–
<b>Total</b>	<b>3,915.34</b>	<b>46,128.59</b>	<b>13,336.61</b>	<b>63,380.54</b>

### 6 DEFERRED TAX LIABILITIES (NET)

	Increase / (Decrease) (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Deferred tax liabilities /(assets) on account of timing differences:			
Depreciation	16.78	1,883.81	1,867.03
Provision for employees benefits	(38.97)	(304.60)	(265.63)
Provision for doubtful debts	(0.04)	(0.87)	(0.83)
Other statutory dues	(62.79)	(502.30)	(439.51)
Demerger expenses	135.42	(270.84)	(406.26)
	50.40	805.20	754.80

### 7 OTHER LONG-TERM LIABILITIES

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Security deposits received	2,879.33	381.73
	<b>2,879.33</b>	381.73

(a) The above includes Rs. 1,500 Lakhs received as refundable interest free security deposit against leasing of commercial/ office space and Rs. 1,000 Lakhs received as refundable interest free security deposit for parking space in the SERVICED APARTMENT PROJECT.

### 8 PROVISIONS

	LONG-TERM		SHORT-TERM	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Provision for employee benefits				
Gratuity	472.34	551.43	219.35	95.10
Leave encashment	201.21	132.92	45.93	39.26
Provision for taxation (net of Advance Income Tax)	–	–	625.12	–
Proposed dividend on equity shares	–	–	291.80	486.33
Dividend on preference shares	–	–	4.90	4.90
Corporate dividend tax	–	–	48.13	79.70
	<b>673.55</b>	684.35	<b>1,235.23</b>	705.29



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 9 SHORT-TERM BORROWINGS

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>SECURED</b>		
<b>Loans repayable on demand from banks</b>		
DBS Bank-Cash credit facilities*	819.79	571.39
(Secured against hypothecation of Inventories and carries an interest rate of 14%)		
<b>Other Loans and advances from</b>		
DBS Bank Limited	1,355.90	1,286.44
Punjab National Bank	-	2,500.00
<b>UNSECURED</b>		
<b>Other Loans and advances from</b>		
- ING Vysya Bank Limited (carries an interest @ 12.5%)	699.96	875.00
(Secured by personal guarantee of Chairman & Managing Director and collateral security given by two companies in which Chairman and Managing Director is interested).		
- Allahabad Bank (Commercial Paper) (carries an interest @ 12.5%)	-	2,000.00
	<u>2,875.65</u>	<u>7,232.83</u>
* net of balances in collection accounts	-	13.69

- (a) Other loans and advances from DBS Bank Limited carries interest @ 12.95% and is secured / to be secured by exclusive first charge of land & building of Hotel Hyatt Regency Delhi; Personal guarantee of Chairman & Managing Director, pledge of shares held by him and an entity controlled by him; and pledge of shares representing Company's investment in foreign subsidiary Company.
- (b) Other loans and advances from Punjab National Bank carried interest @ 10.45% and is secured by second charge (hypothecation) on all moveable assets, entire plant & machinery and furniture & fixtures forming part of fixed assets at Hotel Hyatt Regency Delhi.
- (c) There is no continuing default in repayment of loans and interest as on 31<sup>st</sup> March 2012.

### 10 TRADE PAYABLES

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Trade payables		
- For Goods and Services*	1,089.37	692.99
	<u>1,089.37</u>	<u>692.99</u>
* includes due to Micro, Small & Medium Enterprises	-	-

### 11 OTHER CURRENT LIABILITIES

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Current maturities of long-term borrowings (Refer Note 5)	3,915.34	3,117.28
Interest accrued but not due on borrowings	736.44	443.41
Unpaid/ unclaimed dividends	74.59	77.85
Other Payables		
Advance from customers	12,176.16	7,100.59
Payables for capital goods	516.46	197.46
Security deposits (interest free)	1,419.12	919.85
Statutory liabilities	2,860.27	2,382.30
Others	1,263.09	1,185.40
	<u>22,961.47</u>	<u>15,424.14</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- (a) Advances from customers includes Rs. 11,500 Lakhs (Previous Year Rs. 6,500 Lakhs) received from prospective buyer against agreements for sale/ fit outs of certain constituents forming part of the SERVICED APARTMENT PROJECT.
- (b) Security deposits (interest free) includes Rs. 1,400 lakhs (Previous Year Rs. 900 lakhs) received from a company in which certain relatives of directors of the Company are interested, against expression of interest for forging a Joint Venture with the Company in respect of its KOLKATA PROJECT {Refer Note 14(a)}.
- (c) Statutory liabilities includes provision for difference of property tax alongwith interest thereon amounting to Rs. 2,312.29 Lakhs, Previous Year 1,942.52 Lakhs {Refer Note 27A(b)}.

### 12 FIXED ASSETS

(Rs. In Lakhs)

Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2012	Upto 31.03.2011	For the year	Deductions/ Adjustments during the year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible assets</b>										
Land (freehold)	80,074.28	–	–	<b>80,074.28</b>	–	–	–	–	<b>80,074.28</b>	80,074.28
Buildings	9,607.03	484.60	–	<b>10,091.63</b>	1,520.47	161.49	–	<b>1,681.96</b>	<b>8,409.67</b>	8,086.56
Plant and Equipments	9,980.25	738.52	231.57	<b>10,487.20</b>	3,591.74	497.73	129.31	<b>3,960.16</b>	<b>6,527.04</b>	6,388.51
Furniture, Fixtures and Furnishing	4,661.10	627.33	71.36	<b>5,217.07</b>	2,437.51	317.53	68.07	<b>2,686.97</b>	<b>2,530.10</b>	2,223.59
Vehicles	1,537.84	69.89	33.68	<b>1,574.05</b>	587.42	225.84	21.57	<b>791.69</b>	<b>782.36</b>	950.42
<b>Total</b>	<b>105,860.50</b>	<b>1,920.34</b>	<b>336.61</b>	<b>107,444.23</b>	<b>8,137.14</b>	<b>1,202.59</b>	<b>218.95</b>	<b>9,120.78</b>	<b>98,323.45</b>	<b>97,723.36</b>
<b>Intangible assets</b>										
Total	–	–	–	–	–	–	–	–	–	–
<b>Grand Total</b>	<b>105,860.50</b>	<b>1,920.34</b>	<b>336.61</b>	<b>107,444.23</b>	<b>8,137.14</b>	<b>1,202.59</b>	<b>218.95</b>	<b>9,120.78</b>	<b>98,323.45</b>	<b>97,723.36</b>
Previous Year	105,251.43	1,085.01	475.94	<b>105,860.50</b>	7,296.21	1,142.07	301.14	<b>8,137.14</b>		
Capital work-in-progress (refer note 12A)									<b>20,019.74</b>	13,374.66
									<b>118,343.19</b>	111,098.02

- (a) The Company, based on the report by a Certified Valuer, had revalued land and building of Hotel Hyatt Regency Delhi (the land and building being more than twenty years old) by adopting Cost of Contractor's method, on 28<sup>th</sup> February 2007 at Rs. 85,700 Lakhs. The same resulted in an increase in the value of land and building of an amount of Rs. 82,131.81 Lakhs, and therefore, an equivalent amount had been credited to the Revaluation Reserve.
- (b) Due to increase in the value of assets, as stated above, there was an additional charge of Rs. 53.91 Lakhs (Previous Year Rs. 53.91 Lakhs), for the current year, on account of depreciation. Resultantly, an equivalent amount of Rs. 53.91 Lakhs (Previous Year Rs. 53.91 Lakhs) has been withdrawn from the Revaluation Reserve and credited to the statement of profit and loss.

- (c) Building includes leasehold improvement:

Gross value	<b>30.73</b>	27.87
Accumulated depreciation	<b>18.19</b>	13.81
Depreciation charge for the year	<b>4.38</b>	2.79
Net value	<b>12.54</b>	14.06

- (d) Vehicles includes those financed:

Gross value	<b>436.56</b>	390.15
Net value	<b>348.06</b>	365.54

- (e) Vehicles includes given on operating lease:

Gross value	<b>620.67</b>	588.12
Net value	<b>265.51</b>	334.01

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- (f) Land (freehold) and Plant and Equipments includes assets relating to the business of generation of electricity (Refer Note 28 on Segment Reporting)
- |                      |                |         |
|----------------------|----------------|---------|
| Land (freehold)      |                |         |
| Gross value          | <b>34.00</b>   | 34.00   |
| Net value            | <b>34.00</b>   | 34.00   |
| Plant and Equipments |                |         |
| Gross value          | <b>1857.02</b> | 1857.02 |
| Net value            | <b>1464.81</b> | 1562.86 |
- (g) Delhi Development Authority vide Notification No. 2034E dated 12.08.2008 has, subject to fulfillment of certain conditions, granted an additional FSI, which in case of the Company, works out to approx. 15000 square meters. The Company is in the process of utilizing the aforesaid additional FSI partially for expansion of the existing facilities (EXPANSION PROJECT) and the balance as a new Serviced Apartments Block (SERVICED APARTMENT PROJECT) with permitted commercial area at Hotel Hyatt Regency Delhi.

### 12A. Capital Work-in-Progress consists of:

	<b>31<sup>st</sup> March 2012</b>	31 <sup>st</sup> March 2011
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Building under construction	<b>13832.23</b>	12066.86
Technical and consultancy fees	<b>862.61</b>	770.46
Mock up room cost	<b>146.60</b>	93.82
Plumbing and sanitation	<b>220.55</b>	6.99
Air conditioning under installation	<b>185.05</b>	104.06
Generators under installation	<b>0.00</b>	149.16
Elevators under installation and others	<b>139.09</b>	15.79
Imported Furniture and Fixtures	<b>20.13</b>	0.00
Fire fighting equipments	<b>57.18</b>	0.00
Electrification	<b>185.84</b>	0.00
Expenditure during construction {Refer Note (a) below}	<b>4370.46</b>	167.52
	<b>20019.74</b>	13374.66

- (a) All other expenses specifically attributable to construction have been accounted for as expenditure during construction. The Company has prepared the following Statement of Expenditure during Construction:

#### STATEMENT OF EXPENDITURE DURING CONSTRUCTION

Employee benefits expenses	<b>256.42</b>	79.45
Recruitment and Training	<b>1.80</b>	1.75
Legal and professional charges (Including loan processing and arranging fees)	<b>22.04</b>	99.02
Rates and taxes	<b>10.57</b>	10.12
Insurance cost	<b>10.44</b>	5.30
Travelling expenses	<b>62.07</b>	37.42
Interest expenses	<b>2880.32</b>	325.77
Net loss /(gain) on foreign currency transaction and translation	<b>1,028.88</b>	(440.65)
Miscellaneous	<b>97.92</b>	49.34
	<b>4370.46</b>	167.52

- (b) Building under construction includes : -
- Rs.10,799.42 Lakhs paid to Municipal Corporation of Delhi as additional FSI charges and labour cess
  - Rs. 211.65 Lakhs paid for repossession of areas for construction of spa
- (c) Interest expenses and net gain/(loss) on foreign currency transaction and translation are related to certain loans (including foreign currency external commercial borrowings) taken for projects under construction.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- (d) The Ministry of Corporate Affairs vide Notification dated March 31, 2009, as amended from time to time, had given an option to the companies whereby the exchange differences pertaining to long term foreign currency monetary items relating to acquisition of a depreciable asset can be added to or deducted from the cost of asset and shall be depreciated over the balance life of the asset. The Company had adopted the said option given under paragraph 46 of Accounting Standard (AS) 11. Accordingly, the net loss on foreign currency transaction and translation of Rs. 1,028.88 Lakhs (previous year Net gain on foreign currency transaction and translation of Rs. 440.65 Lakhs) on long term foreign currency loans relating to projects under construction is included in capital work-in-progress, as a part of fixed assets.

### 13 NON-CURRENT INVESTMENTS

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
	(Rs. In Lakhs)	(Rs. In Lakhs)
<b>Trade Investments (valued at cost)</b>		
<b>Unquoted</b>		
<b>Investment in Foreign Subsidiary</b>		
11,910,114 Ordinary Shares of USD 1.00 each fully paid up of Finline Hospitality & Consultancy Pte Ltd, Mauritius	5,251.41	5,251.41
10,193,679 (Previous Year Nil) 5% Cumulative Redeemable Preference Shares of USD 1.00 each fully paid up of Finline Hospitality & Consultancy Pte Ltd, Mauritius	5,214.73	–
Nil (Previous Year 76,782,214) 3.5% Optionally Convertible Redeemable Preference Shares of USD 1.00 each fully paid up of Finline Hospitality & Consultancy Pte Ltd, Mauritius	–	33,854.81
	<b>10,466.14</b>	39,106.22
Less: Provision for diminution in value of investment	–	–
	<b>10,466.14</b>	39,106.22
Aggregate amount of unquoted investments	<b>10,466.14</b>	39,106.22
Aggregate provision for diminution in value of investments	–	–

- (a) Pursuant to a Joint-venture cum Subscription Agreement executed on 18<sup>th</sup> October 2010, the Company made a strategic investment of approximately Rs. 39,106.22 Lakhs in Finline Hospitality & Consultancy Pte. Ltd., Mauritius, (Finline Hospitality) previously known as Darius Holdings Ltd., acquiring controlling interest of 53% in its Equity and Preference Share Capital in accordance with extant regulations framed under the Foreign Exchange Management Act, 1999. Finline Hospitality is to engage in the business of providing consultancy, project development and offshore project management primarily in the hospitality sector.
- (b) With effect from 18<sup>th</sup> October, 2010, Finline Hospitality along with two overseas subsidiaries and an Indian subsidiary became the Company's subsidiary. The Indian subsidiary is Magus Estates and Hotels Limited (Magus). Magus owns and operates "Four Seasons Mumbai". The overseas subsidiaries of Finline Hospitality namely, Most Prof Hospitality & Consultancy Pte. Ltd. and Lexon Ventures Ltd. were amalgamated with Finline Hospitality on 23<sup>rd</sup> August, 2011 and 14<sup>th</sup> September, 2011 respectively following the purchase method at the value of assets including investments at fair value, based on the Valuation Report on the basis of which the Company made its initial investment in Finline Hospitality stated above.
- (c) 76,782,214 3.5% Optionally Convertible Redeemable Preference Shares of USD 1 each (OCRPS) held by the Company in Finline Hospitality were prematurely redeemed and the redemption proceeds were converted into foreign currency loan effective 30<sup>th</sup> September, 2011. Correspondingly, on the same date residual outstanding OCRPS which were held by Finline Holdings Ltd., an overseas entity, in which certain directors are interested, in Finline Hospitality were converted into 3.5% Redeemable Preference Shares thereby obviating the possibility of dilution in the Company's stake in Finline Hospitality.
- (d) During the year, the Company has taken a foreign currency loan equivalent to Rs 5,000 Lakhs and made investment in 5% Cumulative Redeemable Preference Shares (CRPS) of Finline Hospitality, based on Revalidation Report issued by the merchant banker.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 14 LOANS AND ADVANCES (Unsecured, considered good)

	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Capital advances	4,550.49	1,764.59	–	–
Security Deposits	82.64	82.57	23.49	749.37
Loans and advances to related parties				
Foreign Currency Loan to Finline Hospitality & Consultancy Pte. Ltd., Mauritius, a subsidiary (Refer Note 13c)	39,279.09	–	–	–
Other loans and advances				
Advances recoverable in cash or in kind or for value to be received*	23.95	20.42	436.36	117.70
Prepaid expenses	2.36	4.77	394.50	390.51
Advance Income Tax (net of provision for taxation)	–	–	–	468.20
Advance Fringe Benefit Tax (net of provision)	–	–	1.46	1.46
Service tax recoverable	–	–	1.60	–
Value added tax (VAT) recoverable	–	–	35.10	39.42
	<b>43,938.53</b>	<b>1,872.35</b>	<b>892.51</b>	<b>1,766.66</b>
*includes loans to employees	23.95	20.42	18.59	15.60

(a) In response to a financial bid made to West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO), the Company had been offered an allotment of a plot of land measuring six acres (approx.) on freehold basis for setting up of a five star hotel and allied facilities (KOLKATA PROJECT). Advance for Capital goods includes Rs. 2,921.49 Lakhs (Previous Year Rs.1,311.49 Lakhs) paid as earnest money, which represents 59% (Previous Year 25%) of the total cost of said allotted land. The balance is due for payment in the next financial year.

### 15 OTHER ASSETS (Unsecured, considered good)

	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Interest accrued on fixed deposits with banks	4.03	–	1.30	–
Interest accrued on foreign currency Loan to Finline Hospitality & Consultancy Pte. Ltd., Mauritius, a subsidiary	907.87	–	–	–
Non-current bank balances (Refer Note 18)	47.23	–	–	–
	<b>959.13</b>	<b>–</b>	<b>1.30</b>	<b>–</b>

### 16 INVENTORIES (valued at lower of cost and net realizable value)

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Wines and liquor	195.53	246.19
Provisions, other beverages and smokes	97.51	158.87
Crockery, cutlery, silverware, linen etc.	139.59	151.16
General stores and spares	122.66	143.57
	<b>555.29</b>	<b>699.79</b>

- As per inventory taken and valued by the Management

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 17 TRADE RECEIVABLES (Unsecured)

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Outstanding for a period exceeding six months		
Considered good	41.25	12.49
Considered doubtful	2.70	2.56
Others *		
Considered good	1,122.36	1,064.40
	<b>1,166.31</b>	<b>1,079.45</b>
Less: Provision for doubtful debts	<b>(2.70)</b>	<b>(2.56)</b>
	<b>1,163.61</b>	<b>1,076.89</b>
*Includes due from Ascent Hotels Private Limited, a company in which directors of the Company are directors	<b>36.40</b>	-
*Includes debts related to generation of electricity business (Refer Note 28 on Segment Reporting )	<b>16.72</b>	22.17

### 18 CASH AND BANK BALANCES

	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>Cash and Cash Equivalents</b>				
Balances with banks				
In Current Accounts	-	-	30.72	68.82
In Deposits with original maturity of less than 3 months*	-	-	45.26	4.96
Cheque, draft on hand	-	-	92.93	158.36
Cash on hand	-	-	25.49	20.02
	<b>-</b>	<b>-</b>	<b>194.40</b>	<b>252.16</b>
<b>Other Bank Balances</b>				
Balances with banks				
In Unpaid Dividend Accounts	-	-	74.65	77.86
In Deposits with original maturity of more than 12 months**	47.23	-	-	-
In Deposits with original maturity of more than 3 months but less than 12 months***	-	-	68.46	-
	<b>47.23</b>	<b>-</b>	<b>143.11</b>	<b>77.86</b>
Amount disclose under Non-Current Assets (Note 15)	<b>(47.23)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>	<b>337.51</b>	<b>330.02</b>
* includes given as security deposit to The Assessor & Collector, Municipal Corporation, Mumbai - Octroi	-	-	36.97	-
** includes given under lien against bank guarantee	47.23	-	-	-
*** includes given under lien against bank guarantee	-	-	66.38	-

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 19 REVENUE FROM OPERATIONS

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Room income	11,314.76	12,746.57
Wines and liquor	1,789.00	1,774.28
Food, other beverages, smokes and banquets	6,417.00	6,710.87
Communications	179.56	213.24
Others*	2,899.87	2,633.23
	<u>22,600.19</u>	<u>24,078.19</u>
*Includes related to generation of electricity business (Refer Note 28 on Segment Reporting)	218.53	200.15

### 20 OTHER INCOME

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Interest Received/Receivable		
From banks	7.88	7.67
From subsidiary	907.87	-
From others	97.19	45.51
Dividend received on non-trade investments	4.82	18.07
Excess provisions no longer required written back	21.55	5.78
Credit balances written back	42.63	109.26
Net gain/(loss) on foreign currency transaction and translation (other than considered as finance cost)	3,964.03	1.29
Miscellaneous income	5.42	3.39
	<u>5,051.39</u>	<u>190.97</u>

### 21 CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>WINES AND LIQUOR</b>		
Opening Stock	246.19	242.07
Add : Purchases	484.02	537.33
	<u>730.21</u>	<u>779.40</u>
Closing Stock	(195.53)	(246.19)
	<u>534.68</u>	<u>533.21</u>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	158.87	86.49
Add : Purchases	2,076.34	2,199.90
	<u>2,235.21</u>	<u>2,286.39</u>
Closing Stock	(97.51)	(158.87)
	<u>2,137.70</u>	<u>2,127.52</u>
	<u>2,672.38</u>	<u>2,660.73</u>
Percentage of total consumption between:		
Indigenous 78.77% (Previous Year 80.95%)	2,105.02	2,153.82
Imported 21.23% (Previous Year 19.05%)	567.36	506.91

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 22 EMPLOYEE BENEFITS EXPENSES

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Salaries and wages	3,600.69	3,553.12
Commission to non-executive directors	40.00	27.72
Contribution to provident and other funds	236.07	220.31
Contract labour and services	671.80	563.93
Staff welfare expense *	918.93	641.12
Recruitment and training	54.51	68.87
	5,522.00	5,075.07
* includes :		
Cost of provisions consumed in staff cafeteria	234.93	205.73
Realisation on sale of food coupons to staff	(20.84)	(13.50)

### 23 OTHER EXPENSES

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	610.50	685.44
Operating equipment and supplies written off	253.67	273.92
Power, fuel and light (net)	1,287.28	1,392.20
Repairs, maintenance and refurbishing *	1,316.64	984.10
Rent	0.33	40.08
Rates and taxes	711.08	710.43
Insurance	108.34	111.85
Data processing charges	97.44	117.47
Directors' sitting fee	6.48	12.12
Legal and professional charges	364.79	579.80
Payment to the auditors**	51.15	28.94
Artist fee	33.11	46.77
Stationery and printing	94.25	93.83
Travelling and conveyance	345.31	258.30
Guest transportation	225.68	210.24
Communication (including telephones for guests)	143.47	159.17
Technical services	1,276.12	1,131.32
Advertisement and publicity	356.90	302.49
Commission and brokerage	666.54	695.50
Charity and donations	19.67	17.69
Bad debts / advances written off	5.60	-
Provision for doubtful debts	0.14	-
Obsolete/ damaged inventories written off	5.49	-
Loss on fixed assets sold/discarded (net)	89.88	117.85
Miscellaneous	76.22	79.31
	8,146.08	8,048.82



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
* includes:		
Repairs to buildings	429.73	184.42
Repairs to machinery	699.54	581.41
**Payments to the auditors for (including service tax)		
- statutory audit	22.47	13.24
- tax audit fee	5.62	3.31
- IFRS audit fee	5.82	5.52
- limited review and certification	4.99	6.56
- other services	11.24	–
- reimbursement of expenses	1.01	0.32
	<b>51.15</b>	<b>28.94</b>
<b>24 FINANCE COSTS</b>		
	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Interest expenses	2,434.91	2,369.53
Other borrowing costs (including bank charges)	130.06	464.06
Applicable net loss/(gain) on foreign currency transactions and translation {Refer Note 2(l) on borrowing costs}	2,125.14	163.24
	<b>4,690.11</b>	<b>2,996.83</b>
<b>25 PRIOR PERIOD ITEMS</b>		
	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Contract Labour & Service	0.01	–
Repair, maintenance and refurbishing	0.44	–
Rates and taxes	0.22	(1.03)
Insurance	2.15	–
Data processing charges	3.25	–
Legal and professional charges	3.73	–
Guest transportation	3.88	–
Other services income	(14.23)	–
	<b>(0.55)</b>	<b>(1.03)</b>
<b>26 EARNINGS PER EQUITY SHARE</b>		
	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Profit for the year	3,565.86	2,858.40
Less : Dividends on Preference Shares (including Corporate Dividend Tax)	5.70	5.70
<b>Profit available for equity shareholders</b>	<b>3,560.16</b>	<b>2,852.70</b>
Weighted average number of equity shares outstanding	19,453,229	13,519,423
Nominal value per equity share (in Rupees)	10.00	10.00
<b>Earnings Per Equity Share- Basic and Diluted (in Rupees)</b>	<b>18.30</b>	<b>21.10</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 27 CONTINGENT LIABILITIES AND COMMITMENTS

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
	(Rs. In Lakhs)	(Rs. In Lakhs)
<b>A CONTINGENT LIABILITIES</b>		
(a) Claims against the Company not acknowledged as debts*	<b>499.68</b>	530.32
<p>* includes demand raised by Service Tax Authorities amounting to Rs. 467.96 lakhs (excluding interest and penalties) for earlier years upto 2007, against which the Company has filed an appeal with the said authorities. The Company may, however, be not liable to pay the demand for the periods till 18<sup>th</sup> April, 2006 in view of the judgement of the Hon'ble Supreme Court of India in the case of Indian National Shipowners Association whereby it is held that no service tax is leviable on certain services prior to 18<sup>th</sup> April 2006.</p>		
(b) Municipal Corporation of Delhi introduced a new method for payment of property tax under 'Unit Area Scheme' w.e.f. 1 <sup>st</sup> April, 2004. The Federation of Hotels and Restaurants Association of India (FHRAI) and the Company filed a writ petition in the High Court of Delhi against the said new method, which is still pending. In terms of the interim order dated 10 <sup>th</sup> September, 2004 passed by the Hon'ble High Court, the Company has been paying a sum of Rs. 54.52 Lakhs per annum based on the Rateable Value method then existing. However, as a matter of abundant caution, based on usage factor of ten, the Company has provided for the difference in property tax as per Unit Area Scheme since introduction of the said new method, alongwith interest thereon.		
c) The Company has received a show cause notice from Directorate of Revenue Intelligence (DRI) in connection with alleged misuse of seven cars imported under EPCG scheme. The matter is being dealt with by the Company through their lawyers and on the insistence of the authorities, the Company has paid an amount of Rs. 220.00 lakhs (included under 'Advances recoverable in cash or in kind or for value to be received' Note no. 14 -Loans and Advances) as custom duty under protest. Further, the Company has also provided a bank guarantee for Rs. 47.23 lakhs in the said matter.		
<b>B COMMITMENTS</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	<b>5750.39</b>	6640.10
(b) Lease commitments		
(i) Future commitments in respect of assets acquired under Finance Schemes		
Minimum installments payable within one year	<b>160.19</b>	147.17
later than one year but not later than five years	<b>64.10</b>	179.88
Present value of minimum installments payable within one year	<b>147.95</b>	128.17
later than one year but not later than five years	<b>60.53</b>	168.97
(ii) Future minimum lease payments receivable by the Company in respect of non-cancellable operating leases (other than land) for shops and vehicles entered into by the Company :		
Not later than one year	<b>105.50</b>	33.23
Later than one year and not later than five years	<b>95.43</b>	46.62
(iii) Future minimum lease payments payable by the Company in respect of non-cancellable operating leases (other than land) for rented apartments entered into by the Company :		
Not later than one year	<b>57.96</b>	-
Later than one year and not later than five years	<b>8.25</b>	-

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 28 SEGMENT REPORTING

The Company operates only in one reportable segment, i.e. Hospitality/Hotel Business at one location, namely New Delhi (India). The other business segment, i.e. power generation, though governed by different sets of risks and returns, however, is not a reportable segment as defined under the Accounting Standard (AS)-17 on Segment Reporting, and therefore, no separate disclosures have been made. The assets, liabilities and revenues relating to the said power generation business have, however, been disclosed in the accounts separately. The above treatment is in accordance with the guiding principles enunciated in the said Accounting Standard.

### 29 Related Party Disclosures

#### (a) Group Companies which significantly influence the Company (either individually or with others)

- (i) Yans Enterprises (H.K.) Ltd., an overseas entity
- (ii) Fineline Holdings Ltd., an overseas entity

#### (b) Group Companies which are significantly influenced by the Company (either individually or with others)

- (i) Fineline Hospitality & Consultancy Pte Ltd, Mauritius, a subsidiary company
- (ii) Magus Estates & Hotels Limited, India, a subsidiary company

#### (c) Related Party Transactions

(Rs in Lakhs)

Particulars	Subsidiaries		Key Management Personnel		Group Companies having significant influence over the Company		Entities controlled by Directors or their relatives	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Room, Food, Beverages and other services	58.41	56.22	-	-	-	-	45.26	12.75
Remuneration	-	-	275.45	278.65	-	-	-	-
Professional Charges	-	-	-	-	-	-	17.49	10.35
Sale of Capital goods	-	-	-	-	-	-	17.61	0.50
Purchase of Capital goods	45.85	-	-	-	-	-	30.50	-
Reimbursement of Expenses by the Company	5.62	-	-	-	-	-	0.86	0.20
Reimbursement of Expenses by Related Parties	-	-	-	-	-	-	0.03	0.32
Dividend – Preference Shares	4.90	4.90	-	-	-	-	-	-
Redemption of Preference Shares	37,565.93	-	-	-	-	-	-	-
Loan to Subsidiary	37,565.93	-	-	-	-	-	-	-
Repair & Maintenance	-	-	-	-	-	-	-	0.22
Interest Income from Subsidiary	907.87	-	-	-	-	-	-	-
Investment in shares	5,000.00	39,106.22	-	-	-	-	-	-
Conversion of FCPS into Equity Shares	-	-	-	-	-	805.14	-	-
Advance Received (refer note 15b)	-	-	-	-	-	-	500.00	900.00
<b>Balance Outstanding</b>								
Payables	28.24	-	95.58	161.55	-	-	1,420.53	903.01
Receivables	40,186.96	3.25	-	-	-	-	41.74	21.12

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 1956, and justification of the rates being charged/ terms thereof and approved the same.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- (ii) Further, the Company had taken a legal advise that in view of the multiplicity of transactions / information, it is not practicable to identify and disclose the food / beverage / room or other sales to the employees / guests of the related parties at any of the outlets of the hotel owned by the Company and such transactions do not require prior approval from Central Government under Section 297 of the Companies Act, 1956.

**(d) Related Parties**

– Subsidiaries of the Company	Fineline Hospitality & Consultancy Pte Ltd, Mauritius Magus Estates & Hotels Limited, India	
– Key Management Personnel	Mr. Shiv Jatia Mr. Adarsh Jatia	Chairman & Managing Director Joint Managing Director
– Entities controlled by Directors or their relatives (with whom transactions entered into during current year or previous year)	Ascent Hotels Private Limited Bell Ceramics Limited Bhasin & Co. Binaguri Tea Company Private Limited Energy Infrastructure (I) Limited Godfrey Philips Limited Leading Hotels Limited Wel Intertrade Private Limited	

**(e) Disclosure in respect of party wise transactions during the year as follows:**

<b>Particulars</b>	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>	<b>31<sup>st</sup> March 2011 (Rs. In Lakhs)</b>
<b>Room, Food, Beverages and other services</b>		
– Magus Estates & Hotels Ltd.	58.41	56.22
– Bell Ceramics Limited	–	0.53
– Energy Infrastructure (I) Limited	6.04	12.22
– M/s Bhasin & Co.	1.23	–
– Ascent Hotels Private Limited	36.40	–
– Godfrey Philips Ltd.	1.59	–
<b>Remuneration</b>		
– Mr. Shiv Jatia	191.70	247.80
– Mr. Adarsh Jatia	83.76	30.85
<b>Professional Charges</b>		
– Bhasin & Co.	17.49	10.35
<b>Sale Of Capital Goods</b>		
– Ascent Hotels Private Limited	12.44	0.50
– Leading Hotels Limited	5.17	–
<b>Purchase Of Capital Goods</b>		
– Ascent Hotels Private Limited	30.50	–
– Magus Estates & Hotels Limited	45.85	–
<b>Reimbursement of Expenses by the Company</b>		
– Magus Estates & Hotels Limited	5.62	–
– Ascent Hotels Private Limited	0.86	–
– Wel Intertrade Private Limited	–	0.20
<b>Reimbursement of Expenses by related parties</b>		
– Ascent Hotels Private Limited	0.03	0.32
<b>Dividend – Preference Shares</b>		
– Magus Estates & Hotels Limited	4.90	4.90
<b>Repair &amp; Maintenance</b>		
– Bell Ceramics Limited	–	0.22
<b>Interest Income from Subsidiary</b>		
– Fineline Hospitality & Consultancy Pte Ltd	907.87	–
<b>Investment in Subsidiaries</b>		
– Fineline Hospitality & Consultancy Pte Ltd	5,000.00	39,106.22

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>Redemption of Preference Shares</b>		
– Finline Hospitality & Consultancy Pte Ltd	37,565.93	–
<b>Loan to Subsidiary</b>		
– Finline Hospitality & Consultancy Pte Ltd	37,565.93	–
<b>Conversion of FCPS into Equity Shares</b>		
– Finline Holdings Ltd., Mauritius	–	805.14
<b>Advance Received</b>		
– Binaguri Tea Company Private Limited	500.00	900.00
<b>Outstanding Payables</b>		
– Mr. Shiv Jatia	63.72	143.60
– Mr. Adarsh Jatia	31.86	17.95
– Bhasin & Co.	2.46	0.49
– Energy Infrastructure (I) Limited	–	2.30
– Bell Ceramics Limited	–	0.22
– Magus Estates & Hotels Limited	28.24	–
– Ascent Hotels Private Limited	18.07	–
– Binaguri Tea Company Private Limited	1,400.00	900.00
<b>Outstanding Receivables</b>		
– Ascent Hotels Private Limited	36.40	0.82
– Magus Estates & Hotels Limited	–	3.25
– Bell Ceramics Limited	–	0.53
– Energy Infrastructure (I) Limited	5.14	–
– Godfrey Philips Limited	0.20	–
– Finline Hospitality & Consultancy Pte Ltd	40,186.96	–

### 30 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:–

#### (a) Defined contribution plans

- Provident fund

#### (b) Defined benefit plans

- Contribution to Gratuity funds
- Compensated absences – Earned leave

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

#### Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

#### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 8.50% p.a. (previous year 8.00%) compound has been used.

#### Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

The assumptions used are summarised in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Discount rate (per annum)	8.50%	8.00%	8.50%	8.00%
Future salary increase	7.50%	7.00%	7.50%	7.00%
Expected rate of return on plan assets	N.A	N.A	N.A	N.A
In service mortality	LIC (1994–96) ultimate	LIC (1994–96) ultimate	LIC (1994–96) ultimate	LIC(1994–96) ultimate
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates				
– Upto 30 years	3.00%	3.00%	3.00%	3.00%
– From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
– Above 44 years	1.00%	1.00%	1.00%	1.00%

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>1. Expenses recognised in statement of profit and loss</b>				
Current service cost	52.61	50.33	44.20	23.51
Interest cost	54.95	43.77	14.64	12.03
Expected return on plan assets	–	–	–	–
Net actuarial(gain)/loss recognised in the year	(37.98)	55.85	32.47	16.40
<b>Total expenses</b>	<b>69.58</b>	<b>149.95</b>	<b>91.31</b>	<b>51.94</b>
<b>2. Net asset/(liability) recognised as at the end of the year</b>				
Present value of defined benefit obligation	691.68	646.53	247.15	172.18
Fair value of plan assets	–	–	–	–
Funded status [surplus/(deficit)]	(691.68)	(646.53)	(247.15)	(172.18)
<b>Net asset/(liability) as at the end of the year</b>	<b>(691.68)</b>	<b>(646.53)</b>	<b>(247.15)</b>	<b>(172.18)</b>
<b>3. Change in the present value of obligation during the year</b>				
Present value of obligation as at the beginning of the year	646.53	547.16	172.18	150.36
Interest cost	54.95	43.77	14.64	12.03
Current service cost	52.61	50.33	44.20	23.51
Benefits paid	(24.43)	(50.58)	(16.34)	(30.12)
Actuarial (gains)/losses on obligation	(37.98)	55.85	32.47	16.40
<b>Present value of obligation as at the end of the year</b>	<b>691.68</b>	<b>646.53</b>	<b>247.15</b>	<b>172.18</b>

### 31 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

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

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 32 OTHER INFORMATION

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>(A) Value of imports calculated on CIF basis</b>		
Food and beverages	30.01	29.42
Stores and spares	152.05	78.83
Capital goods	1,028.33	265.03
Beverages – through canalising agencies	303.41	268.66
<b>(B) Expenditure in foreign currency</b>		
Technical services	1,150.71	1,157.24
Advertisement and publicity	233.36	223.42
Commission and brokerage	254.91	292.62
Recruitment and training	34.37	35.58
Others	275.49	96.99
<b>(C) Earning in foreign currency</b>		
Revenue from operation (As certified and reported by the Management to the Department of Tourism)	14,014.30	14,819.47
Interest income from subsidiary	955.60	–
<b>(D) Details of dividends paid to Non Resident Shareholders holding shares on repatriation basis:</b>		
(i) Final Dividend – Equity		
a) Financial Year to which dividend relates	2010–11	2009–10 (6 months)
b) Number of non resident shareholders	639	661
c) Number of shares held by them	14,041,156	5,607,725
d) Rupees (in Lakhs) equivalent of amount paid in foreign currency	335.13	268.26
e) Amount in Rupees (in Lakhs) remitted to banks /addresses in India for which the Company does not have information as to the extent to which remittance in foreign currencies have been made by or on behalf of the non resident shareholders	15.90	12.13
(ii) Dividend – Fully Convertible Preference Shares		
a) Financial Year to which dividend relates		2009–10 (6 months)
b) Number of non resident shareholders		2
c) Number of shares held by them		6,259,255
d) Rupees (in Lakhs) equivalent of amount paid in foreign currency		2.61
e) Amount in Rupees (in Lakhs) remitted to banks /addresses in India for which the Company does not have information as to the extent to which remittance in foreign currencies have been made by or on behalf of the non resident shareholders		–
(iii) Final Dividend – Equity		
a) Financial Year to which dividend relates		2008–09 (18 months)
b) Number of non resident shareholders		650
c) Number of shares held by them		5,679,148
d) Rupees (in Lakhs) equivalent of amount paid in foreign currency		107.36
e) Amount in Rupees (in Lakhs) remitted to banks /addresses in India for which the Company does not have information as to the extent to which remittance in foreign currencies have been made by or on behalf of the non resident shareholders		6.23

### 33 IMPAIRMENT

The Company has not recognised any loss on impairment in respect of assets of the Company in terms of Accounting Standard (AS) 28 on "Impairment of Assets" since in the opinion of the Management, as confirmed by the Audit Committee, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of the assets at the subsidiary the impairment testing is based on the realisable value of underlying assets as tested at the level of the Board of Directors at the subsidiary and as confirmed by the Audit Committee of the Company.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 34 Un-hedged foreign currency exposure

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31<sup>st</sup> March, 2012 is as under:

Particulars	31 <sup>st</sup> March 2012		31 <sup>st</sup> March 2011	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Advances given				
(in USD)	78,631,326.55	40,225.03	58,965.00	26.18
(in EURO)	34,465.00	23.55	20,739.28	13.06
(in AED)	-	-	2,570.00	0.31
(in GBP)	13,882.46	11.36	-	-
Investment in CRPS (refer Note 13)(USD)	10,193,680.18	5,214.73	-	-
Interest accrued on loan to subsidiary(USD)	1,774,691.39	907.87	-	-
Payables (In US Dollar)				
Sundry Creditors	264,089.00	135.10	104,700.00	46.49
External Commercial Borrowings (ECBs)	84,943,680.00	43,454.21	74,750,000.00	33,189.00
Interest on ECBs	1,304,344.00	667.26	822,296.00	365.10
Sundry Creditors (in SEK)	28,667.00	2.20	-	-

#### Closing rate of foreign currency in rupees:

Foreign Currency	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
USD	51.1565	44.4000
GBP	81.7992	-
EURO	68.3403	62.9900
SEK	7.6840	-
AED	-	12.0900

### 35 OTHER NOTES

- Post restructuring of the Company in terms of the Scheme of demerger, as sanctioned by the High Court of Delhi, each of promoter groups namely the Jatia Group, Gupta Group and Saraf Group, undertook inter-se transfer of their respective shareholding in the three de-merged entities pursuant to Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, on 23<sup>rd</sup> August, 2010, as envisaged in Clause 5.8 of the Scheme of demerger. Resultantly, in the previous year, the Jatia Group acquired shares held in the Company by the other two promoter groups named above.
- Confirmation of debit & credit balances  
Letters for confirmation of balances sent to parties have been received back only in a few cases and discrepancies, if any, pointed out by the parties are being investigated for necessary adjustments to be carried out.
- In the opinion of the Board of Directors, all assets of the Company except fixed assets and non-current investments have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet.
- Previous year's figures  
Till the year ended 31<sup>st</sup> March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31<sup>st</sup> March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable. The Company has reclassified previous year figure to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of the balance sheet.

Signature to note 1 to 35 of financial statements

“As per our report attached”

For MOHINDER PURI & COMPANY

Chartered Accountants

Firm Registration Number: 000204N

VIKAS VIG

Partner

Membership Number: 16920

JYOTI SUBARWAL

President- Finance  
& Operations

DINESH KUMAR JAIN

Vice President (Corporate) &  
Company Secretary

SHIV JATIA

Chairman & Managing Director  
DIN : 00006187

DINESH C. KOTHARI

Director  
DIN : 00195609

ADARSH JATIA

Joint Managing Director  
DIN : 00136214

LALIT BHASIN

Director  
DIN : 00001607

Place: New Delhi

Dated: 28<sup>th</sup> May 2012



# ASIAN HOTELS (NORTH) LIMITED

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## AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF ASIAN HOTELS (NORTH) LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN HOTELS (NORTH) LIMITED AND ITS SUBSIDIARY COMPANIES

1. We have audited the attached Consolidated Balance Sheet of **ASIAN HOTELS (NORTH) LIMITED AND ITS SUBSIDIARY COMPANIES** (the Company and its subsidiary constitute "the Group") as at 31<sup>st</sup> 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 which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the consolidated financial statements of subsidiary company and its subsidiary company as referred to in Note 2(c)(i), whose consolidated financial statements reflect total assets of Rs.133,117.16 Lakhs as at 31<sup>st</sup> March 2012, total revenues of Rs.12,992.76 Lakhs and net cash inflow of Rs 736.12 Lakhs for the period ended on that date. These consolidated financial statements have been audited by other auditor whose report has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiary companies are based solely on the report of the other auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on 'Consolidated Financial Statements' and on the basis of the separate audited financial statements of Asian Hotels (North) Limited and its subsidiary companies included in the consolidated financial statements.
5. Based on our audit and on consideration of the separate audit reports on individual audited financial statements of Asian Hotels (North) Limited and its aforesaid subsidiary companies and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March 2012;
  - b. in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
  - c. in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

Place: NEW DELHI  
DATED: 28<sup>th</sup> May, 2012

(VIKAS VIG)  
PARTNER  
M.NO.16920  
FOR & ON BEHALF OF  
MOHINDER PURI AND COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. : 000204N

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31 <sup>st</sup> March 2012 (Rs. In Lakhs)	As at 31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,945.32	1,945.32
Reserves and Surplus	4	73,160.34	75,673.95
		<u>75,105.66</u>	<u>77,619.27</u>
Minority Interest		35,127.09	36,482.50
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	100,250.81	85,139.52
Deferred Tax Liabilities (net)	6	805.20	(2,381.80)
Other Long Term Liabilities	7	5,433.81	3,818.65
Long Term Provisions	8	723.19	712.18
		<u>107,213.01</u>	<u>87,288.55</u>
<b>Current Liabilities</b>			
Short Term Borrowings	9	5,691.25	14,164.86
Trade Payables	10	1,691.80	1,108.41
Other Current Liabilities	11	24,594.37	17,467.72
Short Term Provisions	8	961.35	716.61
		<u>32,938.77</u>	<u>33,457.60</u>
<b>TOTAL</b>		<u><b>250,384.53</b></u>	<u><b>234,847.92</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
Tangible Assets		144,014.67	145,437.35
Intangible Assets		61,382.83	55,746.42
Capital Work-in-Progress		31,031.37	20,858.98
Long Term Loans and Advances	13	5,359.16	5,131.82
Other Non-Current Assets	14	519.78	76.14
		<u>242,307.81</u>	<u>227,250.71</u>
<b>Current Assets</b>			
Inventories	15	996.80	1,034.27
Trade Receivables	16	1,488.99	1,477.97
Cash and Cash Equivalents	17	1,513.27	1,286.23
Short Term Loans and Advances	13	4,076.36	3,798.74
Other Current Assets	14	1.30	-
		<u>8,076.72</u>	<u>7,597.21</u>
<b>TOTAL</b>		<u><b>250,384.53</b></u>	<u><b>234,847.92</b></u>

**CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES**

1 & 2

**CONTINGENT LIABILITIES AND COMMITMENTS**

26

The accompanying notes 1 to 33 are an integral part of the Consolidated Financial Statements

“As per our report attached”

**For MOHINDER PURI & COMPANY**

**ON BEHALF OF THE BOARD OF DIRECTORS**

Chartered Accountants

Firm Registration Number: 000204N

**VIKAS VIG**

Partner

Membership Number: 16920

**JYOTI SUBARWAL**

President- Finance  
& Operations

**SHIV JATIA**

Chairman & Managing Director  
DIN : 00006187

**ADARSH JATIA**

Joint Managing Director  
DIN : 00136214

**Place: New Delhi**

**Dated: 28<sup>th</sup> May 2012**

**DINESH KUMAR JAIN**

Vice President (Corporate) &  
Company Secretary

**DINESH C. KOTHARI**

Director  
DIN : 00195609

**LALIT BHASIN**

Director  
DIN : 00001607

# ASIAN HOTELS (NORTH) LIMITED

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

	Notes	For the year ended 31 <sup>st</sup> March 2012 (Rs. In Lakhs)	For the year ended 31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>INCOME</b>			
I Revenue from Operations (gross)	18	35,372.21	30,563.82
Less: Excise Duty paid		(23.71)	(20.27)
Revenue from Operations (net)		35,348.50	30,543.55
II Other Income	19	4,247.49	249.31
<b>III Total Income (I+II)</b>		<b>39,595.99</b>	<b>30,792.86</b>
<b>IV EXPENSES</b>			
Consumption of Provisions, Beverages, Smokes & Others	20	4,006.22	3,289.63
Employee Benefits Expense	21	8,738.08	6,415.95
Other Expenses	22	12,437.28	9,905.02
<b>Total Expenses</b>		<b>25,181.58</b>	<b>19,610.60</b>
<b>V Earnings before interest, tax, depreciation and amortisation (EBITDA) (III-IV)</b>		<b>14,414.41</b>	<b>11,182.26</b>
Depreciation & Amortisation Expense	12	3,411.84	2,131.35
Less: Transferred from Revaluation Reserve		(53.91)	(53.91)
Finance Costs	23	8,932.24	4,539.37
<b>VI Profit before exceptional, prior period items and tax</b>		<b>2,124.24</b>	<b>4,565.45</b>
Exceptional Items		-	-
Impairment of goodwill on consolidation		6,512.45	-
<b>VII (Loss)/Profit before prior period items and tax</b>		<b>(4,388.21)</b>	<b>4,565.45</b>
Prior period items	24	(53.86)	1.05
<b>VIII (Loss)/Profit before tax</b>		<b>(4,334.35)</b>	<b>4,564.40</b>
<b>IX Tax Expense</b>			
Current Tax		1,860.00	1,430.00
Earlier Years Tax (written back)		(27.09)	35.75
Deferred Tax Liability/(Assets)		3,187.00	(351.42)
Total Tax		5,019.91	1,114.33
<b>X (Loss)/Profit for the year before Minority Interest (VIII-IX)</b>		<b>(9,354.26)</b>	<b>3,450.07</b>
Less : Minority Interest		(6,643.68)	342.85
<b>XI Net (Loss)/Profit after Minority Interest</b>		<b>(2,710.58)</b>	<b>3,107.22</b>
<b>Earnings per Equity Share (in Rupees)</b>	25		
Basic		(13.93)	22.98
Diluted		(13.93)	22.98

### CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

1 & 2

The accompanying notes 1 to 33 are an integral part of the Consolidated Financial Statements

“As per our report attached”

For MOHINDER PURI & COMPANY

Chartered Accountants

Firm Registration Number: 000204N

ON BEHALF OF THE BOARD OF DIRECTORS

VIKAS VIG

Partner

Membership Number: 16920

JYOTI SUBARWAL

President- Finance  
& Operations

SHIV JATIA

Chairman & Managing Director  
DIN : 00006187

ADARSH JATIA

Joint Managing Director  
DIN : 00136214

Place: New Delhi

Dated: 28<sup>th</sup> May 2012

DINESH KUMAR JAIN

Vice President (Corporate) &  
Company Secretary

DINESH C. KOTHARI

Director  
DIN : 00195609

LALIT BHASIN

Director  
DIN : 00001607

# ASIAN HOTELS (NORTH) LIMITED

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

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT/(LOSS) BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	(4,334.35)	4,564.40
Adjustments for:		
Depreciation and amortisation	3,357.93	2,077.44
Interest and finance charges	6,807.10	4,376.13
Interest income	(161.04)	(93.22)
Income from Investment - dividends	(7.12)	(18.60)
Loss on fixed assets sold/ discarded (net)	95.32	117.85
Impairment of goodwill on consolidation	6,512.45	–
Net (gain)/loss on foreign currency transaction and translation	(1,843.34)	163.24
Bad debts / advances written off	5.60	–
Obsolete / damaged inventories written off	5.49	–
Provision for bad & doubtful debts/advances written back	(10.69)	–
Liability no longer required written back	(42.63)	(109.26)
Provision no longer required written back	(21.55)	(5.78)
Provision for gratuity and leave encashment	161.32	71.67
Prior period expenses/(income) (net)	(53.86)	1.05
Effect of exchange differences on translation of assets and liabilities	(478.45)	–
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(0.40)	–
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>9,991.78</b>	<b>11,144.92</b>
Adjustments for changes in working capital:		
(Increase)/decrease in trade receivables, loans & advances and other assets	(1,030.73)	1,088.79
(Increase)/decrease in inventories	31.98	(151.57)
Increase/(decrease) in trade payables, other liabilities and provisions	8,043.76	5,414.60
<b>CASH GENERATED FROM OPERATIONS</b>	<b>17,036.79</b>	<b>17,496.74</b>
Income tax paid	(764.73)	(1,351.34)
Prior period (expenses)/income (net)	53.86	(1.05)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>16,325.92</b>	<b>16,144.35</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets		
Additions during the year	(2,194.01)	(1,550.59)
Capital work-in-progress		
Deductions/(additions) during the year	(8,691.41)	(16,878.36)
Acquisition of subsidiaries	–	(39,815.98)
Proceeds from sale of fixed assets	78.55	151.95
Investments in bank deposits (with original maturity over 3 months)	(43.44)	(659.78)
Interest received (revenue)	207.65	25.33
Dividend received	7.12	18.60
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(10,635.54)</b>	<b>(58,708.83)</b>

# ASIAN HOTELS (NORTH) LIMITED

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

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		
Receipts	19,389.95	44,568.63
Payments	(8,738.39)	(5,888.42)
Effect of exchange differences on translation of borrowings	(121.35)	-
Redemption of preference shares	-	(5.00)
Additional premium paid on redemption of preference shares	-	(43.32)
Interest and finance charges	(6,502.95)	(3,566.55)
Dividend paid	(486.38)	(577.65)
Dividend tax paid	(79.69)	(95.94)
<b>NET CASH FROM/(USED) IN FINANCING ACTIVITIES</b>	<b>(5,012.42)</b>	<b>42,696.09</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.40	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>678.36</b>	<b>131.61</b>
CASH AND CASH EQUIVALENTS - OPENING	556.09	424.48
CASH AND CASH EQUIVALENTS - CLOSING	1,234.45	556.09
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>678.36</b>	<b>131.61</b>

### NOTES:

- 1 The above cash flow statement has been prepared under the "Indirect method" set out in the Accounting Standard- 3 on Cash Flow Statements.
- 2 Figures in brackets indicate cash outflow.
- 3 Previous year figures have been re-grouped and recast wherever necessary to conform to current year's classification.
- 4 Cash and cash equivalents at the end of the year consist of cash on hand, cheques on hand and balance with banks as follows:

	As at 31 <sup>st</sup> March 2012 (Rs. In Lakhs)	As at 31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Balances with banks		
– In current accounts	1,044.84	328.63
– in deposits with original maturity of less than 3 months	45.26	4.96
Cheques, drafts on hand	99.01	168.64
Cash on hand	45.34	53.86
	<b>1,234.45</b>	<b>556.09</b>

“As per our report attached”

**For MOHINDER PURI & COMPANY**  
Chartered Accountants  
Firm Registration Number: 000204N

**VIKAS VIG**  
Partner  
Membership Number: 16920

**Place: New Delhi**  
**Dated: 28<sup>th</sup> May 2012**

**JYOTI SUBARWAL**  
President- Finance  
& Operations

**DINESH KUMAR JAIN**  
Vice President (Corporate) &  
Company Secretary

**ON BEHALF OF THE BOARD OF DIRECTORS**

**SHIV JATIA**  
Chairman & Managing Director  
DIN : 00006187

**DINESH C. KOTHARI**  
Director  
DIN : 00195609

**ADARSH JATIA**  
Joint Managing Director  
DIN : 00136214

**LALIT BHASIN**  
Director  
DIN : 00001607

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 1. Corporate information

Asian Hotels (North) Limited is a public limited company domiciled in India, incorporated under the provisions of the Companies Act, 1956 and listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is operating a Five-star deluxe hotel namely Hyatt Regency in Delhi since 1982. Fineline Hospitality & Consultancy Pte Ltd. (Fineline), an overseas subsidiary, incorporated in Mauritius provides offshore project consultancy services. Magus Estates & Hotels Limited, a subsidiary of Fineline, incorporated in India, owns and operates a Five-star hotel under the brand name Four Seasons Hotel, Mumbai.

### 2. Significant accounting policies

#### a) Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### b) Basis of presentation and disclosures of consolidated financial statements

During the year ended 31<sup>st</sup> March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its consolidated financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation and presentation of consolidated financial statements. However, it has significant impact on presentation and disclosures made in the consolidated financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### c) Principles of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) – “Consolidated Financial Statements” notified pursuant to the Companies Accounting Standards Rules, 2006 (as amended). The Consolidated Financial Statements comprise the financial statements of Asian Hotels (North) Limited (Parent Company) and the following subsidiaries: -

Name of the Company	Country of Incorporation	Effective % of holding as at 31 <sup>st</sup> March 2012
Fineline Hospitality & Consultancy Pte Ltd (Fineline) - an Overseas Subsidiary	Mauritius	53 %
Magus Estates & Hotels Limited, subsidiary of Fineline	India	42.11% (*)

(\*) i.e., 53% of 79.46 % held by Fineline Hospitality & Consultancy Pte Ltd.

The Consolidated Financial Statements have been prepared on the following basis:

- (i) the financial statements of the Company and the Overseas Subsidiary have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any, based on the special purpose audited consolidated financial statements received from the Overseas Subsidiary, including its subsidiary, in Indian Rupees as per the Indian Accepted Accounting Policies.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (iii) The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Goodwill arising out of consolidation is tested for impairment at each balance sheet date.
- (v) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of: -

- (a) the amount of equity attributable to the minorities at the date on which investment in Subsidiary is made; and
- (b) the minorities' share of movements in equity since the date the parent – subsidiary relationship came into existence.

Minority interest's share of Net Profit / (Loss) (including share of Foreign Exchange Translation Reserve) of consolidated subsidiaries for the relevant period is identified and adjusted against the profit after tax of the Group.

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### d) Use of Estimates

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

### e) Fixed assets, depreciation/amortisation and Capital Work-in-progress

(i) Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss, if any, less depreciation/ amortisation. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put to use. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, recognised. The Company adjusts exchange differences arising on translation/ settlement of long term foreign currency monetary items pertaining to the acquisition of depreciable assets to the cost of the asset and depreciates the same over the remaining life of the asset.

(ii) Depreciation on Tangible Fixed Assets:

- (a) Depreciation as per straight line method has been charged in the accounts based on circular no 1/86 of the Department of Company Affairs;
- (b) On the assets acquired on or after 2.4.87 at the rates as prescribed under Schedule XIV to the Companies Act, 1956, pro rata from the month of purchase. If purchased on or before 15<sup>th</sup> of the month, depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.
- (c) Depreciation is provided from the date of installation/acquisition on a pro-rata basis. Depreciation on assets is provided on the written down value method as per the rates specified in Schedule XIV to the Companies Act, 1956. Assets individually costing Rs. 5,000/- or less are depreciated fully in the year when they are put to use.
- (d) Leasehold improvements are depreciated over the period of lease.
- (e) On the assets prior to 2.4.87 at the rates computed in the respective years of acquisition of those assets on the basis of rates specified by the Income Tax Act, 1961 and the rules made there under in terms of Section 205(2)(b) of the Companies Act, 1956 without making any adjustment in respect of excess depreciation provided for in the earlier years amounting to Rs. 244.16 Lakhs.
- (f) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (g) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve Account.
- (h) No depreciation is charged on the assets sold/ discarded during the year.

(iii) Amortization of Intangible Fixed Assets:

Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

(iv) Capital Work-in-Progress:

Capital work-in-progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period to be capitalized as part of construction cost to the extent to which these expenditures are specifically attributable to the construction. Interest income earned on temporary investment of funds brought in for the project during construction period has been set off from the interest expense accounted for as expenditure during the construction period.

### f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flows of next five years projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### g) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated

# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

using the exchange rate at the date when such value was determined.

### Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognized as income or as expenses in the year in which they arise.

For exchange differences arising on certain long term foreign currency monetary items, refer to note 2e above on tangible fixed assets.

### Foreign Subsidiaries

All the activities of the foreign subsidiaries are carried out with a significant degree of autonomy from those of the parent. Accordingly, as per the provisions of Accounting Standard - 11 (AS-11) "Effect of changes in foreign exchange rates", these operations have been classified as "Non-integral operations" and therefore all the assets and liabilities, both monetary and non-monetary, are translated at the closing rates while income and expenses are translated at the average exchange rates. The resulting exchange differences are accumulated in the foreign currency translation reserve account until the disposal of net investment.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

### h) Revenue recognition

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

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

### i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as non-current investments or long-term investments. Current investments are valued at lower of cost and fair value determined on an individual investment basis. Changes in the carrying amount of current investments are recognized in the statement of profit and loss. Non-Current investments are valued at cost. However, provision for diminution in value is made to recognize a decline that is other than temporary in the value of investments, wherever considered necessary. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

### j) Inventories

Inventory is valued at cost or net realizable value whichever is lower. The cost is determined by weighted average method.

Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

### k) Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- (i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There is no obligation other than the contribution payable to the respective fund.
- (ii) Provision for Employees' Gratuity is based on actuarial valuation as on the date of balance sheet. All actuarial gains/losses arising during the accounting year are recognized immediately in the statement of profit and loss as income or expense.
- (iii) Accrual for leave encashment benefit is based on actuarial valuation as on the date of balance sheet in pursuance of the Company's leave rules.

### l) Income and Deferred Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



# ASIAN HOTELS (NORTH) LIMITED

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## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward losses is recognized only to the extent that there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

### **m) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### **n) Earnings per equity share**

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

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.

### **o) Provisions**

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

### **p) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and cash/cheques on hand and short term deposits with Banks with an original maturity of three months.

### **q) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will be required to settle the obligations. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

### **r) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>3 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
40,000,000 Equity Shares of Rs. 10 each	4,000.00	4,000.00
30,000,000 Preference Shares of Rs. 10 each	3,000.00	3,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
19,453,229 Equity Shares of Rs. 10 each fully paid up	1,945.32	1,945.32
	<b>1,945.32</b>	<b>1,945.32</b>

**(a) Rights, preferences and restrictions attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31<sup>st</sup> March 2012, the amount of per share dividend proposed as distribution to equity shareholders is Rs.1.50 (31<sup>st</sup> March 2011: Rs. 2.50).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) The details of shareholders holding more than 5% shares is set out below :**

Name of shareholder	31 <sup>st</sup> March 2012		31 <sup>st</sup> March 2011	
	No. of Shares	% Shares	No. of Shares	% Shares
<b>Equity Shares of Rs. 10 each fully paid up</b>				
Fineline Holdings Limited, (an overseas entity)	7,360,645	37.84	7,360,645	37.84
Yans Enterprises (H.K.) Limited, (an overseas entity)	5,336,880	27.43	5,336,880	27.43

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(c) The reconciliation of the number of shares outstanding as at 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 is set out below:**

Particulars	As at	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Equity Shares of Rs. 10 each fully paid</b>		
Number of shares in the beginning	19,453,229	11,401,782
Add: FCPS converted into Equity Shares on 26 <sup>th</sup> December, 2010*	-	8,051,447
Less: Shares bought back	-	-
Number of shares at the end	<b>19,453,229</b>	<b>19,453,229</b>
<b>1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs. 10 each fully paid up</b>		
Number of shares in the beginning	-	50,000
Add: Shares issued	-	-
Less: Redemption on 30 <sup>th</sup> June 2010	-	(50,000)
Number of shares at the end	-	-

\*During the previous year, the entire lot of 6,259,255 1% Fully Convertible Preference Shares (FCPS) were converted into equity shares of Rs. 10 each at a price of Rs. 419.80 per equity share, as computed in accordance with the mechanism provided in the Scheme of Arrangement and Demerger (the Scheme of demerger), as sanctioned by the High Court of Delhi, read with provisions relating to 'Preferential Issue' under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Consequently, 8,051,447 equity shares of Rs. 10 each had been issued.

**(d) Aggregate number and class of shares allotted / bought back during the period of five years immediately preceding 31<sup>st</sup> March 2012**

Particulars	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010	31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2008	31 <sup>st</sup> March 2007
Increase of Equity shares of Rs. 10 each*	-	11,401,782	-	-	-
Reduction of Equity shares of Rs. 10 each**	-	22,803,564	-	-	-

\*Capitalisation of general reserves to the tune of Rs. 1,140.18 Lakhs as per the terms of the Scheme of demerger for the purposes of allocation of capital among the demerging entities.

\*\*Represents allocation of capital among resulting entities as per the terms of the Scheme of demerger.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	Additions (Rs. In Lakhs)	Deductions (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>4 RESERVES &amp; SURPLUS</b>				
Capital Reserve	–	–	1.41	1.41
Capital Redemption Reserve for redeemed NCPS	–	–	500.00	500.00
Capital Redemption Reserve for redeemable NCPS	–	–	490.00	490.00
Securities Premium Account	–	–	32,994.83	32,994.83
General Reserve	356.58	–	3,453.19	3,096.61
Tourism Development Utilised Reserve	–	–	5,332.02	5,332.02
Foreign Exchange Translation Reserve	590.81	–	863.95	273.14
Revaluation Reserve	–	(53.91)	19,443.07	19,496.98
Surplus in Statement of Profit and Loss	(2,710.58)	(696.51)	10,081.87	13,488.96
	<u>(1,763.19)</u>	<u>(750.42)</u>	<u>73,160.34</u>	<u>75,673.95</u>
(a) Deduction to Revaluation Reserve represents amount withdrawn on account of depreciation during the year.				
(b) Surplus in Statement of Profit and Loss				
Opening balance			13,488.96	11,235.45
Add: Profit/(Loss) for the year			<u>(2,710.58)</u>	3,107.22
Amount available for appropriation			<u>10,778.38</u>	14,342.67
Less: Appropriations				
Proposed Dividend on Equity Shares			291.80	486.33
Dividend on Preference Shares			–	2.68
Dividend Distribution Tax			48.13	79.70
Amount transferred to General Reserve			<u>356.58</u>	285.00
Total			<u>696.51</u>	<u>853.71</u>
Closing balance			<u>10,081.87</u>	<u>13,488.96</u>

	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>5 LONG TERM BORROWINGS</b>				
<b>SECURED LOANS</b>				
<b>TERM LOANS</b>				
<b>FROM BANKS</b>				
DBS Bank Limited				
– Rupee Loan	4,500.00	5,785.71	1,285.71	1,285.72
– External Commercial Borrowings (US\$ 849.44 lakhs, Previous Year US\$ 747.50 lakhs)	42,619.72	33,189.00	834.49	–
Axis Bank - Rupee Loan	31,500.00	28,500.00	1,500.00	1,500.00
Punjab National Bank- Rupee Loan	–	3,364.77	–	–
HDFC Limited- Rupees Loan	19,930.65	12,572.72	–	–
<b>For business of generation of electricity</b>				
Punjab National Bank- Rupee Loan	–	928.44	–	200.00
ING Vysya Bank -Rupee Loan	784.95	–	147.19	–
<b>For acquisition of vehicles</b>				
Axis Bank- Rupee Loan	11.09	–	7.28	–
ICICI Bank Limited- Rupee Loan	22.37	133.93	115.20	115.58
HDFC Bank Limited- Rupees Loan	–	8.16	8.16	7.56
<b>FROM FINANCIAL INSTITUTION</b>				
<b>For acquisition of vehicles</b>				
Kotak Mahindra Prime Limited - Rupee Loan	38.83	31.65	32.28	15.98
<b>UNSECURED LOANS</b>				
Interest free foreign currency loan from:				

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Fineline Holdings Limited, an overseas entity	843.20	625.14	–	–
	<b>100,250.81</b>	85,139.52	<b>3,930.31</b>	3,124.84
Amount disclosed under the head "Other Current Liabilities" (Note 11)			<b>(3,930.31)</b>	(3,124.84)
	<u>100,250.81</u>	<u>85,139.52</u>	<u>–</u>	<u>–</u>

There is no continuing default in repayment of loans and interest as on 31<sup>st</sup> March 2012 (also refer Note 11(a)).

### Nature of security and terms of repayment for secured long term borrowings:

- DBS Bank Limited -Rupee Loan (carried interest @ 12.95%) and External Commercial Borrowings (carried interest range 4.2% to 5.95%) are secured / to be secured by exclusive first charge of land & building of Hotel Hyatt Regency Delhi; Personal guarantee of Chairman & Managing Director, pledge of shares held by him and an entity controlled by him; and pledge of shares representing Company's investment in foreign subsidiary Company. Rupees loan balance is repayable in 18 equal quarterly instalments and External Commercial Borrowings are repayable as under: a. USD 217.50 lakhs is payable in 24 quarterly instalments commencing from September, 2012; b. USD 530.00 lakhs is payable in 12 semi-annual instalments commencing from April, 2013 and; c. USD 101.94 lakhs is payable in 12 semi-annual instalments commencing from April, 2014.
- Axis Bank Limited -Rupee Loan Rs. 13,000 Lakhs, previous year Rs. 10,000 Lakhs (carried interest @ 13.00%) is secured by exclusive first charge on moveable fixed assets of the Company - present & future; Personal guarantee of Chairman & Managing Director and Second Charge to be created on immovable assets of Hotel Hyatt Regency Delhi. Balance is repayable in 19 quarterly instalments upto March 2017.
- Axis Bank Limited -Rupee Loan of Rs. 20,000 Lakhs, previous year Rs. 20,000 Lakhs (carried interest @ 11.50%) and Punjab National Bank- Rupee Loan of Rs. Nil, Previous year Rs. 3,364.77, are secured by exclusive first pari passu mortgage and charge on all the immovable properties of Magus Estates & Hotels Limited (Magus)-present and future; Personal guarantee of Chairman & Managing Director and another promoter director; Corporate guarantee and Pledge of shares of a company belonging to Chairman and Managing Director and another promoter director. Balance is repayable in 26 quarterly instalments upto December 2021.
- HDFC Bank Limited -Rupee Loan (carried interest @ 11.25%) is secured by first pari passu mortgage and charge on all the immovable properties of Magus -present & future; First pari passu charge by way of hypothecation on all the movable assets of Magus. Balance is repayable in 26 quarterly instalments upto June 2021.
- Punjab National Bank-Rupee Loan for business of generation of electricity (carried interest @ 14.25%) was secured by first charge by way of mortgage of leasehold land and hypothecation of plant and machinery pertaining to windmills situated at Sinner & Sangli, Maharashtra.
- ING Vysya Bank-Rupee Loan for business of generation of electricity (carried interest @ 12.50%) is secured by first charge and /or hypothecation of freehold land, plant & machinery and book-debts pertaining to the windmills situated at Sinner & Sangli in Maharashtra and personal guarantee of Chairman & Managing Director. Balance repayable in 19 equal instalments upto October, 2016.
- Axis Bank-Rupee Loan for acquisition of vehicles (carried interest @ 11.12%) is secured against hypothecation of certain vehicles. Balance repayable in 28 monthly instalments upto July, 2014.
- ICICI Bank-Rupee Loan for acquisition of vehicles (carried interest @ 7.75% to 8.50%) is secured against hypothecation of certain vehicles. Balance repayable in 17 monthly instalments upto August, 2013.
- Kotak Mahindra Prime Limited -Rupee Loan for acquisition of vehicles (carried interest @ 7.50% to 10.28%) is secured against hypothecation of certain vehicles and personal guarantee of Directors. Balance repayable in 37 monthly instalments upto April, 2015.
- HDFC Bank Limited -Rupee Loan for acquisition of vehicles (carried interest @ 8.50% to 10.50%) is secured against hypothecation of certain vehicles of Magus and personal guarantee of a promoter director. Balance repayable in 12 monthly instalments upto March, 2013.
- The details of repayment of long term borrowings as at 31<sup>st</sup> March, 2012 are as follow:

Particulars	Up to 1 year (Rs. In Lakhs)	2 to 5 years (Rs. In Lakhs)	Above 5 years (Rs. In Lakhs)	Total (Rs. In Lakhs)
Secured loans				
From banks	3,898.03	52,931.02	47,280.96	104,110.01
From financial institution	32.28	38.83	–	71.11
Unsecured loans	–	–	–	–
<b>Total</b>	<b>3,930.31</b>	<b>52,969.85</b>	<b>47,280.96</b>	<b>104,181.12</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	Increase / (Decrease) (Rs. In Lakhs)	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>6 DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities/(Asset ) on account of timing differences:			
Depreciation	(2,490.25)	<b>1,883.81</b>	4,374.06
Provision for employee benefits	(38.97)	<b>(304.60)</b>	(265.63)
Provision for doubtful debts	23.69	<b>(0.87)</b>	(24.56)
Other statutory dues	(62.79)	<b>(502.30)</b>	(439.51)
Demerger expenses	135.42	<b>(270.84)</b>	(406.26)
Carry forward losses and unabsorbed depreciation	5,619.97	–	(5,619.97)
Preliminary Expenses	17.99	–	(17.99)
Others	(18.06)	–	18.06
	<u>3,187.00</u>	<u><b>805.20</b></u>	<u>(2,381.80)</u>

	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>7 OTHER LONG TERM-LIABILITIES</b>		
Shop and Other security deposits received	<u><b>5,433.81</b></u>	<u>3,818.65</u>
	<u><b>5,433.81</b></u>	<u>3,818.65</u>

(a) The above includes Rs. 1,500 Lakhs received as refundable interest free security deposit against leasing of commercial/ office space and Rs. 1,000 Lakhs received as refundable interest free security deposit for parking space in the SERVICED APARTMENT PROJECT.

	<b>LONG-TERM</b>		<b>SHORT-TERM</b>	
	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>8 PROVISIONS</b>				
Provision for employee benefits				
Gratuity	<b>521.98</b>	579.26	<b>227.64</b>	95.10
Leave encashment	<b>201.21</b>	132.92	<b>63.45</b>	45.68
Other benefit plans	–	–	<b>7.61</b>	9.75
Provision for taxation (net of advance income tax)	–	–	<b>322.43</b>	–
Provision for Wealth Tax	–	–	<b>0.29</b>	0.06
Proposed dividend on equity shares	–	–	<b>291.80</b>	486.33
Dividend on preference shares	–	–	–	–
Corporate dividend tax	–	–	<b>48.13</b>	79.69
	<u><b>723.19</b></u>	<u>712.18</u>	<u><b>961.35</b></u>	<u>716.61</u>

	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>9 SHORT-TERM BORROWINGS</b>		

### SECURED LOANS

#### Loans repayable on demand from banks

DBS Bank-Cash credit facilities\* **819.79** 571.39  
(Secured against hypothecation of Inventories and carries an interest rate of 14.00%)

#### Other Loans and advances from

DBS Bank **1,355.90** 1,286.44  
Punjab National Bank – 2,500.00  
ING Vysya Bank Limited – 2,000.00  
Axis Bank **1,888.13** –

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>UNSECURED LOANS</b>		
<b>Loans and Advances from related parties</b>		
– A Promoter Director	77.47	3.24
– Group Companies	–	4,728.79
Other Loans and advances from		
ING Vysya Bank Limited (carries an interest @ 12.5%) (Secured by personal guarantee of Chairman & Managing Director and collateral security given by two companies in which Chairman & Managing Director is interested)	699.96	875.00
Allahabad Bank (Commercial Paper) (carries an interest @ 12.5%)	–	2,000.00
Others		
– Inter Corporate Loans (carries interest 16%-16.5%)	850.00	200.00
	<u>5,691.25</u>	<u>14,164.86</u>
* net of balances in collection accounts	–	13.69
(a) Other loans and advances from DBS Bank Limited carries interest @ 12.95% and is secured / to be secured by exclusive first charge of land & building of Hotel Hyatt Regency Delhi; Personal guarantee of Chairman & Managing Director, pledge of shares held by him and an entity controlled by him; and pledge of shares representing Company's investment in foreign subsidiary Company.		
(b) Other loans and advances from Punjab National Bank carried interest @ 10.45% and is secured by second charge (hypothecation) on all moveable assets, entire plant & machinery and furniture & fixtures forming part of fixed assets at Hotel Hyatt Regency Delhi.		
(c) Other loans and advances from Axis Bank carried interest @ 10.45% and is secured by second charge (hypothecation) on all moveable assets, entire plant & machinery and furniture & fixtures forming part of fixed assets at Hotel Hyatt Regency Delhi.		
(d) There is no continuing default in repayment of loans and interest as on 31 <sup>st</sup> March 2012.		

### 10 TRADE PAYABLES

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Trade Payables		
– For goods and services*	1,691.80	1,108.41
	<u>1,691.80</u>	<u>1,108.41</u>
* includes due to Micro, Small & Medium Enterprises	8.68	7.37

### 11 OTHER CURRENT LIABILITIES

Current maturities of long term borrowings (Refer Note 5)	3,930.31	3,124.84
Interest accrued and due on borrowings	459.90	448.78
Interest accrued but not due on borrowings	736.44	443.41
Unpaid/ Unclaimed Dividend	74.59	77.85
Other Payables		
Advance from customers	12,528.05	7,375.34
Payables for capital goods	858.46	621.10
Security deposits (Interest free)	1,419.12	919.85
Statutory liabilities	724.95	631.19
Others	3,862.55	3,825.36
	<u>24,594.37</u>	<u>17,467.72</u>

- (a) Interest accrued and due on borrowings as on 31<sup>st</sup> March 2012 represents the amount becoming due on 31<sup>st</sup> March 2012, however, the same was paid off fully in the subsequent month.
- (b) Advances from Customers includes Rs. 11,500 Lakhs (Previous Year Rs. 6,500 Lakhs) received from prospective buyer against agreements for sale/ fit outs of certain constituents forming part of the SERVICED APARTMENT PROJECT.
- (c) Security deposits received (interest free) includes Rs. 1,400 lakhs (Previous Year Rs. 900 lakhs) received from a company in which certain relatives of directors of the Company are interested, against expression of interest for forging a Joint Venture with the Company in respect of its KOLKATA PROJECT {Refer Note 13(a)}.
- (d) Statutory liabilities includes provision for difference of property tax alongwith interest thereon amounting to Rs. 2,312.29 Lakhs, Previous Year Rs. 1,942.52 Lakhs {Refer Note 26A(b)}

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 12 FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK			
	As at 01.04.2011	Additions on account of acquisition as on 17 <sup>th</sup> October 2010	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2012	Upto 31.03.2011	Additions on account of acquisition as on 17 <sup>th</sup> October 2010	For the year Adjustments during the year	Impairment	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
<b>Tangible assets</b>												
Land (freehold)	88,329.77	-	-	7.36	88,322.41	-	-	-	-	-	88,322.41	88,329.77
Buildings	27,701.53	-	517.76	1.53	28,217.76	2,358.72	456.71	0.07	-	2,815.36	25,402.40	25,342.81
Plant and Equipments	26,454.82	-	856.62	250.19	27,061.25	6,018.28	1,361.10	131.76	-	7,247.62	19,813.63	20,436.54
Furniture Fixtures and Furnishings	15,610.59	-	684.92	102.59	16,192.92	5,269.41	1,357.40	68.08	-	6,558.73	9,634.19	10,341.18
Vehicles	1,586.62	-	98.67	33.68	1,651.61	599.57	231.57	21.57	-	809.57	842.04	987.05
Total	159,683.33	-	2,157.97	395.35	161,445.95	14,245.98	3,406.78	221.48	-	17,431.28	144,014.67	145,437.35
<b>Intangible assets</b>												
Softwares	18.67	-	36.04	-	54.71	14.24	5.06	-	-	19.30	35.41	4.43
Goodwill on consolidation	55,741.99	-	12,117.88	-	67,859.87	-	-	-	6,512.45	6,512.45	61,347.42	55,741.99
Total	55,760.66	-	12,153.92	-	67,914.58	14.24	5.06	-	6,512.45	6,531.75	61,382.83	55,746.42
<b>Grand Total</b>	<b>215,443.99</b>	-	<b>14,311.89</b>	<b>395.35</b>	<b>229,360.53</b>	<b>14,260.22</b>	<b>3,411.84</b>	<b>221.48</b>	<b>6,512.45</b>	<b>23,963.03</b>	<b>205,397.50</b>	<b>201,183.77</b>
Previous Year	105,251.43	109,212.91	1,550.59	570.94	215,443.99	7,296.21	5,133.79	2,131.35	301.14	14,260.21	31,031.37	20,858.98
Capital work-in- progress (Refer Note 12A)												
											236,428.87	222,042.75

(a) The Company, based on the report by a Certified Valuer, had revalued land and building of Hotel Hyatt Regency Delhi (the land and building being more than twenty years old) by adopting Cost of Contractor's method, on 28<sup>th</sup> February 2007 at Rs. 85,700 Lakhs. The same resulted in an increase in the value of land and building of an amount of Rs. 82,131.81 Lakhs, and therefore, an equivalent amount had been credited to the Revaluation Reserve.

(b) Due to increase in the value of assets, as stated above, there was an additional charge of Rs. 53.91 Lakhs (Previous Year Rs. 53.91 Lakhs), for the current year, on account of depreciation. Resultantly, an equivalent amount of Rs. 53.91 Lakhs (Previous Year Rs. 53.91 Lakhs) has been withdrawn from the Revaluation Reserve and credited to the Statement of Profit and Loss.

(c) Land (freehold) also includes revisionary rights of Rs. 1,500.05 Lakhs in respect of subsidiary company. The consolidated audited financial statements of Fineline Hospitality & Consultancy Services Pte Ltd, an overseas subsidiary company, have depicted impairment of goodwill on consolidation amounting to Rs. 6512.45 Lakhs.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
(d) Building includes leasehold improvement:		
Gross value	30.73	27.87
Accumulated Depreciation	18.19	13.81
Depreciation charge for the year	4.38	2.79
Net value	12.54	14.06
(e) Vehicles includes those financed:		
Gross value	491.86	416.67
Net value	397.43	389.75
(f) Vehicles includes given on operating lease:		
Gross value	620.67	588.12
Net value	265.51	334.01
(g) Land -Freehold and Plant & Machinery includes assets relating to the business of generation of electricity		
Land - Freehold		
Gross value	34.00	34.00
Net value	34.00	34.00
Plant & Machinery		
Gross value	1857.02	1857.02
Net value	1464.81	1562.86
(h) Delhi Development Authority vide Notification No. 2034E dated 12.08.2008 has, subject to fulfillment of certain conditions, granted an additional FSI, which in case of the Company, works out to approx. 15000 square meters. The Company is in the process of utilizing the aforesaid additional FSI partially for expansion of the existing facilities (EXPANSION PROJECT) and the balance as a new Serviced Apartments Block (SERVICED APARTMENT PROJECT) with permitted commercial area at Hotel Hyatt Regency Delhi.		

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>12A. Capital Work-in-Progress consists of:</b>		
Building under construction	19136.23	15786.31
Technical and consultancy fees	1484.90	1222.50
Mock up room cost	146.60	93.82
Plumbing and sanitation	220.55	6.99
Air conditioning under installation	185.05	104.06
Generators under installation	0.00	149.16
Elevators under installation and others	139.09	15.79
Imported Furniture and Fixtures	20.13	0.00
Fire fighting equipments	57.18	0.00
Electrification	185.84	0.00
Expenditure during construction {Refer Note (a) below}	9455.80	3480.35
	<u>31031.37</u>	<u>20858.98</u>

- (a) All other expenses specifically attributable to construction have been accounted for as expenditure during construction. The Group has prepared the following Statement of Expenditure during Construction:

### STATEMENT OF EXPENDITURE DURING CONSTRUCTION

Employee benefits expenses	442.49	227.37
Recruitment and Training	1.80	1.75
Legal and Professional charges (Including loan processing and arranging fees)	675.09	655.28
Rates and Taxes	244.31	159.66
Insurance cost	20.68	15.73
Travelling expenses	172.74	117.62
Interest expenses	6690.71	2649.30
Net loss/(gain) on foreign currency transaction and translation	1,028.88	(440.65)
Miscellaneous	179.10	94.29
	<u>9455.80</u>	<u>3480.35</u>



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- (b) Building under construction includes : -  
 - Rs.10,799.42 Lakhs paid to Municipal Corporation of Delhi as additional FSI charges and labour cess  
 - Rs. 211.65 Lakhs paid for repossession of areas for construction of spa
- (c) Interest expenses and net gain/(loss) on foreign currency transaction and translation are related to certain loans (including foreign currency external commercial borrowings) taken for projects under construction.
- (d) The Ministry of Corporate Affairs vide Notification dated March 31, 2009, as amended from time to time, had given an option to the companies whereby the exchange differences pertaining to long term foreign currency monetary items relating to acquisition of a depreciable asset can be added to or deducted from the cost of asset and shall be depreciated over the balance life of the asset. The Company has adopted the said option given under paragraph 46 of Accounting Standard (AS) 11. Accordingly, the net loss on foreign currency transaction and translation of Rs. 1,028.88 Lakhs (previous year Net gain on foreign currency transaction and translation of Rs. 440.65 Lakhs) on long term foreign currency loans relating to projects under construction is included in capital work-in-progress, as a part of fixed assets.

13 LOANS AND ADVANCES (Unsecured, considered good)	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Capital advances	5,210.50	4,984.59	-	-
Security Deposits	122.35	122.04	23.49	749.37
Other loans and advances				
Advances recoverable in cash or in kind or for value to be received*	23.95	20.42	677.36	541.09
Intercorporate Loans	-	-	2,570.95	690.00
Prepaid expenses	2.36	4.77	659.14	532.68
Advance Income Tax (net of provision)	-	-	-	745.75
Advance Fringe Benefit Tax (net of provision)	-	-	1.46	1.46
Service tax recoverable	-	-	108.86	498.97
Value added tax (VAT) recoverable	-	-	35.10	39.42
	<b>5,359.16</b>	<b>5,131.82</b>	<b>4,076.36</b>	<b>3,798.74</b>
*includes loans to employees	23.95	20.42	18.59	15.60

- (a) In response to a financial bid made to West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO), the Company had been offered an allotment of a plot of land measuring six acres (approximately) on freehold basis for setting up of a five star hotel and allied facilities (KOLKATA PROJECT). Advance for Capital goods includes Rs. 2,921.49 Lakhs (Previous Year Rs.1,311.49 Lakhs) paid as earnest money, which represents 59% (Previous Year 25%) of the total cost of said allotted land. The balance is due for payment in the next financial year.

14 OTHER ASSETS (Unsecured, considered good)	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Interest accrued on fixed deposits with banks	20.73	68.64	1.30	-
Non-current bank balances (Refer Note 17)	499.05	7.50	-	-
	<b>519.78</b>	<b>76.14</b>	<b>1.30</b>	<b>-</b>

15 INVENTORIES (valued at lower of cost and net realizable value)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
Wines and Liquor	413.42	404.88
Provisions, other beverages and smokes	118.87	168.18
Crockery, cutlery, silverware, linen etc.	247.57	151.16
General stores and spares	216.94	310.05
	<b>996.80</b>	<b>1,034.27</b>

- As per inventory taken and valued by the Management

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	<b>31<sup>st</sup> March 2012</b>		<b>31<sup>st</sup> March 2011</b>	
	<b>(Rs. In Lakhs)</b>		<b>(Rs. In Lakhs)</b>	
<b>16 TRADE RECEIVABLES</b> (Unsecured)				
Outstanding for a period exceeding six months				
Considered Good		<b>41.25</b>		21.37
Considered Doubtful		<b>68.66</b>		77.96
Others*				
Considered Good		<b>1,447.74</b>		1,456.60
Considered Doubtful		–		1.39
		<b>1,557.65</b>		1,557.32
Less: Provision for doubtful debts		<b>(68.66)</b>		(79.35)
		<b>1,488.99</b>		1,477.97
*Includes due from Ascent Hotels Private Limited, a company in which directors of the Company are directors		<b>36.40</b>		–
*Includes debts related to generation of electricity business		<b>16.72</b>		22.17
		<b>NON-CURRENT</b>		<b>CURRENT</b>
	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>17 CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
Balances with banks				
In Current Accounts	–	–	<b>1,044.84</b>	328.63
In Deposits with original maturity of less than 3 months*	–	–	<b>45.26</b>	4.96
Cheques, drafts on hand	–	–	<b>99.01</b>	168.64
Cash on hand	–	–	<b>45.34</b>	53.86
	–	–	<b>1,234.45</b>	556.09
<b>Other Bank Balances</b>				
Balances with banks				
In Unpaid Dividend Accounts	–	–	<b>74.65</b>	77.86
In Deposits with original maturity of more than 12 months**	<b>499.05</b>	7.50	–	–
In Deposits with original maturity of more than 3 months but less than 12 months***	–	–	<b>204.17</b>	652.28
	<b>499.05</b>	7.50	<b>278.82</b>	730.14
Amount disclosed under Non-Current Assets (Note 14)	<b>(499.05)</b>	(7.50)	–	–
	–	–	<b>1,513.27</b>	1,286.23
* includes given as security deposit to The Assessor & Collector, Municipal Corporation, Mumbai - Octroi	–	–	<b>36.97</b>	–
** includes given under lien against bank guarantee	<b>499.05</b>	7.50	–	–
*** includes given under lien against bank guarantee	–	–	<b>66.38</b>	652.28

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>18 REVENUE FROM OPERATIONS</b>		
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Rooms	16,244.00	15,637.37
Wines and liquor	1,789.01	1,774.28
Food, other beverages, smokes & banquets	11,544.26	9,139.36
Communications	179.56	213.24
Others*	5,615.38	3,799.57
	<u>35,372.21</u>	<u>30,563.82</u>
*Includes related to generation of electricity business	218.53	200.15
<b>19 OTHER INCOME</b>		
Interest Received/Receivable		
From banks	63.85	47.71
From others	97.19	45.51
Rent	14.25	4.40
Dividend received on non - trade investments	7.12	18.60
Excess provisions no longer required written back	21.55	5.78
Credit balances written back	42.63	109.26
Provision for doubtful debts/ advances written back	10.69	-
Net gain/(loss) on foreign currency transaction and translation (other than considered as finance cost)	3,964.03	1.29
Miscellaneous Income	26.18	16.76
	<u>4,247.49</u>	<u>249.31</u>
<b>20 CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES &amp; OTHERS</b>		
<b>WINES &amp; LIQUOR</b>		
Opening Stock	404.88	242.07
Add : Purchases	997.06	875.5
	<u>1,401.94</u>	<u>1,117.57</u>
Closing Stock	(413.42)	(404.88)
	<u>988.52</u>	<u>712.69</u>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	168.19	86.49
Add : Purchases	2,966.37	2658.64
	<u>3,134.56</u>	<u>2,745.13</u>
Closing Stock	(116.86)	(168.19)
	<u>3,017.70</u>	<u>2,576.94</u>
	<u>4,006.22</u>	<u>3,289.63</u>
Percentage of total consumption between:		
Indigenous 69.19% (Previous Year 76.24%)	2,771.94	2,507.97
Imported 30.81% (Previous Year 23.76%)	1,234.28	781.66

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>21 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	6,018.48	4,494.40
Commission to non-executive directors	40.00	27.72
Contribution to provident and other funds	341.15	269.70
Contract labour & services	1,144.92	785.71
Service charges paid out	–	255.49
Staff welfare expenses*	1,105.55	514.06
Recruitment and training	87.98	68.87
	<b>8,738.08</b>	<b>6,415.95</b>
* includes :		
Cost of provisions consumed in staff cafeteria	338.85	241.21
Realisation on sale of food coupons to staff	(23.23)	(13.50)
<b>22 OTHER EXPENSES</b>		
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	1,047.75	802.64
Operating equipment and supplies written off	253.67	273.92
Fuel, power and light (net)	2,242.52	1,748.13
Repairs, maintenance and refurbishing *	1,757.88	1,108.75
Rent	13.04	40.09
Rates and taxes	779.21	747.59
Insurance	172.95	151.07
Data processing charges	97.44	117.47
Directors' sitting fee	10.08	13.02
Legal and professional charges	501.48	637.16
Payment to the auditors**	94.58	61.72
Artist fee	33.11	46.77
Stationery and printing	163.41	126.65
Travelling and conveyance	530.12	345.04
Guest transportation	244.97	210.24
Communication (including telephones for guests)	213.32	192.65
Technical services	2,071.90	1,638.46
Advertisement and publicity	762.49	475.88
Commission and brokerage	776.54	739.19
Charity and donations	19.67	17.69
Bad debts / advances written off	5.60	–
Obsolete / damaged inventory written off	5.49	–
Loss on fixed assets sold/discarded (net)	95.32	117.85
Miscellaneous	544.74	293.04
	<b>12,437.28</b>	<b>9,905.02</b>
* includes:		
Repairs to buildings	556.19	218.59
Repairs to machinery	878.58	621.82
**Payments to the auditors for		

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
(including service tax)		
Statutory audit	61.75	41.02
Tax audit	9.62	8.31
IFRS audit	5.82	5.52
Limited Review and certification	4.99	6.56
Other Services	11.38	-
Reimbursement of expenses	1.01	0.32
	<u>94.58</u>	<u>61.72</u>
<b>23 FINANCE COSTS</b>		
Interest expenses	5,524.04	3,778.57
Other borrowing costs (including bank charges)	1,283.06	597.56
Applicable net loss/(gain) on foreign currency transactions and translation {Refer Note 2(m) on borrowing costs}	2,125.14	163.24
	<u>8,932.24</u>	<u>4,539.37</u>
<b>24 PRIOR PERIOD ITEMS</b>		
Contract labour and service	0.01	-
Repair, maintenance and refurbishing	0.44	-
Rates and taxes	(47.87)	-
Insurance	2.15	-
Data processing charges	3.25	-
Legal and professional expenses	3.73	-
Guest transportation	3.88	-
Other miscellaneous	(4.14)	2.08
Other services income	(15.31)	(1.03)
	<u>(53.86)</u>	<u>1.05</u>
<b>25 EARNING PER EQUITY SHARE</b>		
Profit/(Loss) for the year	(2,710.58)	3,107.22
Weighted average number of equity shares outstanding	19,453,229	13,519,423
Nominal value per share (in Rupees)	10.00	10.00
<b>Earning /(Loss) Per Equity Share - Basic and Diluted (in Rupees)</b>	<u>(13.93)</u>	<u>22.98</u>
<b>26 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A CONTINGENT LIABILITIES</b>		
(a) Claims against the Group not acknowledged as debts* *includes:	2,875.93	2,515.86
(i) Demand raised by Service Tax Authorities on Hotel Hyatt Regency Delhi amounting to Rs. 467.96 lakhs (excluding interest and penalties) for earlier years upto 2007, against which the Company has filed an appeal with the said authorities. The Company may, however, be not liable to pay the demand for the periods till 18 <sup>th</sup> April, 2006 in view of the judgement of the Hon'ble Supreme Court of India in the case of Indian National Shipowners Association whereby it held that no service tax is leviable on certain foreign services prior to 18 <sup>th</sup> April 2006.		
(ii) Demand of property tax of Rs.1133.80 Lacs disputed by Magus Estates & Hotels Limited (Magus), subsidiary of the Company before the relevant authority is not recognised as liability since Magus has disputed the tax assessment by MCGM at commercial rate as against the claim of Residential Rate by Magus. Magus has filed writ petition before the Hon'ble Bombay High Court which is still pending final disposal. However, the court vide an interim order dated 23.04.2012 has given Magus the liberty to pay dues without prejudice to its rights and contention.		



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### (b) Related Party Transactions

(Rs in Lakhs)

Particulars	Key Management Personnel		Group Companies having significant influence over the Company		Entities controlled by Directors or their relatives	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Sale of Services (Room, Food, Beverages and other services)	-	-	-	-	104.67	35.18
Remuneration	275.45	278.65	-	-	-	-
Remuneration from Subsidiary	104.95	-	-	-	-	-
Professional Charges	-	-	-	-	17.49	10.35
Sale of Capital goods	-	-	-	-	17.61	0.50
Sale of Land	-	-	-	-	-	95.00
Purchase of Capital goods	-	-	-	-	30.50	-
Reimbursement of Expenses by group	14.28	-	-	-	0.86	0.20
Reimbursement of Expenses by Related Parties	-	-	-	-	0.03	0.32
Repair & Maintenance	-	-	-	-	-	0.22
Loan Taken	77.45	3.25	218.06	4,066.33	815.00	1,287.60
Repayment of Loan	-	-	3,441.19	-	1.66	317.35
Advance Received (Refer Note 12C)	-	-	-	-	500.00	900.00
<b>Balance Outstanding</b>						
Payables	213.88	161.55	843.20	4,066.33	1,420.53	2,190.61
Receivables	-	-	-	-	42.93	96.74

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 1956, and justification of the rates being charged/ terms thereof and approved the same.
- (ii) Further, the Company had taken a legal advise that in view of the multiplicity of transactions / information, it is not practicable to identify and disclose the food / beverage / room or other sales to the employees / guests of the related parties at any of the outlets of the hotel owned by the Company and such transactions do not require prior approval from Central Government under Section 297 of the Companies Act, 1956.

### (c) Related Parties

- Key Management Personnel
  - Mr. Shiv Jatia Chairman & Managing Director
  - Mr. Adarsh Jatia Joint Managing Director
  - Mr. Raj Kumar Jatia Director
  - Mr. Amritesh Jatia Director
- Entities controlled by Directors or their relatives (with whom transactions entered into during current year or previous year)
  - Ascent Hotels Private Limited Southshore Developers Private Ltd
  - Bell Ceramics Limited Nepal Travel Agency Pvt. Ltd.
  - Bhasin & Co. Royalway Investment Ltd
  - Binaguri Tea Company Private Limited
  - Energy Infrastructure (I) Limited
  - Godfrey Philips Limited
  - Leading Hotels Limited
  - Wel Inter Trade Private Limited

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2012

(d) Disclosure in respect of party wise transactions during the year as follows:

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>Sale of Services (Room, Food, Beverages and other services)</b>		
- Bell Ceramics Limited	–	0.53
- Energy Infrastructure (I) Limited	6.04	12.22
- Leading Hotels Private Limited	59.41	22.43
- M/s Bhasin & Co.	1.23	–
- Ascent Hotels Private Limited	36.40	–
- Godfrey Philips Ltd.	1.59	–
<b>Remuneration</b>		
- Mr. Shiv Jatia	191.70	247.80
- Mr. Adarsh Jatia	83.76	30.85
<b>Remuneration Received From Subsidiaries</b>		
- Mr. Adarsh Jatia	27.72	–
- Mr. Raj Kumar Jatia	77.23	–
<b>Professional Charges</b>		
- Bhasin & Co.	17.49	10.35
<b>Sale Of Capital Goods</b>		
- Ascent Hotels Private Limited	12.44	0.50
- Leading Hotels Limited	5.17	–
<b>Sale Of Land</b>		
- Southshore Developers Private Limited	–	95.00
<b>Purchase Of Capital Goods</b>		
- Ascent Hotels Private Limited	30.50	–
<b>Reimbursement of Expenses by group</b>		
- Mr. Amrithesh Jatia	14.28	–
- Ascent Hotels Private Limited	0.86	–
- Wel Intertrade Private Limited	–	0.20
<b>Reimbursement of Expenses by related parties</b>		
- Ascent Hotels Private Limited	0.03	0.32
<b>Repair &amp; Maintenance</b>		
- Bell Ceramics Limited	–	0.22
<b>Loan taken</b>		
- Raj Kumar Jatia	77.45	3.25
- Yans Enterprises (H.K.) Ltd.	–	3,441.19
- Fineline Holdings Ltd.	218.06	625.14
- Leading Hotels Ltd	815.00	–
- Royalway Investment Ltd., Hongkong	–	1,287.60
<b>Repayment of Loan</b>		
- Yans Enterprises (H.K.) Ltd.	3,441.19	–
- Ascent Hotels Private Limited	1.66	317.35
<b>Advance Received</b>		
- Binaguri Tea Company Private Limited	500.00	900.00
<b>Outstanding Payables</b>		
- Mr. Shiv Jatia	63.72	143.60
- Mr. Adarsh Jatia	31.86	17.95
- Mr. Raj Kumar Jatia	118.30	–
- Bhasin & Co.	2.46	0.49
- Energy Infrastructure (I) Limited	–	2.30
- Bell Ceramics Limited	–	0.22
- Binaguri Tea Company Private Limited	1,400.00	900.00



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### (d) Disclosure in respect of party wise transactions during the year as follows:

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
- Yans Enterprises (H.K.) Limited	0.00	3441.19
- Fineline Holdings Ltd.	843.20	625.14
- Royalway Investment Ltd.	-	1,287.60
- Ascent Hotels Private Limited	18.07	-
<b>Outstanding Receivables</b>		
- Ascent Hotels Private Limited	36.40	0.82
- Bell Ceramics Limited	-	0.53
- Energy Infrastructure (I) Limited	5.14	-
- Godfrey Philips Limited	0.20	-
- Southshore Developers Private Ltd		95.00
- Leading Hotels Limited	1.19	0.39

## 29 EMPLOYEE BENEFITS

The Group has classified the various benefits provided to employees as under:-

### (a) Defined contribution plans

- Provident fund

### (b) Defined benefit plans

- Contribution to Gratuity funds
- Compensated absences - Earned leave

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

### Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 8.50% p.a. (previous year 8.00%) 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 Group's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarised in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Discount rate(per annum)	8.50%	8.00%	8.50%	8.00%
Future salary increase	7.50%	7.00%	7.50%	7.00%
Expected rate of return on plan assets	N.A	N.A	N.A	N.A
In service mortality	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC(1994-96) ultimate
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates				
- Upto 30 years	3.00%	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

# ASIAN HOTELS (NORTH) LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2012

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>1. Expenses recognised in statement of profit and loss</b>				
Current service cost	64.96	50.33	44.20	23.51
Interest cost	57.94	43.77	14.64	12.03
Expected return on plan assets	–	–	–	–
Net actuarial(gain)/loss recognised in the year	(18.91)	55.85	32.47	16.40
<b>Total expenses</b>	<b>103.99</b>	<b>149.95</b>	<b>91.31</b>	<b>51.94</b>
<b>2. Net asset/(liability) recognised as at the end of the year</b>				
Present value of defined benefit obligation	749.60	646.53	247.15	172.18
Fair value of plan assets	–	–	–	–
Funded status [surplus/(deficit)]	(749.60)	(646.53)	(247.15)	(172.18)
<b>Net asset/(liability) as at the end of the year</b>	<b>(749.60)</b>	<b>(646.53)</b>	<b>(247.15)</b>	<b>(172.18)</b>
<b>3. Change in the present value of obligation during the year</b>				
Present value of obligation as at the beginning of the year	674.35	547.16	172.18	150.36
Interest cost	57.94	43.77	14.64	12.03
Current service cost	64.96	50.33	44.20	23.51
Benefits paid	(28.74)	(50.58)	(16.34)	(30.12)
Actuarial (gains)/losses on obligation	(18.91)	55.85	32.47	16.40
Present value of obligation as at the end of the year	749.60	646.53	247.15	172.18

## 30 IMPAIRMENT

The Group has not recognised any loss on impairment in respect of assets of the Company in terms of Accounting Standard (AS) 28 on "Impairment of Assets" since in the opinion of the Management, as confirmed by the Audit Committee, the reduction in value of any asset, to the extent required, has already been provided for in the books.

## 31 Un-hedged Foreign Currency exposure

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31<sup>st</sup> March, 2012 is as under:

Particulars	31 <sup>st</sup> March 2012		31 <sup>st</sup> March 2011	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Advances given				
(in USD)	–	–	58,965.00	26.18
(in EURO)	547,640.20	286.10	20,739.28	13.06
(in Swiss CHF)	3,316.56	1.87	4,788.58	2.37
(in AED)	–	–	2,570.00	0.31
(in GBP)	13,882.46	11.36	–	–
Payables (In US Dollar)				
Sundry Creditors	353,860.82	181.78	104,700.00	46.49
External Commercial Borrowings (ECBs)	84,943,680.00	43,454.21	74,750,000.00	33,189.00
Interest on ECBs	1,304,344.00	667.26	822,296.00	365.10
Sundry Creditors (in SEK)	28,667.00	2.20	–	–

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### Closing rate of foreign currency in rupees:

Foreign Currency	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
USD	51.1565	44.4000
GBP	81.7992	–
EURO	68.3403	62.9900
Swiss CHF	56.3900	–
SEK	7.6840	–
AED	–	12.0900

- 32 In terms of clause no. (iv) of the circular no. 51/12/2007-CL-III dated 8<sup>th</sup> February 2011, regarding exemption under Section 212 (8) of the Companies Act, 1956, issued by Ministry of Corporate Affairs, the disclosures in relation to Company's immediate Overseas Subsidiary and its subsidiaries are given below:-

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>A) Finline Hospitality &amp; Consultancy Pte Ltd. (Formerly known as Darius Holdings Limited), Mauritius</b>		
a) Share Capital	51,542.97	74,300.74
b) Reserves & Surplus	(974.83)	13.27
c) Total Assets	91,725.90	74,942.86
d) Total Liabilities	41,157.76	628.85
e) Investments (excluding investment in subsidiaries)	–	–
f) Turnover	96.99	22.30
g) (Loss)/Profit before taxation	(883.15)	18.47
h) Provision for taxation	–	–
i) (Loss)/Profit after taxation	(883.15)	18.47
j) Proposed Dividend	–	–
<b>B) Most Prof Hospitality &amp; Consultancy Pte Ltd. (Formerly known as Mostprof Investment Pte Ltd), Mauritius*</b>		
a) Share Capital	–	25,238.28
b) Reserves & Surplus	–	(21.52)
c) Total Assets	–	25,551.14
d) Total Liabilities	–	334.38
e) Investments (excluding investment in subsidiaries)	–	–
f) Turnover	–	–
g) Profit/(Loss) before taxation	–	(7.26)
h) Provision for taxation	–	–
i) Profit/(Loss) after taxation	–	(7.26)
j) Proposed Dividend	–	–
<b>C) Lexon Ventures Limited, British Virgin Islands*</b>		
a) Share Capital	–	0.44
b) Reserves & Surplus	–	(29.23)
c) Total Assets	–	4,403.79
d) Total Liabilities	–	4,432.58
e) Investments (excluding investment in subsidiaries)	–	–
f) Turnover	–	–
g) Profit/(Loss) before taxation	–	(2.75)
h) Provision for taxation	–	–
i) Profit/(Loss) after taxation	–	(2.75)
j) Proposed Dividend	–	–

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2011 (Rs. In Lakhs)
<b>D) Magus Estates &amp; Hotels Limited, India</b>		
a) Share Capital	8,908.55	8,908.55
b) Reserves & Surplus-Securities Premium Account	26,722.67	26,722.67
– Surplus/(Deficit) in Statement of Profit and Loss	(15,388.20)	(9,915.83)
c) Total Assets	67,824.96	69,765.64
d) Total Liabilities	47,581.94	44,050.25
e) Investments (excluding investment in subsidiaries)	4,410.00	4,410.00
f) Turnover	12,895.77	6,552.00
g) (Loss)/Profit before taxation	(2,335.76)	177.85
h) Provision for taxation (including deferred tax)	3,136.60	(407.58)
i) (Loss)/Profit after taxation	(5,472.36)	585.43
j) Proposed Dividend	–	–

The figures stated above for the year ended 31<sup>st</sup> March 2011 are for the period 18<sup>th</sup> October 2010 (the date of acquisition) to 31<sup>st</sup> March 2011.

- \* The overseas subsidiaries of Finline Hospitality & Consultancy Pte. Ltd. (Finline Hospitality) namely, Most Prof Hospitality & Consultancy Pte. Ltd. and Lexon Ventures Ltd. were amalgamated with Finline Hospitality on 23<sup>rd</sup> August, 2011 and 14<sup>th</sup> September, 2011 respectively following the purchase price method at the value of assets including investments at fair value, based on the Valuation Report on the basis of which the Company made its initial investment in Finline Hospitality. Hence, consolidated financial statements include results of Finline Hospitality and its subsidiary(ies).

### 33 OTHER NOTES

- (a) In the opinion of the Board of Directors, all assets of the Group except fixed assets and non-current investments have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet.

**(b) Previous year's figures**

Till the year ended 31<sup>st</sup> March 2011, the Company was using pre-revised Schedule VI of the Companies Act 1956, for preparation and presentation of its consolidated financial statements. During the year ended 31<sup>st</sup> March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable. The Company has re-classified previous year figures to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of consolidated financial statements. However, it significantly impacts presentation and disclosures made in the consolidated financial statements, particularly presentation of consolidated balance sheet.

### Signature to notes 1 to 33 of Consolidated Financial Statements

“As per our report attached”

**For MOHINDER PURI & COMPANY**

Chartered Accountants

Firm Registration Number: 000204N

**VIKAS VIG**

Partner

Membership Number: 16920

**JYOTI SUBARWAL**

President- Finance  
& Operations

**DINESH KUMAR JAIN**

Vice President (Corporate) &  
Company Secretary

**SHIV JATIA**

Chairman & Managing Director

DIN : 00006187

**DINESH C. KOTHARI**

Director

DIN : 00195609

**ON BEHALF OF THE BOARD OF DIRECTORS**

**ADARSH JATIA**

Joint Managing Director

DIN : 00136214

**LALIT BHASIN**

Director

DIN : 00001607

Place: New Delhi

Dated: 28<sup>th</sup> May 2012

# ASIAN HOTELS (NORTH) LIMITED

Regd. Office: Bhikaiji Cama Place, M.G. Marg, New Delhi – 110 066

## PROXY FORM

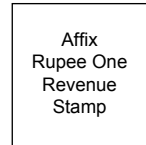
I / We ..... resident(s) of ..... being a Member / Members of Asian Hotels (North) Limited, hereby appoint Mr./Mrs. .... resident of ..... as my / our proxy to attend and vote for me / us, on my / our behalf, at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Tuesday, the 25<sup>th</sup> 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.			
Item No. 6.			
Item No. 7.			

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.....



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 (NORTH) LIMITED

Regd. Office: Bhikaiji Cama Place, M.G. Marg, New Delhi – 110 066

## 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 31<sup>st</sup> Annual General Meeting of the Company held at Regency Ball Room, Hotel Hyatt Regency, Delhi on this 25<sup>th</sup> day of September, 2012 at 11.30 A.M.

Signature(s)

### IMPORTANT

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







## HYATT REGENCY DELHI

### **Asian Hotels (North) Limited**

Regd. Office : Bhikaiji Cama Place, M.G. Marg, New Delhi - 110 066  
Phone : 91-11-2679 1234 Fax : 011-2679 1033