

32<sup>nd</sup>  
Annual Report 2012-2013



*Asian Hotels (North) Limited*

BOARD OF DIRECTORS

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

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 2342 0818  
Fax: 91 40 2342 0814  
[www.karvycomputershare.com](http://www.karvycomputershare.com)  
[www.karvy.com](http://www.karvy.com)

## CONTENTS

Notice	2-3
Directors' Report (including Corporate Governance Report)	4-16
Auditors' Report	17-19
Audited Accounts - Standalone	20-46
Auditors' Report on Consolidated Accounts	47
Audited Accounts - Consolidated	48-74
Proxy Form & Attendance Slip	

# ASIAN HOTELS (NORTH) LIMITED

---

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

## NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of ASIAN HOTELS (NORTH) LIMITED will be held on Wednesday, the 25<sup>th</sup> September, 2013, at 11.30 a.m. at the Regency Ball Room , Hyatt Regency Delhi, Bhikaiji Cama Place, M.G. Marg, New Delhi-110066 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013, 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 Re. 0.10 per share [i.e. @ 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 Re.1/- per equity share.

4. To appoint a Director in place of **Mr. Priya Shankar Dasgupta**, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Mr. Amrithesh Jatia**, who retires by rotation, and being eligible, offers himself for re-appointment.
6. 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 authorize 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: 18<sup>th</sup> August, 2013

### 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, together with duly certified signatures of such representatives.
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 21<sup>st</sup> September, 2013, to Wednesday, the 25<sup>th</sup> September, 2013, 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 hours on Friday, the 20<sup>th</sup> September, 2013, 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 hours on 20<sup>th</sup> September, 2013.



# ASIAN HOTELS (NORTH) LIMITED

---

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 or Registrar & Transfer Agent 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 amounts pertaining to the final dividend of financial year 2005-06 are due for transfer to the IEPF on 1<sup>st</sup> September, 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 Agent/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 Agent/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 Agent/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 web-site [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 32<sup>nd</sup> Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

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

(Rupees in Crores)

	FY 2012-13	FY 2011-12
Revenue from Operations (Net)	215.83	225.76
Other Income	50.52	50.51
Profit Before Interest, Depreciation & Prior period adjustments	108.85	112.87
Interest & Finance charges	52.33	46.90
Depreciation & Amortisation	11.96	11.49
Prior Year Adjustments	0.11	(0.01)
Profit Before Tax	44.45	54.49
Provision for Taxation (Net)	15.00	18.83
Net Profit	29.45	35.66
Surplus Brought Forward	161.02	132.38
Profit Available for Appropriation	190.47	168.04
Transfer to General Reserve	2.94	3.57
Proposed/Paid Dividend - Preference Shares	0.05	0.05
Proposed Dividend – Equity	1.95	2.92
Corporate Dividend Tax	0.34	0.48
Surplus Carried Forward	185.19	161.02
Earning per share - Basic & Diluted (Rs.)	15.11	18.30

Net revenue from operations declined marginally to Rs. 215.83 crores for the year under review as compared to Rs. 225.76 crores achieved during prior year. The decline in revenue was primarily attributable to the drop in room revenue, caused by marginal drop in the occupancy level and significant drop in the average room rate during the year under review.

Other income during the year under review was Rs. 50.52 crores (prior year Rs. 50.51 crores) which included gain on foreign currency transactions and translation (other than considered as finance cost) of Rs. 28.43 crores (prior year Rs. 39.64 crores) and interest income of Rs. 19.84 crores on loan extended to the overseas subsidiary (prior year Rs. 9.08 crore).

As regards the Auditors' observation in para 17 of the Annexure to their Report, your Directors wish to clarify that due to the just completed Hotel Suites (Serviced Apartments) project and the ongoing Expansion project, 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 Re. 1.00 per equity share.

### FOREIGN EXCHANGE RECEIPTS

The Company's earnings in foreign exchange for the year under review amounted to Rs. 153.15 crore [including interest income of Rs. 19.84 crore (prior year Rs. 9.08 crore) from an overseas subsidiary] as compared to Rs. 149.22 crore during the prior year.

### CAPITAL STRUCTURE

49,00,000 1% Non-convertible Preference Shares, which were outstanding at the end of year under review were due for redemption on 30<sup>th</sup> June, 2013. The redemption amount of Rs. 44.10 crore was duly discharged.

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

### Unclaimed Shares

In terms of Clause 5A.II of the Listing Agreement, the details of Unclaimed Shares are as under:

Status	No. of holders whose shares are marked as unclaimed	No. of shares marked as unclaimed
Status of unclaimed shares as on 1 <sup>st</sup> April, 2012	865	72027
Additional unclaimed shares during the year under review	1	1400
Total Unclaimed Shares	866	73427
No. of claims settled and shares released to the rightful claimants during the said year*	9	707
<b>Balance un-claimed shares as at 31<sup>st</sup> March, 2013</b>	<b>857</b>	<b>72720</b>

\* The Company received 19 claims for an aggregate of 1767 shares during the year under review.

These unclaimed shares are held in a separate demat account entitled "Asian Hotels (North) Limited – Un-claimed Suspense Account" with Karvy Stock Broking Limited.

### PROMOTERS

The Company is controlled by the Jatia Group, comprising inter-alia Mr. Shiv Kumar Jatia, Mr. Amritesh Jatia and in turn companies controlled by them namely Finline 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) and Leading Hotels Limited (Leading). All the said constituents singularly and collectively, including the operating companies comprise Jatia Group. 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

---

## EXPANSION PLANS / FUTURE PROSPECTS

### Hotel Suites (Serviced Apartments) Project

Your Directors are pleased to report that the Hotel Suites (Serviced Apartments) Project has been completed and that your Company is in the process of applying for the Completion Certificate.

### Renovation and Expansion Project

Your Directors are pleased to inform that the renovation of rooms is complete except in respect of 42 rooms which has been re-scheduled to the summer of 2014 for operational expediency.

The original plan for the new ball room has been replaced with a whole new concept of live kitchen stations. Further, its built-up area has been increased by 14600 sq. ft. to 47650 sq. ft. The new ball room will be spanned over two levels. While the ground floor will be completed by January 2014, the first floor is expected to be ready by April 2014.

Renovation of existing suites, up-gradation of the fitness center, and pre-function area, and construction of additional meeting rooms has been deferred.

### Kolkata Project

Your Directors are pleased to further inform that the Company has made full payment in respect of the plot of land measuring approx. six acres to West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO) for setting up of a hotel in Kolkata.

The Company is exploring the possibilities of forging a joint venture for development of Kolkata Hotel Project with suites and residential apartments.

## INVESTMENTS / SUBSIDIARIES

Fineline Hospitality and Consultancy Pte. Ltd., Mauritius (FHCPL), the overseas subsidiary in which the Company initially had 53% equity participation, controlled 79% equity stake in Magus Estates and Hotels Limited (Magus). Magus, which owned Four Seasons, Mumbai, had planned construction of a 60 storey tower comprising of commercial (office) block, hotel rooms, serviced apartments and private residential condominiums as part of its expansion plan. Due to apparent change in the Maharashtra State Policy with regard to FSI available in case of mixed use projects, the expansion plan had to be shelved. The rollback of the expansion plan raised the apprehension of an imminent impairment in the value of Company's investment in its subsidiary, namely FHCPL which could have significantly reduced the enterprise value of your Company.

To avoid such an eventuality, and to preserve and protect the interest of the minority shareholders, FHCPL, at the instance of the promoters, implemented the rearrangement of its underlying assets by replacing Leading Hotels Limited (Leading) in place of Magus. The impairment impact caused in the financial statements of FHCPL on account of Magus was set-off against the capital reserves to the tune of US\$ 79.69 million created as a result of buy back of entire shareholding of, and write-off of loans due to Fineline Holdings Limited (FHL), which held the balance 47% equity in FHCPL and is one of the promoter entities of your Company.

Consequent to the above, with effect from 29<sup>th</sup> January, 2013, your Company holds 100% equity in FHCPL, which in turn holds 80% equity stake in Lexon Hotel Ventures Ltd., Mauritius (Lexon); and Lexon in turn holds 99.76% equity stake in Leading.

Thus FHCPL is your Company's wholly owned subsidiary with 79.81% economic interest in Leading.

Leading is developing an All Villa Hotel Complex, including residential Villas and a 18 hole, 72 par Championship Golf Course in Goa, and has acquired 190 acres of land and is in the process of obtaining various governmental consents and approvals. The Goa project is expected to cost Rs. 1030 crore. Your Directors expect construction of sample villas to commence early next year. The said project will be under the management of Four Seasons, a world famed hotel chain and Hospitality Management Company.

Subsequent to the rearrangement of subsidiaries, at the request of FHCPL, the interest accrued on the loan to subsidiary upto 31<sup>st</sup> March, 2013, and a part of the loan itself, aggregating to US\$ 3,71,50,946 were utilized for acquiring 36089886 further equity shares in FHCPL as on 1<sup>st</sup> April, 2013.

### 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 and its subsidiaries, 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

During the year under review, M/s. Lodha & Co., Chartered Accountants, New Delhi, the internal auditors of the Company conducted periodic audits of the operations of the Company.

Effective 1<sup>st</sup> April, 2013, M/s. S. S. Kothari Mehta & Co. were appointed as the internal auditors.

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

## DIRECTORS

Mr. Vinod Kumar Dhall, an independent non-executive director, resigned from the office of director with effect from 11<sup>th</sup> December, 2012. Further, Mr. Raj Kumar Jatia and Mr. Adarsh Jatia, two of the promoter directors, resigned from directorship of the Company vide their respective letters dated 26<sup>th</sup> January, 2013, which took effect from 4<sup>th</sup> February, 2013. Consequently, Mr. Adarsh Jatia vacated the office of Joint Managing Director as well.

Subsequent to the year under review, Mr. Aseem Chawla was appointed as an alternate director to Mr. Gautam R. Divan. Mr. Chawla ceased to hold that office effective 7<sup>th</sup> August, 2013.

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. Priya Shankar Dasgupta and Mr. Amrutesh Jatia 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, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

# ASIAN HOTELS (NORTH) LIMITED

---

- 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.

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

The information required in terms of 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, fundraising and other initiatives to help sustain thriving communities.

Tamana, a school for special needs children, providing its students with an individual educational programme, was supported for its charity fashion show and Easter Celebrations. Your Company also sponsored the venue for the exhibition cum sale by various artisans to raise funds for Tamana Autism Centre during their 'Tamana Summer Splendor' and 'Tamana Winter Carnival'.

Besides the above, the Company also supported various NGOs namely Ashray Bhawan, Sai Ashram Animal Centre, Sallam Balak Trust and Action for Autism for their various activities.

## **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 indicate that despite an increase in supply of rooms, the demand for rooms in major metros has not waned. It is expected that the demand would remain stable, though there has been and would continue to be a decline in the average room rate. International tourism has not been as robust as in the past years but the arrivals are expected to gain momentum during the financial year 2014-15. Domestic tourism continues to remain robust.

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

Domestic insurgency, terrorism, global geo-political situations and slow down of world economy are major concerns for the hospitality industry at macro level. In the last couple of years, a number of hotels have come up in Delhi and its neighbourhood and a few more are likely to open shortly, including those in the Aerocity, Delhi. The increased inventory of rooms is likely to impact the occupancy level as well as average room rate, thus posing a challenge to the existing hotels in the said region.

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

The Company achieved aggregate revenue from operations of Rs. 215.83 crores for the year ended 31<sup>st</sup> March, 2013. Said revenue in the prior year was Rs. 225.76 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 760 employees on its rolls as on 31<sup>st</sup> March, 2013.

## **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 Institutions 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: 18<sup>th</sup> August, 2013

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

# ASIAN HOTELS (NORTH) LIMITED

---

## 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 2012-2013	Impact (savings in Lac Rs. per annum)
1	Installed aerator in staff lockers, kitchen and guest rooms to save water	10.16
2	Commenced recycling STP water for cooling towers, gardening and for flushing in staff lockers	9.13
3	Installed LED lighting in new apartments	10.20

S. No.	Additional Investment-proposal for the year 2013-2014	Impact (savings in Lac Rs. per annum)
1	To make provision for utilization of grey water for cooling tower	27.00
2	To replace steam generators in Fitness Centre	2.98
3	To replace Hyatt signage (2 no.) with LED lighting	1.20

#### 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. 153.15 Crore (Rs. 149.22 crore in prior year) against which the outgo in foreign exchange was equivalent to Rs. 61.14 crore (Rs. 57.31 crore 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 YEAR</b>								
1	Shiv Kumar Jatia	58	Chairman and Managing Director	2,40,10,754	B.COM	40	10.04.1981	Industrialist
2	Jyoti Subarwal	60	President-Finance & Operations	1,39,65,720	F.C.A.	35	01.08.1983	Mohinder Puri & Co., Chartered Accountants, New Delhi, Audit Manager (5 Yrs.)
3	Arun N Tandon*	54	Chief Operating Officer- Projects	83,39,646	MOT – I Class (Motor) Bombay DMET (Marine), Bombay, BE (Mech) Ravi Shankar University.	33	01.09.2008	DLF Hotel Holdings Limited (8 months)
4	Timothy Bruce*	53	General Manager – Hyatt Regency, Delhi	1,62,41,702	7GCEO' Levels City & Guilds 706 1/706 2 Diploma of Hotel Management, Canberra TAFF	27	07.09.2004	Park Hyatt Canberra, Director of Food & Beverage (2Yrs.)
<b>EMPLOYED FOR PART OF THE YEAR</b>								
1	Adarsh Jatia*	32	Joint Managing Director	1,06,16,041	B.A. (Hons) Business Studies	7	01.01.2011	Managing Director , Ascent Hotels Pvt. Ltd. ( 4 years & 9 months)
2	Vikas Bhakri*	53	Chief Operating Officer- Projects	22,81,200	Chartered Engineer	30	01.01.2013	Employed as Chief Engineer with various international shipping companies
3	Dirk Holseher*	46	Executive Chef	76,11,389	Culinary Studies from Trade School Graduate	26	15.07.2010	Executive Chef, Grand Hyatt Cairo
4	Paul J Murphy*	54	Resident Manager	57,02,913	High School, Graduate	30	16.01.2011	Director of Catering, Grand Hyatt Dubai
5	Marin Leuthard	42	Executive Chef	23,54,031	Culinary Studies from Trade School Graduate	27	01.12.2012	Executive Chef, Grand Hyatt Muscat

\*since resigned

### 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, Mr. Arun N Tandon and Mr. Vikas Bhakri are on contractual basis.
- None of the employees is a relative of any Director of the Company except in the following cases:
  - Mr. Shiv Kumar Jatia is brother of Mr. Raj Kumar Jatia and Mr. Ramesh Jatia, and father of Mr. Amrutesh Jatia
  - Mr. Adarsh Jatia is son of Mr. Raj Kumar 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. At the beginning of the year under review, the Board had ten directors comprising five independent non-executive directors, three non-executive promoter directors, one executive chairman designated as Chairman & Managing Director and one executive director designated as Joint Managing Director. The Company was in full compliance with requirements of Clause 49 with regard to the composition of the Board until the resignation of one independent director, Mr. Vinod Kumar Dhall on 11<sup>th</sup> December, 2012. Consequently for a period of fifty five days, up to 4<sup>th</sup> February, 2013, the Company fell short of one independent director. However, following the resignation of two non-executive promoter directors, namely, Mr. Raj Kumar Jatia and Mr. Adarsh Jatia, effective 4<sup>th</sup> February, 2013, composition of the Board of Directors stood in conformity with Clause 49 of the Listing Agreement.

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 two consecutive meetings does not exceed four months.

During the year under review, six Board meetings were held i.e. on 28<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 8<sup>th</sup> November, 2012, 9<sup>th</sup> January, 2013, 10<sup>th</sup> February, 2013 and 29<sup>th</sup> March, 2013.

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 directors 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: 25 <sup>th</sup> September, 2012	No. of Directorships held in private companies ^	No. of Directorships held in public companies^	No. of Committee memberships in public companies ^	No. of Chairmanship in such Committees ^
1.	Mr. Shiv Kumar Jatia	Executive [Chairman & Managing Director]	6/6	YES	20	4	1	0
2.	Dr. Lalit Bhasin	Independent Non-Executive	6/6	YES	1	9	8	1
3.	Mr. Gautam Ramanlal Divan	Independent Non-Executive	4/6	NO	3	2	2	1
4.	Mr. Dinesh Chandra Kothari	Independent Non-Executive	5/6	NO	9	3	5	2
5.	Mr. Vinod Kumar Dhall	Independent Non – Executive	2/3*	NO	0	5	5	2
6.	Mr. Priya Shankar Dasgupta	Independent Non – Executive	2/6	NO	7	9	9	2
7.	Mr. Raj Kumar Jatia	Non-Executive	3/4*	YES	4	3	0	0
8.	Mr. Adarsh Jatia	Executive [Joint Managing Director]	4/4*	YES	8	3	1	0
9.	Mr. Amrithesh Jatia	Non - Executive	4/6	YES	1	1	0	0
10.	Mr. Ramesh Jatia	Non -Executive	0/6	NO	4	2	0	0

\* Mr. Vinod Kumar Dhall resigned w.e.f. 11<sup>th</sup> December, 2012; and Mr. Raj Kumar Jatia and Mr. Adarsh Jatia both resigned w.e.f. 4<sup>th</sup> February, 2013.

@ 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; excludes foreign bodies corporate; and reflects status as at the close of financial year under review or as of the date of resignation by the respective director, as the case may be. 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 Dr. Lalit Bhasin as its Chairman, and Mr. Dinesh C. Kothari and Mr. Gautam R. Divan, as its Members.

# ASIAN HOTELS (NORTH) LIMITED

Mr. Shiv Kumar Jatia, Managing Director and Mr. Jyoti Subarwal, the Chief Finance Officer of the Company designated as President-Finance & Operations are the permanent invitees to the committee meetings. The Company Secretary acts as Secretary to the Committee.

Dr. Bhasin is an eminent lawyer and member of Audit Committee and/or Shareholders' Grievance Committee of several other listed companies. Mr. Kothari and Mr. Divan both are Chartered Accountants by profession having rich experience in financial restructuring, and accounting and assurance services; and hold memberships 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.

During the year under review, nine meetings of the Committee were held viz. 28<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 17<sup>th</sup> September 2012, 8<sup>th</sup> November, 2012, 3<sup>rd</sup> January, 2013, 9<sup>th</sup> January, 2013, 10<sup>th</sup> February, 2013, 20<sup>th</sup> February, 2013 and 29<sup>th</sup> March, 2013.

<i>Name of the Director</i>	<i>Category</i>	<i>No. of Meetings Attended</i>
Dr. Lalit Bhasin	Independent Non-Executive	8/9
Mr. Dinesh Chandra Kothari	Independent Non-Executive	8/9*
Mr. Gautam Ramanlal Divan	Independent Non-Executive	5/9

\* Includes a meeting attended through video conference.

## b) Share Transfer & Shareholders Grievances Committee:

The Committee comprises of three members namely Mr. Dinesh C. Kothari, Dr. Lalit Bhasin and Mr. Shiv Kumar Jatia. Mr. Kothari chairs the Committee's meetings. Mr. Jyoti Subarwal, President-Finance & Operations acts as Advisor to the Committee.

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 69 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. Dr. 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 one meeting of the Committee took place, which was attended to by all the members.

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:

<i>Name of Director</i>	<b>FEES &amp; REMUNERATION</b>			<b>(in Rs.)</b>
	<i>Sitting Fees</i>	<i>Salary &amp; Perks</i>	<i>Commission</i>	<i>Total</i>
Mr. Shiv Kumar Jatia <sup>^</sup>	0	1,37,35,448	1,02,75,306	2,40,10,754
Dr. Lalit Bhasin	2,50,248	0	5,00,000	7,50,248
Mr. Gautam Ramanlal Divan	1,30,381	0	5,00,000	6,30,381
Mr. Dinesh Chandra Kothari	3,01,214	0	5,00,000	8,01,214
Mr. Vinod Kumar Dhall <sup>#</sup>	25,483	0	3,47,945	3,73,428
Mr. Priya Shankar Dasgupta	26,966	0	5,00,000	5,26,966
Mr. Raj Kumar Jatia <sup>^^</sup>	40,449	0	4,10,959	4,51,408
Mr. Adarsh Jatia <sup>^^</sup>	0	46,95,581	59,20,460	1,06,16,041
Mr. Amritesh Jatia	53,932	0	5,00,000	5,53,932
Mr. Ramesh Jatia	0	0	5,00,000	5,00,000
<b>Grand Total</b>	<b>8,28,673</b>	<b>1,84,31,029</b>	<b>1,99,54,670</b>	<b>3,92,14,372</b>

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

<sup>#</sup> Resigned effective 11<sup>th</sup> December, 2012

<sup>^^</sup>Resigned effective 4<sup>th</sup> February, 2013



# ASIAN HOTELS (NORTH) LIMITED

## Shareholding of Non-Executive Directors

Following non-executive directors of the Company hold shares in the Company as on 31<sup>st</sup> March, 2013:

- 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.

## GENERAL BODY MEETINGS

Financial Year	Nature of Meeting	Venue	Date	Time
2009-10	AGM*	Hotel Hyatt Regency Delhi, Bhikaiji Cama Place, M.G. Marg, New Delhi- 110066	28.09.2010	11.30 a.m.
2010-11	AGM^	-do-	22.09.2011	11:30 a.m.
2011-12	AGM#	-do-	25.09.2012	11.30 a.m.

\* A special resolution was approved u/s 314 for holding an office or place of profit by Mr. Amrithesh 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 Dr. 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.

# There was no item requiring approval by special resolution.

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

The Board of Directors of the Company in its meeting held on 7<sup>th</sup> August, 2013, initiated and authorized postal ballot process to secure shareholders' approval for the following businesses:

- Special resolution pursuant to Section 372A of the Act enabling the Company to give guarantees and/or provide security for amounts exceeding the limits specified in the said section;
- Special resolution pursuant to Section 149(2A) of the Act enabling the Company to commence certain activities/businesses specified in sub-clause 35 of the 'Other Objects' under the 'Objects Clause' of the Memorandum of Association of the Company;
- Ordinary resolution pursuant to Section 293(1)(d) of the Act to increase the borrowing limits; and
- Ordinary resolution pursuant to Section 293(1)(a) of the Act enabling the Company to create charge, mortgage, hypothecation or any other form of encumbrance(s) on the assets of the Company to secure the borrowings as per enhanced limits.

The Company shall follow due procedure described under the extant rules applicable for postal ballot through physical voting.

Accordingly, the Notice of Postal Ballot is being sent to the shareholders, whose names appear in the Register of Members as at the close of business hours on 9<sup>th</sup> August, 2013, and voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on the same date. The mailing of the Notice of Postal Ballot shall be completed by 19<sup>th</sup> August, 2013. Consequently, the last date of receipt for the Postal Ballot Forms shall be Wednesday, the 18<sup>th</sup> September, 2013. Dr. S. Chandrasekaran, Senior Partner, M/s Chandrasekaran Associates, Company Secretaries, who has been appointed as the Scrutinizer, will submit his report on Friday, the 20<sup>th</sup> September, 2013.

The Chairman & Managing Director, and in his absence, a person authorized by him, will announce the results of the postal ballot at the Registered Office of the Company at Bhikaiji Cama Place, M. G. Marg, New Delhi- 110 066 on Friday, the 20<sup>th</sup> September, 2013 at 5.00 p.m. The date of declaration of the results of postal ballot will be taken to be the date of passing of the aforesaid resolutions.

The result of the postal ballot will be published in the newspapers within 48 hours of the declaration of the results and will also be placed at the website of the Company at [www.asianhotelsnorth.com](http://www.asianhotelsnorth.com) for information of the public at large.

## SUBSIDIARY COMPANIES

Magus being a material non-listed Indian subsidiary of the Company had co-opted one of the independent directors of the Company namely, Mr. Dinesh C. Kothari on its Board as an independent director, who resigned once it ceased to be Company's subsidiary. Now, Leading is a material non-listed Indian subsidiary of the Company and has co-opted one of the independent directors of the Company namely, Dr. Lalit Bhasin, who has been elected to chair the Leading's Board and its Audit Committee.

The Audit Committee of the Company reviews financials of its subsidiaries while considering the consolidated accounts. Minutes of the Board meetings of all the 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.

# ASIAN HOTELS (NORTH) LIMITED

## 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, 2013. These transactions have been approved by the Board of Directors from time to time. The Board certifies that these transactions are in the ordinary course of business, and are 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.

During the year 2011-12, the Company had engaged an independent agency to undertake a comprehensive study on the subject, and their report was received by the Board. In the opinion of the Board, there was no major change in the risk profile of the Company, and therefore, no further study was undertaken during the year under review.

## 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	Other Companies In Which Directorships Held
Mr. Priya Shankar Dasgupta	<p>Mr. Priya Shankar Dasgupta is the Senior Partner of a leading Law Firm in Delhi, namely M/s. New Delhi Law Offices, since 1991. He has an extensive practice especially in Conveyancing, Structuring and negotiation of Joint Ventures and Foreign Collaborations; Corporate Laws, Foreign Exchange, Antitrust and Mercantile Laws; Project Contracts and Construction Contracts; Acquisitions and Domestic and International Arbitrations.</p> <p>Mr. Dasgupta does not hold any shares in the Company.</p>	<p>Cummins India Ltd. (also Member, Finance and Audit Committee and Shareholders/Investors Grievance Committee)            Otis Elevator Co. India Ltd. (also Member, Audit Committee and Shareholders/Investors Grievance Committee)            Maral Overseas Ltd. (also Member, Audit Committee)            Bhilwara Technical Textiles Ltd. (also Member, Audit Committee and Chairman, Shareholders/Investors Grievance Committee)            Tricone Projects India Limited. (also Member, Audit Committee)            Ester Industries Ltd.            Interstar Financial Services Ltd.            Timken India Ltd. (also Chairman, Audit Committee)            Bausch &amp; Lomb Eyecare(India) Private Ltd.            Snap-on Tools Private Ltd.            Holcim India Private Ltd.            Dasgupta Consulting Private Ltd.            NDLO Consulting Private Ltd.            Kothari Education Infrastructure Private Ltd.            Afforce Business Consulting Private Ltd.</p>
Mr. Amritesh Jatia	<p>Mr. Amritesh Jatia graduated in Business Management from Babson College, U.S.A., and worked as an Analyst with Ernst &amp; Young LLP, New York. Since returning to India, he has been monitoring execution and progress of various projects initiated by the Jatia Group.</p> <p>Mr. Jatia does not hold any shares in the Company in his individual capacity.</p> <p>Mr. Shiv Kumar Jatia, Chairman &amp; Managing Director is father of Mr. Amritesh Jatia.</p>	<p>Leading Hotels Limited            Pergo India Private Limited            HeyKing Limited, Hongkong            RSJ Holdings Limited, Mauritius            Fineline Holdings Limited, Mauritius            Glenever Private Holdings Limited, Mauritius            Deuchny Properties Limited, Mauritius            Fineline Hospitality &amp; Consultancy Pte. Limited, Mauritius            Lexon Hotel Ventures Limited, Mauritius            Yans Enterprises (H.K.) Limited, Mauritius</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:

Wednesday, the 25<sup>th</sup> September, 2013 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 2013-14 is proposed as under:

Financial Reporting for the quarter ending 30 <sup>th</sup> June, 2013	On 7 <sup>th</sup> August, 2013
Financial Reporting for the half yearly ending 30 <sup>th</sup> September, 2013	By the mid of November 2013
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2013	By the mid of February 2014
Financial Reporting for the year ending 31 <sup>st</sup> March, 2014	By the end of May 2014

<b>Book Closure</b>	<b>From Saturday, the 21<sup>st</sup> September, 2013 to Wednesday, the 25<sup>th</sup> September, 2013 (inclusive of both days)</b>
---------------------	--

**Dividend Payment Date:** On or around 16<sup>th</sup> October, 2013

**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

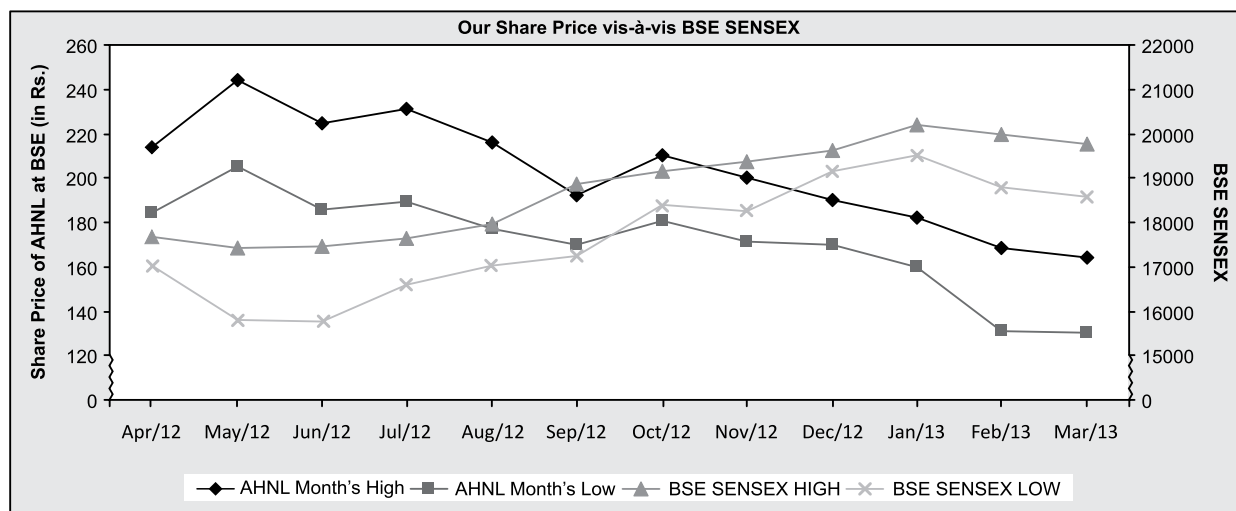
## Stock Market Data

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

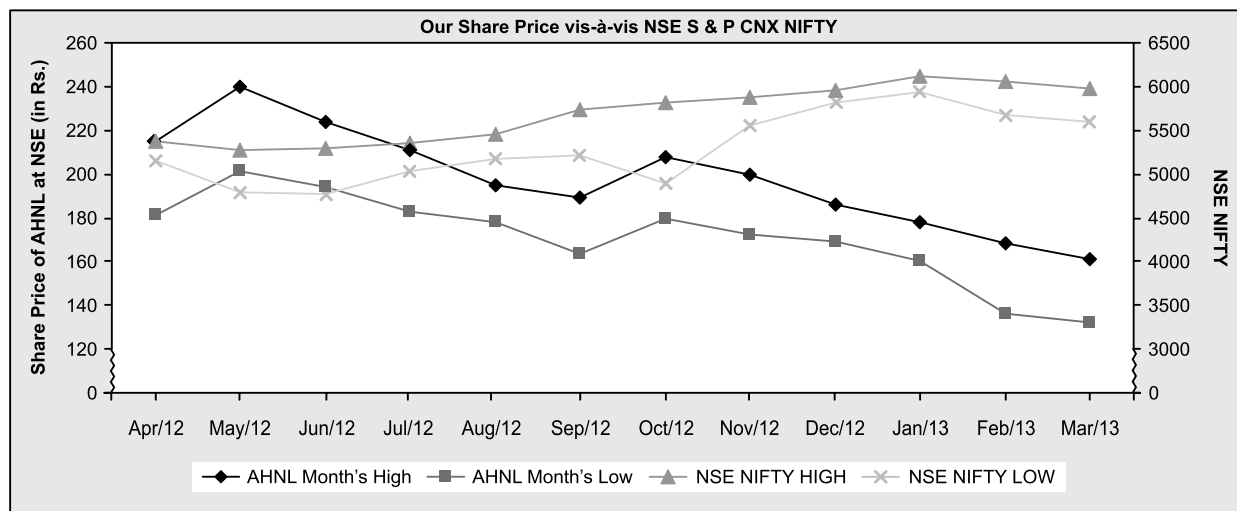
Month	BSE			NSE		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (In Nos.)
Apr 2012	213.85	184.00	76240	215.00	181.50	196694
May 2012	244.00	205.00	131417	239.95	201.25	249996
Jun 2012	225.00	186.00	47277	223.95	194.15	105454
Jul 2012	231.00	189.05	49961	211.00	182.55	79808
Aug 2012	216.00	177.25	5696	194.75	177.80	10908
Sep 2012	192.20	170.00	7931	189.00	163.70	26623
Oct 2012	210.00	181.05	49915	207.90	179.55	60639
Nov 2012	199.90	171.00	12223	200.00	172.00	18688
Dec 2012	189.90	170.00	12699	186.10	169.35	16571
Jan 2013	182.00	160.15	25911	178.00	160.00	29318
Feb 2013	168.60	131.00	11493	168.45	136.00	18871
Mar 2013	163.90	130.05	11354	161.00	132.00	37187

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

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



# ASIAN HOTELS (NORTH) LIMITED



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

## Distribution of shareholders

Number of equity shares held	As on 31 <sup>st</sup> March, 2013				As on 31 <sup>st</sup> March, 2012			
	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	16517	96.45	1003222	5.16	17546	96.19	1093126	5.62
501 – 1000	330	1.93	239803	1.23	374	2.05	271514	1.40
1001 – 2000	132	0.77	191467	0.98	156	0.85	228325	1.17
2001 – 3000	53	0.31	133210	0.69	63	0.35	155556	0.80
3001 – 4000	14	0.08	50972	0.26	20	0.11	71761	0.37
4001 – 5000	12	0.07	54761	0.28	14	0.08	63324	0.32
5001 – 10000	22	0.13	144843	0.75	25	0.14	165679	0.85
10001 - above	44	0.26	17634951	90.65	42	0.23	17403944	89.47
<b>TOTAL</b>	<b>17124</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>	<b>18240</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>

## Category wise shareholding

CATEGORY	As on 31 <sup>st</sup> March, 2013		As on 31 <sup>st</sup> March, 2012	
	No. of shares held	% age of shareholding	No. of shares held	% age of shareholding
<b>A. Promoters Shareholding</b>				
- Indian	1892371	9.73	1892371	9.73
- Foreign	12697525	65.27	12697525	65.27
<b>Total Promoters shareholding</b>	<b>14589896</b>	<b>75.00</b>	<b>14589896</b>	<b>75.00</b>
<b>B. Public Shareholding</b>				
- Mutual Funds/Financial Institutions/Banks and Insurance Companies	612262	3.15	136068	0.70
- FIIs	6719	0.03	11010	0.06
- NRIs	610148	3.14	624124	3.21
- Bodies Corporate (Domestic)*	646983	3.33	819275	4.21
- Bodies Corporate (Foreign)	690802	3.55	690802	3.55
- Individuals (Indian Public)	2288581	11.76	2574936	13.24
- Clearing Members	7838	0.04	7118	0.03
<b>Total Public shareholding</b>	<b>4863333</b>	<b>25.00</b>	<b>4863333</b>	<b>25.00</b>
<b>GRAND TOTAL</b>	<b>19453229</b>	<b>100.00</b>	<b>19453229</b>	<b>100.00</b>

\* 25 shares held by an entity belonging to "Other Promoters" stands transferred to Unclaimed Suspense A/c forming part of Bodies Corporate (Domestic).

# ASIAN HOTELS (NORTH) LIMITED

---

## Share Transfer System

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

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

In compliance with the Equity Listing Agreement, the transfer of shares received in physical form were being approved and given effect to every fortnight. With effect from October 2012, this cycle has further been reduced to ten days 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 lodgment thereof.

## Share Transfer Agent

Karvy Computershare Pvt. Ltd.

17-24, Vittal Rao Nagar,

Madhapur,

Hyderabad – 500 081

Tel: 040-2342 0818

Fax: 040-2342 0814

[www.karvycomputershare.com](http://www.karvycomputershare.com)

e-mail : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

## Dematerialization of Shares

19111184 shares (equivalent to 98.24%) of the total outstanding shares of the Company are held in dematerialized form as on 31<sup>st</sup> March, 2013. 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 final dividend declared for the financial year 2004-2005 and Interim dividend declared for the financial year 2005-06 & 2006-07 have 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 2013 and 2014. Once transferred, no claim shall lie against the Company or the Central Government in this regard.

Financial Year	Due date for transfer to IEPF
2005-06 Final dividend	01.09.2013
2006-07 Final dividend	22.10.2014

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

Tele phone No.011-66771225/66771226

Fax No. 011-26791033

Email Id. [investorrelations@asianhotelnorth.com](mailto:investorrelations@asianhotelnorth.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. The Company endeavors to explore adoption and implementation of certain other provisions contained therein.

# ASIAN HOTELS (NORTH) LIMITED

---

## ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

Date: 18<sup>th</sup> August, 2013

The Board of Directors  
Asian Hotels (North) Limited  
Bhikaji 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 all concerned have affirmed having complied with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2013.

SHIV KUMAR JATIA  
CHAIRMAN & MANAGING DIRECTOR

## ANNEXURE 'D' FORMING PART OF THE 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 ('the Company') for the Financial Year ended 31<sup>st</sup> March, 2013 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 : 18<sup>th</sup> August, 2013

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

# ASIAN HOTELS (NORTH) LIMITED

---

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

TO THE MEMBERS OF ASIAN HOTELS (NORTH) LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **ASIAN HOTELS (NORTH) LIMITED ("the Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
  - (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.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

### For MOHINDER PURI AND COMPANY

Firm Registration Number: 000204N  
Chartered Accountants

### VIKAS VIG

PARTNER

Membership Number: 16920

Place: NEW DELHI

Date : 30<sup>th</sup> May, 2013

# ASIAN HOTELS (NORTH) LIMITED

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF ASIAN HOTELS (NORTH) LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2013

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 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., Mauritius	Subsidiary Company	41,761.31 (unsecured foreign currency loan)	41,761.31

- 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 is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Educations Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- 9b). 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, 2013 for a period of more than six months from the date they became payable.



# ASIAN HOTELS (NORTH) LIMITED

9c). 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:

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)
Income Tax Act, 1961	Assessment year 2008-09	16.28	Income tax Appellate Tribunal, New Delhi

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 (Rs. in Lakhs)
A short-term loan availed during the year from Bank	1,000.00
Inter Corporate Loans taken during the year	3,440.00*
Short-term loans availed during the previous year from Banks	1,000.00*

\*Inter Corporate Loans Rs. 1,985 lakhs and short-term loan from bank availed in previous year Rs. 1,000 lakhs has been 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 AND COMPANY

Firm Registration Number: 000204N

Chartered Accountants

## VIKAS VIG

PARTNER

Membership Number: 16920

Place: NEW DELHI

Date: 30<sup>th</sup> May, 2013

# ASIAN HOTELS (NORTH) LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

### EQUITY AND LIABILITIES

	NOTES	As At 31 <sup>st</sup> March 2013 (Rs. In Lakhs)	As At 31 <sup>st</sup> March 2012 (Rs. In Lakhs)
<b>Shareholders' Funds</b>			
Share Capital	3	2,435.32	2,435.32
Reserves and Surplus	4	84,894.31	82,236.89
		<u>87,329.63</u>	<u>84,672.21</u>
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	66,198.40	59,465.20
Deferred Tax Liabilities (net)	6	937.66	805.20
Other Long-term Liabilities	7	2,272.90	2,879.33
Long-term Provisions	8	665.04	673.55
		<u>70,074.00</u>	<u>63,823.28</u>
<b>Current Liabilities</b>			
Short-term Borrowings	9	4,450.16	2,875.65
Trade Payables	10	1,304.26	1,089.37
Other Current Liabilities	11	27,943.39	22,961.47
Short-term Provisions	8	576.30	1,235.23
		<u>34,274.11</u>	<u>28,161.72</u>
<b>TOTAL</b>		<u><b>191,677.74</b></u>	<u><b>176,657.21</b></u>

### ASSETS

#### Non-current Assets

Fixed Assets	12		
Tangible Assets		98,343.37	98,323.45
Intangible Assets		–	–
Capital Work-in-progress		26,968.77	20,019.74
Non-current Investments	13	10,795.68	10,466.14
Long-term Loans And Advances	14	49,392.50	43,938.53
Other Non-current Assets	15	268.63	959.13
		<u>185,768.95</u>	<u>173,706.99</u>

#### Current Assets

Inventories	16	634.28	555.29
Trade Receivables	17	1,119.27	1,163.61
Cash and Bank Balances	18	288.73	337.51
Short-term Loans And Advances	14	911.31	892.51
Other Current Assets	15	2,955.20	1.30
		<u>5,908.79</u>	<u>2,950.22</u>
<b>TOTAL</b>		<u><b>191,677.74</b></u>	<u><b>176,657.21</b></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

#### SHIV KUMAR JATIA

Chairman & Managing Director

DIN : 00006187

#### DINESH C. KOTHARI

Director

DIN : 00195609

#### DR. LALIT BHASIN

Director

DIN : 00001607

#### AMRITESH JATIA

Director

DIN : 02781300

Place: New Delhi

Dated: 30<sup>th</sup> May 2013

# ASIAN HOTELS (NORTH) LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

INCOME	Notes	For The Year Ended 31 <sup>st</sup> March 2013 (Rs. In Lakhs)	For The Year Ended 31 <sup>st</sup> March 2012 (Rs. In Lakhs)
<b>I Revenue From Operations (gross)</b>	19	<b>21,615.69</b>	22,600.19
Less: Excise Duty paid		<b>(32.63)</b>	(23.71)
Revenue From Operations (net)		<b>21,583.06</b>	22,576.48
<b>II Other Income</b>	20	<b>5,052.04</b>	5,051.39
<b>III Total Income (I+II)</b>		<b>26,635.10</b>	27,627.87
<b>IV EXPENSES</b>			
Consumption of Provisions, Beverages, Smokes & Others	21	<b>2,711.43</b>	2,672.38
Employee Benefits Expense	22	<b>5,534.55</b>	5,522.00
Other Expenses	23	<b>7,504.47</b>	8,146.08
Total Expenses		<b>15,750.45</b>	16,340.46
<b>V Earnings before interest, tax, depreciation and amortisation (EBITDA) (III-IV)</b>		<b>10,884.65</b>	11,287.41
Depreciation & Amortisation Expenses	12	<b>1,249.91</b>	1,202.59
Less: Transferred from Revaluation Reserve		<b>(53.91)</b>	(53.91)
Finance Costs	24	<b>5,232.37</b>	4,690.11
<b>VI Profit before exceptional, prior period items and tax</b>		<b>4,456.28</b>	5,448.62
Exceptional Items		-	-
<b>VII Profit before prior period items and tax</b>		<b>4,456.28</b>	5,448.62
Prior period items	25	<b>11.23</b>	(0.55)
<b>VIII Profit before tax</b>		<b>4,445.05</b>	5,449.17
<b>IX Tax Expense</b>			
Current Tax		<b>1,470.00</b>	1,860.00
Earlier Years Tax (written back)		<b>(102.06)</b>	(27.09)
Deferred Tax Liability		<b>132.46</b>	50.40
Total Tax		<b>1,500.40</b>	1,883.31
<b>X Profit for the year (VIII-IX)</b>		<b>2,944.65</b>	3,565.86
<b>Earnings Per Equity Share (in Rupees)</b>	26		
Basic		<b>15.11</b>	18.30
Diluted		<b>15.11</b>	18.30
<b>CORPORATE INFORMATION &amp; SIGNIFICANT ACCOUNTING POLICIES</b>	1 & 2		
<b>The accompanying notes 1 to 35 are an integral part of the Financial Statements</b>			

"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

**SHIV KUMAR JATIA**

Chairman & Managing Director

DIN : 00006187

**DR. LALIT BHASIN**

Director

DIN : 00001607

**Place: New Delhi**

**Dated: 30<sup>th</sup> May 2013**

**DINESH KUMAR JAIN**

Vice President (Corporate) &

Company Secretary

**DINESH C. KOTHARI**

Director

DIN : 00195609

**AMRITESH JATIA**

Director

DIN : 02781300

# ASIAN HOTELS (NORTH) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

A. CASH FLOW FROM OPERATING ACTIVITIES	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	4,445.05	5,449.17
Adjustments for:		
Depreciation and amortisation	1,196.00	1,148.68
Interest and finance charges	3,199.52	2,564.97
Interest income	(2,037.30)	(1,012.94)
Income from Investment - dividends	(0.07)	(4.82)
Loss on fixed assets sold/ discarded (net)	15.04	89.88
Net unrealised (gain)/loss on foreign currency transaction and translation	(826.20)	(1,843.34)
Bad debts / advances written off	2.85	5.60
Obsolete / damaged inventories written off	-	5.49
Provision for bad & doubtful debts/advances (written back)	(0.67)	0.14
Liability no longer required written back	(121.34)	(42.63)
Provision no longer required written back	(41.13)	(21.55)
Provision for gratuity and leave encashment	8.52	120.12
Prior period expenses/(income) (net)	11.23	(0.55)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,851.50	6,458.22
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(25.61)	312.30
(Increase)/decrease in inventories	(78.99)	139.01
Increase/(decrease) in trade payables, other liabilities and provisions	3,509.56	9,088.66
CASH GENERATED FROM OPERATIONS	9,256.46	15,998.19
Income taxes paid	(1,932.39)	(739.59)
Prior period (expenses)/income (net)	(11.23)	0.55
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>7,312.84</b>	<b>15,259.15</b>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Additions during the year	(1,325.11)	(1,920.34)
Capital work-in-progress		
Deductions/(additions) during the year	(9,131.91)	(7,642.45)
Proceeds from sale of fixed assets	40.24	27.78
Proceeds from redemption of investments	-	37,565.92
Loan to subsidiary	-	(37,565.92)
Purchase of investments	-	(5,000.00)
Investments in bank deposits (with original maturity over 3 months)	(236.40)	(115.69)
Proceeds from bank deposits (with original maturity over 3 months)	4.78	-
Interest received (revenue)	43.78	99.74
Dividend received	0.07	4.82
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(10,604.55)</b>	<b>(14,546.14)</b>

# ASIAN HOTELS (NORTH) LIMITED

## C. CASH FLOW FROM FINANCING ACTIVITIES

	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Proceeds from long-term borrowings		
Receipts	24,985.19	11,032.02
Payments	(20,015.03)	(4,602.69)
Proceeds from short-term borrowings		
Receipts	4,782.87	2,475.00
Payments	(3,208.36)	(6,832.18)
Interest and finance charges	(2,946.22)	(2,271.94)
Dividend paid	(296.73)	(491.28)
Dividend tax paid	(48.13)	(79.70)
<b>NET CASH FROM/(USED) IN FINANCING ACTIVITIES</b>	<b>3,253.59</b>	<b>(770.77)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(38.12)</b>	<b>(57.76)</b>
CASH AND CASH EQUIVALENTS - OPENING	194.40	252.16
CASH AND CASH EQUIVALENTS - CLOSING	156.28	194.40
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(38.12)</b>	<b>(57.76)</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 bracket indicate cash outflow.
- 3 Previous year figures have been regrouped 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, draft on hand and balance with banks as follows:

	As At 31 <sup>st</sup> March 2013 (Rs. In Lakhs)	As At 31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Balances with banks		
In current accounts	25.36	30.72
In deposits with original maturity of less than 3 months	53.63	45.26
Cheques, draft on hand	40.59	92.93
Cash on hand	36.70	25.49
	<b>156.28</b>	<b>194.40</b>

"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 KUMAR JATIA

Chairman & Managing Director  
DIN : 00006187

#### DINESH C. KOTHARI

Director  
DIN : 00195609

#### DR. LALIT BHASIN

Director  
DIN : 00001607

#### AMRITESH JATIA

Director  
DIN : 02781300

Place: New Delhi

Dated: 30<sup>th</sup> May 2013

### ON BEHALF OF THE BOARD OF DIRECTORS

# ASIAN HOTELS (NORTH) LIMITED

---

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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) 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.

#### c) 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 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) 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.
- (e) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (f) 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.
- (g) 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.

#### d) 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.

# ASIAN HOTELS (NORTH) LIMITED

---

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### e) 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 including receivables and payables which are likely to be settled in foreseeable future, 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.

### f) 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.

### g) 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.

### h) 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.

### i) 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.

### j) 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.

# ASIAN HOTELS (NORTH) LIMITED

---

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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.

### **k) 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.

### **l) 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.

### **m) 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 reasonable 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.

### **n) 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.

### **o) 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 not more than three months.

### **p) 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, 2013

### 3 SHARE CAPITAL

	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (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
<p>{NCPS are due for redemption on 30th June, 2013, at the issue price (including premium) of Rs. 90/- per share aggregating to Rs. 4,410.00 Lakhs, as per the revised schedule of redemption as consented by the holder thereof, namely 'Magus Estates and Hotels Limited', which during the current year ceased to be a subsidiary of the Company}</p>		
	<b>2,435.32</b>	<b>2,435.32</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 dividends 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 31st March, 2013, the amount of per share dividend proposed as distribution to equity shareholders is Rs.1.00 (31st March, 2012: Rs. 1.50).

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 2013		As at 31 <sup>st</sup> March 2012	
	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, an erstwhile 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 31st March, 2013 and 31st March, 2012 is set out below:

Particulars	As at	
	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
<b>Equity Shares of Rs. 10 each fully paid</b>		
Number of shares in the beginning	19,453,229	19,453,229
Add: Shares issued during the year	-	-
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	4,900,000
Add: Shares issued during the year	-	-
Less: Shares redeemed during the year	-	-
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, 2013

- (e) Aggregate number and class of shares allotted for consideration other than cash / bought back during the period of five years immediately preceding 31st March, 2013:

Particulars	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010	31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2008
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 Arrangement and 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 Arrangement and Demerger.

#### 4 RESERVES & SURPLUS

	Additions	Deductions	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
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	294.00	–	3,747.19	3,453.19
Tourism Development Utilised Reserve	–	–	5,332.02	5,332.02
Revaluation Reserve	–	(53.91)	19,389.16	19,443.07
Surplus in Statement of Profit and Loss	2,944.65	(527.32)	18,519.70	16,102.37
	<u>3,238.65</u>	<u>(581.23)</u>	<u>84,894.31</u>	<u>82,236.89</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		16,102.37	13,237.92
Add: Profit for the year		2,944.65	3,565.86
Amount available for appropriation		<u>19,047.02</u>	<u>16,803.78</u>
Less: Appropriations			
Proposed dividend on equity shares		194.53	291.80
Dividend on preference shares		4.90	4.90
Dividend distribution tax		33.89	48.13
Amount transferred to general reserve		294.00	356.58
Total		<u>527.32</u>	<u>701.41</u>
Closing balance		<u>18,519.70</u>	<u>16,102.37</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

5 LONG-TERM BORROWINGS	Non-Current		Current	
	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
<b>SECURED</b>				
<b>TERM LOANS</b>				
<b>FROM BANKS</b>				
DBS Bank Limited				
– Rupee loan	–	4,500.00	–	1,285.71
– External commercial borrowings	<b>40,803.83</b>	42,619.72	<b>4,509.22</b>	834.49
(USD 833.13 Lakhs, Previous year USD 849.44 Lakhs)				
Axis Bank Limited–Rupee loan	<b>20,000.00</b>	11,500.00	–	1,500.00
ING Vysya Bank Limited–Rupee loan	<b>4,309.22</b>	–	<b>120.00</b>	–
Yes Bank Limited–Rupee loan	<b>500.00</b>	–	–	–
<b>For business of generation of electricity</b> (Refer Note 28 on Segment Reporting)				
ING Vysya Bank Limited–Rupee loan	<b>539.40</b>	784.95	<b>196.25</b>	147.19
<b>For acquisition of vehicles</b>				
Axis Bank Limited– Rupee loan	<b>14.93</b>	11.09	<b>14.82</b>	7.28
ICICI Bank Limited– Rupee loan	–	22.37	<b>22.37</b>	115.20
<b>FROM FINANCIAL INSTITUTION</b>				
<b>For acquisition of vehicles</b>				
Kotak Mahindra Prime Limited – Rupee loan	<b>31.02</b>	27.07	<b>28.01</b>	25.47
	<b>66,198.40</b>	59,465.20	<b>4,890.67</b>	3,915.34
Amount disclosed under the head "Other Current Liabilities" (Note 11)			<b>(4,890.67)</b>	(3,915.34)
	<b>66,198.40</b>	59,465.20	–	–

There is no continuing default in repayment of loans and interest as on 31st March, 2013.

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

- DBS Bank Limited –External commercial borrowings (carried interest range 4.2% to 5.95%) and Rupee loan, previous year, (carried interest @ 12.95%) 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 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: (i). USD 201.19 Lakhs is payable in 21 quarterly installments up to June, 2018; (ii). USD 530.00 Lakhs is payable in 12 semi-annual installments commencing from April, 2013 and; (iii). USD 101.94 Lakhs is payable in 12 semi-annual installments commencing from April, 2014.
- Axis Bank Limited –Rupee loan (carried interest @ 12.75%) is secured by exclusive mortgage charge on six floor (Service Apartments) in the new tower/ building in the existing Hyatt Regency Hotel complex, second exclusive mortgage charge on the land and building pertaining to the existing Hyatt Regency Hotel complex, first pari-passu hypothecation charge on the moveable fixed assets of the Company – both present & future and Personal guarantee of Chairman & Managing Director. Repayable in quarterly installments up to March 2023, starting from December, 2014.
- ING Vysya Bank Limited –Rupee loan (carried interest @ 12.20%) is secured by exclusive mortgage charge on two floor (Service Apartments) in the new tower/ building in the existing Hyatt Regency Hotel complex, first pari-passu hypothecation charge on the moveable fixed assets of the Company – both present & future and Personal guarantee of Chairman & Managing Director. Repayable in 84 monthly installments up to September 2020, starting from October, 2013.
- Yes Bank Limited –Rupee loan (carried interest @ 11.50%) is secured by pledge on shareholding of Chairman & Managing Director, his associates, Asian Holdings Private Limited and other group companies (total 7.2% shareholding) in the Company; Exclusive charge by way of equitable mortgage of properties owned by two other companies belong to relatives of Directors; pledge on 30% shareholding of Chairman & Managing Director in RSJ Developers Private Limited; unconditional and irrevocable personal guarantee of Chairman & Managing Director and unconditional and irrevocable corporate guarantee of WEL Intertrade Private Limited. Repayable in 16 quarterly installments up to January 2018, starting from April, 2014.
- ING Vysya Bank–Rupee loan for business of generation of electricity (carried interest @ 12.20%) 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 15 equal installment up to October, 2016.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (f) Axis Bank–Rupee loan for acquisition of vehicles (carried interest @ 9.32% to 11.12%) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to October, 2015.
- (g) 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 5 monthly installments up to August, 2013.
- (h) 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 monthly installments up to December, 2015.
- (i) The details of repayment of long-term borrowings as at 31st March, 2013 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	4,862.66	39,696.33	26,471.05	71,030.04
From financial institution	28.01	31.02	–	59.03
Unsecured term loans	–	–	–	–
<b>Total</b>	<b>4,890.67</b>	<b>39,727.35</b>	<b>26,471.05</b>	<b>71,089.07</b>

### 6 DEFERRED TAX LIABILITIES (NET)

	Increase / (Decrease) (Rs. In Lakhs)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Deferred tax liabilities /(assets) on account of timing differences:			
Depreciation	110.40	1,994.21	1,883.81
Provision for employees benefits	(17.40)	(322.00)	(304.60)
Provision for doubtful debts	0.18	(0.69)	(0.87)
Other statutory dues	(89.69)	(591.99)	(502.30)
Demerger expenses	128.97	(141.87)	(270.84)
	132.46	937.66	805.20

### 7 OTHER LONG-TERM LIABILITIES

	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Security deposits received	2,272.90	2,879.33
	2,272.90	2,879.33

The above includes Rs. 1,075 Lakhs (Previous Year Rs. 1,500 Lakhs) received as refundable interest free security deposit against leasing of commercial/ office space and Rs. 1,000 Lakhs (Previous Year 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 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Provision for employee benefits				
Gratuity	469.23	472.34	234.21	219.35
Leave encashment	195.81	201.21	48.10	45.93
Provision for taxation (net of Advance Income Tax)	–	–	60.67	625.12
Proposed dividend on equity shares	–	–	194.53	291.80
Dividend on preference shares	–	–	4.90	4.90
Corporate dividend tax	–	–	33.89	48.13
	665.04	673.55	576.30	1,235.23

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

9	<b>SHORT-TERM BORROWINGS</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
		<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
	<b>SECURED</b>		
	<b>Loans repayable on demand from banks</b>		
	<b>Overdraft facilities</b>		
	–DBS Bank Limited	2,254.47	2,175.69
	–Yes Bank Limited	491.27	–
		<u>2,745.74</u>	<u>2,175.69</u>
	<b>UNSECURED</b>		
	<b>Other Loans and advances from</b>		
	– ING Vysya Bank Limited (carries interest @ 12.20%)	249.42	699.96
	(Secured by personal guarantee of Chairman & Managing Director and collateral security given by two companies in which Chairman & Managing Director is interested.)		
	<b>Others</b>		
	–Inter–corporate Loans (carries interest @ 12% to 17%)	1,455.00	–
		<u>1,704.42</u>	<u>699.96</u>
		<u>4,450.16</u>	<u>2,875.65</u>
	(a) DBS Bank Limited –Overdraft facilities (carries interest @ 13%) and is secured against hypothecation of Inventories of Hotel Hyatt Regency, Delhi.		
	(b) Yes Bank Limited –Overdraft facilities (carried interest @ 11.50%) is secured by pledge on shareholding of Chairman & Managing Director, his associates, Asian Holdings Private Limited and other group companies (total 7.2%) in the Company; Exclusive charge by way of equitable mortgage of properties owned by two other group companies of Chairman & Managing Director; pledge on 30% shareholding of Chairman & Managing Director in RSJ Developers Private Limited; unconditional and irrevocable personal guarantee of Chairman & Managing Director and unconditional and irrevocable corporate guarantee of WEL Intertrade Private Limited.		
	(c) There is no continuing default in repayment of loans and interest as on 31st March 2013.		
10	<b>TRADE PAYABLES</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
		<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
	Trade payables		
	–For Goods and Services*	1,304.26	1,089.37
		<u>1,304.26</u>	<u>1,089.37</u>
	* includes due to Micro, Small & Medium Enterprises		
11	<b>OTHER CURRENT LIABILITIES</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
		<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
	Current maturities of long–term borrowings (Refer Note 5)	4,890.67	3,915.34
	Interest accrued but not due on borrowings	989.74	736.44
	Unpaid/ unclaimed dividends	44.78	74.59
	<b>Other Payables</b>		
	Advance from customers	12,138.21	12,176.16
	Payables for capital goods	560.93	516.46
	Security deposits (interest free)	4,431.66	1,419.12
	Statutory liabilities	3,198.58	2,861.81
	Others	1,688.82	1,261.55
		<u>27,943.39</u>	<u>22,961.47</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (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. 1,400 Lakhs) received from a company in which certain relatives of directors of the Company are interested and Rs. 3,020.00 Lakhs (Previous Year Rs.Nil) received from other entities against expression of interest for 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 along with interest thereon amounting to Rs. 2,705.28 Lakhs, Previous Year 2,312.29 Lakhs {Refer Note 27A(b)}.

### 12. FIXED ASSETS

(Rs. In Lakhs)

Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 01.04.2012	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2013	Upto 31.03.2012	For the year	Deductions/ Adjustments during the year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible assets</b>										
Land (freehold)	80,074.28	–	–	<b>80,074.28</b>	–	–	–	–	<b>80,074.28</b>	80,074.28
Buildings	10,091.63	578.16	–	<b>10,669.79</b>	1,681.96	175.10	–	<b>1,857.06</b>	<b>8,812.73</b>	8,409.67
Plant and Equipments	10,487.20	393.49	26.43	<b>10,854.26</b>	3,960.16	505.07	14.14	<b>4,451.09</b>	<b>6,403.17</b>	6,527.04
Furniture, Fixtures and Furnishing	5,217.07	287.23	0.68	<b>5,503.62</b>	2,686.97	369.11	0.58	<b>3,055.50</b>	<b>2,448.12</b>	2,530.10
Vehicles	1,574.05	66.23	141.28	<b>1,499.00</b>	791.69	200.63	98.39	<b>893.93</b>	<b>605.07</b>	782.36
<b>Total</b>	<b>107,444.23</b>	<b>1,325.11</b>	<b>168.39</b>	<b>108,600.95</b>	<b>9,120.78</b>	<b>1,249.91</b>	<b>113.11</b>	<b>10,257.58</b>	<b>98,343.37</b>	<b>98,323.45</b>
<b>Intangible assets</b>										
Total	–	–	–	–	–	–	–	–	–	–
<b>Grand Total</b>	<b>107,444.23</b>	<b>1,325.11</b>	<b>168.39</b>	<b>108,600.95</b>	<b>9,120.78</b>	<b>1,249.91</b>	<b>113.11</b>	<b>10,257.58</b>	<b>98,343.37</b>	<b>98,323.45</b>
Previous Year	105,860.50	1,920.34	336.61	<b>107,444.23</b>	8,137.14	1,202.59	218.95	<b>9,120.78</b>		
Capital Work-in-progress (refer note 12A)									<b>26,968.77</b>	20,019.74
									<b>125,312.14</b>	118,343.19

- (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 28th 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>32.42</b> | 30.73 |
| Accumulated depreciation         | <b>25.91</b> | 18.19 |
| Depreciation charge for the year | <b>7.66</b>  | 4.38  |
| Net value                        | <b>6.51</b>  | 12.54 |
- (d) Vehicles includes those financed:
- |             |               |        |
|-------------|---------------|--------|
| Gross value | <b>348.56</b> | 436.56 |
| Net value   | <b>267.26</b> | 348.06 |
- (e) Vehicles includes given on operating lease:
- |             |   |        |
|-------------|---|--------|
| Gross value | – | 620.67 |
| Net value   | – | 265.51 |

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (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          | 34.00    | 34.00    |
| Net value            | 34.00    | 34.00    |
| Plant and Equipments |          |          |
| Gross value          | 1,857.02 | 1,857.02 |
| Net value            | 1,366.76 | 1,464.81 |
- (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 with permitted commercial area (SERVICED APARTMENT PROJECT) at Hotel Hyatt Regency Delhi.

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

	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Building under construction	15,065.11	13,832.23
Technical and consultancy fees	1,068.06	862.61
Kitchen Equipments	88.42	0.65
Mock up room cost	153.26	146.60
Plumbing and sanitation	415.43	220.55
Air conditioning under installation	270.56	184.40
Generators under installation	1.65	–
Elevators under installation and others	187.27	139.09
Imported Furniture and Fixtures	970.88	20.13
Fire fighting equipments	113.23	57.18
Office, Housekeeping and other equipments	25.78	–
Music, TV and Cinematograph	47.86	–
Electrification	326.40	185.84
Expenditure during construction {Refer Note (a) below}	8,234.86	4,370.46
	<b>26,968.77</b>	<b>20,019.74</b>

- (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	500.03	256.42
Recruitment and Training	1.80	1.80
Legal and professional charges (Including loan processing and arranging fees)	58.19	22.04
Rates and taxes	12.42	10.57
Insurance cost	24.70	10.44
Travelling expenses	149.22	62.07
Interest expenses	5,597.64	2,880.32
Net loss /(gain) on foreign currency transaction and translation	1,724.31	1,028.88
Miscellaneous	166.55	97.92
	<b>8,234.86</b>	<b>4,370.46</b>

- (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, 2013

- (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 total net loss on foreign currency transaction and translation of Rs. 1,724.31 Lakhs (previous year net loss on foreign currency transaction and translation of Rs. 1,028.88 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 2013**      31<sup>st</sup> March 2012  
**(Rs. In Lakhs)**      (Rs. In Lakhs)

#### Trade Investments (valued at cost)

##### Unquoted

##### Investment in Foreign Subsidiary

11,910,114 Ordinary Shares of no par value (Previous Year nominal value of USD 1.00 each fully paid up) of Finline Hospitality & Consultancy Pte. Ltd, Mauritius	<b>5,251.41</b>	5,251.41
10,193,679 5% Cumulative Redeemable Preference Shares (CRPS) of USD 1.00 each fully paid up of Finline Hospitality & Consultancy Pte Ltd, Mauritius#	<b>5,544.27</b>	5,214.73
	<b>10,795.68</b>	10,466.14
Aggregate amount of unquoted investments	<b>10,795.68</b>	10,466.14
Aggregate provision for diminution in value of investments	-	-

# The value enhancement is solely on account of change in exchange rate on the stated foreign currency amount invested.

- (a) During a project and operational review of its erstwhile subsidiary, Magus Estates and Hotels Limited (Magus), the Board was apprised of the cancellation of the second phase of Magus project due to change in Maharashtra State Policy with regard to FSI available for mixed use projects. Further, in view of the subdued performance of the hospitality industry in general, including Mumbai, and more so of the said subsidiary, the Board apprehended an imminent impairment in the value of Company's investment in its subsidiary namely Finline Hospitality & Consultancy Pte. Ltd. (FHCPL) is necessary, which could have adversely impacted the enterprise value of the Company. To avoid such an eventuality, and to preserve and protect the interest of the minority shareholders, the Promoters suo moto proposed to, and implemented re-arrangement of the underlying assets of FHCPL by substituting Leading Hotels Limited (Leading) for Magus.
- (b) Magus was a subsidiary of the Company through its 53% Mauritian Subsidiary FHCPL. The remaining 47% of FHCPL was held by Finline Holdings Ltd. (FHL). FHCPL owned and controlled Magus to the extent of 79.46%.
- (c) The loss on sale of investment in Magus was fully absorbed by the Promoters by causing buy back of entire ordinary and preference shareholding of Finline Holdings Limited, the initial promoter of FHCPL, a promoter entity of the Company and minority shareholder of FHCPL, aggregating USD 78.65 million for a nominal sum of USD 200. In addition, Finline Holdings Limited gave up its loan earlier given to FHCPL amounting to USD 1.98 million.
- (d) Consequent to the re-arrangement mentioned in (c) above, the Company presently holds 100% interest in FHCPL, which in turn holds 80% stake in Lexon Hotel Ventures Ltd., Mauritius (Lexon); and Lexon in turn holds 99.76% interest in Leading.
- (e) Leading is developing an all Villa Hotel Complex at Goa, including residential villas and an 18 hole, 72 par Championship Golf Course. The said project will be under the management of Four Seasons, a world famed hotel chain and hospitality management company.



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

14 LOANS AND ADVANCES (Unsecured, considered good)	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Capital advances	7,473.27	4,550.49	–	–
Security Deposits	91.21	82.64	14.30	23.49
Loans and advances to related parties				
Foreign Currency loan to Finline Hospitality & Consultancy Pte. Ltd., Mauritius, a wholly owned subsidiary {USD 767.82 lakhs (Previous Year USD 767.82 lakhs)}#	41,761.31	39,279.09	–	–
Other loans and advances				
Advances recoverable in cash or in kind or for value to be received*	19.79	23.95	495.61	436.36
Prepaid expenses	46.92	2.36	352.41	394.50
Advance Income Tax (net of provision for taxation)	–	–	–	–
Advance Fringe Benefit Tax (net of provision)	–	–	1.46	1.46
Service tax recoverable	–	–	2.24	1.60
Value added tax (VAT) recoverable	–	–	45.29	35.10
	<b>49,392.50</b>	<b>43,938.53</b>	<b>911.31</b>	<b>892.51</b>
*includes loans to employees	19.79	23.95	21.37	18.59

#The value enhancement is solely on account of change in exchange rate on the stated foreign currency amount.

(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). Capital advances includes Rs. 5,942.57 Lakhs (Previous Year Rs.2,921.49 Lakhs) paid against said allotment, which represents 100 % (Previous Year 59%) of the total cost of said allotted land, however, the said land is yet to be registered in the name of the Company.

15 OTHER ASSETS (Unsecured, considered good)	NON-CURRENT		CURRENT	
	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Interest accrued on fixed deposits with banks	8.90	4.03	6.16	1.30
Interest accrued on foreign currency Loan to:				
Finline Hospitality & Consultancy Pte. Ltd., Mauritius, a wholly owned subsidiary {USD 54.22 lakhs (Previous Year USD 17.75 lakhs)}#	–	907.87	2,949.04	–
Non-current bank balances (Refer Note 18)	259.73	47.23	–	–
	<b>268.63</b>	<b>959.13</b>	<b>2,955.20</b>	<b>1.30</b>

# has become due on 31st March, 2013

16 INVENTORIES (valued at lower of cost and net realizable value)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Wines and liquor	256.68	195.53
Provisions, other beverages and smokes	92.57	97.51
Crockery, cutlery, silverware, linen etc.	164.91	139.59
General stores and spares	120.12	122.66
	<b>634.28</b>	<b>555.29</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, 2013

17 TRADE RECEIVABLES (Unsecured)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
Outstanding for a period exceeding six months		
Considered good	117.01	41.25
Considered doubtful	2.03	2.70
Others		
Considered good	1,002.26	1,122.36
	1,121.30	1,166.31
Less: Provision for doubtful debts	(2.03)	(2.70)
	1,119.27	1,163.61
Trade receivables includes:		
– due from Energy Infrastructure (I) Limited, a company in which director of the Company is director	4.48	5.14
– debts related to generation of electricity business (Refer Note 28 on Segment Reporting )	29.34	16.72
<b>18 CASH AND BANK BALANCES</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>Cash and Cash Equivalents</b>		
Balances with banks		
In Current Accounts	25.36	30.72
In Deposits with original maturity of less than 3 months*	53.63	45.26
Cheque, draft on hand	40.59	92.93
Cash on hand	36.70	25.49
	156.28	194.40
<b>Other Bank Balances</b>		
Balances with banks		
In Unpaid Dividend Accounts #	44.87	74.65
In Deposits with original maturity of more than 3 months but less than 12 months**	87.58	68.46
In Deposits with original maturity of more than 12 months***	259.73	47.23
	392.18	190.34
Amount disclosed under Non-Current Assets (Note 15)	(259.73)	(47.23)
	288.73	337.51
# includes excess deposit due to rounding-off of dividend payable on fractional shares	0.09	0.06
* includes given as security deposit to The Assessor & Collector, Municipal Corporation, Mumbai - Octroi	39.67	36.97
** includes as margin money deposit against bank guarantee	66.38	66.38
** includes as margin money deposit against letter of credits	16.00	–
*** includes as margin money deposit against bank guarantee	47.23	47.23
*** includes as margin money deposit against borrowings from banks	212.50	–

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

<b>19 REVENUE FROM OPERATIONS</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Room income	10,478.97	11,314.76
Wines and liquor	1,910.86	1,789.00
Food, other beverages, smokes and banquets	6,133.93	6,417.00
Communications	88.79	179.56
Others*	3,003.14	2,899.87
	<b>21,615.69</b>	<b>22,600.19</b>
*Includes related to generation of electricity business (Refer Note 28 on Segment Reporting)	234.10	218.53
<b>20 OTHER INCOME</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Interest Received/Receivable		
From banks	20.58	7.88
From subsidiary	1,983.79	907.87
From others	32.93	97.19
Dividend received on non-trade investments	0.07	4.82
Excess provisions no longer required written back	41.13	21.55
Credit balances written back	121.34	42.63
Provision for doubtful debts/ advances written back	0.67	-
Net gain/(loss) on foreign currency transaction and translation (other than considered as finance cost)	2,842.92	3,964.03
Miscellaneous income	8.61	5.42
	<b>5,052.04</b>	<b>5,051.39</b>
<b>21 CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES &amp; OTHERS</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>WINES AND LIQUOR</b>		
Opening Stock	195.53	246.19
Add : Purchases	639.04	484.02
	<b>834.57</b>	<b>730.21</b>
Closing Stock	(256.68)	(195.53)
	<b>577.89</b>	<b>534.68</b>
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	97.51	158.87
Add : Purchases	2,128.60	2076.34
	<b>2,226.11</b>	<b>2,235.21</b>
Closing Stock	(92.57)	(97.51)
	<b>2,133.54</b>	<b>2,137.70</b>
	<b>2,711.43</b>	<b>2,672.38</b>
Percentage of total consumption between:		
Indigenous 76.99% (Previous Year 78.77%)	2,087.53	2,105.02
Imported 23.01% (Previous Year 21.23%)	623.90	567.36

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

<b>22 EMPLOYEE BENEFITS EXPENSES</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Salaries and wages	4,044.83	3,952.56
Commission to non-executive directors	37.59	40.00
Contribution to provident and other funds	227.16	236.07
Contract labour and services	629.00	671.80
Staff welfare expense *	529.19	567.06
Recruitment and training	66.78	54.51
	<b>5,534.55</b>	<b>5,522.00</b>
* includes :		
Cost of provisions consumed in staff cafeteria	228.57	234.93
Realisation on sale of food coupons to staff	(21.11)	(20.84)
 <b>23 OTHER EXPENSES</b>	 <b>31<sup>st</sup> March 2013</b>	 <b>31<sup>st</sup> March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	621.58	610.50
Operating equipment and supplies written off	253.45	253.67
Power, fuel and light (net)	1,482.64	1,287.28
Repairs, maintenance and refurbishing *	867.62	1,316.64
Rent	0.76	0.33
Rates and taxes	828.13	711.08
Insurance	109.99	108.34
Data processing charges	134.86	97.44
Directors' sitting fee	8.29	6.48
Legal and professional charges	246.93	364.79
Payment to the auditors**	41.52	51.15
Artist fee	53.72	33.11
Stationery and printing	88.03	94.25
Travelling and conveyance	327.76	345.31
Guest transportation	261.09	225.68
Communication (including telephones for guests)	161.60	143.47
Technical services	846.11	1,276.12
Advertisement and publicity	337.36	356.90
Commission and brokerage	750.08	666.54
Charity and donations	1.01	19.67
Bad debts / advances written off	2.85	5.60
Provision for doubtful debts	-	0.14
Obsolete/ damaged inventories written off	-	5.49
Loss on fixed assets sold/discarded (net)	15.04	89.88
Miscellaneous	64.05	76.22
	<b>7,504.47</b>	<b>8,146.08</b>
* includes:		
Repairs to buildings	479.84	429.73
Repairs to machinery	210.38	699.54

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
**Payments to the auditors for (including service tax)		
-statutory audit	22.47	22.47
-tax audit fee	5.62	5.62
-IFRS audit fee	5.62	5.82
-limited review and certification	5.06	4.99
-other services	2.75	11.24
-reimbursement of expenses	-	1.01
	41.52	51.15
<b>24 FINANCE COSTS</b>	<b>31<sup>st</sup> March 2013 (Rs. In Lakhs)</b>	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>
Interest expenses	2,873.63	2,434.91
Other borrowing costs (including bank charges)	325.89	130.06
Applicable net loss/(gain) on foreign currency transactions and translation {Refer Note 2(k) on borrowing costs}	2,032.85	2,125.14
	5,232.37	4,690.11
<b>25 PRIOR PERIOD ITEMS</b>	<b>31<sup>st</sup> March 2013 (Rs. In Lakhs)</b>	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>
Repair, maintenance and refurbishing	4.70	0.44
Rates and taxes	2.12	0.22
Insurance	0.07	2.15
Data processing charges	0.92	3.25
Legal and professional charges	0.97	3.73
Advertisement and publicity	2.40	-
Guest transportation	-	3.88
Miscellaneous	3.94	0.01
Other services income	(3.89)	(14.23)
	11.23	(0.55)
<b>26 EARNINGS PER EQUITY SHARE</b>	<b>31<sup>st</sup> March 2013 (Rs. In Lakhs)</b>	<b>31<sup>st</sup> March 2012 (Rs. In Lakhs)</b>
Profit for the year	2,944.65	3,565.86
Less : Dividends on Preference Shares (including Corporate Dividend Tax)	5.70	5.70
<b>Profit available for equity shareholders</b>	<b>2,938.95</b>	<b>3,560.16</b>
Weighted average number of equity shares outstanding	19,453,229	19,453,229
Nominal value per equity share (in Rupees)	10.00	10.00
<b>Earnings Per Equity Share- Basic and Diluted (in Rupees)</b>	<b>15.11</b>	<b>18.30</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

27 CONTINGENT LIABILITIES AND COMMITMENTS	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
<b>A CONTINGENT LIABILITIES</b>		
(a) Claims against the Company not acknowledged as debts*	<b>489.96</b>	499.68
<p>* includes demand raised by Service Tax Authorities amounting to Rs. 467.96 lakhs (excluding interest and penalties) for earlier years, against which the Company had filed an appeal with the said authorities. The Company may, however, be not liable to pay the demand for the periods till 18th April, 2006 in view of the judgment of the Hon'ble Supreme Court of India in the case of Indian National Ship-owners Association whereby it is held that no service tax is leviable on certain services prior to 18th April, 2006.</p>		
(b) Municipal Corporation of Delhi introduced a new method for payment of property tax under 'Unit Area Scheme' w.e.f. 1st 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 10th 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 contested by the Company and on the insistence of the authorities, the Company had 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. 113.61 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>4,493.87</b>	5,750.39
(b) Lease commitments		
(i) Future commitments in respect of assets acquired under Finance Schemes:		
Minimum installments payable within one year	<b>72.59</b>	160.19
later than one year but not later than five years	<b>49.41</b>	64.10
Present value of minimum installments payable within one year	<b>65.20</b>	147.95
later than one year but not later than five years	<b>45.95</b>	60.53
(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>52.09</b>	105.50
Later than one year and not later than five years	<b>105.14</b>	95.43
(iii) Future minimum lease payments payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented apartments) entered into by the Company :		
Not later than one year	<b>114.21</b>	57.96
Later than one year and not later than five years	<b>359.52</b>	8.25

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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) Individual and his relatives having control over the Company (either directly or indirectly)

- (i) Mr. Amritesh Jatia, Director
- (ii) Mr. Shiv Kumar Jatia, Chairman & Managing Director

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

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

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

- (i) Fineline Hospitality & Consultancy Pte. Limited, Mauritius, a subsidiary company (wholly owned w.e.f. 29th January, 2013)
- (ii) Magus Estates and Hotels Limited, India, a subsidiary company (upto 28th January, 2013)
- (iii) Lexon Hotel Ventures Limited, Mauritius, a subsidiary company (w.e.f. 29th January, 2013)
- (iv) Leading Hotels Limited, India, a subsidiary company (w.e.f. 29th January, 2013)

#### (d) Transactions with related parties:

(Rs. in Lakhs)

Particulars	Subsidiaries		Key Management Personnel		Entities controlled by Directors or their relative		Total	
	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
Room, Food, Beverages and other services	48.53	58.41	-	-	32.57	45.26	81.10	103.67
Remuneration	-	-	346.27	275.46	-	-	346.27	275.46
Professional Charges	-	-	-	-	9.15	17.49	9.15	17.49
Sale of Capital goods	4.42	-	-	-	0.10	17.61	4.52	17.61
Purchase of Capital goods	-	45.85	-	-	14.53	30.50	14.53	76.35
Reimbursement of Expenses by the Company	-	5.62	-	-	-	0.86	-	6.48
Reimbursement of Expenses by Related Parties	-	-	-	-	0.25	0.03	0.25	0.03
Dividend - Preference Shares	-	4.90	-	-	4.90	-	4.90	4.90
Redemption of Preference Shares	-	37,565.93	-	-	-	-	-	37,565.93
Loan to Subsidiary	-	37,565.93	-	-	-	-	-	37,565.93
Interest Income from Subsidiary	1,983.79	907.87	-	-	-	-	1,983.79	907.87
Investment in shares	-	5,000.00	-	-	-	-	-	5,000.00
Advance Received (refer note 11b)	-	-	-	-	-	500.00	-	500.00
<b>Balance Outstanding</b>								
Payables	-	4,463.13	227.99	95.58	5,916.15	1,420.53	6,144.14	5,979.24
Receivables	50,255.97	45,421.68	-	-	117.37	41.74	50,373.34	45,463.42

- (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, 2013

- (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.
- (iii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

### (e) Related Parties

- Subsidiaries
  - Fineline Hospitality & Consultancy Pte. Limited
  - Magus Estates and Hotels Limited (upto 28th January, 2013)
  - Lexon Hotel Ventures Limited (w.e.f. 29th January, 2013)
  - Leading Hotels Limited (w.e.f. 29th January, 2013)
- Key Management Personnel
  - Mr. Shiv Kumar Jatia Chairman & Managing Director
  - Mr. Adarsh Jatia Joint Managing Director (resigned on 26th January, 2013)
- Entities controlled by Directors or their relatives (with whom transactions entered into during current year or previous year)
  - Ascent Hotels Private Limited
  - Bhasin & Co.
  - Binaguri Tea Company Private Limited
  - Energy Infrastructure (I) Limited
  - Godfrey Philips Limited
  - Leading Hotels Limited (upto 28th January, 2013)
  - Magus Estates and Hotels Limited (after 28th January, 2013)

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

Particulars	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
	(Rs. In Lakhs)	(Rs. In Lakhs)
<b>Room, Food, Beverages and other services</b>		
– Magus Estates and Hotels Limited (transactions upto 29th Jan., 2013)	48.00	58.41
– Magus Estates and Hotels Limited (transactions after 29th Jan., 2013)	9.60	–
– Leading Hotels Limited (transaction upto 29th Jan., 2013)	16.78	–
– Leading Hotels Limited (transaction after 29th Jan., 2013)	0.53	–
– Energy Infrastructure (I) Limited	0.47	6.04
– Bhasin & Co.	0.26	1.23
– Ascent Hotels Private Limited	5.46	36.40
– Godfrey Philips Limited	–	1.59
<b>Remuneration</b>		
– Mr. Shiv Kumar Jatia	240.11	191.70
– Mr. Adarsh Jatia	106.16	83.76
<b>Professional Charges</b>		
– Bhasin & Co.	9.15	17.49
<b>Sale Of Capital Goods</b>		
– Ascent Hotels Private Limited	0.10	12.44
– Magus Estates and Hotels Limited (transactions upto 29th Jan., 2013)	4.42	–
– Leading Hotels Limited (transaction upto 29th Jan., 2013)	–	5.17
<b>Purchase Of Capital Goods</b>		
– Ascent Hotels Private Limited	–	30.50
– Magus Estates and Hotels Limited (transactions upto 29th Jan., 2013)	–	45.85
– Magus Estates and Hotels Limited (transactions after 29th Jan., 2013)	14.53	–
<b>Reimbursement of Expenses by the Company</b>		
– Magus Estates and Hotels Limited (transactions upto 29th Jan., 2013)	–	5.62
– Ascent Hotels Private Limited	–	0.86



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
	(Rs. In Lakhs)	(Rs. In Lakhs)
<b>Reimbursement of Expenses by related parties</b>		
– Ascent Hotels Private Limited	–	0.03
– Leading Hotels Limited (transaction upto 29th Jan., 2013)	0.25	–
<b>Dividend – Preference Shares</b>		
– Magus Estates and Hotels Limited (transactions upto 29th Jan., 2013)	–	4.90
– Magus Estates and Hotels Limited (transactions after 29th Jan., 2013)	4.90	–
<b>Interest Income from Subsidiary</b>		
– Finline Hospitality & Consultancy Pte. Limited	1,983.79	907.87
<b>Investment in Subsidiaries</b>		
– Finline Hospitality & Consultancy Pte. Limited	–	5,000.00
<b>Redemption of Preference Shares</b>		
– Finline Hospitality & Consultancy Pte. Limited	–	37,565.93
<b>Loan to Subsidiary</b>		
– Finline Hospitality & Consultancy Pte. Limited	–	37,565.93
<b>Advance Received</b>		
– Binaguri Tea Company Private Limited	–	500.00
<b>Outstanding Payables</b>		
– Mr. Shiv Kumar Jatia	146.78	63.72
– Mr. Adarsh Jatia	81.21	31.86
– Bhasin & Co.	1.71	2.46
– Magus Estates and Hotels Limited	4,514.44	4,463.13
– Ascent Hotels Private Limited	–	18.07
– Binaguri Tea Company Private Limited	1,400.00	1,400.00
<b>Outstanding Receivables</b>		
– Ascent Hotels Private Limited	29.05	36.40
– Magus Estates and Hotels Limited	83.84	19.99
– Energy Infrastructure (I) Limited	4.48	5.14
– Godfrey Philips Limited	–	0.20
– Leading Hotels Limited	1.35	–
– Finline Hospitality & Consultancy Pte. Limited	50,254.62	45,401.69

### 30. EMPLOYEE BENEFITS

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

#### (a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 211.74 Lakhs (Previous year Rs. 217.59 Lakhs)

#### (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 8.00% p.a. (previous year 8.50%) compound has been used.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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.

The assumptions used are summarised in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
Discount rate (per annum)	8.00%	8.50%	8.00%	8.50%
Future salary increase	7.00%	7.50%	7.00%	7.50%
Expected rate of return on plan assets	N.A	N.A	N.A	N.A
In service mortality	IALM (1994-96)	LIC (1994-96) ultimate	IALM (1994-96)	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 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
<b>1. Expenses recognised in statement of profit and loss</b>				
Current service cost	50.41	52.62	37.41	44.19
Interest cost	55.33	54.95	19.77	14.64
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/loss recognised in the year	(37.87)	(37.98)	(13.47)	32.47
<b>Total expenses</b>	<b>67.87</b>	<b>69.59</b>	<b>43.71</b>	<b>91.30</b>
<b>2. Net asset/(liability) recognised as at the end of the year</b>				
Present value of defined benefit obligation	703.45	691.69	243.90	247.15
Fair value of plan assets	-	-	-	-
Funded status [surplus/(deficit)]	(703.45)	(691.69)	(243.90)	(247.15)
<b>Net asset/(liability) as at the end of the year</b>	<b>(703.45)</b>	<b>(691.69)</b>	<b>(243.90)</b>	<b>(247.15)</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	691.69	646.53	247.14	172.18
Interest cost	55.33	54.95	19.77	14.64
Current service cost	50.41	52.62	37.41	44.19
Benefits paid	(56.11)	(24.43)	(46.95)	(16.34)
Actuarial (gains)/losses on obligation	(37.87)	(37.98)	(13.47)	32.47
<b>Present value of obligation as at the end of the year</b>	<b>703.45</b>	<b>691.69</b>	<b>243.90</b>	<b>247.14</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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.

### 32. OTHER INFORMATION

	31 <sup>st</sup> March 2013 (Rs. In Lakhs)	31 <sup>st</sup> March 2012 (Rs. In Lakhs)
<b>(a) Value of imports calculated on CIF basis</b>		
(i) Food and beverages	32.89	30.01
(ii) Stores and spares	111.47	152.05
(iii) Capital goods	1,801.82	1,028.33
(iv) Beverages - through canalising agencies	356.53	303.41
<b>(b) Expenditure in foreign currency</b>		
(i) Technical services (Royalty)	103.10	106.43
(ii) Technical services (Professional and consultation fees)	586.82	1,044.28
(iii) Interest	2,113.37	1,933.14
(iv) Others		
– Advertisement and publicity	231.03	233.36
– Commission and brokerage	375.44	254.91
– Recruitment and training	24.57	34.37
– Miscellaneous	175.64	275.49
<b>(c) Earning in foreign currency</b>		
(i) Revenue from operation (As certified and reported by the Management to the Department of Tourism, Govt. of India)	13,331.13	14,014.30
(ii) Interest	1,983.79	907.87
<b>(d) Details of dividends paid to Non Resident Shareholders holding shares on repatriation basis:</b>		
Final Dividend - Equity		
(i) Financial Year to which dividend relates	2011-12	2010-11
(ii) Number of non resident shareholders	606	639
(iii) Number of shares held by them	14,030,869	14,041,156
(iv) Rupees (in Lakhs) equivalent of amount paid in foreign currency	201.09	335.13
(v) 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	9.37	15.90

### 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, 2013

### 34. UN-HEDGED FOREIGN CURRENCY EXPOSURE

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2013 are as under:

Particulars	31 <sup>st</sup> March 2013		31 <sup>st</sup> March 2012	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Loans and advances given				
(in USD)	76,857,333	41,802.17	78,631,327	40,225.03
(in EURO)	159,341	110.81	34,465	23.55
(in SGD)	49,500	21.64	–	–
(in GBP)	23,141	19.05	13,883	11.36
Investment in CRPS (refer Note 13)(USD)	10,193,679	5,544.27	10,193,680	5,214.73
Interest accrued on loan to subsidiary(USD)	5,422,095	2,949.04	1,774,691	907.87
Payables (in USD)				
Trade payables	1,186,397	645.27	38,449	19.67
Payable for capital goods	225,640	122.72	225,640	115.43
External Commercial Borrowings (ECBs)	83,312,430	45,313.05	84,943,680	43,454.21
Interest on ECBs	1,309,204	712.07	1,304,344	667.26
Sundry Creditors (in SEK)	28,667	2.40	28,667	2.20

### 35. OTHER NOTES

- (a) During the financial year 2011-12, 76782214 3.5% Optionally Convertible Redeemable Preference Shares of USD 1 each held by the Company in FHCPL were prematurely redeemed and the redemption proceeds of USD 76.78 millions were converted into a foreign currency loan effective 30th September, 2011. Interest accrued on the said loan for 18 months period ended 31st March, 2013, amounting to USD 5.42 million was due and payable on that date. The interest amount of USD 5.42 million and a part of the said loan, to the extent of USD 31.73 million, aggregating to USD 37.15 million were deployed to subscribe additional No Par Value ordinary shares of FHCPL after 31st March, 2013.
- (b) 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.
- (c) As per the requirement of revised Schedule VI, the Board of Directors have considered the values of all assets of the Company other than fixed assets and non-current investments, and have come to a conclusion that these have a value on realisation in the ordinary course of business which is not less than the value at which they are stated in the balance sheet.
- (d) Previous year's figures  
The Company has reclassified or regrouped previous year figures to conform to current year's classification/ grouping.

Signature to note 1 to 35 of financial statements

#### For MOHINDER PURI & COMPANY

Chartered Accountants  
Firm Registration Number: 000204N

**VIKAS VIG**  
Partner  
Membership Number: 16920

Place: New Delhi  
Dated: 30<sup>th</sup> May 2013

**JYOTI SUBARWAL**  
President- Finance  
& Operations

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

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

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

#### ON BEHALF OF THE BOARD OF DIRECTORS

**DR. LALIT BHASIN**  
Director  
DIN : 00001607

**AMRITESH JATIA**  
Director  
DIN : 02781300

# ASIAN HOTELS (NORTH) LIMITED

---

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN HOTELS (NORTH) LIMITED TO THE BOARD OF DIRECTORS OF ASIAN HOTELS (NORTH) LIMITED

### Report on the Financial Statements

1. We have audited the accompanying consolidated financial statements of **ASIAN HOTELS (NORTH) LIMITED** ("the Company") and its Subsidiaries (hereinafter collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of Fit For Consolidation Report (FFC Report) of the other auditors of the subsidiary referred below in the Other Matter paragraph, the aforesaid 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 affairs of the Group as at 31st March, 2013;
  - b. in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - c. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

7. We did not audit the financial statements of Company's subsidiary consolidated with its subsidiaries, whose financial statements reflect total assets of Rs. 65,264.08 Lakhs as at 31st March, 2013 (Previous Year Rs. 133,117.16 Lakhs) and total revenues of Rs. 10,649.05 Lakhs for the year ended on that date (Previous Year Rs. 12,939.44 Lakhs) as considered in the consolidated financial statements of the Group. These financial statements have been audited by other auditors whose FFC Report have been furnished to us by the management, and our opinion, on the consolidated financial statements of the Group for the year then ended, in so far as it relates to the amounts and disclosures included in respect of the Company's subsidiary, are based solely on the FFC Report of such other auditors. Our opinion is not qualified in respect of this matter.

### For MOHINDER PURI AND COMPANY

Firm Registration Number: 000204N  
Chartered Accountants

### VIKAS VIG

PARTNER

Membership Number: 16920

Place: NEW DELHI

Date: 30th May, 2013

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

EQUITY AND LIABILITIES	Notes	As At 31st March 2013 (Rs. In Lakhs)	As At 31st March 2012 (Rs. In Lakhs)
<b>Shareholders' Funds</b>			
Share Capital	3	2,435.32	1,945.32
Reserves & Surplus	4	83,699.59	73,160.34
		<u>86,134.91</u>	<u>75,105.66</u>
Minority Interest		2,138.85	35,127.09
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	66,213.60	100,250.81
Deferred Tax Liabilities (net)	6	937.66	805.20
Other Long-term Liabilities	7	2,272.90	5,433.81
Long-term Provisions	8	666.38	723.19
		<u>70,090.54</u>	<u>107,213.01</u>
<b>Current Liabilities</b>			
Short-term Borrowings	9	5,195.37	5,691.25
Trade Payables	10	1,361.55	1,691.80
Other Current Liabilities	11	35,992.97	24,594.66
Short-term Provisions	8	574.39	961.06
		<u>43,124.28</u>	<u>32,938.77</u>
<b>TOTAL</b>		<u><b>201,488.58</b></u>	<u><b>250,384.53</b></u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	12		
Tangible Assets		107,506.86	144,014.67
Intangible Assets		46,779.14	61,382.83
Capital Work-in-progress		35,376.26	31,031.37
Long-term Loans And Advances	13	7,857.46	5,359.16
Other Non-current Assets	14	270.63	519.78
		<u>197,790.35</u>	<u>242,307.81</u>
<b>Current Assets</b>			
Inventories	15	634.28	996.80
Trade Receivables	16	1,117.92	1,488.99
Cash and Bank Balances	17	930.40	1,513.27
Short-term Loans And Advances	13	1,009.47	4,076.36
Other Current Assets	14	6.16	1.30
		<u>3,698.23</u>	<u>8,076.72</u>
<b>TOTAL</b>		<u><b>201,488.58</b></u>	<u><b>250,384.53</b></u>

**CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES**

1 & 2

**CONTINGENT LIABILITIES AND COMMITMENTS**

26

The accompanying notes 1 to 34 are an integral part of the 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 KUMAR JATIA**

Chairman & Managing Director  
DIN : 00006187

**DINESH C. KOTHARI**

Director  
DIN : 00195609

**AMRITESH JATIA**

Director  
DIN : 02781300

**DR. LALIT BHASIN**

Director  
DIN : 00001607

**Place: New Delhi**

**Dated: 30<sup>th</sup> May 2013**

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

INCOME	NOTES	For The Year Ended 31st March 2013 (Rs. In Lakhs)	For The Year Ended 31st March 2012 (Rs. In Lakhs)
I Revenue From Operations (gross)	18	32,116.33	35,372.21
Less: Excise Duty paid		<u>(32.63)</u>	<u>(23.71)</u>
Revenue From Operations (net)		32,083.70	35,348.50
II Other Income	19	<u>3,168.13</u>	<u>4,247.49</u>
III <b>Total Income (I+II)</b>		<u><b>35,251.83</b></u>	<u><b>39,595.99</b></u>
<b>IV EXPENSES</b>			
Consumption of Provisions, Beverages, Smokes & Others	20	3,848.79	4,006.22
Employee Benefits Expense	21	8,180.00	8,738.08
Other Expenses	22	<u>12,735.39</u>	<u>12,437.28</u>
<b>TOTAL EXPENSES</b>		<u><b>24,764.18</b></u>	<u><b>25,181.58</b></u>
<b>V Earnings before interest, tax, depreciation and amortisation (EBITDA) (III-IV)</b>		<u><b>10,487.65</b></u>	<u><b>14,414.41</b></u>
Depreciation & Amortisation Expense	12	3,116.62	3,411.84
Less: Transferred from Revaluation Reserve		<u>(53.91)</u>	<u>(53.91)</u>
Less: included as part of capital work-in-progress		<u>(3.09)</u>	<u>-</u>
Finance Costs	23	<u>8,628.16</u>	<u>8,932.24</u>
<b>VI Profit/(Loss) before exceptional, prior period items, extraordinary items and tax</b>		<u><b>(1,200.13)</b></u>	<u><b>2,124.24</b></u>
Exceptional Items			
Impairment of goodwill on consolidation		-	6,512.45
<b>VII Profit/(Loss) before prior period items, extraordinary items and tax</b>		<u><b>(1,200.13)</b></u>	<u><b>(4,388.21)</b></u>
Prior period items	24	<u>11.23</u>	<u>(53.86)</u>
<b>VIII Profit/(Loss) before extraordinary items and tax</b>		<u><b>(1,211.36)</b></u>	<u><b>(4,334.35)</b></u>
Extraordinary Items			
Loss/(Gain) on sale of investment in Magus Estates and Hotels Limited (Magus)		35,219.75	-
Loan liability written back (waived off by minority shareholders)		<u>(1,076.48)</u>	<u>-</u>
<b>IX Profit/(Loss) before tax</b>		<u><b>(35,354.63)</b></u>	<u><b>(4,334.35)</b></u>
<b>X Tax Expense</b>			
Current Tax		1,468.72	1,860.00
Earlier Years Tax (written back)		<u>(102.06)</u>	<u>(27.09)</u>
Deferred Tax Liability		<u>127.75</u>	<u>3,187.00</u>
Total tax		<u>1,494.41</u>	<u>5,019.91</u>
<b>XI Profit/(Loss) for the year before Minority Interest (IX-X)</b>		<u><b>(36,849.04)</b></u>	<u><b>(9,354.26)</b></u>
<b>XII Attributable to Minority Interest</b>			
Share of Profit/ (Loss)		<u>(722.01)</u>	<u>(6,643.68)</u>
Gain/(Loss) on sale of investment in Magus borne by minority shareholder through Business Reorganisation Account (Refer Note 28)		<u>(43,178.02)</u>	<u>-</u>
Loan waived off		<u>1,076.48</u>	<u>-</u>
Total		<u>(42,823.55)</u>	<u>(6,643.68)</u>
<b>XIII Profit/(Loss) after minority interest (XI-XII)</b>		<u><b>5,974.51</b></u>	<u><b>(2,710.58)</b></u>
<b>Earnings/(Loss) Per Equity Share (in Rupees)</b>	25		
Basic		30.71	(13.93)
Diluted		30.71	(13.93)

### CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

1 & 2

The accompanying notes 1 to 34 are an integral part of the 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 KUMAR JATIA

Chairman & Managing Director  
DIN : 00006187

DINESH C. KOTHARI

Director  
DIN : 00195609

AMRITESH JATIA

Director  
DIN : 02781300

DR. LALIT BHASIN

Director  
DIN : 00001607

Place: New Delhi

Dated: 30<sup>th</sup> May 2013

# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

A. CASH FLOW FROM OPERATING ACTIVITIES	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
PROFIT/(LOSS) BEFORE TAX BUT AFTER EXCEPTIONAL/EXTRA ORDINARY ITEMS	(35,354.63)	(4,334.35)
Adjustments for:		
Depreciation and amortisation	3,059.62	3,357.93
Interest and finance charges	6,595.31	6,807.10
Interest income	(90.58)	(161.04)
Income from Investment - dividends	(4.18)	(7.12)
Loss on fixed assets sold/ discarded (net)	15.18	95.32
Impairment of goodwill on consolidation	–	6,512.45
Loss/(Gain) on sale of investment	35,219.75	–
Loan liability written back	(1,076.48)	–
Net unrealised (gain)/loss on foreign currency transaction and translation	(826.20)	(1,843.34)
Bad debts / advances written off	2.85	5.60
Obsolete / damaged inventories written off	–	5.49
Provision for bad & doubtful debts/advances written back	(51.71)	(10.69)
Liability no longer required written back	(121.34)	(42.63)
Provision no longer required written back	(41.13)	(21.55)
Provision for gratuity and leave encashment	47.10	161.32
Prior period expenses/(income) (net)	11.23	(53.86)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>7,384.79</b>	<b>10,470.63</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	3,491.50	(1,030.73)
(Increase)/decrease in inventories	(60.30)	31.98
Increase/(decrease) in trade payables, other liabilities and provisions	(1,438.55)	8,043.76
Effect of exchange differences on translation of assets and liabilities	(40.39)	(478.45)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(0.01)	(0.40)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>9,337.04</b>	<b>17,036.79</b>
Income taxes paid	(1,630.33)	(764.73)
Prior period (expenses)/income (net)	(11.23)	53.86
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>7,695.48</b>	<b>16,325.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets		
Additions during the year	(1,635.51)	(2,194.01)
Capital Work-in-progress		
Deductions/(additions) during the year	(17,676.90)	(8,691.41)
Proceeds from sale of fixed assets	43.32	78.55
Proceeds from restructuring in investments	158.69	–
Investments in bank deposits (with original maturity over 3 months)	(236.40)	(43.44)
Proceeds from bank deposits (with original maturity over 3 months)	454.60	–
Interest received (revenue)	97.55	207.65
Dividend received	4.18	7.12
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(18,790.47)</b>	<b>(10,635.54)</b>



# ASIAN HOTELS (NORTH) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

C. CASH FLOW FROM FINANCING ACTIVITIES	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Proceeds from long-term borrowings		
Receipts	24,985.19	19,389.95
Payments	(10,511.00)	(8,738.39)
Proceeds from short-term borrowings		
Receipts	4,782.87	5,691.88
Payments	(1,511.71)	(14,165.49)
Effect of exchange differences on translation of borrowings	-	(121.35)
Interest and finance charges	(6,801.91)	(6,502.95)
Dividend paid	(291.83)	(486.38)
Dividend tax paid	(48.13)	(79.69)
<b>NET CASH FROM/(USED) IN FINANCING ACTIVITIES</b>	<b>10,603.48</b>	<b>(5,012.42)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.01	0.40
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(491.50)</b>	<b>678.36</b>
CASH AND CASH EQUIVALENTS - OPENING	1,234.45	556.09
CASH AND CASH EQUIVALENTS - CLOSING	742.95	1,234.45
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(491.50)</b>	<b>678.36</b>

### NOTES:

- The above cash flow statement has been prepared under the "Indirect method" set out in the Accounting Standard- 3 on Cash Flow Statements.
- Figures in bracket indicate cash outflow.
- Previous year figures have been regrouped and recast wherever necessary to conform to current year's classification.
- 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 31st March 2013 (Rs. In Lakhs)	As At 31st March 2012 (Rs. In Lakhs)
Balances with banks		
In current accounts	276.20	1,044.84
In deposits with original maturity of less than 3 months	181.63	45.26
Cheques, draft on hand	40.59	99.01
Cash on hand	244.53	45.34
	<b>742.95</b>	<b>1,234.45</b>

“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

Place: New Delhi  
Dated: 30<sup>th</sup> May 2013

ON BEHALF OF THE BOARD OF DIRECTORS

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

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

**AMRITESH JATIA**  
Director  
DIN : 02781300

**DR. 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, 2013

### 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. The Company has three subsidiaries namely Finline Hospitality & Consultancy Pte. Ltd., an overseas subsidiary, incorporated in Mauritius provides offshore project consultancy services; Lexon Hotel Ventures Limited is incorporated in Mauritius also provides offshore project consultancy services; and Leading Hotels Limited incorporated in India is developing an all Villa Hotel Complex, including residential villas and an 18 hole, 72 pars Championship Golf Course in Goa (India).

### 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) 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 31st March 2013	Effective % of holding as at 31st March 2012
Finline Hospitality & Consultancy Pte. Ltd (FHCL)- an Overseas Subsidiary	Mauritius	100.00%	53.00 %
Magus Estates and Hotels Limited (Magus), subsidiary of FHCL	India	0.00%	42.11% (*)
Lexon Hotel Ventures Limited (Lexon), a subsidiary of FHCL	Mauritius	80.00% (#)	0.00%
Leading Hotels Limited, a subsidiary of Lexon	India	79.81% (^)	0.00%

(\*) i.e., 53% of 79.46 % held by FHCL. FHCL holding in Magus has been sold on 29th January, 2013.

(#) i.e., 100.00% of 80.00 % held by FHCL.

(^) i.e.. 80.00% of 99.76% held by Lexon.

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

- (i) the financial statements of the Company and its Overseas Wholly Owned 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 Subsidiary for the year ended 31st March, 2013, 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

---

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### c) 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.

### 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 15th 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 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) 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.
- (e) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (f) 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.
- (g) 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.

### 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.

# ASIAN HOTELS (NORTH) LIMITED

---

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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 including receivables and payables which are likely to be settled in foreseeable future, are recognised 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.

### 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 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.

### 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.

### 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.

# ASIAN HOTELS (NORTH) LIMITED

---

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 earning 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 earning 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) 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.

### **p) 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.

### **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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

3. SHARE CAPITAL	31st March 2013 (Rs. In Lakhs)	31st March 2012 (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 (Previous Year Nil) 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs. 10 each fully paid	490.00	-
(NCPS are due for redemption on 30th June, 2013, at the issue price (including premium) of Rs. 90/- per share aggregating to Rs. 4,410.00 Lakhs, as per the revised schedule of redemption as consented by the holder thereof, namely Magus Estates and Hotels Limited (Magus), which during the current year ceased to be a subsidiary of the Company)		
	<b>2,435.32</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 dividends 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 31st March, 2013, the amount of per share dividend proposed as distribution to equity shareholders is Rs.1.00 (31st March, 2012: Rs. 1.50).

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	31st March 2013		31st March 2012	
	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, an erstwhile subsidiary company	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.

**(c) The reconciliation of the number of shares outstanding as at 31st March, 2013 and 31st March, 2012 is set out below:**

Particulars	As at	
	31st March 2013	31st March 2012
<b>Equity Shares of Rs. 10 each fully paid</b>		
Number of shares in the beginning	19,453,229	19,453,229
Add: Shares issued during the year	-	-
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	-
Add: Shares issued during the year	-	-
Less: Shares redeemed during the year	-	-
Number of shares at the end	4,900,000	-

# represents 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) issued to Magus. Till previous year, the same had been eliminated in the consolidated financial statements of the Company (Refer Note 28).

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (d) Aggregate number and class of shares allotted for consideration other than cash/ bought back during the period of five years immediately preceding 31st March, 2013.

Particulars	31st March 2012	31st March 2011	31st March 2010	31st March 2009	31st March 2008
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 Arrangement and 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 Arrangement and Demerger.

4. RESERVES & SURPLUS	Additions (Rs. In Lakhs)	Deductions (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Capital Reserve	724.32	–	725.73	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*	3,920.00	–	36,914.83	32,994.83
General Reserve	294.00	–	3,747.19	3,453.19
Tourism Development Utilised Reserve	–	–	5,332.02	5,332.02
Foreign Exchange Translation Reserve	207.65	–	1,071.60	863.95
Revaluation Reserve**	–	(53.91)	19,389.16	19,443.07
Surplus in Statement of Profit and Loss	5,974.51	(527.32)	15,529.06	10,081.87
	11,120.48	(581.23)	83,699.59	73,160.34

\* Addition to Securities Premium Account represents premium on 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) issued to Magus Estates and Hotels Limited, an erstwhile subsidiary company. Till previous year, the same had been eliminated in the consolidated financial statements of the Company (Refer Note 28).

\*\* Deduction to Revaluation Reserve represents amount withdrawn on account of depreciation during the year.

(a) Capital Reserve

Opening balance	1.41	–
Add: Reduction in value of ordinary shares of Subsidiary (Refer Note 28)	511.78	–
Add: Transferred from Business Reorganisation Account	212.54	–
Closing balance	725.73	–

(b) Business Reorganisation Account (Refer Note 28)

Opening balance	–	–
Add: Buy back of ordinary and preference shares of Subsidiary	42,314.08	–
Less: Set-off during the year	(42,101.54)	–
Less: Transferred to Capital Reserve	(212.54)	–
Closing balance	–	–

(c) Surplus in Statement of Profit and Loss

Opening balance	10,081.87	13,488.96
Add: Profit/(Loss) for the year	5,974.51	(2,710.58)
Amount available for appropriation	16,056.38	10,778.38
Less: Appropriations		
Proposed Dividend on Equity Shares	194.53	291.80
Dividend on Preference Shares	4.90	–
Dividend Distribution Tax	33.89	48.13
Amount transferred to general reserve	294.00	356.58
Total	527.32	696.51
Closing balance	15,529.06	10,081.87

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 5. LONG TERM BORROWINGS

	NON-CURRENT		CURRENT	
	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>SECURED LOANS</b>				
<b>TERM LOANS</b>				
<b>FROM BANKS</b>				
DBS Bank Limited				
-Rupee loan	-	4,500.00	-	1,285.71
-External commercial borrowings (USD 833.13 Lakhs, Previous year USD 849.44 Lakhs)	<b>40,803.83</b>	42,619.72	<b>4,509.22</b>	834.49
Axis Bank Limited-Rupee loan	<b>20,000.00</b>	31,500.00	<b>5,055.21</b>	1,500.00
ING Vysya Bank Limited-Rupee loan	<b>4,309.22</b>	-	<b>120.00</b>	-
Yes Bank Limited-Rupee loan	<b>500.00</b>	-	-	-
HDFC Limited- Rupee Loan	-	19,930.65	-	-
<b>For business of generation of electricity</b> (Refer Note 29 on Segment Reporting)				
ING Vysya Bank Limited-Rupee loan	<b>539.40</b>	784.95	<b>196.25</b>	147.19
<b>For acquisition of vehicles</b>				
Axis Bank- Rupee loan	<b>30.13</b>	11.09	<b>23.09</b>	7.28
ICICI Bank Limited- Rupee loan	-	22.37	<b>22.37</b>	115.20
HDFC Bank Limited- Rupee Loan	-	-	-	8.16
<b>FROM FINANCIAL INSTITUTION</b>				
For acquisition of vehicles				
Kotak Mahindra Prime Limited - Rupee loan	<b>31.02</b>	38.83	<b>28.01</b>	32.28
<b>UNSECURED LOANS</b>				
Interest Free foreign currency loan from: Fineline Holdings Limited, an overseas entity	-	843.20	-	-
	<b>66,213.60</b>	100,250.81	<b>9,954.15</b>	3,930.31
Amount disclosed under the head "Other Current Liabilities" (Note 11)	-	-	<b>(9,954.15)</b>	(3,930.31)
	<b>66,213.60</b>	100,250.81	-	-

There is no continuing default in repayment of loans and interest as on 31st March, 2013. {also refer Note 11(a)}.

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

- DBS Bank Limited -External commercial borrowings (carried interest range 4.2% to 5.95%) and Rupee loan, previous year, (carried interest @ 12.95%) 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 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: (i). USD 201.19 Lakhs is payable in 21 quarterly installments up to June 2018; (ii). USD 530.00 Lakhs is payable in 12 semi-annual installments commencing from April 2013 and; (iii). USD 101.94 Lakhs is payable in 12 semi-annual installments commencing from April 2014.
- Axis Bank Limited -Rupee loan (carried interest @ 12.75%) is secured by exclusive mortgage charge on six floor (Service Apartments) in the new tower/ building in the existing Hyatt Regency Hotel complex, second exclusive mortgage charge on the land and building pertaining to the existing Hyatt Regency Hotel complex, first pari-passu hypothecation charge on the moveable fixed assets of the Company - both present & future and Personal guarantee of Chairman & Managing Director. Repayable in quarterly installments up to March 2023, starting from December 2014. Axis Bank Limited-Term loan (Rs. 5,055.21 lakhs) has been secured by Mortgage of land of Leading Hotels Limited, a subsidiary, at Goa, at the interest rate of 13.25 % per annum and will be repaid in 3 equal quarterly installment starting from the end of 18th months from the date of first disbursement.
- ING Vysya Bank Limited -Rupee loan (carried interest @ 12.20%) is secured by exclusive mortgage charge on two floor (Service Apartments) in the new tower/ building in the existing Hyatt Regency Hotel complex, first pari-passu hypothecation charge on the moveable fixed assets of the Company - both present & future and Personal guarantee of Chairman & Managing Director. Repayable in 84 monthly installments up to September 2020, starting from October 2013.
- Yes Bank Limited -Rupee loan (carried interest @ 11.50%) is secured by pledge on shareholding of Chairman & Managing Director, his associates, Asian Holdings Private Limited and other group companies (total 7.2% shareholding) in the Company; exclusive charge by way of equitable mortgage of properties owned by two other companies belong to relatives of Directors; pledge on 30% shareholding of Chairman & Managing Director in RSJ Developers Private Limited; unconditional and irrevocable personal guarantee of Chairman & Managing Director and unconditional and irrevocable corporate guarantee of WEL Intertrade Private Limited. Repayable in 16 quarterly installments up to January 2018, starting from April 2014.



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (e) HDFC Bank Limited -Rupee Loan (carried interest @ 11.25%) was secured by first pari-passu mortgage and charge on all the immoveable properties of Magus -present & future; first pari-passu charge by way of hypothecation on all the movable assets of Magus. Balance was repayable in 26 quarterly installments up to June 2021.
- (f) ING Vysya Bank-Rupee loan for business of generation of electricity (carried interest @ 12.20%) 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 15 equal installment up to October 2016.
- (g) Axis Bank-Rupee loan for acquisition of vehicles (carried interest @ 9.32% to 11.12%) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to October 2015.
- (h) 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 5 monthly installments up to August 2013.
- (i) 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 monthly installments up to December 2015.
- (j) The details of repayment of long-term borrowings as at 31st March, 2013 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	9,926.14	39,711.53	26,471.05	76,108.72
From financial institution	28.01	31.02	–	59.03
Unsecured loans	–	–	–	–
Total	9,954.15	39,742.55	26,471.05	76,167.75

### 6. DEFERRED TAX LIABILITIES (NET)

	Increase / (Decrease) (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Deferred Tax Liabilities/(Asset) on account of timing differences:			
Depreciation	110.40	1,994.21	1,883.81
Provision for employee benefits	(17.40)	(322.00)	(304.60)
Provision for doubtful debts	0.18	(0.69)	(0.87)
Other statutory dues	(89.69)	(591.99)	(502.30)
Demerger expenses	128.97	(141.87)	(270.84)
	132.46	937.66	805.20

### 7. OTHER LONG-TERM LIABILITIES

	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Shop and Other security deposits received	2,272.90	5,433.81
	2,272.90	5,433.81

The above includes Rs. 1,075 Lakhs (Previous Year Rs. 1,500 Lakhs) received as refundable interest free security deposit against leasing of commercial/ office space and Rs. 1,000 Lakhs (Previous Year 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	
	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Provisions for employee benefits				
Gratuity	470.57	521.98	234.21	227.64
Leave encashment	195.81	201.21	48.10	63.45
Other benefit plans	–	–	–	7.61
Provision for taxation (net of advance income tax)	–	–	58.76	322.43
Proposed dividend on equity shares	–	–	194.53	291.80
Dividend on preference shares	–	–	4.90	–
Corporate dividend tax	–	–	33.89	48.13
	666.38	723.19	574.39	961.06

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

9. SHORT-TERM BORROWINGS	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>SECURED LOANS</b>		
<b>Loans repayable on demand from banks</b>		
<b>Overdraft facilities</b>		
-DBS Bank Limited	2,254.47	2,175.69
-Yes Bank Limited	491.27	-
<b>Other Loans and advances from</b>		
Axis Bank	-	1,888.13
<b>UNSECURED LOANS</b>		
<b>Loans and advances from related parties</b>		
-A Promoter Director	745.15	77.47
-Group Company	0.06	-
<b>Other Loans and advances from</b>		
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.)	249.42	699.96
<b>Others</b>		
- Inter Corporate Loans (carries interest 12%-17%)	1,455.00	850.00
	<u>5,195.37</u>	<u>5,691.25</u>
(a) DBS Bank Limited -Overdraft facilities (carries interest @ 13%) and is secured against hypothecation of Inventories of Hotel Hyatt Regency, Delhi.		
(b) Yes Bank Limited -Overdraft facilities (carried interest @ 11.50%) is secured by pledge on shareholding of Chairman & Managing Director, his associates, Asian Holdings Private Limited and other group companies (total 7.2%) in the Company; exclusive charge by way of equitable mortgage of properties owned by two other group companies of Chairman & Managing Director; pledge on 30% shareholding of Chairman & Managing Director in RSJ Developers Private Limited; unconditional and irrevocable personal guarantee of Chairman & Managing Director and unconditional and irrevocable corporate guarantee of WEL Intertrade Private Limited.		
(c) Other loans and advances from Axis Bank carried interest @ 10.45% and was 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 31st March, 2013.		
<b>10. TRADE PAYABLES</b>	<b>31st March 2013 (Rs. In Lakhs)</b>	<b>31st March 2012 (Rs. In Lakhs)</b>
Trade Payables		
-For goods and services*	1,361.55	1,691.80
	<u>1,361.55</u>	<u>1,691.80</u>
* includes due to Micro, Small & Medium Enterprises	-	8.68
<b>11. OTHER CURRENT LIABILITIES</b>	<b>31st March 2013 (Rs. In Lakhs)</b>	<b>31st March 2012 (Rs. In Lakhs)</b>
Current maturities of long-term borrowings (Refer Note 5)	9,954.15	3,930.31
Interest accrued and due on borrowings	-	459.90
Interest accrued but not due on borrowings	989.74	736.44
Unpaid/ Unclaimed Dividend	44.78	74.59
Other Payables		
Advance from customers	15,044.21	12,528.05
Payables for capital goods	560.93	858.46
Security deposits (Interest free)	4,431.66	1,419.12
Statutory liabilities	3,207.84	3,038.78
Others	1,759.66	1,549.01
	<u>35,992.97</u>	<u>24,594.66</u>
(a) Interest accrued and due on borrowings as on 31st March, 2012 represents the amount becoming due on 31st March, 2012, however, the same was paid off fully in the subsequent month.		
(b) Advances from customers includes (i) 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. (ii) Rs. 2,906.00 Lakhs (Previous Year Rs. Nil Lakhs) received as advance and deposits from prospective buyer of Villas constituents forming part of an all Villa Hotel Complex of Leading Hotels Limited, a subsidiary.		
(c) Security deposits (interest free) includes Rs. 1,400 lakhs (Previous Year Rs. 1,400 lakhs) received from a company in which certain relatives of directors of the Company are interested and Rs. 3,020.00 Lakhs (Previous Year Rs.Nil) received from other entities against expression of interest for 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. 2,705.28 Lakhs, Previous Year 2,312.29 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, 2013

### 12. FIXED ASSETS

(Rs. In Lakhs)

Description	GROSS BLOCK					DEPRECIATION/ AMORTISATION/ IMPAIRMENT					NET BLOCK			
	As at 01.04.2012	Additions during the year on account of acquisition as on 29th January 2013	Deduction on account of disposal of Subsidiary on 29th January 2013	Deductions/ Adjustments during the year	As at 31.03.2013	Upto 31.03.2012	Additions on account of acquisition as on 29th January 2013	For the year	Deduction on account of sale of Subsidiary on 29th January 2013	Deductions/ Adjustments during the year	Impairment	Upto 31.03.2013	As at 31.03.2012	As at 31.03.2013
<b>Tangible assets</b>														
Land (freehold)	88,322.41	9,019.26	8,303.98	-	<b>89,126.23</b>	-	-	-	-	-	-	-	<b>89,126.23</b>	88,322.41
Buildings	28,217.76	-	18,180.50	2.58	<b>10,707.23</b>	2,815.36	425.17	1,381.52	0.17	-	<b>1,858.84</b>	<b>8,848.39</b>	25,402.40	
Plant and Equipments	27,061.25	21.66	16,640.15	27.43	<b>10,876.45</b>	7,247.62	1,232.28	4,014.17	14.33	-	<b>4,454.11</b>	<b>6,422.34</b>	19,813.63	
Furniture, Fixtures and Furnishings	16,192.92	4.98	10,992.29	0.68	<b>5,508.69</b>	6,558.73	1,243.51	4,746.10	0.58	-	<b>3,055.99</b>	<b>2,452.70</b>	9,634.19	
Vehicles	1,651.61	61.12	77.56	141.28	<b>1,560.12</b>	809.57	207.75	24.06	98.39	-	<b>902.92</b>	<b>657.20</b>	842.04	
Total	161,445.95	9,107.02	54,194.48	171.97	<b>117,778.72</b>	17,431.28	3,108.71	10,165.85	113.47	-	<b>10,271.86</b>	<b>107,506.86</b>	144,014.67	
<b>Intangible assets</b>														
Softwares	54.71	-	98.02	-	<b>0.00</b>	19.30	7.91	27.21	-	-	-	<b>0.00</b>	35.41	
Goodwill on consolidation	67,859.87	46,000.87	77,660.96	-	<b>46,779.14</b>	6,512.45	-	6,512.45	-	-	-	<b>46,779.14</b>	61,347.42	
Total	67,914.58	46,000.87	77,758.98	-	<b>46,779.14</b>	6,531.75	7.91	6,539.66	-	-	-	<b>46,779.14</b>	61,382.83	
<b>Grand Total</b>	<b>229,360.53</b>	<b>55,107.89</b>	<b>131,953.46</b>	<b>171.97</b>	<b>164,557.86</b>	<b>23,963.03</b>	<b>11.19</b>	<b>16,705.51</b>	<b>113.47</b>	-	<b>10,271.86</b>	<b>154,286.00</b>	<b>205,397.50</b>	
Previous Year	215,443.99	-	-	395.35	<b>229,360.53</b>	14,260.22	-	3,411.84	-	221.48	6,512.45	<b>23,963.03</b>		
Capital Work-in-progress (Refer Note 12A)													<b>35,376.26</b>	31,031.37
													<b>189,662.26</b>	236,428.87

(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 28th 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) Goodwill on consolidation represents arisen on consolidation, addition/ deletion in value of goodwill represents changes due to exchange rate fluctuations. The Company has carried out an impairment testing of its all assets. Impairment has been provided on consolidation amounting to Rs. Nil (Previous Year Rs. 6,512.45 Lakhs) as required in terms of Accounting Standard 28 on Impairment of Assets notified by the Companies (Accounting Standard) Rules, 2006.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
(d) Building includes leasehold improvement:		
Gross value	69.86	30.73
Accumulated Depreciation	27.69	18.19
Depreciation charge for the year	9.44	4.38
Net value	42.17	12.54
(e) Vehicles includes those financed:		
Gross value	409.68	491.86
Net value	319.39	397.43
(f) Vehicles includes given on operating lease:		
Gross value	-	620.67
Net value	-	265.51
(g) Land -Freehold and Plant & Machinery includes assets relating to the business of generation of electricity (Refer Note 29 on Segment Reporting)		
Land - Freehold		
Gross value	34.00	34.00
Net value	34.00	34.00
Plant & Machinery		
Gross value	1,857.02	1,857.02
Net value	1,366.76	1,464.81
(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.		

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

	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Building under construction	15,065.11	19,136.23
Project Development expenses	3,598.21	-
Technical and consultancy fees	3,159.53	1,484.90
Kitchen Equipments	88.42	0.65
Mock up room cost	153.26	146.60
Plumbing and sanitation	415.43	220.55
Air conditioning under installation	270.56	184.40
Generators under installation	1.65	-
Elevators under installation and others	187.27	139.09
Imported Furniture and Fixtures	970.88	20.13
Fire fighting equipments	113.23	57.18
Office, Housekeeping and other equipments	25.78	-
Music, TV and Cinematograph	47.86	-
Electrification	326.40	185.84
Expenditure during construction {Refer Note (a) below}	10,952.67	9,455.80
	<b>35,376.26</b>	<b>31,031.37</b>

- (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	588.65	442.49
Recruitment and Training	1.80	1.80
Rent	35.15	-
Legal and professional charges (Including loan processing and arranging fees)	143.22	675.09
Rates and taxes	12.78	244.31
Insurance cost	24.70	20.68
Travelling expenses	687.63	172.74
Interest expenses	7,386.43	6,690.71
Depreciation	14.28	-
Net loss/(gain) on foreign currency transaction and translation	1,724.31	1,028.88
Miscellaneous	333.72	179.10
	<b>10,952.67</b>	<b>9,455.80</b>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (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. 1,724.31 Lakhs (previous year net loss on foreign currency transaction and translation of Rs. 1,028.88 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	
	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Capital advances	7,693.49	5,210.50	-	-
Security Deposits	97.26	122.35	14.30	23.49
Other loans and advances	-	-	-	-
Advances recoverable in cash or in kind or for value to be received*	19.79	23.95	546.54	677.36
Inter Corporate Loans	-	-	-	2,570.95
Prepaid expenses	46.92	2.36	399.64	659.14
Advance Fringe Benefit Tax (net of provision)	-	-	1.46	1.46
Service tax recoverable	-	-	2.24	108.86
Value added tax (VAT) recoverable	-	-	45.29	35.10
	<b>7,857.46</b>	<b>5,359.16</b>	<b>1,009.47</b>	<b>4,076.36</b>
	<b>19.79</b>	<b>23.95</b>	<b>21.37</b>	<b>18.59</b>

\*includes loans to employees

- (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). Capital advances includes Rs. 5,942.57 Lakhs (Previous Year Rs.2,921.49 Lakhs) paid against said allotment, which represents 100 % (Previous Year 59%) of the total cost of said allotted land, however, the said land is yet to be registered in the name of the Company.

### 14. OTHER ASSETS

(Unsecured Considered goods)

	NON-CURRENT		CURRENT	
	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Interest accrued on fixed deposits with banks	8.90	20.73	6.16	1.30
Non-current bank balances (Refer Note 17)	261.73	499.05	-	-
	<b>270.63</b>	<b>519.78</b>	<b>6.16</b>	<b>1.30</b>

### 15. INVENTORIES

(valued at lower of cost and net realizable value)

	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Wines and Liquor	256.68	413.42
Provisions, other beverages and smokes	92.57	118.87
Crockery, cutlery, silverware, linen etc.	164.91	247.57
General stores and spares	120.12	216.94
	<b>634.28</b>	<b>996.80</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, 2013

<b>16. TRADE RECEIVABLES</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
(Unsecured)	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
Outstanding for a period exceeding six months		
Considered good	117.01	41.25
Considered doubtful	2.03	68.66
Others		
Considered good	<u>1,000.91</u>	<u>1,447.74</u>
	<b>1,119.95</b>	<b>1,557.65</b>
Less: Provision for doubtful debts	<u>(2.03)</u>	<u>(68.66)</u>
	<b>1,117.92</b>	<b>1,488.99</b>
Trade receivables includes:		
-due from Energy Infrastructure (I) Limited, a company in which director of the Company is director	4.48	5.14
-debts related to generation of electricity business (Refer Note 29 on Segment Reporting)	29.34	16.72
<b>17. CASH AND BANK BALANCES</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>Cash and Cash Equivalents</b>		
Balances with banks		
In Current Accounts	276.20	1,044.84
In Deposits with original maturity of less than 3 months*	181.63	45.26
Cheques, drafts on hand	40.59	99.01
Cash on hand	<u>244.53</u>	<u>45.34</u>
	<b>742.95</b>	<b>1,234.45</b>
<b>Other Bank Balances</b>		
Balances with banks		
In Unpaid Dividend Accounts #	44.87	74.65
In Deposits with original maturity of more than 3 months but less than 12 months**	142.58	204.17
In Deposits with original maturity of more than 12 months***	<u>261.73</u>	<u>499.05</u>
	<b>449.18</b>	<b>777.87</b>
Amount disclosed under Non-Current Assets (Note 14)	<u>(261.73)</u>	<u>(499.05)</u>
	<b>930.40</b>	<b>1,513.27</b>
# includes excess deposit due to rounding-off of dividend payable on fractional shares	0.09	0.06
* includes given as security deposit to The Assessor & Collector, Municipal Corporation , Mumbai - Octroi	39.67	36.97
** includes as margin money deposit against bank guarantee	66.38	66.38
** includes as margin money deposit against letter of credits	16.00	-
*** includes as margin money deposit against bank guarantee	47.23	499.05
*** includes as margin money deposit against borrowings from banks	212.50	-
<b>18. REVENUE FROM OPERATIONS</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
<b>ROOMS, FOOD, BEVERAGES AND OTHER SERVICES</b>		
Rooms	14,385.23	16,244.00
Wines and liquor	3,796.48	4,108.93
Food, other beverages, smokes & banquets	8,645.47	9,224.33
Communications	234.83	384.44
Others*	<u>5,054.32</u>	<u>5,410.51</u>
	<b>32,116.33</b>	<b>35,372.21</b>
*Includes related to generation of electricity business (Refer Note 29 on Segment Reporting)	<u>234.10</u>	<u>218.53</u>

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

<b>19. OTHER INCOME</b>	<b>31st March 2013</b>	31st March 2012
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Interest Received/Receivable		
From banks	<b>57.65</b>	63.85
From others	<b>32.93</b>	97.19
Rent	<b>9.70</b>	14.25
Dividend received on non - trade investments	<b>4.18</b>	7.12
Excess provisions no longer required written back	<b>41.13</b>	21.55
Credit balances written back	<b>121.34</b>	42.63
Provision for doubtful debts/ advances written back	<b>51.71</b>	10.69
Net gain/(loss) on foreign currency transaction and translation (other than considered as finance cost)	<b>2,840.85</b>	3,964.03
Miscellaneous Income	<b>8.64</b>	26.18
	<b>3,168.13</b>	4,247.49
<b>20. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES &amp; OTHERS</b>	<b>31st March 2013</b>	31st March 2012
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
<b>WINES &amp; LIQUOR</b>		
Opening Stock	<b>413.42</b>	404.88
Add : Purchases	<b>890.90</b>	997.06
	<b>1,304.32</b>	1,401.94
Closing Stock	<b>(256.68)</b>	(413.42)
	<b>1,047.64</b>	988.52
<b>PROVISIONS, OTHER BEVERAGES AND SMOKES</b>		
Opening Stock	<b>116.86</b>	168.19
Add : Purchases	<b>2,776.86</b>	2,966.37
	<b>2,893.72</b>	3,134.56
Closing Stock	<b>(92.57)</b>	(116.86)
	<b>2,801.15</b>	3,017.70
	<b>3,848.79</b>	4,006.22
Percentage of total consumption between:		
Indigenous 69.01% (Previous Year 69.19%)	<b>2,656.21</b>	2,771.94
Imported 30.99% (Previous Year 30.81%)	<b>1,192.58</b>	1,234.28
<b>21. EMPLOYEE BENEFITS EXPENSES</b>	<b>31st March 2013</b>	31st March 2012
	<b>(Rs. In Lakhs)</b>	(Rs. In Lakhs)
Salaries and Wages	<b>6,076.79</b>	6,370.35
Commission to non-executive directors	<b>37.59</b>	40.00
Contribution to Provident and other funds	<b>307.88</b>	341.15
Contract labour & services	<b>1,006.56</b>	1,144.92
Staff welfare expenses*	<b>684.40</b>	753.68
Recruitment and training	<b>66.78</b>	87.98
	<b>8,180.00</b>	8,738.08
* includes :		
Cost of provisions consumed in staff cafeteria	<b>315.17</b>	338.85
Realisation on sale of food coupons to staff	<b>(23.80)</b>	(23.23)

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

22. OTHER EXPENSES	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
Linen, room, catering and other supplies/services	901.60	1,047.75
Operating equipment and supplies written off	253.45	253.67
Fuel, power and light (net)	2,531.80	2,242.52
Repairs, maintenance and refurbishing *	1,152.19	1,757.88
Rent	0.76	13.04
Rates and taxes	2,403.53	779.21
Insurance	170.62	172.95
Data processing charges	134.86	97.44
Directors' sitting fee	10.39	10.08
Legal and professional charges	339.77	501.48
Payment to the auditors**	78.66	94.58
Artist fee	53.72	33.11
Stationery and printing	129.92	163.41
Travelling and conveyance	476.85	530.12
Guest transportation	279.55	244.97
Communication (including telephones for guests)	227.13	213.32
Technical services	1,586.99	2,071.90
Advertisement and publicity	696.96	762.49
Commission and brokerage	836.07	776.54
Charity and donations	1.01	19.67
Bad debts / advances written off	2.85	5.60
Obsolete / damaged inventory written off	-	5.49
Loss on fixed assets sold/discarded (net)	15.18	95.32
Miscellaneous	451.53	544.74
	<b>12,735.39</b>	<b>12,437.28</b>
* includes:		
Repairs to buildings	523.63	556.19
Repairs to machinery	361.48	878.58
**Payments to the auditors for (including service tax)		
Statutory audit	55.37	61.75
Tax audit	9.86	9.62
IFRS audit	5.62	5.82
Limited Review and certification	5.06	4.99
Other Services	2.75	11.38
Reimbursement of expenses	-	1.01
	<b>78.66</b>	<b>94.58</b>
<b>23. FINANCE COSTS</b>		
	<b>31st March 2013 (Rs. In Lakhs)</b>	<b>31st March 2012 (Rs. In Lakhs)</b>
Interest expenses	6,064.76	5,524.04
Other borrowing costs (including bank charges)	530.55	1,283.06
Applicable net loss/(gain) on foreign currency transactions and translation {Refer Note 2(l) on borrowing costs}	2,032.85	2,125.14
	<b>8,628.16</b>	<b>8,932.24</b>



# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

24. PRIOR PERIOD ITEMS	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Repair, maintenance and refurbishing	4.70	0.44
Rates and taxes	2.12	(47.87)
Insurance	0.07	2.15
Data processing charges	0.92	3.25
Legal and professional expenses	0.97	3.73
Advertisement and publicity	2.40	–
Guest transportation	–	3.88
Miscellaneous	3.94	(4.13)
Other services income	(3.89)	(15.31)
	11.23	(53.86)
25. EARNING PER EQUITY SHARE	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Profit/(Loss) for the year	5,974.51	(2,710.58)
Weighted average number of equity shares outstanding	19,453,229	19,453,229
Nominal value per share (in Rupees)	10.00	10.00
<b>Earning/(Loss) Per Equity Share - Basic and Diluted (in Rupees)</b>	<b>30.71</b>	<b>(13.93)</b>
26. CONTINGENT LIABILITIES AND COMMITMENTS	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>A CONTINGENT LIABILITIES</b>		
(a) Claims against the Group not acknowledged as debts* Includes:	489.96	2,875.93
(i) Demand raised by Service Tax Authorities amounting to Rs. 467.96 Lakhs (excluding interest and penalties) for earlier years, against which the Company had filed an appeal with the said authorities. The Company may, however, be not liable to pay the demand for the periods till 18th April, 2006 in view of the judgment of the Hon'ble Supreme Court of India in the case of Indian National Ship-owners Association whereby it is held that no service tax is leviable on certain services prior to 18th April, 2006.		
(ii) In previous year, demand of property tax of Rs.1,133.80 Lakhs disputed by Magus Estates and 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 23rd April, 2012 has given Magus the liberty to pay dues without prejudice to its rights and contention.		
(b) Municipal Corporation of Delhi introduced a new method for payment of property tax under 'Unit Area Scheme' w.e.f. 1st 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 10th 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 contested by the Company and on the insistence of the authorities, the Company had 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. 13 -Loans and Advances) as custom duty under protest. Further, the Company has also provided a bank guarantee for Rs. 113.61 Lakhs in the said matter.		

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### B COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>7,930.41</b>	14,294.60
(b) Lease commitments		
(i) Future commitments in respect of assets acquired under Finance Schemes:		
Minimum installments - payable within one year	<b>81.69</b>	177.16
later than one year but not later than five years	<b>77.57</b>	76.71
Present value of minimum installments - payable within one year	<b>73.47</b>	162.93
later than one year but not later than five years	<b>61.15</b>	72.29
(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>52.09</b>	105.50
Later than one year and not later than five years	<b>105.14</b>	95.43
(iii) Future minimum lease payments payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented apartments) entered into by the Company :		
Not later than one year	<b>114.21</b>	57.96
Later than one year and not later than five years	<b>359.52</b>	8.25

### 27 RELATED PARTY DISCLOSURES:

- (a) Individuals and his relatives having control over the Company (either directly or indirectly)
- (i) Amritesh Jatia, Director
- (ii) Shiv Kumar Jatia, Chairman & Managing Director
- (b) Companies which significantly influence the Company (either individually or with others)
- (i) Yans Enterprises (H.K.) Limited, an overseas entity
- (ii) Finline Holdings Limited, an overseas entity
- (c) Transactions with related parties:

(Rs. in Lakhs)

Particulars	Key Management Personnel		Companies having significant influence over the Company		Entities controlled by directors or their relatives		Total	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Sale of Services (Room, Food, Beverages and other services)	-	-	-	-	40.96	104.67	40.96	104.67
Purchase of Services	-	-	-	-	16.25	-	16.25	-
Remuneration from the Company	346.27	275.46	-	-	-	-	346.27	275.46
Remuneration from Subsidiaries	109.48	104.95	-	-	-	-	109.48	104.95
Sale of Investment in Magus Estates & Hotels Limited	-	-	-	-	53,701.50	-	53,701.50	-
Purchase of Investment/ Investments in	-	-	-	-	53,701.50	-	53,701.50	-
Buy back of shares from	-	-	0.11	-	-	-	0.11	-
Loan written back payable to	-	-	1,076.49	-	-	-	1,076.49	-
Reimbursement of Expenses by subsidiary to	-	14.28	-	-	-	-	-	14.28

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lakhs)

Particulars	Key Management Personnel		Companies having significant influence over the Company		Entities controlled by directors or their relatives		Total	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Professional Charges	–	–	–	–	9.15	17.49	9.15	17.49
Loan taken from	139.62	77.47	–	218.06	0.06	815.00	139.68	1,110.53
Repayment of Loan	–	–	–	3,441.19	209.00	1.66	209.00	3,442.85
Sale of Capital goods	–	–	–	–	0.10	17.61	0.10	17.61
Purchase of Capital goods	–	–	–	–	14.53	30.50	14.53	30.50
Reimbursement of Expenses by group	–	–	–	–	–	0.86	–	0.86
Reimbursement of Expenses by Related Parties	–	–	–	–	0.25	0.03	0.25	0.03
Dividend - Preference Shares	–	–	–	–	4.90	–	4.90	–
Advance Received	–	–	–	–	–	500.00	–	500.00
<b>Balance Outstanding</b>								
Payables	973.13	213.88	0.11	843.20	5,924.06	1,420.53	6,897.30	2,477.61
Receivables	–	–	–	–	117.37	42.93	117.37	42.93

- (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.
- (iii) The details of guarantees and collaterals extended by the related party in respect of borrowings of the Company have been given at the respective notes.

(d) Related Parties

– Key Management Personnel	Mr. Shiv Kumar Jatia	Chairman & Managing Director
	Mr. Adarsh Jatia	Joint Managing Director (resigned on 26th January, 2013)
	Mr. Raj Kumar Jatia	Director (resigned on 26th January, 2013)
	Mr. Amritesh Jatia	Director
	Mr. Narayanasamy Balasubramanian	Director of subsidiary
– Entities controlled by Directors or their relatives (with whom transactions entered into during current year or previous year)	Ascent Hotels Private Limited	Deuchny Properties Limited
	Bhasin & Co.	Amazing Recreation Private Limited
	Binaguri Tea Company Private Limited	Heyking Limited
	Energy Infrastructure (I) Limited	Prudential Hotels Private Limited
	Godfrey Philips Limited	Springleaf Investments Limited
	Leading Hotels Limited (upto 28th January, 2013)	
	Magus Estates and Hotels Limited (after 28th January, 2013)	
Lexon Hotel Ventures Limited, Mauritius (upto 28th January, 2013)		

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

Particulars	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>Sale of Services (Room, Food, Beverages and other services)</b>		
- Magus Estates and Hotels Limited (transactions after 28th Jan., 2013)	9.60	-
- Leading Hotels Limited (transaction upto 28th Jan., 2013)	25.17	59.41
- Energy Infrastructure (I) Limited	0.47	6.04
- Bhasin & Co.	0.26	1.23
- Ascent Hotels Private Limited	5.46	36.40
- Godfrey Philips Limited	-	1.59
<b>Purchase of Services</b>		
- Mumbai Broadcasting Company Private Limited	16.25	-
<b>Remuneration from the Company</b>		
- Mr. Shiv Kumar Jatia	240.11	191.70
- Mr. Adarsh Jatia	106.16	83.76
<b>Remuneration from Subsidiaries</b>		
- Mr. Raj Kumar Jatia	71.80	77.23
- Mr. Adarsh Jatia	37.68	27.72
<b>Sale of Investment in Magus Estates &amp; Hotels Limited to</b>		
- Springleaf Investments Limited	53,701.50	-
<b>Purchase of Investment/ Investments in</b>		
- Springleaf Investments Limited	53,701.50	-
<b>Buy back of shares from</b>		
- Finline Holdings Limited	0.11	-
<b>Loan written back payable to</b>		
- Finline Holdings Limited	1,076.49	-
<b>Reimbursement of Expenses by subsidiary to</b>		
- Mr. Amrutesh Jatia	-	14.28
<b>Professional Charges</b>		
- Bhasin & Co.	9.15	17.49
<b>Loan taken from</b>		
- Amrutesh Jatia	27.19	-
- Raj Kumar Jatia	-	77.47
- Mr. Narayanasamy Balasubramanian	112.43	-
- Finline Holdings Limited	-	218.06
- Heyking Limited	0.06	-
- Prudential Hotels Private Limited	-	815.00
<b>Repayment of Loan</b>		
- Yans Enterprises (H.K.) Limited	-	3,441.19
- Amazing Recreation Private Limited	209.00	-
- Ascent Hotels Private Limited	-	1.66
<b>Sale of Capital Goods</b>		
- Ascent Hotels Private Limited	0.10	12.44
- Leading Hotels Limited	-	5.17
<b>Purchase of Capital Goods</b>		
- Ascent Hotels Private Limited	-	30.50
- Magus Estates and Hotels Limited (transactions after 28th Jan., 2013)	14.53	-
<b>Reimbursement of Expenses by the Group</b>		
- Ascent Hotels Private Limited	-	0.86
<b>Reimbursement of Expenses by related parties</b>		
- Ascent Hotels Private Limited	-	0.03
- Leading Hotels Limited (transactions upto 28th Jan., 2013)	0.25	-
<b>Dividend - Preference Shares</b>		
- Magus Estates and Hotels Limited (transactions after 28th Jan., 2013)	4.90	-
<b>Advance Received</b>		
- Binaguri Tea Company Private Limited	-	500.00
<b>Outstanding Payables</b>		
- Mr. Shiv Kumar Jatia	146.78	63.72

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
- Mr. Adarsh Jatia	81.21	31.86
- Mr. Raj Kumar Jatia	-	118.30
- Mr. Amrithesh Jatia	632.71	-
- Mr. Narayanasamy Balasubramanian	112.43	-
- Bhasin & Co.	1.71	2.46
- Magus Estates and Hotels Limited	4,521.75	-
- Fineline Holdings Limited	0.11	843.20
- Heyking Limited	0.06	-
- Deuchny Properties Limited	0.54	-
- Ascent Hotels Private Limited	-	18.07
- Binaguri Tea Company Private Limited	1,400.00	1,400.00
<b>Outstanding Receivables</b>		
- Ascent Hotels Private Limited	29.05	36.40
- Magus Estates and Hotels Limited	83.84	-
- Energy Infrastructure (I) Limited	4.48	5.14
- Godfrey Philips Limited	-	0.20
- Leading Hotels Limited	-	1.19

### 28. RESTRUCTURING OF THE GROUP

- (a) During a project and operational review of its erstwhile subsidiary, Magus Estates and Hotels Limited (Magus), the Board was apprised of the cancellation of the second phase of Magus project due to change in Maharashtra State Policy with regard to FSI available for mixed use projects. Further, in view of the subdued performance of the hospitality industry in general, including Mumbai, and more so of the said subsidiary, the Board apprehended an imminent impairment in the value of Company's investment in its subsidiary namely Fineline Hospitality & Consultancy Pte. Limited (FHCPL) is necessary, which could have adversely impacted the enterprise value of the Company. To avoid such an eventuality, and to preserve and protect the interest of the minority shareholders, the Promoters suo moto proposed to, and implemented re-arrangement of the underlying assets of FHCPL by substituting Leading Hotels Limited (Leading) for Magus.
- (b) Magus was a subsidiary of the Company through its 53% Mauritian Subsidiary FHCPL. The remaining 47% of FHCPL was held by Fineline Holdings Limited (FHL), one of the promoter entities of the Company. FHCPL owned and controlled Magus to the extent of 79.46%.
- (c) Pre-existed accumulated losses in FHCPL, before restructuring, were prohibiting FHCPL from satisfying the Solvency Test, as enshrined in the Companies Act, 2001, as applicable in Mauritius. Therefore, a capital reduction was undertaken to write-off the losses, shared by the two shareholders, namely FHL and the Company, in their respective shareholding ratio on the date of reduction.
- (d) During the current year, FHCPL has purchased the entire shareholding of Springleaf Investments Limited, Mauritius (Springleaf) from Fineline Holdings Limited (FHL). Further, US\$ 100 Million had been invested into ordinary shares of Springleaf and consequently, Springleaf became wholly own subsidiary of the Company. The Company's entire investment in Magus had been sold to Springleaf for US\$ 100 Million. Further, the FHCPL's entire investment in Springleaf has been swapped with investment (80% shareholding in Lexon) held by Jaella Asian Holdings Limited, Mauritius, another group company. Hence, Lexon became the subsidiary of FHCPL.
- (e) The loss on sale of investment of Magus amounting to Rs. 43,178.03 Lakhs in the financial statements of the FHCPL was agreed to be charged to FHL through set-off against write-off of loans amounting to Rs. 1,076.49 Lakhs due to FHL and balance through the Business Reorganisation Account to the tune of Rs. 42,101.54 Lakhs as a result of buy back of entire shareholding of FHL for a nominal value.
- (f) Consequent to the re-arrangement mentioned in (d) and (e) above, the Company presently holds 100% interest in FHCPL, which in turn holds 80% stake in Lexon Hotel Ventures Limited, Mauritius (Lexon); and Lexon in turn holds 99.76% interest in Leading.
- (g) Leading is developing an all Villa Hotel Complex at Goa, including residential villas and an 18 hole, 72 par Championship Golf Course. The said project will be under the management of Four Seasons, a world famed hotel chain and hospitality management company.
- (h) For disclosures of effects on acquisition of subsidiaries on the financial position of the Group as at 31st March, 2013, refer Note 33(B) and (C) and on the date of disposal of subsidiary the shareholders funds were Rs. 16,712.28 Lakhs, total assets were Rs. 70,070.27 Lakhs, total liabilities were Rs. 53,357.99 Lakhs and for operative results refer Note 33 (D).

### 29. SEGMENT REPORTING

The Company and its subsidiaries operate only in one reportable segment, i.e. Hospitality/Hotel Business. While the Company's hotel is located at New Delhi, its ultimate subsidiary namely, Leading Hotels Limited (Leading) is developing an all Villa Hotel Complex at Goa. Other business segment, i.e. power generation though governed by different set 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.

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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. EMPLOYEE BENEFITS

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

(a) Defined contribution plans

The Group has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 211.74 Lakhs (Previous year Rs. 243.63 Lakhs)

(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)	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Discount rate(per annum)	8.00%	8.50%	8.00%	8.50%
Future salary increase	7.00%	7.50%	7.00%	7.50%
Expected rate of return on plan assets	N.A	N.A	N.A	N.A
In service mortality	IALM (1994-96)	LIC (1994-96) ultimate	IALM (1994-96)	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)	
	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>1. Expenses recognised in statement of profit and loss</b>				
Current service cost	50.52	64.98	37.41	61.71
Interest cost	55.33	57.94	19.77	14.64
Expected return on plan assets	-	-	-	-
Net actuarial(gain)/loss recognised in the year	(37.87)	(18.91)	(13.47)	32.47
Total expenses	67.98	104.01	43.71	108.82
<b>2. Net asset/(liability) recognised as at the end of the year</b>				

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
Present value of defined benefit obligation	704.78	749.62	243.91	264.66
Fair value of plan assets	–	–	–	–
Funded status [surplus/(deficit)]	(704.78)	(749.62)	(243.91)	(264.66)
<b>Net asset/(liability) as at the end of the year</b>	<b>(704.78)</b>	<b>(749.62)</b>	<b>(243.91)</b>	<b>(264.66)</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	749.62	674.35	264.66	172.18
Transferred on disposal of subsidiary	(57.94)	–	(17.51)	–
Transferred on acquisition of subsidiary	1.23	–	–	–
Interest cost	55.33	57.94	19.77	14.64
Current service cost	50.52	64.98	37.41	61.71
Benefits paid	(56.11)	(28.74)	(46.95)	(16.34)
Actuarial (gains)/losses on obligation	(37.87)	(18.91)	(13.47)	32.47
Present value of obligation as at the end of the year	704.78	749.62	243.91	264.66

### 32. UN-HEDGED FOREIGN CURRENCY EXPOSURE

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2013 is as under:

Particulars	31st March 2013		31st March 2012	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Advances given				
(in USD)	75,119	40.86	–	–
(in EURO)	159,341	110.81	547,640	286.10
(in Swiss CHF)	–	–	3,317	1.87
(in GBP)	23,141	19.05	13,882	11.36
(in SGD)	49,500	21.64	–	–
Payables (In US Dollar)				
Trade payables	1,186,397	645.27	353,861	181.78
Payable for capital goods	225,640	122.72	–	–
External Commercial Borrowings (ECBs)	83,312,430	45,313.05	84,943,680	43,454.21
Interest on ECBs	1,309,204	712.07	1,304,344	667.26
Sundry Creditors (in SEK)	28,667	2.40	28,667	2.20

33. In terms of clause no. (iv) of the circular no. 51/12/2007-CL-III dated 8th 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: -

	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>(A) Finline Hospitality &amp; Consultancy Pte. Limited, Mauritius</b>		
a) Share Capital	11,445.00	51,542.97
b) Reserves & Surplus	(1,843.76)	(974.83)
c) Total Assets	54,446.55	91,725.90
d) Total Liabilities	44,845.31	41,157.76
e) Investments (excluding investment in subsidiaries)	–	–
f) Turnover	–	96.99
g) Profit/(Loss) before taxation	(2,068.66)	(883.15)
h) Provision for taxation	–	–
i) Profit/(Loss) after taxation	(2,068.66)	(883.15)
j) Proposed Dividend	–	–

# ASIAN HOTELS (NORTH) LIMITED

## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31st March 2013 (Rs. In Lakhs)	31st March 2012 (Rs. In Lakhs)
<b>(B) Lexon Hotel Ventures Limited, Mauritius (Refer Note 28)</b>		
a) Share Capital	0.90	-
b) Reserves & Surplus	10,568.71	-
c) Total Assets	11,272.01	-
d) Total Liabilities	702.41	-
e) Investments (excluding investment in subsidiaries)	-	-
f) Turnover	57.89	-
g) Profit/(Loss) before taxation	16.32	-
h) Provision for taxation	0.16	-
i) Profit/(Loss) after taxation	16.16	-
j) Proposed Dividend	-	-
<b>(C) Leading Hotels Limited (Refer Note 28)</b>		
a) Share Capital	2,087.69	-
b) Reserves & Surplus	8,300.59	-
c) Total Assets	18,431.92	-
d) Total Liabilities	8,043.64	-
e) Investments (excluding investment in subsidiaries)	-	-
f) Turnover	3.14	-
g) Profit/(Loss) before taxation	(17.70)	-
h) Provision for taxation	(6.16)	-
i) Profit/(Loss) after taxation	(11.54)	-
j) Proposed Dividend	-	-
<b>(D) Magus Estates and Hotels Limited, India (Refer Note 28)</b>		
a) Share Capital	-	8,908.55
b) Reserves & Surplus	-	11,334.47
c) Total Assets	-	67,824.96
d) Total Liabilities	-	47,581.94
e) Investments (excluding investment in subsidiaries)	-	4,410.00
f) Turnover	10,646.81	12,895.77
g) Profit/(Loss) before taxation	(3,530.74)	(2,335.76)
h) Provision for taxation	-	3,136.60
i) Profit/(Loss) after taxation	(3,530.74)	(5,472.36)
j) Proposed Dividend	-	-

### 34. OTHER NOTES

- (a) As per the requirement of revised Schedule VI, the Board of Directors have considered the values of all assets of the Group other than fixed assets and non-current investments, and have come to a conclusion that these have a value on realisation 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  
The previous year's figures has been reclassified or regrouped to conform current year's classification/ grouping.

#### Signature to notes 1 to 34 of Consolidated Financial Statements

#### 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

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2013

#### ON BEHALF OF THE BOARD OF DIRECTORS

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

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

**AMRITESH JATIA**  
Director  
DIN : 02781300

**DR. LALIT BHASIN**  
Director  
DIN : 00001607



# 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 32nd Annual General Meeting of the Company to be held on Wednesday, the 25th September, 2013, and at any adjournment thereof in the following manner:

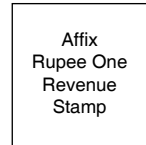
Item No. of the notice convening this meeting	Vote 'FOR'	Vote 'AGAINST'	NOTE
	(Tick in the appropriate column)		
Item No. 1.			In case the member does not exercise his option instructing the proxy to vote in a specific manner, the proxy would be free to exercise his options.
Item No. 2.			
Item No. 3.			
Item No. 4.			
Item No. 5.			
Item No. 6.			

As witness my / our hands this ..... day of ....., 2013.

(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 32nd Annual General Meeting of the Company held at Regency Ball Room, Hotel Hyatt Regency, Delhi on this 25th day of September, 2013 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