

T H I R D

Annual

Report

2009 - 10

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

(Formerly known as Chillwinds Hotels Limited)



BOARD OF DIRECTORS

Sushil Gupta	Chairman and Managing Director
Sudhir Gupta	Executive (Whole Time) Director
Sandeep Gupta	Executive (Whole Time) Director
Lalit Bhasin	Independent Non-Executive Director
S. K. Chhibber, IAS (Retd.)	Independent Non-Executive Director
R. K. Bhargava, IAS (Retd.)	Independent Non-Executive Director
S. S. Bhandari	Independent Non-Executive Director
Sunil Diwakar	Additional Director

COMPANY SECRETARY

Nikhil Sethi

AUDITORS

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

BANKERS

IDBI Bank Ltd.
Kotak Mahindra Bank Ltd.
Jammu and Kashmir Bank Ltd.

REGISTERED OFFICE & INVESTOR RELATIONS DEPARTMENT

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

DEBENTURE TRUSTEE

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

REGISTRAR & TRANSFER AGENTS

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

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ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

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

NOTICE

Notice is hereby given that the Third Annual General Meeting of Asian Hotels (West) Limited will be held on Saturday, 18th September, 2010 at 3.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi 110 010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the nine months period ended on that date alongwith the Auditors' Report and Directors' Report thereon.
2. To approve and ratify the payment of interim dividend @ 1% to the holders of 1% cumulative redeemable Non-Convertible Preference Shares (NCPS).
3. To declare dividend on 1% cumulative redeemable Fully-Convertible Preference Shares of the Company.
4. To declare dividend on Equity Shares of the Company.
5. To appoint a Director in place of Mr. R. K. Bhargava 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 next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

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

SPECIAL BUSINESS

7. Appointment of Mr. Sushil Gupta as Managing Director of the Company.

To consider and, if thought fit, to pass with or without modification/(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) for the time being in force, and subject to the approval of the Central Government, if necessary, the Company hereby accords its approval and consent to the appointment of **Mr. Sushil Gupta** as Managing Director of the Company for a period of five years with effect from 1st November, 2009 on terms and conditions including remuneration (and also including the remuneration to be paid in the event of no profits or inadequacy of profits in any financial year during the aforesaid period) as are set out in the Explanatory Statement which is annexed to the Notice convening the Annual General Meeting.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification/(s) or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to alter or vary any or all of the terms, conditions and remuneration of the said appointment as approved vide this resolution as they deem fit in such a manner as may be agreed to between the Board of Directors and **Mr. Sushil Gupta**, and in keeping with the provisions of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated where in any financial year, the Company incurs no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and any other allowances in accordance with Section II, Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

8. Appointment of Mr. Sudhir Gupta as Executive (Whole-time) Director of the Company.

To consider and, if thought fit, to pass with or without modification/(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) for the time being in force, and subject to the approval of the Central Government, if necessary, the Company hereby accords its approval and consent to the appointment of **Mr. Sudhir Gupta** as Executive (Whole-time) Director of the Company for a period of five years with effect from 10th May, 2010 on terms and conditions including remuneration (and also including the remuneration to be paid in the event of no profits or inadequacy of profits in any financial year during the aforesaid period) as are set out in the Explanatory Statement which is annexed to the Notice convening the Annual General Meeting.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification/(s) or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to alter or vary any or all of the terms, conditions and remuneration of the said appointment as approved vide this resolution as they deem fit in such a manner as may be agreed to between the Board of Directors and **Mr. Sudhir Gupta**, and in keeping with the provisions of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated where in any financial year, the Company incurs no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and any other allowances in accordance with Section II, Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

9. Appointment of Mr. Sandeep Gupta as Executive (Whole-time) Director of the Company.

To consider and, if thought fit, to pass with or without modification/(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) for the time being in force, and subject to the approval of the Central Government, if necessary, the Company hereby accords its approval and consent to the appointment of **Mr. Sandeep Gupta** as Executive (Whole-time) Director of the Company for a period of five years with effect from 10th May, 2010 on terms and conditions including remuneration (and also including the remuneration to be paid in the event of no profits or inadequacy of profits in any financial year during the aforesaid period) as are set out in the Explanatory Statement which is annexed to the Notice convening the Annual General Meeting.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification/(s) or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to alter or vary any or all of the terms, conditions and remuneration of the said appointment as approved vide this resolution as they deem fit in such a manner as may be agreed to between the Board of Directors and **Mr. Sandeep Gupta**, and in keeping with the provisions of Schedule XIII of the Companies Act, 1956.

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated where in any financial year, the Company incurs no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and any other allowances in accordance with Section II, Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

10. Commission to Directors other than the Managing and Executive (Whole-time) Director(s) of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT subject to the provisions of Article 115 of the Articles of Association of the Company and the provisions of Section 198, Section 309(4), Section 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, each Non-Executive Director of the Company be paid a commission at a rate not exceeding Rs. 5,00,000 per annum, subject to deduction of applicable taxes, for a period of 5 Financial Years effective from the Financial Year ending 31st March, 2010, which sum shall be exclusive of any fee payable to such Directors for attending the meetings of the Board of Directors and/or any Committees thereof.

RESOLVED FURTHER THAT the aggregate of the Commission so payable to the Non-Executive Directors shall not exceed one percent of the net profits of the Company (computed in the manner as laid down in Section 349 and Section 350 of the Companies Act, 1956).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

11. Appointment of Mr. Sunil Diwakar as a Director of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT Mr. Sunil Diwakar, who was appointed as an Additional Director of the Company and whose term expires under Section 260 of the Companies Act, 1956 (the Act), at the ensuing Annual General Meeting and in respect of whom the Company has received notice from a shareholder under section 257 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

Place : New Delhi
Date : 10th August, 2010

**Nikhil Sethi
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representative/(s) u/s 187 of the Companies Act, 1956 (the Act), are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
3. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
4. All the documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. and 5.00 p.m. on all working days, for a period of twenty one days before the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th September, 2010 till Saturday, 18th September, 2010, inclusive of both days.
6. The dividend, if declared by the Company in the Annual General Meeting, will be paid to those members or to their mandates whose name stand registered as:
 - a) Beneficial owners as at the end of business on 13th September, 2010, as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form, and
 - b) Members whose names stand in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company, as at the end of business on 13th September, 2010.
7.
 - a) Members are requested to notify the Company change in their address, if any, with pincode, quoting their folio number.
 - b) Members holding shares in electronic form should notify any change in their residential address or bank details directly to their respective Depository Participants.
8. Non-Resident Indian Shareholders are requested to inform the 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.
9. The Securities Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company prints the bank account details, if available, on the warrant for distribution of dividend. Therefore, to avoid any fraudulent encashment of warrants, the members are requested to furnish, quoting their folio number, following information to the 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 Pincode Number.
10. As per the provisions of the Act, facility for making nominations in prescribed Form 2B, is available to individuals holding shares in the Company.
11. **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 (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF SPECIAL BUSINESS:

Item No. 7

1. Mr. Sushil Gupta has been appointed as Managing Director of the Company effective from 1st November, 2009 to 31st October, 2014.
2. Mr. Sushil Gupta shall be paid remuneration as under:
 - i. SALARY (BASIC) PER MONTH: Rs.4,50,000/- – Rs.20,000/- – Rs. 5,50,000/-(increased scale to be effective every subsequent 1st Day of November)
 - ii. COMMISSION: At a rate not exceeding 2% (Two Percent) of the net profits of the Company, as may be decided by the Board of Directors, for each financial year.
 - iii. PERQUISITES:
 - A. Housing: The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance @ 60% of salary.
 - B. Medical Reimbursement: Expenses incurred for the appointee and his family subject to ceiling of three months' salary in a year or nine months' salary over a period of three years.
 - C. Leave Travel Concession: Business Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.
 - D. Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
 - E. Personal Accident Insurance: As per rules of the Company.
 - F. Employers' Contribution to Provident Fund/ Superannuation Fund: As per rules of the Company
 - G. Gratuity: Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.
 - H. Car / Telephone: Car with driver for use on Company's business and telephone/telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
3. Mr. Sushil Gupta shall not be entitled to any sitting fees for attending Board/Committee Meetings of the Company.
4. Minimum Remuneration: Wherein any financial year during the currency of the tenure of Mr. Sushil Gupta as Managing Director, the Company incurs no profits or its profits are inadequate, the Company shall pay by way of Salary, perquisites and any other allowances in accordance with Section II, Part II of the Schedule XIII of the Act.
5. Memorandum of Interest: None of the Directors of the Company other than Mr. Sushil Gupta, Mr. Sudhir Gupta and Mr. Sandeep Gupta is concerned or interested in this appointment.
6. Inspection : Copy of the resolution passed by the Board of Directors at its Meeting held on 26th November, 2009 in respect of the above, may be inspected at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days except Saturday, Sunday and holidays.

The Board therefore recommends the resolution set out under Item No. 7 as an ordinary resolution.

Item No. 8

1. Mr. Sudhir Gupta has been appointed as Executive (Whole – time) Director of the Company effective from the conclusion of Board Meeting held on 10th May, 2010 to 9th May, 2015. Mr. Sudhir Gupta shall look after the general corporate affairs of the Company.
2. Mr. Sudhir Gupta shall be paid remuneration as under:
 - i. SALARY (BASIC) PER MONTH: Rs.3,90,000/- – Rs.20, 000/- – Rs. 4,90,000/-(increased scale to be effective every subsequent 1st Day of April)
 - ii. COMMISSION: At a rate not exceeding 2% (Two Percent) of the net profits of the Company, as may be decided by the Board of Directors, for each financial year.
 - iii. PERQUISITES:
 - A. Housing: The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance@ 60% of salary.
 - B. Medical Reimbursement: Expenses incurred for the appointee and his family as per the Company policy.
 - C. Leave Travel Concession: Business Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.
 - D. Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
 - E. Personal Accident Insurance: As per rules of the Company.
 - F. Employers' Contribution to Provident Fund/ Superannuation Fund: As per rules of the Company
 - G. Gratuity: Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.
 - H. Car / Telephone: Car with driver for use on Company's business and telephone/telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
3. Mr. Sudhir Gupta shall not be entitled to any sitting fees for attending Board/Committee Meetings of the Company.
4. Minimum Remuneration: Where in any financial year during the currency of the tenure of Mr. Sudhir Gupta as Executive (Whole-time) Director, the Company incurs no profits or its profits are inadequate, the Company shall pay by way of Salary, perquisites and any other allowances in accordance with Section II, Part II of the Schedule XIII of the Act.
5. Memorandum of Interest: None of the Directors of the Company other than Mr. Sudhir Gupta, Mr. Sushil Gupta and Mr. Sandeep Gupta is concerned or interested in this appointment.

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(formerly Chillwinds Hotels Limited)

6. Inspection : Copy of the resolution passed by the Board of Directors at its Meeting held on 10th May, 2010 in respect of the above, may be inspected at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days except Saturday, Sunday and holidays.

The Board therefore recommends the resolution set out under Item No. 8 as an ordinary resolution.

Item No. 9

1. Mr. Sandeep Gupta has been appointed as Executive (Whole – time) Director of the Company effective from the conclusion of Board Meeting held on 10th May, 2010 to 9th May, 2015. Mr. Sandeep Gupta shall look after the Marketing and Business Development of the Company.
2. Mr. Sandeep Gupta shall be paid remuneration as under:
 - i. SALARY (BASIC) PER MONTH: Rs.3,90,000/- – Rs.20,000/- – Rs. 4,90,000/-(increased scale to be effective every subsequent 1st Day of April)
 - ii. COMMISSION: At a rate not exceeding 2% (Two Percent) of the net profits of the Company, as may be decided by the Board of Directors, for each financial year.
 - iii. PERQUISITES:
 - A. Housing: The expenditure by the Company on hiring (furnished or otherwise) accommodation will not exceed 60% of Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance @ 60% of salary.
 - B. Medical Reimbursement: Expenses incurred for the appointee and his family as per the Company policy.
 - C. Leave Travel Concession: Business Class Air Fare for self and family once in a year to any destination. Family is defined as spouse and two dependent children.
 - D. Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
 - E. Personal Accident Insurance: As per rules of the Company.
 - F. Employers' Contribution to Provident Fund/ Superannuation Fund: As per rules of the Company
 - G. Gratuity: Gratuity payable shall be at the rate of 15 days' salary for each completed year of service in accordance with the rules.
 - H. Car / Telephone: Car with driver for use on Company's business and telephone/ telefax facility at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
3. Mr. Sandeep Gupta shall not be entitled to any sitting fees for attending Board/Committee Meetings of the Company.
4. Minimum Remuneration: Where in any financial year during the currency of the tenure of Mr. Sandeep Gupta as Executive (Whole – time) Director, the Company incurs no profits or its profits are inadequate, the Company shall pay by way of Salary, perquisites and any other allowances in accordance with Section II, Part II of the Schedule XIII of the Act.
5. Memorandum of Interest: None of the Directors of the Company other than Mr. Sandeep Gupta, Mr. Sushil Gupta and Mr. Sudhir Gupta is concerned or interested in this appointment.
6. Inspection : Copy of the resolution passed by the Board of Directors at its Meeting held on 10th May, 2010 in respect of the above, may be inspected at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days except Saturday, Sunday and holidays.

The Board therefore recommends the resolution set out under Item No. 9 as an ordinary resolution.

Item No. 10

Under the provisions of Section 309 of the Companies Act, 1956, the Non-Executive Directors may be paid remuneration by way of commission, of an amount not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act.

In view of the valuable services being rendered by the said Directors to the Company, it is proposed to pay commission not exceeding 1% per annum of the net profits of the Company to the Non-Executive Directors of the Company for a period of five years effective from the Financial Year ending 31st March, 2010, subject to a limit of Rs. 500,000/- per year per Non-Executive Director, subject to the approval of the Members of the Company in this regard. The amount will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the Directors of the Company except the Managing Director (Mr. Sushil Gupta) and the Executive (Whole-time) Directors (Mr. Sudhir Gupta and Mr. Sandeep Gupta) of the Company are deemed to be concerned or interested in the Resolution at Item No. 10 of the accompanying Notice, to the extent of the amount that may be received by them as commission.

The Board therefore recommends the resolution set out under Item 10 as special resolution.

Item No. 11

Mr. Sunil Diwakar was appointed as an Additional Director of the Company w.e.f. 10th August, 2010. Pursuant to Article 106 (a) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 (the Act), he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice under section 257 of the Act proposing his candidature for the office of Director of the Company.

Mr. Sunil Diwakar is Managing Partner at IL&FS Investment Managers Limited (IIML) and has over 20 years of experience in the Indian private equity industry. In addition he has also worked in the aeronautical engineering industry for 3.5 years. Over the years, he has gained multi-sector exposure in manufacturing, life sciences, IT, media and retail transactions. Mr. Diwakar holds a Masters degree in Production Technology from IIT, Madras and holds a diploma in International Management from IMI, New Delhi.

Your Directors feel that it will be in the Company's interest to have his association, and therefore, recommend his appointment as a Director.

None of the Directors is directly or indirectly concerned or interested in this resolution.

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

Nikhil Sethi
Company Secretary

Place : New Delhi
Date : 10th August, 2010

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

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

Name of Director	Mr. R. K Bhargava	Mr. Sushil Gupta	Mr. Sudhir Gupta	Mr. Sandeep Gupta	Mr. Sunil Diwakar
Date of Birth	26th October, 1935	5th January, 1944	3rd April, 1959	13th August, 1968	22nd May, 1963
Date of Appointment	23rd December, 2008	26th April, 2007	26th April, 2007	26th April, 2007	10th August, 2010
Expertise in specific functional areas	IAS (Retd.) Former Secretary, Ministry of Home Affairs, Government of India	Industrialist/ Hotelier having rich business experience	Industrialist/ Hotelier having rich business experience	Industrialist/ Hotelier having rich business experience	Private Equity, Multi-sector exposure in Manufacturing, Life Sciences, I.T., Media & Retail Transaction
Qualifications	B.A.(Hons); M.A. (History)	F.S.C.; Certified Hotel Administrator (CHA)	B.Com.	B.Com. (Hons.) SRCC; MBA (Finance & Marketing)	Masters degree in Production Technology from IIT, Madras; Diploma in International Management from IMI, New Delhi
Details of shares held in the Company	3,826	2,27,720	71,430	–	–
List of Companies in which outside Directorships held as on 31.03.2010 (excluding private & foreign companies)	Kajaria Ceramics Ltd Duncans Ltd HB Portfolio Ltd Andhra Cements Ltd Noida Toll Bridge Co. Ltd Inovoa Hotels and Resorts Ltd.	Select Holiday Resorts Limited Inovoa Hotels and Resorts Limited	–	–	Arch Pharmalabs Limited Bharat Fritz Werner Limited Eastern Silk Industries Limited Electrosteel Intregtated Limited JBF Industries Limited Malladi Drugs & Pharmaceuticals Limited Prasad Corporation Limited RSB Transmission (I) Limited
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2010	Audit Committee Noida Toll Bridge Co. Ltd. Duncan's Ltd. H. B. Portfolio Ltd. Andhra Cement Ltd. Kajaria Ceramics Ltd. Share Transfer and Investor Grievance Committee Noida Toll Bridge Co. Ltd. Duncan's Ltd. H. B. Portfolio Ltd.	–	–	–	Audit Committee Bharat Fritz Werner Limited JBF Industries Limited Malladi Drugs & Pharmaceuticals Limited Prasad Corporation Limited RSB Transmission (I) Limited Investor Grievance Committee JBF Industries Limited

ASIAN HOTELS (WEST) LIMITED

(formerly Chillwinds Hotels Limited)

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 3rd Annual Report and Audited Accounts for the Financial Year ended on 31st March 2010 (from 1st July, 2009 to 31st March, 2010).

OBJECTS, OPERATIONS AND FINANCIAL RESULTS

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

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

(Rupees in crores)

PARTICULARS	2009-10*#	2008-09#
	(Nine month period)	(Fifteen month period)
Income	60.58	0.00
Expenditure	41.19	0.76
Profit Before Interest & Depreciation	19.39	(0.76)
Depreciation	4.25	—
Interest	—	—
Profit Before Tax	15.14	(0.76)
Provision for Taxation		
— Current Tax	5.00	—
— Deferred Tax	0.16	—
Net Profit	9.98	(0.76)
Amount Brought Forward	(0.77)	(0.01)
Transferred pursuant to Scheme of Arrangement & Demerger	93.39	—
Profit Available for Appropriation	102.60	(0.77)
Transfer to General Reserve	1.00	—
Proposed Dividend on Equity Shares	3.42	—
Proposed Dividend on Non Convertible Preference Shares	0.02	—
Proposed Dividend on Fully Convertible Preference Shares	0.00	—
Corporate Dividend Tax	0.59	—
Surplus Carried Forward	97.57	(0.77)
Earning Per Share – Diluted & Basic (Rupees)	15.67	(151.30)

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

Pursuant to Scheme of Arrangement and Demerger of erstwhile Asian Hotels Limited (Transferor Company) and its Shareholders and Creditors; Chillwinds Hotels Limited (Transferee Company-I/Asian Hotels (West) Limited) and its Shareholders; and Vardhman Hotels Limited (Transferee Company-II) and its Shareholders (the Scheme) becoming effective, the Mumbai undertaking of Transferor Company stand demerged and vested in the Company from the close of 31st October, 2009 being the appointed date. Thus the figures for the Financial Year 2009-10 are not comparable to those of the Financial Year 2008-09.

SCHEME OF ARRANGEMENT AND DEMERGER

During the period under review, the Scheme of Arrangement and Demerger between erstwhile Asian Hotels Limited (Transferor Company) and its Shareholders and Creditors; Chillwinds Hotels Limited (Transferee Company-I) and its Shareholders; and Vardhman Hotels Limited (Transferee Company-II) and its Shareholders (the Scheme) was approved by the Hon'ble High Court of Delhi at New Delhi vide Order dated 13th January, 2010.

The Scheme became effective on 11th February, 2010 i.e. the date of filing of the Order of Hon'ble High Court with the office of the Registrar of Companies, NCT of Delhi and Haryana w.e.f the close of 31st October, 2009, being the Appointed Date.

Pursuant to effectiveness of the Scheme, the following actions, interalia, came into effect/were undertaken by the Company:

- Demerger and vesting of the Mumbai Undertaking of erstwhile Asian Hotels Limited (Transferor Company) consisting of Hotel Hyatt Regency, Mumbai and investments in the shares of Aria Hotels and Consultancy Services Pvt. Ltd. in Chillwinds Hotels Limited (Transferee Company I).
- Change of name of the Company from Chillwinds Hotels Limited (Transferee Company I) to Asian Hotels (West) Limited w.e.f. 12th February, 2010
- Issuance and allotment of 1,14,01,782 equity shares of Rs. 10/- each (fully paid up) to the equity shareholders of erstwhile Asian Hotels Limited.

The paid-up Equity Share Capital of erstwhile Asian Hotels Limited (Transferor Company) before Demerger was Rs.22,80,35,640/-. Upon the effectiveness of the Scheme, the paid-up Equity Share Capital was deemed to have increased to Rs. 34,20,53,460/- after appropriation of general reserves to the extent of Rs. 11,40,17,820/-. The deemed increased paid up equity capital of the Transferor Company was equally allocated to

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(formerly Chillwinds Hotels Limited)

the Asian Hotels (North) Limited (AHL Residual undertaking), Chillwinds Hotels Limited (Transferee Company-I/Asian Hotels (West) Limited) and Vardhman Hotels Limited (Transferee Company -II/ Asian Hotels (East) Limited). Therefore the paid up equity share Capital of the Company increased to Rs. 11,40,17,820/- w.e.f. the Appointed Date.

- iv) Cancellation of original issued and Paid-up equity share capital i.e. 50,000 Equity Shares of Rs. 10/- each held by erstwhile Asian Hotels Limited in the Company.
- v) Reissued 49,00,000 Non-Convertible Redeemable Preference Shares (NCPS) of face value of Rs.10/- each at a premium of Rs. 80/- each to Infrastructure Development Finance Company Limited (IDFC) and 50,000 NCPS of face value of Rs.10/- each at a premium of Rs. 80/- each to Magus Estates and Hotels Limited (MAGUS) credited as fully paid up w.e.f. the Appointed Date.

As per the terms of issue, the aforesaid NCPS were redeemed by the Company on 30th June, 2010.

- vi) Reissued 18,520 Fully-Convertible Redeemable Preference Shares (FCPS) of face value of Rs.10/- each at a premium of Rs. 530/- each to Fineline Holdings Limited, Mauritius and 9,260 FCPS of face value of Rs.10/- each at a premium of Rs. 530/- each to UDT Enterprises Pty. Ltd. Australia credited as fully paid up w.e.f. the Appointed Date.

The aforesaid FCPS shall be convertible, in one or more tranches, into equity shares of face value of Rs. 10/- each of the Company, at a conversion price calculated in accordance with SEBI Guidelines, at any time during the period commencing 4th March, 2011 & ending 30th April, 2011 as may be decided by respective subscribers. In the event any Subscriber does not exercise its option within the time limits prescribed above, the FCPS held by such the subscriber would compulsorily get converted into equity shares on 30th April, 2010.

LISTING OF EQUITY SHARES OF THE COMPANY

During the period under review, the Company executed Listing Agreement with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) and the Equity Shares of the Company have been listed for trading at BSE and NSE on 5th August, 2010.

CHANGE OF REGISTERED OFFICE OF THE COMPANY

During the period under review, the Registered Office of the Company was shifted from D-4, Clarion Collection - The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi 110016 to E-5, Clarion Collection - The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi 110016

DIVIDEND

Your Directors are pleased to inform that interim dividend on 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of the face value of Rs. 10/- each has been paid for the period under review.

The Board has recommended for approval of shareholders, a dividend of 30% on the equity shares of the Company, aggregating a distribution of Rs. 3.42 Crores for the Financial Year ended 31st March, 2010 and dividend on 1% Cumulative Redeemable Fully-Convertible Preference Shares (FCPS) of the face value of Rs. 10/- each.

SUBSIDIARY COMPANY

As stated above, upon the effectiveness of the Scheme, Aria Hotels and Consultancy Services Private Limited (Aria) became the Subsidiary of the Company.

Aria, is developing a 500+ rooms 5 Star Deluxe Hotel under the Brand J.W. Marriott, at Delhi Aerocity near the Indira Gandhi International Airport at New Delhi which is expected to be operational by 2nd Quarter of year 2012. The total cost of the project is envisaged at approx Rs. 700 crores and the entire funding for the project has been tied up and the Directors are pleased to inform that IL&FS Group has entered into Agreement for taking 32.65% equity stake in Aria for a consideration of Rs. 80 Crores.

As required under Section 212 of the Companies Act, 1956, the audited Annual Accounts along with the Auditors' Report and Directors' Report thereon for the year ended 31st March, 2010 of the Aria Hotels and Consultancy Services Private Limited are annexed to the Annual Report.

FOREIGN EXCHANGE RECEIPTS

The Company's earnings in the foreign exchange for the Financial Year ending 31st March, 2010 was Rs. 34.83 Crores.

FUTURE PROSPECTS

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

In addition the Company is also exploring the possibility of entering into mid market segment hotels to achieve sustainable and balanced profitable growth.

AUDITORS

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

INTERNAL AUDIT

Prior to the effectiveness of the Scheme, M/s. S.S. Kothari Mehta & Co., Chartered Accountants, were undertaking the internal audit of Hotel Hyatt Regency, Mumbai. However after the effectiveness of the Scheme, M/s S. S. Kothari Mehta & Co., being also the Statutory Auditors of the Company, resigned from the office of Internal Auditors and the assignment was handed over to M/s KSMN & Co., Chartered Accountants who have conducted periodic audit of all operations of the Company. The Audit Committee of the Board of Directors has reviewed the findings of Internal Auditors regularly and their reports have been well received by the Audit Committee.

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DIRECTORS

Mr. Sushil Gupta has been appointed as Managing Director for a period of five years with effect from 1st November, 2009 subject to the approval of the Shareholders at the ensuing Annual General Meeting. Mr. Sudhir Gupta & Mr. Sandeep Gupta have been appointed as Executive (Whole-time) Directors of the Company for a period of five years with effect from 10th May, 2010 subject to shareholders' approval in ensuing Annual General Meeting.

During the period under review, Mr. Shiv Kumar Jatia and Mr. Umesh Saraf resigned from the Directorship of the Company w.e.f. 11th February, 2010. The Board placed on records its appreciation of the valuable services rendered by them to the Company.

Mr. Sunil Diwakar was appointed as an Additional Director on 10th August, 2010 who shall hold office up to the date of the ensuing Annual General Meeting. The Company has received notice under section 257 of the Act proposing his candidature for the office of the Director.

In accordance with the requirement of the Companies Act, 1956 and pursuant to the Article 116 of the Articles of Association, one of your Directors viz. Mr. R. K. Bhargava retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

SECRETARY

During the period under review, pursuant to Section 383A of the Companies Act, 1956 Mr. Girdhari Lal Bagaria was appointed as Company Secretary w.e.f. 26th November, 2009. Mr. Bagaria resigned from the post of Company Secretary of the Company w.e.f. 12th February, 2010 and Mr. Nikhil Sethi was appointed as Company Secretary cum Compliance Officer of the Company w.e.f. 15th February, 2010.

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

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

- that in the preparation of annual accounts for the year ended 31st March, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to any material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period under review and of the profit of the Company for that period.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis;

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

The Audit Committee of the Board of Directors reviewed the financial statements for the year under review at its meeting held on 21st May, 2010 and recommended the same for the approval of the Board of Directors.

INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

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

PERSONNEL

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

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

DEBENTURE ISSUE

During the period under review, the Company has issued 1000 Rated, Taxable, Secured, Redeemable, Non - Convertible Debentures (NCD's) of the face value of Rs. 10 Lacs each, aggregating to Rs. 100 Crores, on private placement basis to Kotak Mahindra Bank Limited on 25th June, 2010. The NCD's were listed on the Whole-sale Debt Market at the National Stock Exchange of India Limited (NSE) w.e.f. 8th July, 2010.

The Company has appointed M/s IDBI Trusteeship Services Limited, Mumbai as the Debenture Trustee and M/s Karvy Computershare Pvt. Ltd. as Registrar and Transfer Agents in relation to the aforesaid NCD's.

ACQUISITION OF LAND AT PUNE

During the period under review, the Company has acquired immovable property / land, approved for construction of a Hotel, admeasuring approx. 4600 Sq. Mtrs at Pune, Maharashtra at a consideration of Rs.7.43 Crores from M/s Inova Hotels & Resorts Limited.

EXEMPTION FROM DISCLOSING QUANTITY WISE DETAILS

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

CORPORATE GOVERNANCE

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