

S I X T H

*Annual
Report
2012 - 13*

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



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Nikhil Sethi

AUDITORS

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

BANKERS

Kotak Mahindra Bank Ltd.
IDBI Bank Ltd.

REGISTERED OFFICE & INVESTOR RELATIONS DEPARTMENT

E Basement, Clarion Collection-The Qutab Hotel,
Shaheed Jeet Singh Marg,
New Delhi - 110016
Tel No 011-46101208/46101210
Fax: 011-46101202
www.asianhotelswest.com

DEBENTURE TRUSTEE

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

REGISTRAR & TRANSFER AGENTS

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

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ASIAN HOTELS (WEST) LIMITED

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

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of Asian Hotels (West) Limited will be held on Friday, 30th August, 2013 at 3.00 PM at Airforce Auditorium, Subroto Park, New Delhi 110010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date along with the Auditors' Report and Directors' Report thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Sunil Vasant Diwakar who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Srikrishan Chhibber who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

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

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

Place : New Delhi
Date : 23rd July, 2013

**Nikhil Sethi
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representative/(s) u/s 187 of the Companies Act, 1956 (the Act), are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
3. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
4. All the documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during office hours between 10.00 a.m. and 5.00 p.m. on all working days, for a period of twenty one days before the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd August, 2013 till Friday, 30th August, 2013, 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 22nd August, 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 on 22nd August, 2013.
7. Shareholders who have not received and/or not encashed the dividend warrant(s) in respect of Dividend declared for the Financial Year 2009-10, Financial Year 2010-11 & Financial Year 2011-12 are requested to apply for duplicate dividend warrant(s) by writing to the Company/Registrar.
8.
 - a) Members are requested to notify the Registrar and Share Transfer Agent/Company change in their address, if any, with 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.
9. Non-Resident Indian Shareholders are requested to inform the Registrar & Share Transfer Agent / Company/ respective Depository Participant:
 - a) Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
 - b) Change, if any, in their Residential status.

ASIAN HOTELS (WEST) LIMITED

10. As per the circular no. CIR/MRD/DP/10/2013 dated 21st March, 2013 the Securities and Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company prints the bank account details, if available, on the warrant for distribution of dividend. Therefore, to avoid any fraudulent encashment of warrants, the members are requested to furnish, quoting their folio number, following information to the Registrar & Share Transfer Agents/Company/respective depository participant so that requisite details could be printed on all future dividend warrants:

- Name of the Sole/First Joint Holder, and
- Particulars of his/her Bank account, viz. account number, name of Bank and complete address of the Branch with Pincode 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. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Annual Report by e-mail and others are sent by post. Shareholders who have received Annual Report by e-mail and who wish to have printed Annual Report, can seek copy thereof from Company's Registrar & Transfer Agent M/s. Karvy Computershare Private Limited, Unit: Asian Hotels (West) Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 or Asian Hotels (West) Limited, E-Basement, Clarion Collection – the Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi 110016. The Notice of the AGM and copies of Audited Financial Statements, Directors Report, Auditors' Report etc will also be displayed on the website of the Company www.asianhotelswest.com and the other requirements of the aforesaid MCA circular will be duly complied with.

13. Shareholders are requested not to carry any briefcase, carry bag, shopping bag and the like to the venue since these will not be allowed inside for security reasons.

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

Name of Director	Mr. Sunil Vasant Diwakar	Mr. Srikrishan Chhibber
Date of Birth	22nd May, 1963	3rd April, 1920
Date of Appointment	10th August, 2010	23rd December, 2008
Expertise in specific functional areas	Mr. Sunil Vasant Diwakar is a Managing Partner at ILFS Investment Managers Limited (IIML) and has over 25 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, I.T., Media & Retail Transaction.	Mr. Srikrishan Chhibber Retd. IAS Officer has held various portfolios during his tenure in the Central Government and was former Lt. Governor of Mizoram.
Qualifications	Masters degree in Production Technology from IIT, Madras; Diploma in International Management from IMI, New Delhi.	M.A.
Details of shares held in the Company	NIL	70
List of Companies in which outside Directorships held as on 31.03.2013 (excluding private & foreign companies)	<ol style="list-style-type: none"> Bharat Fritz Werner Ltd. Electrosteel Steels Ltd. JBF Industries Ltd. JICS Logistics Ltd. Prasad Corporation Ltd. RSB Transmissions (I) Ltd. 	<ol style="list-style-type: none"> Mount Shivalik Breweries Ltd. Mount Shivalik Investment Ltd. Mount Shivalik Industries Ltd. Aria Hotels and Consultancy Services Pvt. Ltd., Subsidiary of Asian Hotels (West) Ltd.
Chairman / Member of the Committees of other Companies on which he is a Director as on 31.03.2013	<p>Audit Committee</p> <ol style="list-style-type: none"> Bharat Fritz Werner Ltd. JBF Industries Ltd. Prasad Corporation Ltd. RSB Transmissions (I) Ltd. <p>Remuneration & Compensation Committee</p> <ol style="list-style-type: none"> Prasad Corporation Ltd. RSB Transmissions (I) Ltd. <p>Shareholders/Investor Grievance Committee</p> <ol style="list-style-type: none"> JBF Industries Ltd. 	<p>Audit Committee</p> <ol style="list-style-type: none"> Aria Hotels and Consultancy Services Pvt. Ltd.

ASIAN HOTELS (WEST) LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 6th Annual Report and Audited Accounts for the Financial Year ended on 31st March, 2013 (i.e. for the period commencing from 1st April, 2012 to 31st March, 2013).

OBJECTS, OPERATIONS AND FINANCIAL RESULTS

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

(Rupees in Crores)		
Particulars	2012-13	2011-12
Income	130.92	135.78
Expenditure	117.30	116.38
Profit Before Tax	13.62	19.40
Provision for Taxation		
– Current Tax	4.55	5.82
– Deferred Tax Charge (Credit)	1.44	0.31
Net Profit	7.63	13.27
Amount Brought Forward	108.82	105.71
Profit Available for Appropriation	116.45	118.98
Transfer to General Reserve	0.57	1.35
Proposed Dividend on Equity Shares	2.29	4.58
Corporate Dividend Tax	0.39	0.73
Transfer to Debenture Redemption Reserve	10.63	3.50
Surplus Carried Forward	102.57	108.82
Earnings Per Share – Basic (Rupees)	6.66	11.58
Earnings Per Share – Diluted (Rupees)	6.66	11.58

CONSOLIDATED FINANCIAL STATEMENTS

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

The Board of Directors of the Company has approved availing of the benefit under the aforesaid circular. Accordingly, the members have been circulated standalone Financial Statement of the Company for the Financial Year 2012-13 alongwith Consolidated Financial Statement for the Financial Year 2012-13.

DIVIDEND

The Board has recommended for approval of shareholders, a dividend of 20% (amounting to Rs. 2/- per Share) (Previous period dividend @ 40%) for the Financial Year ended 31st March, 2013 to be paid on 1,14,58,303 Equity Shares of the Company aggregating a distribution of Rs. 2.29 Crores (Previous period year Rs. 4.58 Crores).

SUBSIDIARY COMPANIES

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

The upcoming J. W. Marriott Hotel at the Hospitality District near the Indira Gandhi International Airport, New Delhi, being developed by Aria, is expected to be operational shortly. The opening of the Hotel has been delayed because of the additional security clearances required from Bureau of Civil Aviation Security (BCAS) and Dy. Commissioner of Police (Licensing), Delhi Police.

B. INOVOA HOTELS AND RESORTS LIMITED

M/s Inova Hotels and Resorts Limited (IHRL) presently owning and operating The Clarion Hotel, EPIP Zone, Whitefield, Bengaluru. The Clarion Hotel, Bengaluru is a Contemporary Boutique Hotel. Post the finalization of Financial Statements of the Company for the year ended 31st March, 2013, the company has entered into Share Purchase Agreement with M/s Fleur Hotels Pvt. Ltd. for sale of its entire investments in IHRL at an Enterprise Value of Rs. 64 Crore. Thus, after the aforesaid transaction, IHRL ceased to be subsidiary of the company. However, as during the Financial Year 2012-13 IHRL was the subsidiary of the company and accordingly the Consolidated Financial Statements of the company for the financial year 2012-13 includes Financial Statements of IHRL as well.

BORROWINGS / GUARANTEES

A. NON CONVERTIBLE DEBENTURES

On 25th June, 2010 the Company had issued 1000 Rated, Taxable, Secured, redeemable, Non - Convertible Debentures (NCDs) of the face value of Rs. 10 Lacs each, aggregating to Rs. 100 Crores, on private placement basis to Kotak Mahindra Bank Limited. The Company had appointed M/s IDBI Trusteeship Services Limited, Mumbai as the Debenture Trustee and M/s Karvy Computershare Pvt. Ltd. as Registrar and Transfer Agents in relation to the aforesaid NCDs. In terms of the issue of the aforesaid NCDs, during the Financial Year 2012-13 your Company has redeemed NCDs of the face value of Rs. 16 Crores. Total outstanding NCDs as on 31st March, 2013 is Rs. 63.25 Crores, which shall be redeemed by the Financial Year 2015-16 in unequal quarterly installments.

ASIAN HOTELS (WEST) LIMITED

B. LOANS

- (i) The Company had availed secured loan of Rs. 45 Crores from Kotak Mahindra Bank Limited during Financial Year 2010-11. In accordance with the terms and conditions of the aforesaid loan, during the Financial Year 2012-13, the Company has partly repaid the above loan upto the extent of Rs. 8 Crores. The outstanding loan as on June 30, 2013 amounts to Rs. 25.50 Crores which shall be repaid by the Financial Year 2015-16 in unequal quarterly installments.
- (ii) During the year under review, the Company was Sanctioned additional borrowing facilities aggregating to Rs. 40 Crores from the Kotak Mahindra Bank Limited out of which Company has availed Rs. 33.85 Crores as on 31st March, 2013 repayable by way of 24 unequal quarterly installments starting from September 2014.

C. GUARANTEES

- (i) During the period under review, the Company granted Corporate Guarantee(s) for import of Capital Goods under EPCG to customs authorities / DGFT for and on behalf of:
 - Aria Hotels and Consultancy Services Pvt. Ltd., Subsidiary of the Company for an aggregate amount of Rs. 28.35 Crores as on 31st March, 2013.
 - Inova Hotels and Resorts Limited (IHRL), Subsidiary of the Company for replacement of Bank Guarantees furnished by IHRL for an aggregate amount of Rs. 0.44 Crores (Previous Year Rs. Nil).
- (ii) The Company also issued Corporate Guarantee aggregating to Rs. 37.50 Crores in favour of Kotak Mahindra Bank Ltd. for an on behalf of Inova Hotels and Resorts Limited (IHRL), Subsidiary Company for availing of loan by IHRL.

However, pursuant to sale of investment in IHRL the Guarantee(s) issued on behalf of IHRL aggregating to Rs. 37.94 Crores are being released.

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

FUTURE PROSPECTS

The Company is focusing at commencement of operations at Hotel J.W. Marriott Hotel, New Delhi as well as retaining market share in highly competitive Hotel market around Hyatt Regency, Mumbai.

CHANGE IN REGISTERED OFFICE OF THE COMPANY

The company has shifted its registered office from E-5, Clarion Collection – The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi – 110016 to E- Basement, Clarion Collection – The Qutab Hotel, Shaheed Jeet Singh Marg, New Delhi – 110016 with effect from 1st June, 2013.

AUDITORS

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

INTERNAL AUDIT

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

DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and pursuant to the Article 116 of the Articles of Association, two of your Directors viz. Mr. Sunil Vasant Diwakar and Mr. Srikrishan Chhibber retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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

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

- that in the preparation of annual accounts for the year ended 31st March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to any material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period under review and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the annual accounts on a going concern basis;

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

The Audit Committee of the Board of Directors reviewed the financial statements, prepared in accordance with revised Schedule VI of the Companies Act, 1956 for the year under review at its meeting held on 28th May, 2013 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.

ASIAN HOTELS (WEST) LIMITED

PERSONNEL

Your Directors wish to appreciate the dedicated efforts and hard work of personnel at all levels that has made the existing results possible. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of this Report, is given in Annexure 'B'.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance for the Financial Year 2012-13 together with Auditor's Certificate on Corporate Governance is appended to the Annual Report as Annexure 'C' and 'D' respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Industry Structure, Development & Outlook

For the last few years the Indian tourism sector has been one of the largest service industries in the country in terms of its contribution to the Gross Domestic Product (GDP) and Foreign Exchange Earnings, as well as for providing employment to millions. Now days, tourism and hospitality sector have become the most vibrant tertiary's and has a strong hold on the economy. Tourism sector has contributed approx 6.23 per cent to the national gross domestic product (GDP) and approx 8.78 per cent of the total employment in India. Moreover, India stands 42nd in the world rankings in terms of foreign tourist arrivals (FTAs) in the country, according to a report titled 'Competitiveness of Tourism Sector in India with Selected other Countries of the World' by Ministry of Tourism. The World Travel and Tourism Council (WTTC) named India as one of the fastest growing tourism industries for the next 10 to 15 years.

Tourism in India is witnessing widespread growth on the back of increasing inbound tourism by the burgeoning Indian middle class, rising inflow of foreign tourists and successful government campaigns for promoting 'Incredible India'. Infrastructure development holds the key to India's sustained growth in the Tourism sector. Significantly, the country has the potential to become a major global tourist destination, with the Tourism sector expected to contribute around INR 3,414.8 billion (US\$ 77.0 billion) by 2021. India is currently ranked 12th in the Asia Pacific region and 68th overall in the list of the world's attractive destinations. Foreign tourist arrivals in the country have increased substantially during the past decade motivated by both, business and leisure needs and are further expected to grow at a compound annual growth rate (CAGR) of around 8 per cent during 2010-2014.

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

Indian tourism and hospitality sector has reached new heights today. Travelers are taking new interests in the country which leads to the upgrading of the hospitality sector. Even an increase in business travel has driven the hospitality sector to serve their guests better. Hospitality Industry is closely linked with travel and tourism industries. Ministry of Tourism, Government of India is making efforts through its new campaign for raising additional footfalls.

Opportunities, Threats, Risks and Concerns

Hotels form one of the most important support service that affect the arrival of tourist to a country. The strengths of the industry includes that India is one big package of culture and legend that never fails to captivate the imagination of the visitor. It provides vast natural and cultural diversity, the manpower costs in the Indian hotel industry is one of the lowest in the world. The demand for tourists is also easily managed. The peak season in the country is from September to March. Over the long term, the hotel industry has growth potential. When it comes to diverse topography, India is one of the best. One can find threats also in ways like, most of the hotels in India are now being replaced by guest hotels. The trend for guest hotels is increasing and so the hotel industry can be greatly affected. Tourists also have second thoughts about visiting India because of the political turbulence here. There is a shortage of trained manpower and growth of tourism industry is directly linked to economic conditions in India and global markets and any slowdown in national and international markets directly affect the occupancy.

Review of Operational and Financial Performance

The Company has achieved an aggregate turnover of Rs. 130.92 Crores (Previous period Rs. 135.78 Crores) for the financial year ended on 31st March, 2013. Profit after taxes for the year under review was Rs. 7.63 Crores (Previous period Rs. 13.27 Crores).

Segment wise Performance

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

Internal Control Systems and their Adequacy

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

Human Resources and Industrial Relations

Smooth Industrial Relations and effective Human Resource Management are the key factors contributing towards success in the industry. As our company is part of the hospitality industry the importance of efficient and motivated human resources helps in achieving complete customer satisfaction, which in turn has direct impact on the brand image and turnover of the company. The Company enjoys harmonious relationship with its employees. The employee strength of the Company, as on 31st March, 2013 was 671.

ASIAN HOTELS (WEST) LIMITED

ACKNOWLEDGEMENT

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

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

Place : New Delhi
Dated : 23rd July, 2013

Sushil Gupta
Chairman and Managing Director

ANNEXURE – A FORMING PART OF THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

S. No.	Energy conservation measure taken during the year 2012-13	Impact (savings in Lac Rs. per annum)
1.	Heat Pump installation for hot water generator	35.00
2.	Wind power benefit from 3rd party power purchase	30.00
S. No.	Additional Investment – proposal for the year 2013-14	Impact (savings in Lac Rs. per annum)
1.	Replacement of AR 111 lamps with LED lamps in Banquet	7.00
2.	Replacement of halogen lamps in public area with 6.5 W LED lamp	9.00

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS

- The Company has a strong commitment to international business and is continuously exploring avenues to increase its foreign exchange earnings.
- Foreign exchange earnings (on receipt basis) have shown a downfall considering the global meltdown and the recession in the economies across the world. Current period earnings amounted to Rs. 64.54 Crores (Rs. 75.66 Crores in previous period) against which the outgo in foreign exchange was equivalent to Rs.16.13 Crores (Rs. 15.40 Crores in previous period).
- Details of foreign exchange earnings and outgo are given at Note 42 to the Balance sheet and Profit and Loss Account of the Company for the financial year ended on 31st March, 2013.

ANNEXURE B FORMING PART OF THE DIRECTORS' REPORT

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

S. No.	NAME	AGE (YRS.)	DESIGNATION/ NATURE OF DUTIES	REMUNERATION (IN RS.)	QUALIFICATION	EXPERIENCE (YRS)	DATE OF COMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD / DESIGNATION / PERIOD
EMPLOYED THROUGHOUT THE YEAR								
1	Sushil Gupta	70	Chairman & Managing Director	96,07,600	F.S.C., CHA	50	10.04.1981	Industrialist
2	Aseem Kapoor*	44	General Manager, Hyatt Regency Mumbai	1,12,86,576	Diploma in Hotel Management, IHM Mumbai	24	01.06.2008	Resident Manager, Park Hyatt Dubai (3 Yrs)
3.	Sudhir Gupta	54	Executive (Whole-time) Director	82,56,000	B.Com	30	10.05.2010	Industrialist
4.	Sandeep Gupta	44	Executive (Whole-time) Director	85,82,312	B.Com(Hons) SRCC, New Delhi, MBA from Notre Dame University, USA., Specializing in Finance & Marketing, PDP – Cornell University	22	10.05.2010	Hotelier

* Mr. Aseem Kapoor ceased to be General Manager, Hyatt Regency Mumbai w.e.f. 25th May, 2013.

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

ASIAN HOTELS (WEST) LIMITED

ANNEXURE "C" FORMING PART OF DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

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

The status of compliance with Clause 49 of the Standard Listing Agreement for the Financial Year 2012-13 is enumerated herein below:

Board of Directors

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

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

The Company is following prescribed Board procedures and provided detailed notes in advance on all the businesses proposed to be dealt with at the Board Meetings. The Board meets at least once every quarter with a maximum gap of four months between meetings. During the period under review, 5 meetings of the Board of Directors took place. These meetings were held on 10th May, 2012; 3rd August, 2012; 12th September, 2012; 8th November, 2012; 13th February, 2013.

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

S. No.	Name of the Director	Category	No. of Board Meetings Attended	Last AGM attended	No. of Other Directorships held in Private Companies	No. of Other Directorships held in Public Companies	No. of Committee Memberships in other Public Companies	No. of Chairmanships in such Committees
1.	Mr. Sushil Gupta	Chairman & Managing Director	5	Yes	4	2	—	—
2.	Mr. Raj Kumar Bhargava	Independent Non-Executive	5	Yes	1	6	7	4
3.	Mr. Srikrishan Chhibber	Independent Non-Executive	5	Yes	1	3	1	—
4.	Mr. Lalit Bhasin	Independent Non-Executive	5	Yes	1	8	6	1
5.	Mr. Surendra Singh Bhandari	Independent Non-Executive	4	No	—	3	4	2
6.	Mr. Sudhir Gupta	Executive (Whole - time) Director	5	Yes	—	1	—	—
7.	Mr. Sandeep Gupta	Executive (Whole - time) Director	4	Yes	3	1	1	—
8.	Mr. Sunil Vasant Diwakar	Non-Executive	—	No	—	6	5	—
9.	Mr. Rajesh Adhikary*	Non- Executive	5	Yes	4	0	1	—

* Alternate Director to Mr. Sunil Vasant Diwakar, Director of the Company.

Committee of Directors

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

a) Audit Committee:

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

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

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

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

During the year under review, four meetings of the Audit Committee were held on 10th May, 2012; 3rd August, 2012; 8th November, 2012; 13th February, 2013 attendance details of which are as under:

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

b) Share Transfer & Shareholders Grievance Committee:

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

The committee functions under the Chairmanship of Mr. Srikrishan Chhibber.

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

The Company received 63 complaints during the period, which have been resolved and/or appropriately replied to. None of the investor complaints is lying unresolved at the end of the Financial Year.

During the year under review, four meetings of the Share Transfer & Shareholders Grievance Committee were held on 10th May, 2012; 3rd August, 2012; 8th November, 2012; 13th February, 2013 attendance details of which are as under:

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

c) Remuneration Committee / Remuneration

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

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

The Committee functions under the chairmanship of Mr. Lalit Bhasin a senior Lawyer of repute with over 51 years of experience in Legal matters.

During the year under review, one meeting of the Remuneration Committee was held on 22nd December, 2012, which was attended by all the members of the Committee.

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

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

(Amount in Rs.)

Name of the Directors	Salary including perquisites	Commission (payable)	Sitting Fees	Total
Mr. Sushil Kumar Gupta*	96,07,600	—	—	96,07,600
Mr. Srikrishan Chhibber	—	3,16,400	1,08,000	4,24,400
Mr. Raj Kumar Bhargava#	—	3,16,400	1,68,000	4,84,400
Mr. Lalit Bhasin	—	3,16,400	1,44,000	4,60,400
Mr. Surendra Singh Bhandari	—	3,16,400	1,08,000	4,24,400
Mr. Sunil Diwakar	—	—	—	—
Mr. Rajesh Adhikary\$	—	3,16,400	60,000	3,76,400
Mr. Sudhir Chamanlal Gupta*	82,56,000	—	—	82,56,000
Mr. Sandeep Gupta*	85,82,312	—	—	85,82,312
TOTAL	2,64,45,912	15,82,000	5,88,000	2,86,15,912

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

* During the financial year, in terms of requirement of Clause 1(C) of Section II of Part II of Schedule XIII to the Companies Act,