



Asian Hotels (East) Limited

4th Annual Report and Accounts 2010-11





BOARD OF DIRECTORS

Radhe Shyam Saraf	— Chairman
S. S. Bhandari	— Independent Director
Rama Shankar Jhawar	— Independent Director
Padam Kumar Khaitan	— Independent Director
Arun K Saraf	— Joint Managing Director
Umesh Saraf	— Joint Managing Director

CHIEF LEGAL OFFICER & COMPANY SECRETARY

Saumen Chattopadhyay

AUDITORS

S S Kothari Mehta & Co.
Chartered Accountants
21, Lansdowne Place
4th Floor, Kolkata - 700 029, W.B., India

BANKERS

Standard Chartered Bank
IDBI Bank Limited
State Bank of India

REGISTERED OFFICE

Hyatt Regency Kolkata
JA-1, Sector-3, Salt Lake City
Kolkata - 700 098, W. B., India
Tel.No.033-2335 1234
Fax No. 033-2335 8246
www.asianhotelseast.com

REGISTRAR & TRANSFER AGENT

Karvy Computershare Pvt.Ltd.
17-24, Vittal Rao Nagar, Madhapur
Hederabad - 500 081
Andhra Pradesh, India

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 4TH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT REGENCY BALL ROOM, HYATT REGENCY KOLKATA, JA-1, SECTOR-III, SALT LAKE CITY, KOLKATA – 700 098, WEST BENGAL, ON WEDNESDAY, THE 24TH AUGUST, 2011 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS :-

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended 31st March, 2011, alongwith the Reports of Auditors and the Directors thereon.
02. To declare dividend on 1% Fully Convertible Preference Shares.
03. To declare dividend on equity shares.
04. To appoint a director in place of Mr. S. S. Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
05. To appoint the Statutory Auditors of the Company and to fix their remuneration.

Registered Office:

Hyatt Regency Kolkata
JA-1, Sector- III
Salt Lake City
Kolkata - 700 098
Dated, the 8th June, 2011

By Order of the Board

**Saumen Chattopadhyay
Chief Legal Officer &
Company Secretary**

Notes:

- (01) **A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited to the Company at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
- (02) Members/Proxies should bring the enclosed Attendance Slip duly filled in and signed in terms of specimen signature lodged with the Company alongwith their copies of Annual Report for attending the Meeting. Members attending the Annual General Meeting are requested to bring with them DP & Client ID Numbers, Folio Numbers for dematerialized holdings and physical holdings respectively. The Company would accept only the Attendance Slip from a member actually attending the Meeting or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours before the commencement of the Meeting. Attendance Slips of Members/valid proxies not personally present at the Meeting or relating to Proxies which are invalid will not be accepted from any other member/person.
- (03) Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
- (04) In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
- (05) The Register of members and the Share Transfer Books of the Company will remain closed from 17th August, 2011 to 24th August, 2011 (both days inclusive).
- (06) Final Dividend on equity shares, when approved at the Meeting, will be paid/credited/dispatched on or after 27th August, 2011 to those members.
 - (a) whose names appear as beneficial owners as at the end of business hours on 16th August, 2011 in the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (b) whose names appear as members in the Register of members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 16th August, 2011.
- (07) Members holding shares in physical form are requested to notify to the Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad-500 081 quoting their folio, any change in their registered address with pin code/mandate/bank details and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
- (08) Kind attention of the members are drawn to the recent circular bearing No.18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs (MCA) read with their earlier Circular bearing No. 17/2011 dated 21.04.2011, wherein it is clarified that Company would be complying the provisions of Section 53 of the Companies Act, 1956, if the service of the document has been made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholders to register their e-mail addresses and changes therein from time to time with the Company. Further, it is also clarified that Company would be in compliance of provisions of Section 219(1) of the Companies Act, 1956, in case, a copy of Balance Sheet etc., is sent by electronic mail to its members subject to the above cited compliance.

In view of the above, notice is hereby given to every member of the Company including NRI shareholders to get their e-mail addresses registered with their respective Depository Participants (DP) in case shares are held in Demat form and with the Registrar & Share Transfer Agent (RTA) viz. Karvy Computershare Private Limited., Hyderabad, if the shares are held by them in physical mode. If the e-mail addresses are already registered with the respective DPs/RTA of the Company by the shareholders, it is requested to ensure that registered e-mail ids are current, operative and all the addressed correspondences are received through it.

- (09) All NRI Members of the Company are hereby requested to get their Indian Postal addresses, e-mail ids and bank details with their NRI/NRE account nos. registered with their respective DP/RTA of the Company, so as to facilitate to provide smooth, faster, cost effective and proper service to them by the Company.
- (10) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Member's bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's record.
- In view of the above, all the Members of the Company having their holding in Demat form are requested to get their latest postal addresses, e-mail ids and bank details, such as name of the bank, its address, a/c no, IFS Code and MICR No. etc., recorded with the respective DPs, so as to facilitate a smooth remittance of dividend by way of NECS/NEFT by the Company. Request is also made to the shareholders having their shares in physical mode to get their latest postal addresses, e-mail ids and above cited bank account details recorded with RTA of the Company by way of written request to letter duly signed.
- (11) Members holding shares in physical form can avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed Form (Form 2B) can be obtained from the Registrar & Share Transfer Agents. Members desiring to avail this facility may send their Nomination Form duly filled in, to the Company or its Registrar & Share Transfer Agents by quoting their respective folio numbers.
- (12) Members are requested to send all communications relating to shares and unclaimed dividends either to the Company at its registered office address or to the Registrar and Share Transfer Agent, M/s. Karyv Computershare Private Limited, at its address mentioned earlier in this Notice.
- (13) Members are requested to encash their Dividend Warrants on receipt, as Dividend remaining unclaimed for 7 years are required to be transferred to the Investor Education & Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956. Once unclaimed dividends are transferred to this fund, Members will not be entitled to claim these dividends.
- (14) Kind attention of the members of the Company are drawn to the recently inserted Clause 5A (II) in the Listing Agreement with the Stock Exchanges (w.e.f. 16th December, 2010) which provides that Company shall transfer all the unclaimed shares into one Folio in the name of "Unclaimed Suspense Account" and these shares can be dematerialized and kept with one of the Depository Participants and all corporate benefits in terms of securities accruing on such shares viz. Bonus shares, Split, Dividend, etc. shall also be credited to such Unclaimed Suspense Account. The voting rights of those members shall remain frozen till the rightful owner claims the shares. In compliance of the said newly inserted Clause, members are hereby, informed that the Company has already sent the 1st remainder letter dated 15th February, 2011 to 896 members and has taken necessary steps to deal with the responses, received in this regard.
- (15) Members 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. The Meeting is for members or their proxies only. Please avoid being accompanied by non-member/children.
- (16) Company is also in receipt of complaints from various shareholders from time to time regarding non-receipt of Annual Report. In this connection, kind attention of the shareholders is drawn towards SEBI's Circular No. Cir/CFD/DCR/5/2010 dated 07.05.2010 read with amended Clause 31 of the Listing Agreement whereby filing of the soft copy of the full Annual Report to BSE by every listed company is made mandatory and in turn BSE is putting that Annual Report on its website for the reference and perusal of all the interested members. Hence, members may download the copy of full Annual Report of the Company from BSE website for their immediate reference and perusal.
- Further, Company is also maintaining a functional website in compliance with the Listing Agreement entered with the stock exchanges. Annual Report and other documents are available on the website of the Company for inspection.
- (17) It is also noticed that many members holding shares in physical mode are holding insignificant shares under multiple folios. In order to provide cost effective, faster and prompt service, all Members concerned are requested under relevant clause of Listing Agreement to get their shareholding consolidated in one folio only.
- (18) Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Director seeking appointment and re-appointment at the forthcoming AGM is given herein below:

Mr. S. S. Bhandari

Mr. S. S. Bhandari is a Chartered Accountant with over 36 years experience and is the Senior Partner of M/s. S. S. Bhandari and Company, Chartered Accountants, Jaipur. Mr. S. S. Bhandari is a renowned Chartered Accountant and is an expert in rendering corporate and industrial consultancy in the area of finance, banking, taxation, corporate restructuring and financial closure of industrial projects.

Mr. S. S. Bhandari is on the Board of the following Companies:

- 1) Vaibhav Gems Limited.
- 2) Asian Hotels (West) Limited.

He is the Chairman of the Audit Committee of Vaibhav Gems Limited and Member of the Audit Committee of Asian Hotels (West) Limited. He is also Member of Shareholders' Grievance Committee of Vaibhav Gems Limited.

Mr. S. S. Bhandari is not related to promoters or any Board member of the Company.

Mr. S. S. Bhandari, aged about 63 years, does not have any equity share of the Company.

Except Mr. S. S. Bhandari, none of the other Directors may be deemed to be concerned or interested in this item.

Registered Office:

Hyatt Regency Kolkata
JA-1, Sector- III
Salt Lake City
Kolkata - 700 098
Dated, the 8th June, 2011

By Order of the Board

**Saumen Chattopadhyay
Chief Legal Officer &
Company Secretary**

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting their 4th Annual Report on the business and operation of the Company together with the audited annual accounts of the Company for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

Your Company's performance during the year under review is summarised as under:

Particulars	Standalone (Rs. in lacs) 2011	Consolidated (Rs. in lacs) 2011
Sales Turnover (including other Income)	10,095.17	10,198.16
Profit Before Interest & Depreciation etc.	4,300.53	4,398.73
Interest	NIL	NIL
Depreciation	679.52	679.52
Profit before Tax	3,621.02	3,719.21
Provision for Taxation (Net)	604.33	606.83
Profit after Tax	3,016.68	3,112.38
Surplus Brought Forward from previous year	10,154.62	10,259.74
Profit Available for Appropriation	13,171.30	13,372.12
Transfer to general Reserve	301.67	301.67
Dividend on preference shares	0.05	0.05
Dividend proposed/ paid-up-on equity shares	513.08	513.08
Corporate Dividend Tax	83.24	83.24
Surplus Carried Forward	12,273.25	12,474.08
Earnings per share (Rupees) - Basic	26.46	27.30
Earnings per share (Rupees) - Diluted	26.37	27.20

STAND-ALONE PERFORMANCE

Your Company has earned total revenue of Rs.10095.17 lacs and earned a net profit of Rs.3621.02 lacs. Earnings before interest, tax, depreciation and amortisation (EBITDA) is Rs.4300.53 lacs. Profit after tax is Rs.3016.68 lacs.

CONSOLIDATED PERFORMANCE

Your Company has earned total revenue of Rs.10,198.16 lacs on consolidated basis. Earnings before interest, tax, depreciation and amortisation (EBITDA) is Rs.4398.73 lacs on consolidated basis. Profit after tax on consolidated basis has been registered at Rs.3112.38 lacs.

Financial and operating performance of the Company during the financial year 2010-11 is not comparable as the financial year 2009-10 had operational results of Hotel Hyatt Regency Kolkata for a period of 5 months in view of the effectiveness of the Scheme of Arrangement and Demerger (the Scheme) on 11th February, 2010 retrospectively from 31st October, 2009 being the Appointed Date.

Overall, the Company is on a satisfactory growth path and its efforts to improve efficiency, productivity and profitability will improve returns.

APPROPRIATIONS

During the year 2010-11 an amount of Rs.301.67 lacs has been appropriated to General Reserve (Rs.142.84 lacs last year).

DIVIDEND

Your Directors have recommended 1% dividend on 27,780 Fully Convertible Preference Share of Rs. 10/- each for the year 2010-11.

Further, your Board of Directors has recommended a dividend @ 45%, i.e. Rs.4.50 per equity share (previous year Rs. 3.00 per equity shares) on 1,14,01,782 equity shares of Rs. 10/- each for the year ended 31st March, 2011.

The total Dividend outgo for the year ended 31st March, 2011 would be Rs.5.96 crores including the Corporate Dividend Tax of Rs.83.24 lacs.

Your Directors believe that this will increase shareholder value.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

During the financial year under review, the Registered Office of the Company was shifted from NCT of Delhi to the State of West Bengal.

LISTING AND TRADING OF EQUITY SHARES OF THE COMPANY ON THE STOCK EXCHANGES

During the year, the equity shares of the Company were listed and admitted for trading on Bombay Stock Exchange Limited and National Stock Exchange of India Limited respectively.

ISSUE AND ALLOTMENT OF EQUITY SHARES OF THE COMPANY

On 30th April, 2011, your Board vide Circular Resolution has issued and allotted 38,910 equity shares of Rs. 10/- each to the then preference shareholders of the Company consequent to conversion of their 27,780 1 % Fully Convertible Preference Shares (FCPS) in terms of Clause 5.3.1 of the sanctioned Scheme of Arrangement and Demerger read with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The equity shares as aforesaid rank *pari passu* in all respects with the existing equity shares of the Company including with respect to dividend. Necessary applications have been made to the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) respectively for obtaining listing and trading permission in respect of the newly allotted equity shares.

As a result of the above issuance and allotments, the number of outstanding shares of the Company as on the date of this Report consists of 1,14,40,692 equity shares of Rs. 10/- each fully paid up.

BUSINESS OVERVIEW

Although the Indian economy is recovering from the impact of the global financial crisis but factors like inflation has slowed the growth further. However, the scenario of the hotel industry in the State of West Bengal, where your Company has the presence has not been encouraging. The tourists continued to stay away from the city of Kolkata due to law and order situation and political instability in the State. Further, the city has failed to produce sufficient business and international events which would otherwise bring the financial fortunes of the hotel. Your Company had to offer best of services at affordable prices.

Having considered the above, your Board is of the view that the Company has maintained its strong presence in the market in the financial year 2010-11. The guest satisfaction scores at the hotel reflect that the quality of the hospitality services continues to be at world class levels. To provide better guest satisfaction and ensure their security, steps were taken to up-grade the televisions sets, gymnasium facilities, kitchen arrangements and install the round the clock monitoring CCTV. Your Directors have a positive view on achieving sustainable and a balance profitable growth in future and have taken a cautious approach on the new properties launched, product up-dation and expansion in domestic market.

COMPLIANCE WITH NOTIFICATION NO. S.O. 301(E) DATED 8th FEBRUARY, 2011 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS UNDER SECTION 211(3) OF THE COMPANIES ACT, 1956

Since Central Government had issued a notification No. S.O. 301 (E) dated 8th February, 2011 in exercise of the powers conferred by Section 211(3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfillment of few conditions, your Company has duly complied with all conditions of the notification to seek general exemption under Section 211(4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March, 2011. Your Board has passed necessary resolution to comply with one of the conditions of the notification for the same.

SUBSIDIARY COMPANIES

Presently, the Company has two subsidiaries namely GJS Hotels Limited and Regency Convention Centre and Hotels Limited.

During the year under review, GJS Hotels Limited has become a material non-listed Indian subsidiary company of your Company in pursuance of Clause 49 (III) of its Listing Agreements with the Stock Exchanges and accordingly the Company has complied with other relevant provisions of the Listing Agreement.

The Registered Offices of the two subsidiaries of your Company, namely GJS Hotels Limited and Regency Convention Centre and Hotels Limited respectively were also shifted from the NCT of Delhi to the State of West Bengal.

As required under the Listing Agreement with the Stock Exchanges and in accordance with the Accounting Standard (AS-21), Consolidated Financial Statement being prepared by the Company includes financial information of its subsidiaries.

In accordance with the provisions laid down in Section 212 of the Companies Act, 1956, the Company is required to attach the Annual Accounts of the subsidiaries to its Annual Accounts and accordingly the Annual Accounts of the subsidiaries together with respective Auditors' Report and Directors' Report thereon form part of this Annual Report.

Considering the convenience and easy reference to Annual Accounts of the Company along with its subsidiaries by the members of the Company, the Company has decided not to avail of the General Circular Nos: 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011 respectively issued by the Ministry of Corporate Affairs, Government of India giving general exemption to the companies under Section 212(8) of the Companies Act, 1956.

AUDITORS & AUDITORS' REPORT

M/s S.S. Kothari Mehta & Co., Chartered Accountants, Kolkata, the present auditors of the Company, retires at the forthcoming Annual General Meeting and is eligible for re-appointment as auditors. Members are requested to re-appoint them and fix their remuneration. The Company has received confirmation from the firm to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The Audit Committee of the Board has recommended their re-appointment.

Directors clarification/explanations/comments under Section 217(3) of the Companies Act, 1956 for observation and comments referred in the Clause 4(V) of the Auditors' Report including Auditors' Report on Consolidated Financial Statements read with Note 2 in Schedule 16 of the Notes forming the Accounts are as under:

Observation of the Auditors:

No provision for impairment has been made in respect of the investment made by the Company in its subsidiary namely Regency Convention Centre and Hotels Limited.

Our Explanation:

Regency Convention Centre and Hotels Limited (RCC) is in possession of two opinions given by the highest legal authorities which, *inter-alia*, states that RCC has fair chance of winning the legal disputes with the Airport Authority of India (AAI). In view of this, your Board is hopeful about the outcome of the Suit, pending before the Hon'ble High Court of Bombay, involving RCC as plaintiff and accordingly your Company has not made any provision for impairment in the value of investment made in RCC.

During the year under review, Internal Audit of the Company has been carried out by M/s. KSMN & Company, Chartered Accountants, Kolkata. Their findings have been satisfactory.

Further, Secretarial Audit has been carried by a firm of Company Secretaries. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of SEBI as applicable to the Company, including the SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 and the SEBI (Prohibitions of Insider Trading) Regulations, 1992.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. S. S. Bhandari retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The Director appointed alternate to Mr.R.S. Jhawar on 30th April, 2011, resigned from the Board w.e.f. 2nd May, 2011. The Board placed on record its appreciation for the services rendered by the outgoing Director during his tenure.

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

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to materials departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and pursuant 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 the financial year;
- that the Director 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 disclosures and details in the Schedules to the Accounts.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, pertaining to conservation of energy, technology absorption, and foreign exchange earnings and outgo, to the extent possible in the opinion of your Directors, is annexed hereto being Annexure A and forming part of this Report.

The Company's earnings and outgo in foreign exchange for the year under review were Rs.3097.10 lacs /Rs. 510.52 lacs respectively.

PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended, particulars of the employees concerned are given in the Annexure B which is attached hereto and forms part of the Directors' Report.



CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance and Compliance Certificate on Corporate Governance and Management Discussion and Analysis Report are annexed to this Report.

GROUP FOR INTER-SE TRANSFER OF SHARES

As required under Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting Group as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations comprises are Saraf Industries Limited and Forex Finance Private Limited.

CORPORATE SOCIAL RESPONSIBILITY

The Company is associated with various charitable, social, religious and philanthropic activities and thereby playing a pro-active role in the socio-economic growth.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation towards all associates including customers, the Government of India, Government of West Bengal, Government Agencies, Hyatt International Corporation, U.S.A., Bankers, Suppliers, Shareholders, Employees and others who have reposed their confidence in the Company.

For and on behalf of the Board

Place: Kolkata
Date: 28th May, 2011

UMESH SARAF **S S BHANDARI**
Joint Managing Director Director

ANNEXURE 'A' FORMING PART OF 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 2009-2010	Impact (saving in Rupees per annum)
1	Replaced existing 18w PL with 7w PL lamp in lobby ramp light.	22,000.00
2	Air condition Automation done for Fitness centre First floor, Fitness centre ground floor ,Banquet meeting room,739,741 AHU's	5,00,000.00
3	Lobby Cove light Blue and yellow fluorescent lights replaced with LED	12,000.00
4	Soft water supplied to Staff locker in place of RO water.	15,000.00
5.	Replaced 2nos of defective VFD drives with new drives for secondary chilled water pumps.	6,00,000.00
6	President Suite Automation and controlling done with VFD.	1,00,000.00

B) TECHNOLOGY ABSORPTION

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

ANNEXURE 'B' FORMING PART OF DIRECTORS' REPORT
PARTICULARS OF EMPLOYEE PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT,1956

S.NO.	Name	Age in (Years)	Designation/ (Nature of duties)	Gross Remuneration (Rs.)	Qualification	Experience in (Years)	Date of commencement of employment	Last employment held/Designation/ Period
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EMPLOYED FOR FULL YEAR

1	Umesh Saraf	48	Joint Managing Director	44,817,555	B.Sc	26	22.02.2010	Asian Hotels Ltd./ Managing Director (East)/ 4 years
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EMPLOYED FOR PART OF THE FINANCIAL YEAR

1	Arun Kumar Saraf	52	Joint Managing Director	6,796,775	Graduate in Business Administration	29	04.08.2010	Executive Director, Asian Hotels Ltd., New Delhi
2	Marc Lorenz	46	General Manager	2,698,210	Graduate in Hotel Management	18	11.12.2010	Grand Hyatt Santiago / Resident Manager / 4 years
3	Seven Hoffmeyer	47	General Manager	6,915,761	Graduate in Hotel Management	18	20.10.2008	Grand Hyatt Dubai / Director of Marketing / 4 years

Notes :

- Pursuant to Amendment Rules 2011 in the Companies (Particulars of Employees) Rules 1975, the gross remuneration shown above is in respect of employees, who are in receipt of remuneration of Rs.60 Lacs per financial year or Rs.5 Lacs per month.
- Gross remuneration comprises of Basic Salary,HRA, Special Allowance,Company's contribution to provident fund,LTA,monetary value of perquisites, if any, on the basis of Income Tax Rules, performance incentive, Exgratia payments and Commission to Managing Directors on payment basis.
- Gross remuneration paid to Mr. Umesh Saraf, Joint Managing Director includes Commission of Rs.2,83,52,238/- for the FY 2008-09 and Rs. 56,05,279/- for the FY 2009-10 (April - Sept), being the period prior to 'Appointed Date' under the Scheme of Arrangement and Demerger amongst Asian Hotels Ltd (Transferor Company) and its shareholders and creditors ; Chillwinds Hotels Ltd. (Transferee Company-I) and its shareholders; and Vardhman Hotels Ltd. (Transferee Company -II) now Asian Hotels (East) Ltd. and its shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT, OPPORTUNITIES AND OUTLOOK

Hotel industry in India has been an important industry to the Indian Economy. It is one of the largest foreign exchange earners to the country and also one of the largest employers, both directly and indirectly. The fortunes of the hotel industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry. Construction of hotels is primarily a private sector activity which is capital intensive and has a long gestation period. The industry is characterized significantly by high seasonality, labour intensive, fragmented, security threats, classification of hotels, highly capital intensive nature, high tax structure, non-uniformity in taxes and highly sensitive to the external factors like economy, terrorism and political status. The demand for the hotel rooms is driven by the rise in the number of the domestic and as well as the foreign tourists. The demand for the foreign tourists is driven by the level of growth in Global GDP, increased business activities of other nations with India, growing number of tourist destinations, rise in trade and sporting events, marketing efforts like 'Athithi Devo Bhava' and 'Incredible India'.

The constraints being faced by the hotel industry in addition to the high cost and limited availability of land is the procurement of multiple clearances/approvals which are required from the Central and the State Government agencies for hotel projects. This often results in delay in the implementation of the project, cost escalation etc. To obviate the above mentioned difficulties faced by the hotel industry, Ministry of Tourism, Government of India has set up a Hospitality Development and Promotion Board (HDPB). The main function of HDPB includes monitoring and facilitating the clearances/approvals of Hotels Projects both at the Central, the State Government and the UTs level. HDPB would be a single point for receiving applications for various clearances, approve/clear hotel project proposals in a time bound manner and review hotel project policies to encourage the growth of hotel/hospitality infrastructure in the country. The growing hospitality industry of the country is facing shortage of skilled manpower. The Ministry of Tourism, Government of India has, therefore, launched a programme of training course of 8 weeks of youth (Hunar Se Rozgar Tak) through IHM, Food Craft Institutes and private sector hotels to create employable skills.

The hotel industry began in the financial year 2010-11 on a weak note. There was a fall in foreign tourist in the first half of the year as a result of the economic slowdown. However, towards the second half of the financial year 2010-11, the demand picked up. Rising tourist inflow and higher occupancy kept the hotel companies afloat after the slowdown. The outlook for the hotel industry in India are bright with revival in the global economy and rising international tourist inflow into the country. Competitive pricing amongst the branded hotels along with the addition of more budget and mid-market hotels would make the hotel industry cost competitive with other destinations. The hospitality market in India in terms of number of rooms demanded per day is estimated to grow at a compound annual growth rate (CAGR) of 10.30% during the period 2010-13. However, the growth in supply will surpass the growth in demand since supply is expected to grow at a CAGR of 15% during the same period. A total of 24,211 additional rooms is expected to become operational by 2013 across upscale category of hotels. Hence, there exists huge potential for investors and operators in the upscale category of hotels in India. The huge influx of incremental rooms in India will result in the occupancy levels of hotels for most of the Indian cities, except Mumbai and Goa, falling considerably over the next three years.

Service apartments, time sharing, fractional ownership and company hotels or guest houses, have immense potential to grow. Their growth is likely to be due to increased demand of the IT, ITES, BPO, KPO, biotechnology and medical tourism sectors. Heightened awareness of consumers towards their environment has brought into prominence the concept of 'eco tourism' and 'agri-tourism'. There is an increased flow of people, especially those from the west, to India for medical services. This has also brought into limelight the concept of 'medical tourism'. Currently, 3 & 4 star category hotels together account for 22% of the total room supply in India, which clearly indicates a huge growth potential for budget hotels. 'Meetings, Incentives, Conventions and Events' (MICE) is a new concept which many hospitality companies are adapting to and there is an ample room for growth.

Diversification holds the key to survival in the long run. The hotel industry isn't behind. Spas are appearing at hotel properties at a remarkable rate and are becoming independent profit centers. Cafes, lounges and bars which have high profit margins, are increasing their presence in several hotels. Hotels are adapting to innovative operating models by bringing in external brands of restaurants, spas and lounges on lease or management contracts. Success and popularity of restaurants, spas and lounges within hotels enables these players to become individual profit centers and move out of hotels as separate chains and thereby expand their presence in the market.

The hotel industry is focusing on next-generation technologies to sustain its growth and to attract overseas travelers to India through adoption of latest internet based/web based technologies for creating brand awareness, facilitating bookings and providing entertainment. Further, opening of the economy has led to growth of the hotel industry away from the Metros and to Tier II & III cities such as Agra, Chandigarh, Hyderabad, Jaipur, etc.

RISKS, CONCERNS AND THREATS

Hotel business in general is sensitive to fluctuation in the economy. The hotel sector remains vulnerable to extraneous events such as natural disasters and terrorist acts. Business travellers, however, tend to be less sensitive to such factors. The hotel sector may be unfavourably affected by changes in global and domestic economics, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other natural and social factors. Since demand for hotels is affected by world economic growth, a global recession could lead to downturn in the hotel industry. Further the imposition of 3% and 5% service tax respectively by the Central Government w.e.f. 1st May, 2011 on air conditioned restaurants with a license to serve liquor and accommodation offered by a hotel with a declared tariff of Rs.1,000/- or more is likely to have a major blow to the hotel industry, which is already heavily taxed.

The optimism surrounding the Indian hospitality industry is not without glitches. The industry faces certain challenges, which need to be overcome to realize its potential to the fullest. These challenges may be broadly classified into 3 categories - regulatory, external and internal. Due to high duties and the imposition of several taxes by state governments, the industry ends up paying multiple taxes, substantially increasing overall costs, and impacting profit. India has the highest tax rate on tourism projects in the Asia Pacific region. Each state has its own criteria for luxury tax, varying from 5% to 20% on rack rate, rather than the actual rate. Luxury tax on the rack rate increases the effective rate of tax to 25% to 30%. Similar challenges are also faced by the restaurants of the hotels in the form of paying high import duty on alcohol and high import duty on kitchen equipment. The rising land cost and low Floor Space Index (FSI), adds to the industry's financial dilemma.

The industry is witnessing heightened competition with the arrival of new players, new products and new systems. The image of India as a country overrun by safety concerns and diseases also harms the tourism industry which has its direct positive impact on the growth of the hospitality sector in India. As India is emerging as a destination on the global travel map, expectations of customers are rising. The companies have to focus on customer loyalty and repeat purchases. Guests today are becoming increasingly unpredictable and quickly switch their patronage for better deals across hotel segments, thereby reducing efficacy of many loyalty programs which hotels target towards their customers. Growth in tourism will result in an increase in demand for hotel room and also increase in food and beverage business. Also the hospitality industry faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities etc., which may affect the level of travel and business activity. Further increase/volatility in domestic air fares affects the hotels industry through reduced leisure travel and occupancies

One of the greatest challenges plaguing the hospitality industry is the unavailability of quality workforce in different skill levels. The hospitality industry has failed to retain good professionals. Retention of the workforce through training and development in the hotel industry is a problem and attrition levels are too high. One of the reasons for this is unattractive wage packages. Though there is boom in the service sector, most of the hotel management graduates are joining other sectors like retail and aviation.

Risk management is an integral part of the Company's business process. With the help of insurance officials, risks are carefully mapped and a risk management framework is involved. Pertinent policies and methods are set forth to migrate such risks.

SEGMENTWISE PERFORMANCE

The Company operates in only segment i.e., hoteliering.

FINANCIAL AND OPERATING PERFORMANCE

Financial and operating performance of the Company during the financial year 2010-11 is not comparable as the financial year 2009-10 had operational results of Hotel Hyatt Regency Kolkata for a period of 5 months in view of the effectiveness of the Scheme of Arrangement and Demerger (the Scheme) on 11th February, 2010 retrospectively from 31st October, 2009 being the Appointed Date.

The financial statements of the Company forms part of the annual report for 2010-11, the highlights of which are given below:

During the financial year 2010-11, the Company's total turnover was Rs.10095.17 lacs. The Earning before Interest, Depreciation, Taxation and other Amortisations (EBIDTA) were Rs.4300.53 lacs. The Profit before Tax and the Profit after Tax for the year under review were Rs.3621.02 lacs and Rs.3016.68 lacs respectively.

The Company's consolidated total income aggregated Rs.10198.16 lacs. The Company's consolidated profit before taxes aggregated Rs. 3719.21 lacs in the financial year 2010-11.

The Average Room Rate, during the year under review, was recorded at Rs.7,563/-. Room and rental revenues in the financial year 2010-11 was Rs.3891.53 lacs.

The Food and Beverage revenue in the financial year 2010-11 was recorded at Rs.3462.64 lacs.

EFFICIENT INTERNAL CONTROL SYSTEM

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. The Company has a prominent firm of Chartered Accountants as its internal auditors. The firm carries out in-depth internal audits for each department of Hotel Hyatt Regency Kolkata. The detailed process of review not only ensures reliability of control systems and legal compliances with applicable legislation, defined policies and processes, but also reviews efficiency of systems and ensures safeguarding of tangible and intangible assets. The Audit Committee of the Board reviews the findings of the internal auditor and closely monitors the implementation of their recommendations, by reviewing the compliance reports furnished.

DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company firmly believes that its real strength lies in the commitment and quality of its people. The Company's Hotel Hyatt Regency Kolkata is known worldwide for its impeccable services- a reflection of careful employee selection, training and motivation. Employees are provided opportunity to grow and prosper. The authority and responsibility chain is clearly defined and the employees are free to convey their ideas and suggestions to their superiors. Team meetings are held at frequent intervals to improve communication and interactions between the employees.

Industrial relations remained stable throughout the financial year 2010-11.

As on 31st March, 2011, the number of people employed by the Company was 313.

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis, describing the Company's objectives, projections, estimates, predictions and expectations may be forward-looking statements', within the meaning of applicable securities laws and regulations. Actual results might differ materially from those either expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments or events or for any loss any investor may incur by investing in the shares of the Company based on the 'forward-looking statement'.

For and on behalf of the Board

Place: Kolkata
Date: 28th May, 2011

UMESH SARAF **S S BHANDARI**
Joint Managing Director Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Asian Hotels (East) Limited believes that good Corporate Governance is essential to achieve long term corporate goals and enhance stakeholders' value. Thus, Asian Hotels (East) Limited's philosophy on Corporate Governance is aimed at the attainment of highest level of transparency, accountability and compliance of laws in all facets of operations, leading to best standards of Corporate Governance. This has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. It is Asian Hotels (East) Limited's belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards. The Board of Directors has also institutionalized best management practices to bring about an atmosphere of accountability. Systems have been put into place to ensure effective strategic planning, optimum risk management, financial plans, budgets, integrity controls, reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning, financial and total compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit.

The Company has complied with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, which deals with the compliance of Corporate Governance requirements as detailed below:

BOARD OF DIRECTORS

The Board of Directors of the Company is headed by Mr. Radhe Shyam Saraf, a Non-Executive Chairman. The strength of the Board of Directors during the period under review and as on the date of this Report is six (6), including the Director appointed alternate to Mr. R. S. Jhavar under Section 313 of the Companies Act, 1956, out of which three (3) are independents. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

None of the Directors is a Director in more than 15 Companies and Member of more than 10 Committees and Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director.

The Board normally meets four times a year and as and when required. The time gap between two Board Meetings has not exceeded the limit of four months as specified under clause 49(I)(C) of the Listing Agreement with the Stock Exchanges. During the financial year under review, five (5) Board Meetings were held i.e. on 26th April, 2010, 15th June, 2010, 4th August, 2010, 25th October, 2010, and 11th February, 2011.

All statutory and other significant and material informations as mentioned in Annexure IA to Clause 49 of the Listing Agreement are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The members of the Board have the complete freedom to express their opinion and decisions are taken after detailed discussion.

Details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the members. Except Mr. Umesh Saraf, Joint Managing Director, no other Directors hold any equity shares of the Company.

Pursuant to the provisions of Clause 49(I) of the Listing Agreement, the composition of the Board, details of Directorships held, Committee Memberships / Chairmanships held, and attendance of the Director at the Board Meetings & previous Annual General Meeting (AGM) as on 31st March, 2011 are given below:

Sl. No.	Name of Director	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorship(s) #	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies +	
						Member	Chairman
1.	Mr. Radhe Shyam Saraf (Chairman)@	Non-Independent, Non-Executive Chairman	4	Yes	1	0	0
2.	Mr. R S Jhavar	Independent, Non-Executive	4	Yes	7	1	1
3.	Mr. S S Bhandari	Independent, Non-Executive	3	Yes	2	2	1
4.	Mr. Padam K Khaitan	Independent, Non-Executive	4	Yes	12	3	1
5.	Mr. Arun K Saraf @	Joint Managing Director	5	Yes	2	0	0
6.	Mr. Umesh Saraf @	Joint Managing Director	4	Yes	5	0	0

The Directorship held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.

+ In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committee and Shareholders'/ Investors' Grievance Committees in all Public Limited Companies [excluding Asian Hotels (East) Limited] have been considered.

@ No Directors other than Mr. Radhe Shyam Saraf, Mr. Arun K Saraf and Mr. Umesh Saraf are related to each other as father, sons and brothers.

COMMITTEE OF BOARD OF DIRECTORS

The Company has three (3) Board level Committees in accordance with Clause 49 of Listing Agreement with the Stock Exchange.

1) **Audit Committee**

The role and terms of reference of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listings Agreements with the Stock Exchanges. The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under the Listing Agreements.

The Committee presently comprises three (3) Directors amongst which two (2) are Independent Non-Executive Directors, namely Mr. S.S Bhandari and Mr. R. S Jhawar and one (1) is Joint Managing Director namely Mr. Umesh Saraf.

All the members of the Audit Committee have expertise in finance as well as in general management. Mr. S. S. Bhandari had been senior partner in leading firms of Chartered Accountants. Mr. R. S. Jhawar, a Chartered Accountant, is a renowned financial professional in the industry. Mr. Umesh Saraf had been one of the Managing Directors of erstwhile Asian Hotels Limited.

During the financial year 2010-11 and considering the date when the equity shares of the Company were listed and admitted for trading on the stock exchanges, three (3) Audit Committee meeting were held on 4th August, 2010, 25th October, 2010 and 11th February, 2011 respectively. Necessary quorum was present for all the meetings. The time gaps between any two Audit Committee meetings were not more than four months.

Attendance of each Member at the Audit Committee meeting held during the year:

Name of the Member/ Chairman	No. Of Meetings	Meetings Attended
Mr. S S Bhandari - Chairman	3	3
Mr. R S Jhawar	3	3
Mr. Umesh Saraf	3	3

Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary is the Secretary to the Audit Committee.

Mr. R S Saraf, Chairman, Mr. Arun K Saraf, Joint Managing Director, Mr. Bimal K Jhunjhunwala, Vice President-Corporate Finance, Mr. Chetan Burman, Vice President - Finance & Operations, Mr. Prosenjit De, Director of Finance & Mr. Mark Steven Lorenz, General Manager along with the Statutory and Internal Auditors of the Company attend the Meetings of the Audit Committee.

2) **Remuneration Committee**

The Remuneration Committee acts in terms of the prescribed provisions of Part II of Schedule XIII of the Companies Act, 1956 as well as requirement of Clause 49 of the Listing Agreement with Stock Exchanges and shall review and/or determine the remuneration packages of the executive directors of the Company.

The composition of the Committee is as under:

Name of Member	Status
Mr. R S Jhawar	Chairman
Mr. S S Bhandari	Member
Mr. Padam Kumar Khaitan	Member

The Committee did not meet during the year. The Remuneration Committee when requires, reviews the remuneration packages of the Joint Managing Directors and recommend suitable revision to the Board. The remuneration is subject to Members' approval.

Details of remuneration paid/payable to the Directors during the financial year ended 31st March, 2011:

(a) Joint Managing Directors

(Rs. in Lacs)					
Name	Salary	Perquisites and allowances	Commission payable	Total amount paid/payable in 2010-11	Period of appointment
Mr. Arun Kumar Saraf	44.26 *	23.71 *	50.08 *	118.05 *	\$
Mr. Umesh Saraf	67.20 @	36.00 @	30.00 @	133.20 @	\$

* For the period from 4th August, 2010 till 31st March, 2011.

@ For the financial year 2010-11

\$ The appointment is for a period of five years starting from 4th August, 2010 in case of Mr. Arun Kumar Saraf and 22nd February, 2010 in case of Mr. Umesh Saraf.

(b) Non-Executive Directors #:

Name	Sitting fees (Rs.)*
Mr. Radhe Shyam Saraf	36,000
Mr. S S Bhandari	72,000
Mr. R S Jhawar	72,000
Mr. Padam Kumar Khaitan	24,000

No remuneration other than the sitting fees for attending Board & Committee Meetings was paid to the Non-Executive Directors.

* Does not include sitting fees for the meetings of Share Transfer and Shareholders'/Investors' Grievance Committee held prior to 4th August, 2010.

The Company does not have any stock option plan or performance linked incentive or bonus for the Joint Managing Directors.

Mr. Saumen Chattopadhyay, the Chief Legal Officer & Company Secretary acts as Secretary to the Remuneration Committee.

There were no other shares and convertible instruments held by any Director of the Company. There were no pecuniary relationships or transaction between any of the Non- Executive Directors and the Company.

3) **Share Transfer and Shareholders'/Investors' Grievance Committee**

The Company has a Share Transfer and Shareholders'/Investors' Grievance Committee to carry out the handling of shareholders'/investors' grievances. The brief terms of reference of the Committee include redressing of shareholders and investors' complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc. and to expedite the process of share transfer. The Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The composition of the Committee is as under:

Name of the members	Status
Mr. Padam Kumar Khaitan	Chairman
Mr. R S Jhawar	Member
Mr. Umesh Saraf	Member

The Committee meets on need basis. The Committee met four (4) times during the year. In addition, the Committee approved 22 Resolutions by Circulation for effecting registration of transfer of shares and other issues concerning investors' services during the year.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 88. There are no pending complaints as on 31st March, 2011. Further, all the requests for transfer of shares have also been processed in time and no transfer was pending for registration for more than 30 days as on 31st March, 2011.

Compliance Officer

Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary is the Compliance Officer and acts as Secretary to the Committee.

GENERAL BODY MEETINGS

Financial Year	Nature of meeting/ Postal Ballots	Venue	Date	Time
2007-08	Extra Ordinary General Meeting	Hyatt Regency Delhi, Bhikaji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	14.05.2007	4.00 p.m
2008-09	1st Annual General Meeting	Hyatt Regency Delhi, Bhikaji Cama Place, Mahatma Gandhi Marg, New Delhi – 110607	04.07.2008	12.30 p.m
2008-09	Extra Ordinary General Meeting	Hyatt Regency Delhi, Bhikaji Cama Place, Mahatma Gandhi Marg, New Delhi - 110607	23.12.2008	3.00 p.m
2008-09	2nd Annual General Meeting	Hyatt Regency Delhi, Bhikaji Cama Place, Mahatma Gandhi Marg, New Delhi - 110607	29.09.2009	3.30 p.m
2009-10	3rd Annual General Meeting	Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata- 700098, West Bengal.	29.09.2010	11.30 a.m

Court Convened Meetings of Members

Two Court Convened meetings of the members of the Company were held on 7th January, 2008 and 11th December, 2009 respectively at 10.30 A.M at Regency Ball Room, Hyatt Regency Delhi, Bhikaiji Cama Place, M.G. Marg, New Delhi – 110 607 in terms of the Orders dated 14th November, 2007 and 10th November, 2009 respectively of the Hon'ble High Court of Delhi at New Delhi for obtaining the requisite approval of the members of the Company for the Scheme of Arrangement and Demerger between Asian Hotels Limited [now known as Asian Hotels (North) Limited] and Chillwinds Hotels Limited [now known as Asian Hotels (West) Limited] and Vardhman Hotels Limited [now known as Asian Hotels (East) Limited].

Postal Ballot

During the year under review and pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules 2001, Company dispatched the notices dated 26th April, 2010 to the members seeking their approval for passing the following Special Resolution through Postal Ballot:

- (1) Special Resolution** – Under Section 17 and 146(2) of the Companies Act, 1956, the Shareholders' approval for changing the Situation Clause of the Memorandum of Association of the Company for shifting of the Company's registered office from NCT of Delhi to the State of West Bengal.

The Scrutinizer Ms. Pooja Bhatia of M/s P B Associates, Practicing Company Secretaries, New Delhi after due verification of all the Postal Ballot Forms received upto the close of working hours on 9th June, 2010 (being the last date fixed for return of postal ballot forms duly filled in by the members), submitted her report dated 14th June, 2010. The results of the Postal Ballot were announced by the Chairman of the Company on 15th June, 2010. The above Resolution was approved with requisite majority.

DISCLOSURES

- (i) There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Audit Committee/ Board regularly for its approval. Transactions with related parties as per AS 18 are disclosed in the Notes to the Annual Accounts for the financial year 2010-11.
- (ii) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- (iii) The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 while preparing the Financial Statements.
- (iv) The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical review to ensure that the critical risks are controlled by the executive management through means of a properly defined framework.
- (v) The Company has not come out with any public issue, right issue or preferential issue etc. during the year under review.

However, the Company vide Circular Resolution dated 30th April, 2011 has issued and allotted 38,910 equity shares of Rs. 10/- each to the then preference shareholders of the Company consequent to conversion of their 27,780 1 % Fully Convertible Preference Shares (FCPS) in terms Clause 5.3.1 of the sanctioned Scheme of Arrangement and Demerger read with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The equity shares as aforesaid rank *pari passu* in all respects with the existing equity shares of the Company including with respect to dividend. Necessary applications have been made to the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) respectively for obtaining listing and trading permission in respect of the newly allotted equity shares.

As a result of the above issuance and allotments, the number of outstanding shares of the Company as on the date of this Report consists of 1,14,40,692 equity shares of Rs. 10/- each fully paid up.

- (vi) The Company has complied with all the applicable requirements of the Listing Agreements with the Stock Exchanges where the equity shares of the Company are listed. The Company has adopted a suitable reporting system on compliances of all major laws applicable to the Company, which is placed before the Board of Directors of the Company at its periodic meeting.
- (vii) The Company has not adopted the non-mandatory requirements of the Listing Agreement except relating to the Remuneration Committee.

COMPLIANCE

• Code of Conduct

The Company has adopted a Code of Conduct for Board and Sr. Management. All Directors and the Sr. Management personnel have affirmed in writing their adherence to the above Code. The full text of the Code is displayed at Company's website www.asianhotelseast.com. A declaration signed by the Joint Managing Director is attached and forms part of the Annual Report of the Company.

• Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practice

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practice. All the Directors, employees at the senior management level and other employees and all concerned who could have access to the unpublished price sensitive information of the Company are governed by this Code. The Company has appointed Mr. Saumen Chattopadhyay, Chief Legal Officer & Company Secretary, as Compliance Officer who is responsible for setting forth procedures, an implementation and Compliance of the Code of Conduct for trading in Company's securities. During the year under review there has been due compliance with the said Code.

CEO/CFO CERTIFICATION

The Joint Managing Director and Vice President-Corporate Finance of the Company have issued necessary certificate to the Board pursuant to the provisions of Clause 49(V) of the Listing Agreements with the Stock Exchanges and the same is attached and forms part of the Annual Report.

MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in the Financial Express, all editions and Aajkal, Kolkata edition only.

These results alongwith Annual Reports, Shareholding Patterns & quarterly Corporate Governance Report, etc. pursuant to Clause 52 and Clause 54 of the Listing Agreement with the Stock Exchanges are simultaneously posted on the Corporate Filing and Dissemination System (CFDS) viz. www.corpfiling.co.in website maintained by SEBI in association with the National Informatics Centre (NIC) and on the website of the Company at www.asianhotelseast.com.

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Day, Date & Time : Wednesday, 24th August, 2011
At 11.00 a.m.
Regency Ball Room, Hyatt Regency Kolkata, JA-1,
Sector III, Salt Lake City, Kolkata – 700 098.

Financial Year : 31st March, 2011

Financial Calendar

1st Quarterly Results }
2nd Quarterly/ Half yearly Results } Within 45 days from the end of the quarter
3rd Quarterly Results }
Audited yearly Results for the }
year ending 31st March, 2011 } Within 60 days of the end of the Financial Year.

Date of Book closure : Wednesday, 17th August 2011 to Wednesday, 24th August 2011 (both days inclusive)

Dividend Payment date : Within 30 days from the date of declaration.

Listing on Stock Exchanges

Details of listing of equity shares of the Company:

Sl.No.	Name and address of the Stock Exchanges	Scrip Code/ Symbol	ISIN
1.	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	533227	INE926K01017
2.	National Stock Exchange Limited. Exchange Plaza, C-1, Block-G, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051	AHLEAST	

Annual listing fees as prescribed, has been paid by the Company to the above Stock Exchanges for the financial year 2011-12.

In terms of SEBI Circular dated 28th January 2005, the Company has also paid the annual custody fee to NSDL and CDSL for the financial year 2011-12.

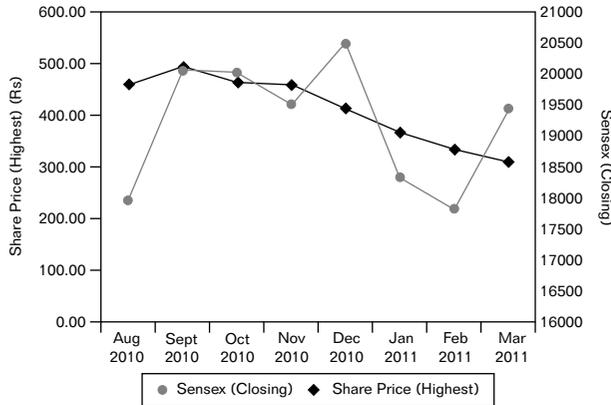
Corporate Identity Number (CIN): L15122WB2007PLC162762

Market Price Data during the period from August 2010 to March 2011

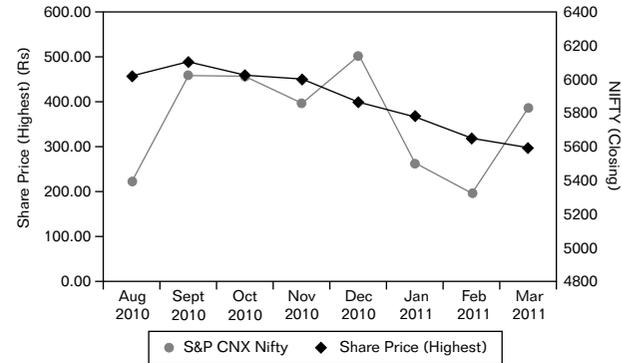
Month	Bombay Stock Exchange				National Stock Exchange			
	High Rs.	Low Rs.	Total Number of Shares Traded	Sensex (Closing)	High Rs.	Low Rs.	Total Number of Shares Traded	S&P CNX NIFTY (Closing)
August 2010*	459.95	200.00	7820738	17971.12	459.00	330.00	1376085	5402.40
September 2010	494.00	398.10	476738	20069.12	490.00	397.95	1042716	6029.95
October 2010	465.00	403.00	41540	20032.34	460.00	405.50	89151	6017.70
November 2010	459.10	360.05	46311	19521.25	452.00	358.20	53161	5862.70
December 2010	414.00	296.10	35384	20509.09	399.85	323.10	76968	6134.50
January 2011	367.00	310.00	5862	18327.76	368.00	298.00	29189	5505.90
February 2011	333.70	251.30	6787	17823.40	321.00	276.00	11584	5333.25
March 2011	310.00	214.95	229882	19445.22	299.50	216.00	126469	5833.75

* Price from August 11, 2010, the day the equity shares of the Company were listed and admitted for trading on BSE & NSE.

Share Price Performance vis-a-vis BSE Sensex (August '10 to March '11)



Share Price Performance vis-a-vis NSE S&P CNX Nifty (August '10 to March '11)



Share Transfer System

Share transfers in physical form are generally registered within a fortnight from the date of receipt provided the documents are found to be in order. Share Transfer & Shareholders'/ Investors' Grievance Committee considers and approves the transfer proposals.

Requests for dematerialization of shares being in order is generally processed within 21 days of receipt of the request and the confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Equity Dividend History of the Company

Financial Year	Date of Declaration	Equity Dividend per share (Rs.)
2009-10	29th September, 2010	3.00

Transfer of unpaid/unclaimed equity dividend to Investors Education & Protection Fund (IEPF)

Pursuant to Sections 205A & 205C & other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid equity dividend remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred to the IEPF established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members who have not yet encashed their equity dividend warrant(s) for the financial year 2009-10 are requested to make their claims by submitting their unencashed warrant(s) without any delay to the Company / Company's Registrar & Transfer Agent, Karvy Computershare Private Limited.

The following table of information relating to the outstanding dividend accounts and the dates by which they need to be transferred:

Financial Year	Date of Declaration	Date of payment	Date on which dividend will become part of IEPF
2009-10	29th September, 2010	20th October, 2010	28th September, 2017

Distribution of Shareholding as on 20th May, 2011

DISTRIBUTION SCHEDULE AS ON 20/05/2011					
Sl. no	Category	Cases	% of Cases	Amount (Rs.)	% Amount
1	upto 1 - 5000	16489	96.91	9695120.00	8.47
2	5001 - 10000	287	1.69	2051810.00	1.79
3	10001 - 20000	111	0.65	1553310.00	1.36
4	20001 - 30000	32	0.19	796880.00	0.70
5	30001 - 40000	23	0.14	808480.00	0.71
6	40001 - 50000	16	0.09	731210.00	0.64
7	50001 - 100000	18	0.11	1332280.00	1.16
8	100001 & ABOVE	37	0.22	97437830.00	85.17
	Total:	17013	100.00	114406920.00	100.00

No. of Shares

Physical : 4,97,304

Electronic Mode:

– NSDL : 1,07,00,725

– CDSL : 2,42,663

Shareholding Pattern as on 20th May, 2011

Category	No of Shares held	%age of shareholding
A. Promoters shareholding		
– Indian	3127072	27.33
– Foreign	3630630	31.73
Total promoters Shareholding	6757702	59.06
B. Public Shareholding		
– Mutual Fund	476082	4.16
– Indian Financial Institutions	7659	0.07
– Banks	33070	0.29
– FII's	32230	0.28
– NRI's	250784	2.19
– Bodies Corporate (Domestic)	2193998	19.17
– Individuals (Indian Public)	1469743	12.85
– Clearing members	2891	0.03
– Insurance Companies	177623	1.56
– Foreign Corporate Bodies	38910	0.34
Total public Shareholding	4682990	40.94
TOTAL	11440692	100

Registrar and Transfer Agent

Karvy Computershare Private Limited

'Karvy House'
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad- 500 081
Tel No. 040-23114058/ 23420818,
Fax No. 040-23420814
E-mail: mailmanager@karvy.com

Karvy Computershare Private Limited

49, Jatin Das Road, Kolkata 700 029
Tel No. 033- 2464 4891/ 7231/2463-4787-89
Website: www.karvy.com

Dematerialisation of Equity Shares

10943388 shares (equivalent to 95.65%) of the total outstanding shares of the Company are held in dematerialized form as on 20th May, 2011.

The Company's shares are traded at BSE & NSE.

The Company has not issued GDRs/ADRs/Warrants or any Convertible Instruments likely to impact on equity.

Hotel Location

Hyatt Regency Kolkata
Plot JA-1, Sector III,
Salt Lake City
Kolkata 700 098



Address for correspondence

The investor may address their correspondence directly to the Legal & Secretarial Department located at the registered office of the Company (as detailed below) or to the Registrar & Share Transfer Agent at the addresses mentioned in this Report.

Registered Office Address

Legal & Secretarial Department
Hyatt Regency Kolkata
JA-1, Sector III,
Salt Lake City
Kolkata 700 098
Telephone No. :033-2335-1234
Fax No. : 033-2335-8246

Exclusive e-mail ID for Investors' Grievances

Pursuant to Clause 47(f) of the Listing Agreement with the Stock Exchange, the following e-mail id has been designated for communicating investors' grievances:

investorrelations@asianhotelseast.com.

For and on behalf of the Board

Place: Kolkata
Date: 28th May, 2011

UMESH SARAF **S S BHANDARI**
Joint Managing Director Director

To
The Board of Directors
Asian Hotels (East) Limited
Hyatt Regency Kolkata,
JA-1, Sector - III,
Salt Lake City
Kolkata 700 098.

**Sub: Joint Managing Director/ Vice President - Corporate Finance Certification
pursuant to Clause 49V of the Listing Agreement with the Stock Exchanges.**

We, the undersigned, in our capacities as the Joint Managing Director / Vice President - Corporate Finance of Asian Hotels (East) Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2011 and based on our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions executed into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We are responsible for establishing & maintaining Internal Controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- (d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

Thanking you,

Yours faithfully,

For **Asian Hotels (East) Limited**

Place: Kolkata
Date: 28th May, 2011

Umesh Saraf
Joint Managing Director

Bimal K Jhunjhunwala
Vice President-Corporate Finance

DECLARATION

In compliance with Clause 49(I)(D) of the Listing Agreement, I, Umesh Saraf, Joint Managing Director of the Company hereby declare on the basis of information furnished to me that all Board Members and Senior Managerial Personnel have affirmed in writing the compliance of their respective Code of Conducts adopted by the Board for Financial Year 2010-11.

For **Asian Hotels (East) Limited**

Place: Kolkata
Date: 28th May, 2011

Umesh Saraf
Joint Managing Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members of Asian Hotels (East) Limited

We have reviewed the implementation of Corporate Governance procedures by the company during the twelve-month period ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges in India with the relevant records/documents maintained by the company furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of condition 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 representation made by the Directors and the management, we certify that the company has complied in all material respects with the condition 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 **S.S.KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Registration No: 000756N

Place: Kolkata
Dated: 28.05.2011

MAHENDRA SUREKA
Partner
Membership No: 093290

AUDITORS' REPORT

TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED

1. We have audited the attached Balance Sheet of ASIAN HOTELS (EAST) LIMITED as at March 31, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - I) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - II) In our opinion, proper Books of Account as required by law have been kept by the company so far as it appears from our examination of those books;
 - III) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - IV) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956;
 - V) Without qualifying our opinion, we draw attention to Note 2 in Schedule 16 of the Notes annexed to the Accounts regarding the investment in Regency Convention Centre and Hotels Limited (a subsidiary company) amounting to Rs. 2579.01 lakhs and other receivables amounting to Rs. 419.68 lakhs relating thereto. As elucidated in the said note, considering that the value of the investments cannot be reasonably ascertained at present, resultantly, no provision for impairment has been made in the said financial statements.
 - VI) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - VII) Read with the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011,
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Chartered Accountants
Firm Registration No.: 00756N

Mahendra Sureka
Partner

Membership No. : 093290

Place : Kolkata
Date : 28th May, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of Asian Hotels (East) Limited as at and for the year ended March 31, 2011)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the period and as informed, no material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the period.
- ii) a) The stocks of stores, provisions, beverages, crockery etc., have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
- b) 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.
- c) 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 accounts.
- iii) The Company has not granted or taken any loan, secured or unsecured, to or from companies covered in the register maintained u/s 301 of the Companies Act, 1956. Therefore, the provisions of clauses (iii) (b) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v) a) 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.
- b) According to the information and explanations given to us, there is no transaction in excess of Rs. 5 lakhs in respect of any party and hence the question of reasonable prices in respect of such transactions regards to the prevailing market prices does not arise.
- vi) The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under during the period.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- viii) To the best of our knowledge, maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 as prescribed by the Central Government is not applicable to the company.
- ix) a) According to the records of the Company examined by us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues.
- According to the information and explanations given to us, there are no undisputed amounts payable in respect of the aforesaid dues that were outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.
- b) According to the records of the Company examined by us, and according to the information and explanations given to us, there are no dues in respect of Income Tax, Custom Duty, Wealth Tax, Excise Duty, Sales Tax, Service Tax and Cess which have not been deposited on account of any dispute except as given below:-

Nature of Dues	Amount (in Rs lakhs)
Sales Tax / Vat	26.44
Service Tax	131.34
ESIC	21.80

- x) Since the Company has been registered for less than five years, reporting on accumulated losses at the end of the year and cash loss is not required.
- xi) As the Company does not have any dues payable to any Financial Institutions, Banks and Debenture Holder, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances against security by way of pledge of shares, debentures and other securities.

- xiii) In our opinion, the company is not a Chit fund/ Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order 2003 (as amended) are not applicable.
- xiv) 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.
- xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from bank or financial institutions.
- xvi) There were no term loans raised during the period by the Company for any purpose. The provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties or 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.
- xix) The company has not issued any debentures during the period; the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) As the company has not raised any money through public issue during the period, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no instances of fraud on or by the Company has been noticed or reported during the course of our audit.

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

Mahendra Sureka
Partner
Membership No. : 093290

Place : Kolkata
Date : 28th May, 2011

BALANCE SHEET as at 31st March, 2011

	Schedule	As at 31st March 2011	Amount in Rupees As at 31st March 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
a	1	114,295,620	115,295,620
b	2	7,589,233,061	7,355,534,460
		7,703,528,681	7,470,830,080
DEFERRED TAX LIABILITY (Refer note no. 12)		211,200,618	213,067,299
Total		7,914,729,299	7,683,897,379
APPLICATION OF FUNDS			
FIXED ASSETS			
a	3	2,136,064,808	2,127,506,994
b		564,408,165	497,673,494
c		1,571,656,643	1,629,833,499
		15,774,447	15,774,447
		1,587,431,090	1,645,607,946
INVESTMENTS		6,105,252,140	5,873,215,686
CURRENT ASSETS, LOANS AND ADVANCES			
a	5	21,029,417	20,938,482
b	6	18,856,435	24,579,639
c	7	44,402,422	155,425,835
d	8	312,535,917	146,082,716
		396,824,191	347,026,673
LESS: CURRENT LIABILITIES AND PROVISIONS			
a	9	105,806,148	133,565,134
b	10	68,971,973	48,387,792
		174,778,121	181,952,926
Net Current Assets		222,046,070	165,073,747
Total		7,914,729,299	7,683,897,379
Significant Accounting Policies & Notes on Accounts	16		

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

Umesh Saraf
Joint Managing Director

S. S. Bhandari
Director

MAHENDRA SUREKA

Partner
Membership No. 093290

Bimal K. Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Place : Kolkata

Dated : 28th May, 2011

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011

	Schedule	For 12 months period ended 31st March 2011	Amount in Rupees For 9 months period ended 31st March 2010 *
1 INCOME			
a Rooms, Food, Beverages and Other Services (Gross)	11	825,529,162	412,279,106
Less: Excise Duty Paid		241,969	124,211
b Net Sales		825,287,193	412,154,895
c Other Income	12	184,230,189	40,769,442
		1,009,517,382	452,924,337
2 EXPENDITURE			
a Consumption of Provisions, Beverages, Smokes & Others	13	92,356,240	48,420,623
b Payment to and Provision for Employees	14	184,915,734	58,204,762
c Operating and General Expenses	15	302,192,195	128,300,772
		579,464,169	234,926,157
3 PROFIT BEFORE DEPRECIATION		430,053,213	217,998,180
Depreciation		67,951,667	28,197,646
4 PROFIT BEFORE TAX		362,101,546	189,800,534
5 Less : Provision for Taxation			
a Current Tax		62,300,000	49,031,957
b Deferred Tax		(1,866,681)	(2,071,701)
6 PROFIT AFTER TAX		301,668,227	142,840,278
7 Add: Amount brought forward from previous year		1,015,461,585	(7,008,863)
8 Transferred pursuant to the Scheme of Arrangement & Demerger		—	933,939,947
9 Profit available for appropriation		1,317,129,813	1,069,771,362
LESS : APPROPRIATIONS			
a. Transfer to General Reserve		30,166,823	14,284,028
b. Proposed Dividend on Equity Shares		51,308,019	34,205,346
c. Dividend Paid on Non Convertible Preference Shares		2,500	5,000
d. Proposed Dividend on Fully Convertible Preference Shares		2,778	1,158
e. Corporate Dividend tax		8,324,329	5,814,245
		89,804,449	54,309,777
SURPLUS CARRIED FORWARD TO BALANCE SHEET		1,227,325,364	1,015,461,585
Earning per share -(Rs.)			
a) Basic		26.46	22.65
b) Diluted		26.37	22.57
(Refer Note No. 15 of Schedule 16)			
Significant Accounting Policies and Notes on Accounts	16		

** Previous period figures are not comparable (refer note no. 18 of Schedule 16)

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

Umesh Saraf
Joint Managing Director

S. S. Bhandari
Director

MAHENDRA SUREKA

Partner
Membership No. 093290

Bimal K. Jhunjhunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Place : Kolkata

Dated : 28th May, 2011

CASH FLOW STATEMENT for the year ended 31st March 2011

	12 months period ended March 31, 2011	Amount in Rupees 9 months period ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	362,101,546	189,800,534
Adjustment for:		
Depreciation	67,951,667	28,197,646
Provision for Doubtful Debts	150,000	170,000
Dividend Income on Investment	(149,710,686)	(11,370,238)
Interest Earned	(33,739,503)	(28,392,941)
Excess Provision Written Back	—	(622,242)
Short Term Capital Gain on Mutual Fund	—	(59,022)
Loss on sale of investments	108,076	7,052
Loss on Sale of Fixed Assets	953,898	—
Sundry Balances written off	—	6,732
	247,814,998	177,737,522
Operating profit before working capital changes		
Adjustments for:		
(Increase)/Decrease in inventories	(90,935)	(2,595,936)
(Increase)/Decrease in Sundry Debtors	5,573,204	2,000,040
(Increase)/Decrease in Loans and Advances	(163,753,201)	4,266,263
Increase/(Decrease) in Current Liabilities	(27,758,986)	(2,821,387)
Increase/(Decrease) in Provisions	975,229	(1,962,593)
	(185,054,688)	(1,113,614)
Cash generated from operations	62,760,310	176,623,908
Direct taxes paid (Net)	(65,000,000)	(49,031,957)
	(65,000,000)	(49,031,957)
Net cash from Operating Activities (A)	(2,239,690)	127,591,951
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Fixed Assets	(10,959,708)	(111,040,998)
Sale of fixed assets	1,184,898	
Purchase of Investments	(232,036,454)	(3,176,854,660)
Dividend Income on Investment	149,710,686	11,370,238
Interest Received	33,739,503	28,392,941
Short Term Capital Gain on Mutual Fund	—	59,022
Loss on sale of investments	(108,076)	(7,052)
Loss on Sale of Fixed Assets	(953,898)	—
Net Cash from Investing Activities (B)	(59,423,049)	(3,248,080,509)
C CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares	(9,332,000)	—
Dividend Paid	(34,214,004)	—
CDT Paid	(5,814,670)	—
Net Cash from Financing activities [C]	(49,360,674)	—
Net Increase/ (Decrease) in Cash Equivalent [A+B+C]	(111,023,413)	(3,120,488,559)
Cash and Cash equivalent (Beginning of the year) (Refer Schedule.7)	155,425,835	3,275,914,394
Cash and Cash equivalent (End of the year) (Refer Schedule 7)	44,402,422	155,425,835

Notes:

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

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

Umesh Saraf
Joint Managing Director

S. S. Bhandari
Director

MAHENDRA SUREKA

Partner
Membership No. 093290

Bimal K. Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Place : Kolkata
Dated : 28th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 1		
SHARE CAPITAL		
a AUTHORISED		
14,000,000 (Previous Year 14,000,000) Equity Shares of Rs.10/- each	140,000,000	140,000,000
1,000,000 (Previous Year 1,000,000) Preference Shares of Rs.10/- each	10,000,000	10,000,000
	150,000,000	150,000,000
b ISSUED, SUBSCRIBED AND PAID UP		
11,401,782 (Previous Period 11,401,782) Equity Shares of Rs.10/- each fully paid up*	114,017,820	114,017,820
NIL (previous period - 1,00,000) 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each*	—	1,000,000
27,780 (previous period -27,780) 1% Cumulative Fully Convertible Preference Shares of Rs. 10 each*	277,800	277,800
	114,295,620	115,295,620

* Shares have been issued pursuant to the Scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

SCHEDULE 2
RESERVES & SURPLUS

a Capital Reserve *	141,043	141,043
b Capital Redemption Reserve *		
For redeemed NCPS	2,000,000	1,000,000
For redeemable NCPS	—	1,332,000
c Securities Premium Account*		
On 1% Cumulative Redeemable Non-Convertible Preference Share (NCPS)	—	8,000,000
On Fully Convertible Preference Share Capital (FCPS)	14,723,400	14,723,400
d Tourism Development Utilised Reserves*	533,202,000	533,202,000
e General Reserves*	5,781,674,432	255,660,727
Add: Transfer of excess of assets over liabilities *	—	5,511,729,677
Add: Transferred during the current year	30,166,823	14,284,028
	5,811,841,255	5,781,674,432
f Profit and Loss Account Balance	1,227,325,363	1,015,461,585
	7,589,233,061	7,355,534,460

* Transferred to the Company pursuant to the Scheme of Arrangement & Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

**SCHEDULE 3
FIXED ASSETS**

Amount in Rupees

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.4.2010	Addition pursuant to Scheme of Arrangement and Demerger	Additions Deductions	As at 31.03.11	As at 01.04.2010	Addition pursuant to Scheme of Arrangement and Demerger	Depreciation During the Year	Deductions	As at 31.03.11	As at 31.03.10
LAND -	255,755,628	—	—	255,755,628	—	—	—	—	255,755,628	255,755,628
LEASEHOLD										
BUILDINGS	984,836,462	—	—	984,836,462	115,760,228	—	16,052,841	—	131,813,069	853,023,393
FURNITURE & FIXTURES	171,730,980	—	174,828	171,905,808	114,051,549	—	16,226,906	—	130,278,455	41,627,353
FURNISHINGS										
PLANT & MACHINERY	701,785,471	—	8,964,048	708,347,625	261,920,724	—	34,287,386	1,216,996	294,991,113	413,356,512
VEHICLES	13,398,453	—	1,820,832	15,219,285	5,940,994	—	1,384,534	—	7,325,528	7,893,757
TOTAL	2,127,506,994	—	10,959,708	2,136,064,808	497,673,495	—	67,951,667	1,216,996	564,408,165	1,571,656,643
CAPITAL WORK IN PROGRESS	15,774,447	—	—	15,774,447	—	—	—	—	—	15,774,447
GRAND TOTAL	2,143,281,441	—	10,959,708	2,151,839,255	497,673,495	—	67,951,667	1,216,996	564,408,165	1,587,431,090
PREVIOUS YEAR	—	2,032,240,443	111,623,460	2,143,281,441	—	469,475,848	28,197,646	—	497,673,494	1,645,607,946

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 4		
INVESTMENTS		
Long -Term Investments		
Trade, Unquoted Fully Paid Up		
In Bonds, Shares and Debentures		
105 (Previous Year- Nil) 10% Non Convertible Debentures of Brassco Estates Pvt. Limited of Rs. 10,00,000/- each	105,000,000	—
45 (Previous Year- Nil) 10.2% Non Convertible Debentures of Brassco Estates Pvt. Limited of Rs. 10,00,000/- each	45,000,000	—
200 (Previous Year- Nil) 11.5% Non Convertible Debentures of Harshil Projects Limited of Rs. 10,00,000/- each.	193,315,200	—
100 (Previous Year- Nil) 11% Bonds of Educomp Infrastructure and School Management Limited of Rs. 10,00,000/- each	100,000,000	—
4300000 (Previous Year- Nil) 12% Preference Shares of Robust Hotels Pvt. Ltd of Rs. 100/-each.	615,374,060	—
	1,058,689,260	—
In Equity Shares of Subsidiary Companies		
91,652 (Previous Year- 91,652) equity shares of Rs.10 each of Regency Convention Centre and Hotels Ltd.	257,901,724	257,901,724
1,09,61,000 (Previous Year - 1,09,61,000)equity shares of Rs. 10 each of GJS Hotels Ltd.	2,346,365,000	2,346,365,000
	2,604,266,724	2,604,266,724
Current Investments		
Non-Trade, Quoted		
In Mutual Funds (Face Value of Rs. 10 each, unless otherwise stated)		
Canara Robeco Interval Series 2 -Quarterly Plan (NIL, Prev.Yr.-15,000,000 units)	—	150,000,000
DSP Black Rock FMP-12M-Series 14 Growth (12,00,000 units, Prev.Yr.-NIL)	12,000,000	—
DSP Black Rock FMP-3M-Series-27 - Dividend (10,00,000 units , Prev Yr. NIL)	10,000,000	—
DWS Money Plus Fund -Insttl. Daily Div.-Reinvest (20,37,141.530 units; Prev. Yr. NIL)	20,532,349	—
Fidelity FMP Series 5-Plan D -Dividend (10,334,182.980 units Prev. Yr.-NIL)	103,341,830	—
ICICI Prudential Fixed Maturity Plan-Series 54-1 yr. Plan (10,000,000 units ; Prev. Yr. NIL)	100,000,000	—
IDFC Fixed Maturity Plan Quarterly Series 55 (NIL, Prev.Yr.-50,000,000 units)	—	500,000,000
Kotak Flexi Debt Fund (NIL, Prev.Yr.-23,034179.054 units)	—	231,435,914
Kotak Floater Long Term Fund - DDR (21,23,08,410 units ; Prev. Yr.-NIL)	212,308,411	—
Kotak Qtrly Interval Plan Series-1 Dividend (31,000,000 units Prev. Yr- 100,000,000 units)	310,000,000	1,000,000,000
Kotak Qqrterly Interval Plan-Series 4-Option Div. (1,999,340.218 units ; Prev. Yr.-NIL)	20,000,000	—
LIC MF Income Plus Fund (NIL, Prev.Yr.-50,259,361.362 Units)	—	502,593,614
Reliance Fixed Horizon Fund-XIX-Series 10- Growth Plan (10,000,000 units ; Prev. YR.-NIL)	100,000,000	—
Reliance Fixed Horizon Fund-XVIII-Series 6 -Dividend Plan (25,000,000 units; Prev. Yr.-NIL)	250,000,000	—
Reliance Fixed Horizon Fund-XVIII-Series-5-Div.Plan (2,000,381.365 units ; Prev. Yr.-NIL)	20,003,814	—
Reliance Fixed Horizon Fund-XVII-Series I-DDR (20,000,000 units ; Prev. Yr.-NIL)	200,000,000	—
Reliance Interval Fund-Qly Plan-Series I-Inst. Div. (3,81,73,945.984 units ;Prev. Yr.-NIL)	382,488,151	—
Reliance Monthly Interval Plan Series II (NIL,Prev.Yr.-33,412,433.459 units)	—	334,247,961
Reliance Qly. Interval Fund Series-III-Inst. (2,01,93,516.897 units ; Prev. Yr. 14,995,201.536 units)	202,010,129	150,000,000
Tata Fixed Income Port Folio Fund-B3 (31,211,147.190 units; Prev. Yr.-150000000)	312,111,472	150,000,000
UTI Fixed Income Interval Fund (18,750,000 units ;Prev. Yr. -20,000,000 Units)	187,500,000	200,000,000
UTI Treasury Advantage Fund (NIL, Prev. Yr.- 50,660.627 units)(Face Value-Rs.-1000)	—	50,671,473
(Market Value as on 31st Mar 11 is Rs 24557.54 lakhs)	—	—
	2,442,296,156	3,268,948,962
	6,105,252,140	5,873,215,686

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 5		
INVENTORIES		
(as taken, valued and certified by the management)		
Food, Liquor & Tobacco	15,786,640	12,520,784
Crockery, Cutlery, Silverware, Linen	3,151,841	6,639,409
General Stores and Spares	2,090,936	1,778,290
	21,029,417	20,938,482
SCHEDULE 6		
SUNDRY DEBTORS		
Outstanding for over six months		
Considered Good	2,705,626	355,760
Considered Doubtful	2,584,931	2,434,931
Others	16,150,809	24,223,879
	21,441,366	27,014,570
Less: Provision for Doubtful Debts	2,584,931	2,434,931
	18,856,435	24,579,639
Unsecured considered good	18,856,435	24,579,639
Unsecured considered doubtful	2,584,931	2,434,931
SCHEDULE 7		
CASH AND BANK BALANCES		
Cash in hand (Including Stamps in Hand Rs. 200,000)	1,364,181	1,350,117
Balances with scheduled banks in:-		
Current Accounts	23,038,239	54,075,708
Fixed Deposits (Suvidha Fixed Deposit with IDBI Bank)	20,000,002	100,000,010
	44,402,422	155,425,835
SCHEDULE 8		
LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advances to Subsidiary Companies *	218,919,474	60,615,342
Advance Tax & TDS (Net of Provision for tax of Rs. 11,14,31,957/-)	16,536,271	6,837,320
Advances recoverable in cash or in kind or for value to be received **	70,945,335	77,271,309
Security Deposits	1,451,745	1,358,745
	312,535,917	146,082,716
	218,984,024	—

* Maximum Balance due from Subsidiary Companies during the year is Rs. 21,89,84,024

** Includes Rs. 33,448,276 as advance for purchase of shares of the Subsidiary Company - Regency Convention Centre & Hotels Ltd.

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 9		
CURRENT LIABILITIES		
Sundry Creditors	82,208,355	110,236,803
Advance from customers	17,499,393	18,573,626
1st Unpaid Dividend Account	447,501	—
Other Liabilities	5,650,899	4,754,704
	105,806,148	133,565,134
SCHEDULE 10		
PROVISIONS		
Provision for Gratuity (refer note 9 of Schedule 16)	8,121,242	6,665,903
Provision for Leave Encashment (refer note 9 of Schedule 16)	1,216,030	1,696,140
Proposed Dividend (including Corporate Dividend Tax)	59,634,701	40,025,749
	68,971,973	48,387,792

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	For 12 months period ended 31st March, 2011	For 9 months period ended 31st March, 2010
SCHEDULE 11		
ROOMS, FOOD, BEVERAGES & OTHER SERVICES		
Rooms	389,152,727	190,710,273
Wines and Liquor	45,925,601	21,337,362
Food, Other Beverages, Smokes and Banquets	300,338,456	151,164,034
Communication	8,923,903	4,280,307
Others	81,188,476	44,787,130
	825,529,162	412,279,106
 SCHEDULE 12		
OTHER INCOME		
Interest Earned*	33,739,503	28,392,941
Dividend on Investment - Non Trade	149,710,686	11,370,238
Miscellaneous Income	780,000	384,022
Excess Provision Written back	—	622,242
	184,230,189	40,769,442
 *Tax deducted at source- Rs. 2,44,578		
 SCHEDULE 13		
Wine & Liquor		
Opening Stock*	8,379,033	9,095,761
Add : Purchases	16,019,002	7,860,093
	24,398,035	16,955,854
Less : Closing Stock	11,460,693	8,379,033
	12,937,342	8,576,821
Food, Provisions, Other Beverages and Smokes		
Opening Stock	4,141,750	2,921,504
Add : Purchases	69,295,744	36,636,643
	73,437,494	39,558,147
Less : Closing Stock	4,325,947	4,141,750
	69,111,547	35,416,397
Cost of Local Calls	165,459	110,013
Lease Line Rentals	3,634,563	1,474,198
Total Cost of Telephones	3,800,022	1,584,211
Vehicle Fuel (Guest Transportation)	6,201,687	2,636,010
Vehicle upkeep	305,642	207,184
Total Cost of Guest Transportation	6,507,329	2,843,194
Total Cost of Consumption	92,356,240	48,420,623

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	For 12 months period ended 31st March, 2011	For 9 months period ended 31st March, 2010
SCHEDULE 14		
PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages & Bonus	134,342,828	41,616,139
Contribution to Provident & other funds	7,529,083	2,903,193
Workmen and Staff Welfare*	17,806,263	3,811,824
Contract Labour and Service	22,100,534	8,652,950
Recruitment & Training	3,137,026	1,220,655
	184,915,734	58,204,762
*Workmen & Staff Welfare includes :		
Cost of provisions consumed in Staff Cafeteria	8,919,511	3,427,576
Realisation on sale of food coupons to Staff	528,876	323,134
SCHEDULE 15		
OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering & other supplies	25,220,729	10,710,964
Operating equipments Consumption	7,908,941	3,351,390
Fuel, Power & Light	83,354,381	29,766,452
Repairs, Maintenance & Refurbishing*	43,784,462	23,843,755
Lease Rent	231,193	77,064
Rent	39,827	98,876
Rates & Taxes	2,873,797	1,985,809
Insurance	4,444,700	1,659,017
Directors' Sitting Fees	204,000	212,000
Legal & Professional Expenses	24,760,892	10,972,298
Audit Fees	649,589	496,350
Printing & Stationery	2,689,721	1,458,147
Travelling & Conveyance	11,693,058	4,359,953
Communication Expenses	2,739,948	1,419,139
Technical Services	33,066,309	16,991,321
Advertisement & Publicity	23,175,089	7,429,103
3rd AGM Expenses	118,188	—
Postal Ballot Expenses	157,675	—
Commission & Brokerage	24,168,218	11,601,922
Charity & Donation	7,602,000	27,000
Bank charges and Commission	264,371	148,394
Provision for Bad & Doubtful Debts	150,000	170,000
Loss on Sale of Investments	108,076	7,052
Loss on sale of Fixed Assets	953,898	—
Miscellaneous	1,833,134	1,514,768
	302,192,195	128,300,772
*Repairs, Maintenance & Refurbishing includes:		
Repairs & Maintenance - Buildings	6,374,083	8,023,857
Repairs & Maintenance - Plant & Machinery	19,687,660	3,881,349
Repairs & Maintenance- Others	16,507,941	11,936,549
*Travelling and Conveyance includes:		
Travel of Directors	1,427,085	291,631

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE: 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

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

b. Use of Estimates

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

c. Revenue Recognition

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

- i. Revenue from rendering of hospitality services is recognized when the related services are performed 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 hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

d. Income in Foreign Exchange

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

e. Expenses remittable in foreign exchange

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

f. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year-end are translated at the year-end rates resulting in exchange differences being recognized as income /expenses (net).

Foreign Currency balances at the year-end are converted at the year-end rate of exchange except those covered by forward exchange contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

g. Employee Benefits

- i. Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an independent actuary using the projected unit credit method.
- ii. 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 Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

h. Taxation

- i. Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- ii. Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with mandatory Accounting Standard (AS-22).
- iii. Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.

SCHEDULE: 16 (Contd.)

- iv. Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.
- i. Fixed Assets and Depreciation**
- i. Fixed Assets**
- Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/amortization. Cost represents the direct expenses incurred on acquisition/construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.
- ii. Depreciation**
- a. Depreciation as per straight line method has been charged in the accounts.
- b. The charge is on the basis of rates as prescribed under Schedule XIV to the Companies Act, 1956 pro rata from the month of purchase. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.
- c. No depreciation is charged on the assets sold/ discarded during the year.
- j. Investments**
- Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.
- k. Inventory**
- i. Inventory is valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated realizable value in the normal course of business less the estimated costs necessary to make the sale.
- ii. Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.
- iii. Shares held as Stock-in-trade are valued at cost or market value whichever is lower.
- l. 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. Value in use is determined for assets or group of assets which are capable of generating independent cash flows i.e. cash generating units.
- m. Earnings per share**
- Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- n. Cash and cash equivalents**
- Cash and cash equivalents in the cash flow statement comprise cash at bank and cash/ cheques in hand and short-term deposits with Banks.
- o. Dividend**
- Dividend recommended by the Board of Directors is provided for in the accounts pending shareholders approval.
- p. Provisions and Contingent liabilities**
- Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

B. NOTES TO ACCOUNTS

- 1.** Contingent Liabilities not provided for in respect of:
- a. Export obligation in respect of EPCG Licenses: Rs. 243.01 lakhs (Previous year Rs 243.01 lakhs).
- b. Claims against the Company not acknowledged as debts:
- i) Sales Tax/VAT Rs. 26.44 lakhs (Previous Year Rs. 1.13 lakhs)
- ii) Service Tax Rs 131.34 lakhs (Previous Year Rs. 145.92 lakhs)
- iii) ESIC Rs. 21.80 lakhs. (Previous Year Rs 21.80 lakhs)
- iv) Letter of Credit for Rs. 50 lakhs issued by IDBI bank Ltd. in favour of West Bengal Electricity Distribution Company Limited . (Previous Year Rs 50 lakhs)
- v) Suit instituted by a party before State Consumer Disputes Reddresal Commission, West Bengal – Rs. 98 lakhs. (Previous Year Rs NIL)

SCHEDULE: 16 (Contd.)

2. As on date, the Company holds 91,652 Equity shares of Rs. 10/- each of its subsidiary, Regency Convention Centre and Hotels Limited (RCC), representing 58.99% of the paid up capital of RCC. Apart from the above, the Company had also made an advance of Rs. 334 lakhs for acquiring further shares of RCC from their existing shareholders and paid advances to Regency Convention Centre amounting to Rs. 85.19 Lakhs up to the Balance Sheet date which has been disclosed as a recoverable advance.

The principal assets of Regency Convention Centre and Hotels Limited comprise of an interest in a parcel of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court. However Regency Convention Centre and Hotels Limited is in possession of opinions given by the highest legal authorities clearly stating that Regency Convention Centre and hotels limited has a reasonable chance of winning the ongoing legal dispute. Such assets form part of the Company's undertaking at book values.

The value of the above assets is primarily dependent on the legal dispute and is, therefore, subject matter of uncertainty at this juncture. As such, the ultimate outcome of the matter and, therefore, whether there is impairment, if any, in the value of the aforesaid assets cannot be reasonably determined at present.

3. Pursuant to the Scheme of Arrangement & Demerger, the company had obtained approval of the Government of West Bengal for the vesting of the leasehold property upon which Hotels Hyatt Regency Kolkata is situated. Stamp duty or other liabilities, if any, will be determined as and when the registration is done.
4. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management there is no reduction in value of any asset. In respect of subsidiaries, such decision is based on the management accounts/audited accounts of the subsidiaries, as available and on the basis of the information and explanations given.
5. The following Investments in Mutual funds were purchased and sold during the year :

Investments Bought & Sold/Redeemed During the year	Purchase		Sale	
	Units	Amount(Rs.)	Units	Amount(Rs.)
Canara Robeco Interval Se. 2-Qtly Plan	—	—	15,188,014.25	151,880,142
DSP Blackrock FMP-12M-Series 14	1,200,000.00	12,000,000	—	—
DSP Black Rock FMP-3M-Series-27	1,000,000.00	10,000,000	—	—
DWS Money Plus Fund -Insttl. Daily Div.-Reinvest	1,984,323.84	20,000,000	—	—
Fidelity Fixed Maturity Plan Serises-II Plan A	10,000,000.00	100,000,000	10,000,000.00	100,000,000
Fidelity FMP Series 3 -Plan C Div Pay Out	10,000,000.00	100,000,000	10,000,000.00	99,999,997
Fidelity FMP Series 4 -Plan C-Dividend	10,150,935.92	101,509,359	10,150,935.92	101,509,359
Fidelity FMP Series 5-Plan D -Dividend	10,334,182.98	103,341,830	—	—
ICICI Prudential Fixed Maturity Plan-Series 54	10,000,000.00	100,000,000	—	—
IDFC Fixed Maturity Plan A-Qly.Series 58	25,000,000.00	250,000,000	25,000,000.00	250,000,000
IDFC Fixed Maturity Plan Qly. Series 60	27,000,000.00	270,000,000	27,000,000.00	270,000,000
IDFC Fixed Maturity Plan- Qtrly Series 55	50,000,000.00	500,000,000	50,000,000.00	500,000,000
IDFC Money Manager Fund-Invnt. Plan	17,473,789.32	175,000,000	17,603,422.42	176,298,276
Kotak Flexi Debt Fund	—	—	23,099,011.04	232,087,313
Kotak Floater Long Term	57,441,615.91	579,000,000	36,601,170.46	368,932,478
Kotak Qtrly Interval Plan Series-1 Dividend	—	—	69,000,000.00	690,000,000
Kotak Quqrterly Interval Plan-Series 4-Option Div.	—	—	1,999,340.22	20,000,000
Reliance Fixed Hirizon Fund-XIX-Series 10	10,000,000.00	100,000,000	—	—
Reliance Fixed Horizon Fund-XVIII-Series-5-Div.Plan	2,000,381.37	20,003,814	—	—
Reliance Fixed Horizon Fund-XVIII-Series 6	25,000,000.00	250,000,000	—	—
Reliance Fixed Horizon Fund-XVII-Series I-DDR	20,000,000.00	200,000,000	—	—
Reliance Interval Fund-Qly Plan-Series I-Inst. Div.	8,995,412.34	90,000,000	—	—
Reliance Medium Term Fund-DDR	233,974.23	4,000,000	237,096.96	4,053,386
Reliance Money Manager	1,403,723.31	1,405,648,516	1,412,866.02	1,414,713,764
Reliance Monthly Interval Plan Series-II	33,671,766.92	336,852,365	67,799,634.27	678,148,516
Reliance Quarterly Interval Fund Series -III.	33,186,149.09	332,582,452	—	—
Tata Fixed Income Port Folio Fund-B3	26,017,347.19	260,173,472	10,000,000.00	100,000,000
Tata Liquid Super High Invest. Fund-DDR	233,284.28	260,000,000	233,439.93	260,173,472
UTI Fixed Income Interval Fund	—	—	1,250,000.00	12,500,000
UTI Treasury Adv. Fund	12,497.32	12,500,000	62,494.39	62,507,769

SCHEDULE: 16 (Contd.)

- 6.** As the company is engaged in only one segment of Hotel business, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable.

7. Auditor's Remuneration

Particulars	Amount in Rupees	
	Period ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (9 Months)
a. Statutory audit fee	4,80,000	3,75,000
b. Tax audit fee	1,20,000	75,000
TOTAL	6,00,000	4,50,000

(Figures are excluding Service Tax)

8. Managerial Remuneration

- a. Computation of net profits as per section 349 read with section 309 and Section 198 of the Companies Act, 1956:

Particulars	Amount in Rupees	
	As at 31.3.2011	As at 31.3.2010
Profit before Tax	36,21,01,546	18,98,00,534
Add: Loss on sale of investments	1,08,076	7,052
Add: Loss on Sale of Fixed Assets	9,53,898	—
Less: Short term Capital Gain on Mutual Funds	—	59,022
Add: Provision for Doubtful Debts / Advances	1,50,000	1,70,000
Less: Provision no longer required written back	—	6,22,242
Net Profit as per Section 349	36,33,13,520	18,92,96,322
Add: Basic Pay to Managing Director	99,51,613	5,62,500
Add: HRA of Managing Director	59,70,968	3,37,500
Add: Co's Contribution to PF	11,94,194	67,500
TOTAL	1,71,16,775	9,67,500
Managing Director's Commission	80,08,069	5,40,038
Profit as per Section 198 (A)	38,84,38,364	19,08,03,860
Overall Maximum Limit of Remuneration (10% of the net profit)	3,88,43,836	95,40,193

Note: The Commission for Mr. Arun Kr. Saraf, Jt. Managing Director has been calculated for the proportionate number of days from the date (4th August 2010) he was appointed to the office of Managing Director.

- b. Remuneration paid / payable to directors:

Particulars	Amount in Rupees	
	As at 31.3.2011	As at 31.3.2010
Basic Pay to Managing Director	99,51,613	5,62,500
HRA to Managing Director	59,70,968	3,37,500
Company's Contribution to Provident Fund	11,94,194	67,500
Managing Directors' commission	80,08,069	5,40,038
TOTAL	2,51,24,844	15,07,538

Note:

Contribution to group gratuity scheme has not been considered.

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

- a) Defined contribution plans
 - i. Provident fund
- b) Defined benefits plans
 - i. Contribution to Gratuity fund
 - ii. Compensated absences – Earned leave

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

SCHEDULE: 16 (Contd.)

Economic Assumptions

The discount rate and salary increases assumed are 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. For the current valuation a discount rate of 8 % p.a. compound, has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long- term view as to the 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.

- a. The following tables set out the unfunded status of the gratuity plan and earned leaves and amounts recognised in the Company's financial statements as at 31 March, 2011:

i. Change in benefit obligations:

Particulars	Amount in Rupees			
	Gratuity (Unfunded)		Compensated absences Earned leave (unfunded)	
	2010-11	2009-10	2010-11	2009-10
Present value of obligations as at the beginning of the year	66,65,903	NIL	16,96,140	NIL
Transferred pursuant to the Scheme of Arrangement and Demerger	NIL	82,45,839	NIL	20,24,266
Current service cost	20,76,863	6,48,433	4,68,399	2,58,599
Interest cost	5,33,272	2,61,247	1,35,691	62,134
Benefit Paid	(9,47,892)	(13,32,051)	(6,93,020)	(2,99,483)
Actuarial (gain)/ loss on obligation	(2,06,904)	(11,57,565)	(3,91,180)	(3,49,376)
Present value of obligations as at the year end	81,21,242	66,65,903	12,16,030	16,96,140

ii. Expenses recognized in the profit and loss account:

Current Service cost	20,76,863	6,48,433	4,68,399	2,58,599
Interest cost	5,33,272	2,61,247	1,35,691	62,134
Actuarial (gain)/loss recognized during the year	(2,06,904)	(11,57,565)	(3,91,180)	(3,49,376)
Net charge/(credit)	24,03,231	(2,47,885)	2,12,910	(28,643)

iii. Principal Actuarial assumptions:

Particulars	Refer Note below	Year ended 31.03.2011	Year ended 31.03.2010
Discount rate (p.a.)	1	8%	8%
Salary escalation rate (p.a.)	2	8%	7%

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.
- The gratuity plan and earned leave is unfunded.

Demographic assumptions:

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

SCHEDULE: 16 (Contd.)

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

Related Party Disclosures

- a. List of related parties
- (i) Subsidiary Company
 - G.J.S. Hotels Ltd.
 - Regency Convention Centre and Hotels Ltd.
 - (ii) Key Management Personnel
 - Mr. Umesh Saraf (Jt. Managing Director)
 - Mr. Arun Kr. Saraf (Jt. Managing Director)
 - (iii) Entities over which directors and their relatives can exercise significant influence
 - Nepal Travel Agency Pvt. Ltd.
 - Robust Hotels Pvt Limited
 - Unisons Hotels Limited
 - Vedic Hotels Limited
 - Unision Power Limited
 - Unision Hotels (South) Limited
 - Juniper Hotels Pvt. Limited
 - Yak & Yeti Hotels Limited, Nepal.
 - Taragaon Regency Hotels Ltd, Nepal.
 - Saraf Investment Limited
 - Sara Hospitality Limited
 - Juniper Investments Limited
 - Chartered Hotels Pvt Limited
 - Blue Energy Pvt. Limited
 - Footsteps of Buddha Hotels Pvt. Limited.
 - Sara International Limited.
 - Samra Importex Pvt. Limited.

SCHEDULE: 16 (Contd.)

Balances outstanding/transactions with related parties

Amount in Rupees

Nature of Transactions	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Services Availed during the Year								
Nepal Travel Agency Pvt. Ltd.	—	—	—	—	428,270	130,456	428,270	130,456
Expenses Incurred								
GJS Hotels Pvt. Ltd.	1,747,813	1,200	—	—	—	—	1,747,813	1,200
RCC & Hotels Ltd.	96,562	1,305,263	—	—	—	—	96,562	1,305,263
Advance Given								
GJS Hotels Pvt. Ltd.	271,400,000	200,000	—	—	—	—	271,400,000	200,000
RCC & Hotels Ltd.	1,600,000	1,305,263	—	—	—	—	1,600,000	1,305,263
Managerial Remuneration								
Umesh Saraf	—	—	13,320,000	1,507,538	—	—	13,320,000	1,507,538
Arun Kr. Saraf	—	—	11,804,844	—	—	—	11,804,844	—
Closing Balance as on Balance Sheet Date								
Account Payables								
Umesh Saraf	—	—	3,000,000	37,465,055	—	—	3,000,000	37,465,055
Arun Kr. Saraf	—	—	5,008,069	—	—	—	5,008,069	—
Account Receivables								
GJS Hotels Ltd.	210,400,000	5,37,27,880	—	—	—	—	210,400,000	5,37,27,880
RCC & Hotels Ltd.	8,519,474	6,887,462	—	—	—	—	8,519,474	6,887,462
Investments as at year end								
GJS Hotels Ltd.	2,346,365,000	2,346,365,000	—	—	—	—	2,346,365,000	2,346,365,000
RCC & Hotels Ltd.	257,901,724	257,901,724	—	—	—	—	257,901,724	257,901,724

11. Conversion of Fully Convertible Preference Shares (FCPS)

The Company vide Circular Resolution dated 30th April 2011, has issued and allotted fresh 38,910 equity shares of Rs.10/-each at a price of Rs.385.53 per share (including security premium of Rs.375.53 per share) to the holders of Fully Convertible Preference Shares (FCPS) holding 27,780 FCPS on conversion in terms of Clause 5.3.1 of the Scheme of Arrangement and Demerger between Asian Hotels Limited (Transferor Company) now renamed as Asian Hotels (North) Ltd. and its shareholders and creditors; Chillwinds Hotels Ltd. (Transferee Company-I) now renamed as Asian Hotels (West) Ltd. and its shareholders; and Vardhman Hotels Ltd. (Transferee Company-II) now renamed as Asian Hotels (East) Ltd. and its shareholders read with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The applications for the listing of the said 38,910 equity shares have already been made to BSE & NSE and the approval is awaited.

12. Deferred Tax

Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax credit:

Particulars	Rupees. in Lacs	
	As at 31st March, 2011	As at 31st March, 2010
A. Deferred Tax Liability		
Depreciation	2,166.33	2,177.64
B. Deferred Tax Assets		
Provision for Doubtful debts	8.39	8.08
Retirement Benefit	37.81	27.78
Demerger Expenses U/S. 35DD	8.13	11.10
Net Deferred Tax Liability (A-B)	2,112.01	2,130.68

SCHEDULE: 16 (Contd.)

- 13.** As per the Notification NO. S.O. 301(E) dated 8th February 2011, in exercise of the power conferred by section 211(3) of the Companies Act, 1956, the company being a Hotel Company is exempted from disclosing quantitative details of turnover of each class of goods, opening stock, purchases, production and consumption of raw materials in the financial statement for the financial year ended 31st March, 2011 upon compliance of the condition mentioned in the said notification.
- 14.** The Company had sent letters to its suppliers for confirmation of their status and registration under "Micro, Small and Medium Enterprises (Development) Act, 2006" and the company has not received any intimation from any of its suppliers regarding their status under the said Act and hence disclosure, if any, relating to amounts unpaid as at the year-end along with interest paid / payable as required under the said Act have not been given.

15. Earnings Per Share

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

Sl. No.	Particulars	31st March 2011	Amount in Rupees
			31st March 2010
Basic EPS			
a.	Net profit/ (loss) after tax	30,16,68,227	14,28,40,278
b.	Less: Dividend on preference shares(including Corporate dividend tax)	6,164	7,205
c.	Profit available for equity shareholders	30,16,62,062	14,28,33,073
d.	Weighted average of number of equity shares used in computing basic earnings per share (in Nos.)	1,14,01,782	63,05,909
e.	Basic earnings per share*	26.46	22.65
Diluted EPS			
a.	Net profit/ (loss) after tax	30,16,68,227	14,28,40,278
b.	Less: Dividend on preference shares(including Corporate dividend tax)	6,164	7,205
c.	Profit available for equity shareholders	30,16,62,062	14,28,33,073
d.	Weighted average number of equity shares used in computing basic earnings per share (in Nos.)	1,14,01,782	63,05,909
	Add:- Weighted average number of potential equity shares on account of conversion of FCPS to Equity Shares	38,910	21,443
e.	Weighted average numbers of shares outstanding for diluted EPS	1,14,40,692	63,27,352
f.	Diluted EPS	26.37	22.57
	Face Value Per Share (Rupees)	10	10

16. a. C.I.F. Value of Imports

Sl. No	Particulars	Period ended 31.03.2011	Amount in Rupees
			Period ended 31.03.2010
a.	Stores & Spares	13,04,056	12,59,583
b.	Capital Goods	57,72,388	21,70,853
c.	Beverages- through canalizing agencies	1,45,94,457	39,42,344
d.	Others	68,38,813	—

b. Expenditure in Foreign Currency - On payment basis

Sl. No.	Particulars	Period ended 31.03.2011	Amount in Rupees
			Period ended 31.03.2010
a.	Technical services	3,54,83,940	2,46,72,962
b.	Commission & Brokerage	92,92,506	42,97,363
c.	Training & Recruitment	54,878	9,40,094
d.	Others	62,20,993	15,75,428

c. Earnings in Foreign Exchange - on Receipt basis Rs. 30,97,09,796 (P.Y. 15,35,78,693)

SCHEDULE: 16 (Contd.)

- 17.** Schedules 1 to 16 form an integral part of the Balance Sheet as at 31 March, 2011 and the Profit and Loss Account for the year ended 31 March, 2011.
- 18.** Previous year financial statements are for nine months whereas current year financial statements are for twelve months. Hence, current year figures are not comparable with previous year figures. Previous year's financial statements also include only five months operations of Hotel Hyatt Regency Kolkata.
- 19.** Previous year figures have been regrouped/ reclassified wherever necessary to conform to current year classification.

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

MAHENDRA SUREKA

Partner
Membership No. 093290

Place : Kolkata

Dated : 28th May, 2011

Umesh Saraf

Joint Managing Director

S. S. Bhandari

Director

Bimal K. Jhunjhunwala

Vice President - Corporate Finance

Saumen Chattopadhyay

Chief Legal Officer & Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I. Registration Details

Registration No. 11037

Balance Sheet Date 31st March, 2011

State Code 021

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
7,914,729	7,914,729

Sources of Funds

Paid up Capital	Reserves & Surplus	Unsecured Loans	Net Deferred Tax Liability	Deposits
114,296	7,589,233	—	211,201	—

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Accumulated Losses
1,587,431	6,105,252	222,046	—	—

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure	Earnings Per Share
1,009,517	647,416	26.46
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
362,102	301,668	45.00

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
N.A.	Hotel Business

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

MAHENDRA SUREKA

Partner
Membership No. 093290

Place : Kolkata
Dated : 28th May, 2011

Umesh Saraf
Joint Managing Director

S. S. Bhandari
Director

Bimal K. Jhunjhunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

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

Sl. No.	Name of the Subsidiary	GJS Hotels Limited	Regency Convention Centre and Hotels Limited
1	Financial Year of the Subsidiary ended on	31st March, 2011	31st March, 2011
2	Date from which it became subsidiary	31st October, 2009	31st October, 2009
3	(a) Number of shares in the subsidiary held by the Holding Company in its own name / name of the nominee(s) at the end of the previous financial year of the subsidiary	10,961,000	91,652
	(b) Extent of interest of the Holding Company at the end of the previous financial year of the subsidiary	100%	58.994%
4	The net aggregate amount of the subsidiary company's profit / (loss) so far it concerns the members of the Holding Company and is not dealt with in the Holding Company's Accounts :		
	(a) for the subsidiary's financial year ended on 31-Mar-2011	Rs. 9,569,891	Nil
	(b) for prior years since becoming subsidiary	Rs. 10,512,428	Nil
5	The net aggregate amount of the subsidiary company's profit / (loss) so far it concerns the members of the Holding Company and has been dealt with in the Holding Company's Accounts :		
	(a) for the subsidiary's financial year ended on 31-Mar-2010	Nil	Nil
	(b) for prior years since becoming subsidiary	Nil	Nil
6	Changes, if any, in the Holding Company's interest in the subsidiary between the end of the previous financial year of the subsidiary and the end of the previous financial year of the Holding Company	Nil	Nil
7	Details of material changes, if any, which occurred between the end of the previous financial year of the subsidiary and the end of previous financial year of Holding Company, in respect of :		
	(a) The subsidiary's Fixed Assets	Nil	Nil
	(b) The subsidiary's Investments	Nil	Nil
	(c) The moneys lent by it	Nil	Nil
	(d) The moneys borrowed by it for any purpose other than that of meeting Current Liabilities	Nil	Nil

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

MAHENDRA SUREKA

Partner
Membership No. 093290

Place : Kolkata

Dated : 28th May, 2011

Umesh Saraf

Joint Managing Director

S. S. Bhandari

Director

Bimal K. Jhunjhunwala

Vice President - Corporate Finance

Saumen Chattopadhyay

Chief Legal Officer & Company Secretary

NINTH ANNUAL REPORT 2010-11

BOARD OF DIRECTORS

UMESH SARAF
AMIT MODI
PADAM K KHAITAN

COMPANY SECRETARY

ARPITA ROY

AUDITORS

M/S. KSMN & CO
CHARTERED ACCOUNTANTS
21, LANSDOWNE PLACE,
KOLKATA - 700 029.

BANKERS

IDBI BANK LIMITED
CITI BANK, N.A.

REGISTERED OFFICE

C/O. ASIAN HOTELS (EAST) LIMITED,
HYATT REGENCY KOLKATA
JA-1, SECTOR-III,
KOLKATA 700098
WEST BENGAL

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Ninth Annual Report on the business and operation of the Company together with the audited accounts of the Company for the year ended 31st March, 2011.

FINANCIAL YEAR

The current financial year of the Company commenced from 1st April, 2010 to 31st March, 2011.

STATUS OF LAND AT BHUBANESWAR, ORISSA

The Company has taken necessary steps to obtain extension of time for 4-5 years from the Government of Orissa in respect of its land admeasuring 7.00 acres in Unit XX, Mouza Jagamara, Bhubaneswar, District - Khurda, Orissa. Necessary steps have also been taken to get refund of Rs. 1.40 crores being the premium paid at the time of original allotment of the land. Your Board is hopeful of receiving the permission at the earliest from the Government of Orissa granting the extension of time sought by the Company.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

During the year under review, the registered office of the Company was shifted from the NCT of Delhi to the State of West Bengal. The Company has also obtained necessary certificates issued by Registrar of Companies, West Bengal in this regard.

OBJECTS, OPERATIONS AND FINANCIALS RESULTS

During the year under review, your Company has applied to subscribe to 22,13,000 1% Cumulative Redeemable Optionally Convertible Preference Shares (CROCPS) of Rs. 10/- each at a premium of Rs. 205/- per share i.e., at an issue price of Rs. 215/- each of Robust Hotels Private Limited aggregating to Rs. 4,757.95 lacs which are convertible into equity at a conversion price of Rs. 32/-per equity share based on the existing valuation done by M/s. S.S. Kothari Mehta & Co., Chartered Accountant and that all terms and conditions of the issue are identical to the existing CROCPS carrying the same coupon rate of dividend and will rank *pari passu* in all respect.

As on 31st March, 2011, GJS Hotels Limited has investment of Rs. 20,458.48 lacs in 0.001% 81,19,575 CROCPS and Rs. 3001.4 lacs in 1% 13,96,000 CROCPS respectively issued by Robust Hotels Private Limited.

GJS Hotels Limited

The period under review witnessed your Company earning an aggregate income of Rs. 102.98 lacs. Profit before tax for the year was Rs. 98.19 lacs and after a provision for tax of Rs. 2.5 lacs. Profit after tax was Rs. 95.69 lacs.

	For the year ended 31st March, 2011 (Rs. in Lacs)
Profit / (loss) before tax	98.19
Provision for taxation, includes Provision for previous year (including Fringe Benefit Tax)	2.5
Profit / (loss) after tax	95.69
Balance Carried to Balance Sheet	200.82

Your directors do not recommend payment of any dividend.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Amit Modi retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Your Directors recommend his appointment to the Board in the ensuing Annual General Meeting.

During the year under review, the holding Company Asian Hotels (East) Limited, in terms of Clause 49(III)(i) of its Listing Agreement with the Stock Exchanges, has nominated one of its independent directors namely Mr. Padam K Khaitan on the Board of your Company. Accordingly, Mr. Padam K Khaitan was appointed as an Additional Director, liable to retire by rotation, on the Board of the Company w.e.f. 25th October, 2010 and his candidature for appointment as a Director in the ensuing Annual General Meeting of the Company, has been proposed by some members of the Company.

Mr. S. K. Chhibber resigned from the directorship with effect from 9th November 2010.

Your Board expressed its gratitude to Mr. S. K. Chhibber for his contribution during his tenure of service in your Company.

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

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to materials departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and pursuant 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 the financial year;
- that the Director 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 disclosures and details in the Schedules to the Accounts.

AUDITORS & AUDITOR'S REPORT

M/s. KSMN & Company, Chartered Accountants, Statutory Auditors of the Company will hold office until the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The notes on accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

For and on behalf of the Board

For **GJS HOTELS LIMITED**

UMESH SARAF PADAM K KHAITAN
DIRECTOR DIRECTOR

Place: Kolkata
Date: 28th May, 2011

AUDITORS' REPORT

TO THE MEMBERS OF **GJS HOTELS LIMITED**

1. We have audited the attached Balance Sheet of **GJS HOTELS LIMITED** as at March 31, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper Books of Account as required by law have been kept by the company so far as it appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - (b) In the case of the Profit and Loss Account, 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.

Place : Kolkata
Date : 28th May, 2011

For **KSMN & Company**
Chartered Accountants
Firm Registration No. 001075N

Arindam Chandra
Partner
Membership No. :062511

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of GJS Hotels Limited as at and for the year ended March 31, 2011)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the period and as informed, no material discrepancies were identified on such verification.
- c) There was no disposal of fixed assets during the period.
- ii) As the Company does not have any inventory, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iii) The Company has not granted or taken any loan, secured or unsecured, to or from companies covered in the register maintained u/s 301 of the Companies Act, 1956. Therefore, the provisions of clauses (iii) (b) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v) 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 there are no transactions that needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(v) (b) of the order is not applicable to the company.
- vi) The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under during the period.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- viii) To the best of our knowledge, maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 as prescribed by the Central Government is not applicable to the company.
- ix) a) According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Income-tax, Sales-Tax, Provident fund, Employees State Insurance, Service tax, Cess and other statutory dues applicable to it with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2011.
- b) In our opinion and according to the information and explanations given to us, there are no dues in respect of Income Tax, Custom Duty, Wealth Tax, Excise Duty, Sales Tax, Service Tax and Cess which have not been deposited on account of any dispute.
- x) The Company has no accumulated losses at the end of the financial period and it has not incurred any cash losses in the current and immediately preceding financial period.
- xi) As the Company does not have any dues payable to any Financial Institutions, Banks and Debenture Holder, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances against security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a Chit fund/ Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the order are not applicable.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from bank or financial institutions.
- xvi) There were no term loans raised during the period by the Company for any purpose, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties or 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.

GJS Hotels Limited

- xix) The company has not issued any debentures during the period, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) As the company has not raised any money through public issue during the period, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no instances of fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Kolkata
Date : 28th May, 2011

For **KSMN & Company**
Chartered Accountants
Firm Registration No. 001075N

Arindam Chandra
Partner
Membership No. :062511

GJS Hotels Limited

BALANCE SHEET as at 31st March, 2011

	Schedule	Amount in Rupees	
		As at	As at
		31st Mar 2011	31st Mar 2010
SOURCES OF FUNDS			
1 SHAREHOLDER'S FUND			
Share Capital	1	109,610,000	109,610,000
Reserves and Surplus	2	2,256,837,319	2,247,267,428
TOTAL		<u>2,366,447,319</u>	<u>2,356,877,428</u>
APPLICATION OF FUNDS			
2 FIXED ASSETS			
Land - at Cost		54,539,349	54,539,349
3 INVESTMENTS	3	2,521,643,625	2,045,848,625
4 CURRENT ASSETS, LOANS AND ADVANCES			
a Cash & Bank Balances	4	500,237	305,339,463
b Loans and Advances	5	5,442,821	10,494,692
		5,943,058	315,834,156
LESS: CURRENT LIABILITIES AND PROVISIONS			
a Current Liabilities	6	210,455,619	54,048,607
b Provisions	7	5,223,094	5,296,095
		215,678,713	59,344,702
Net Current Assets		<u>(209,735,655)</u>	<u>256,489,453</u>
TOTAL		<u>2,366,447,319</u>	<u>2,356,877,428</u>
Significant Accounting Policies and Notes to Accounts	10		

As per our report of even date attached

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Arindam Chandra
Partner
Membership No. 062511
Place : Kolkata
Dated : 28th May 2011.

For and on behalf of the Board

UMESH SARAF **PADAM KR. KHAITAN**
Director Director

ARPITA ROY
Company Secretary

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011

		Amount in Rupees	
	Schedule	For 12 months period ended 31st March 2011	For 9 months period ended 31st March 2010
1	INCOME		
	Dividend Income	9,051,113	—
	Interest Income	1,247,812	7,515,603
	(Includes TDS of Rs 1,24,760, Previous Year Rs.7,40,883)		
		<hr/> 10,298,925 <hr/>	<hr/> 7,515,603 <hr/>
2	EXPENDITURE		
	Payment to and provision for employees	154,876	—
	Administrative and Other expenses	324,158	382,917
		<hr/> 479,034 <hr/>	<hr/> 382,917 <hr/>
3	PROFIT BEFORE TAX	9,819,891	7,132,686
4	Provision for Income Tax	250,000	2,340,745
5	PROFIT AFTER TAX	9,569,891	4,791,941
6	Amount brought forward from previous year	10,512,428	5,720,486
	Surplus carried forward to Balance Sheet	<hr/> 20,082,319 <hr/>	<hr/> 10,512,428 <hr/>
	Earning per share- Basic and Diluted (Rupees) (Refer note 10)	0.87	0.49
	Significant Accounting Policies and Notes to Accounts	10	

As per our report of even date attached

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Arindam Chandra
Partner
Membership No. 062511
Place : Kolkata
Dated : 28th May 2011.

For and on behalf of the Board

UMESH SARAF **PADAM KR. KHAITAN**
Director Director

ARPITA ROY
Company Secretary

CASH FLOW STATEMENT for the year ended 31 March 2011

	For 12 months period ended 31st March 2011	Amount in Rupees For 9 months period ended 31st March 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	9,819,891	7,132,686
Adjustment for:		
Interest Earned	1,247,812	7,515,603
Dividend Income	9,051,113	—
Loss on Sale of Investments	(22,001)	—
Operating profit before working capital changes	(457,033)	(382,917)
Adjustments for:		
(Increase)/Decrease in Loans and Advances	6,793,108	(6,796,892)
Increase/(Decrease) in Current Liabilities	156,407,012	384,279
Increase/(Decrease) in Provision	(323,000)	—
Cash generated from operations	162,420,087	(6,795,531)
Direct taxes paid (Net)	1,741,237	788,883
Net cash from Operating Activities (A)	160,678,850	(7,584,414)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(475,795,000)	(300,140,000)
Interest Received	1,247,812	7,515,603
Dividend	9,051,113	—
Loss on Sale of Investments	(22,001)	—
Net Cash from Investing Activities (B)	(465,518,077)	(292,624,397)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	—	27,910,000
Security Premium Received	—	572,155,000
Net Cash from Financing activities [C]	—	600,065,000
Net Increase/ (Decrease) in Cash Equivalent [A+B+C]	(304,839,227)	299,856,190
Cash and Cash equivalent (Beginning of the year) (Refer Schedule.4)*	305,339,463	5,483,273
Cash and Cash equivalent (End of the year) (Refer Schedule 4)	500,237	305,339,463

Notes:

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

As per our report of even date attached

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Arindam Chandra
Partner
Membership No. 062511
Place : Kolkata
Dated : 28th May 2011.

For and on behalf of the Board

UMESH SARAF **PADAM KR. KHAITAN**
Director Director

ARPITA ROY
Company Secretary

SCHEDULES TO ACCOUNTS

	As at 31st March 2011	Amount in Rupees As at 31st March 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
14,000,000 (Previous Year 14,000,000) Equity Shares of Rs.10/- each	140,000,000	140,000,000
	140,000,000	140,000,000
ISSUED, SUBSCRIBED AND PAID UP		
1,09,61,000 (Previous Year 1,09,61,000) Equity Shares of Rs 10 each fully paid up (all of the above equity shares are held by Asian Hotels (East) Ltd., the holding company including 60 equity shares held jointly with nominees)	109,610,000	109,610,000
	109,610,000	109,610,000
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium Account	2,236,755,000	2,236,755,000
Profit and Loss Account Balance	20,082,319	10,512,429
	2,256,837,319	2,247,267,429
SCHEDULE 3		
INVESTMENTS		
Long -Term at Cost		
Non-Trade, Unquoted		
Body Corporate		
Robust Hotels Pvt. Ltd.		
0.001% 8119575(Previous Year 8119575) Cumulative Redeemable Optional Convertible Preference Shares of Rs. 10 each fully paid up.	1,745,708,625	1,745,708,625
1% 1396000 (previous year Nil) Cumulative Redeemable Optional Convertible Preference Shares of Rs 10 each fully paid up	300,140,000	300,140,000
	2,045,848,625	2,045,848,625
Share application money	475,795,000	—
	2,521,643,625	2,045,848,625
SCHEDULE 4		
CASH AND BANK BALANCES		
Cash in hand	340	—
Balances with scheduled banks in		
– Current Accounts	499,897	201,071
– Fixed Deposits* (Fixed Deposit with HDFC Bank)	—	305,138,392
	500,237	305,339,463

SCHEDULES TO ACCOUNTS

	As at 31st March 2011	Amount in Rupees As at 31st March 2010
SCHEDULE 5		
LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received .		
Advance Tax -(Previous Year Rs. 36,95,650)	5,238,671	3,695,650
Advance Fringe Benefit Tax	2,150	2,150
Vellum Enterprises	200,000	—
Security Deposit with Telephone Department	2,000	—
Interest accrued but not due on fixed deposits	—	6,796,892
	5,442,821	10,494,692
SCHEDULE 6		
CURRENT LIABILITIES		
Sundry Creditors	49,635	205,455
TDS Payable-Professional Fees	5,515	16,545
Outstanding Liabilities	469	98,727
Amount Payable to Holding Company *	210,400,000	53,727,880
	210,455,619	54,048,607
	210,400,000	53,727,880
* Maximum Balance due during the year		
SCHEDULE 7		
PROVISIONS		
Provision for Taxation (Previous Year Rs. 52,96,094)	5,223,094	5,296,094
	5,223,094	5,296,094
SCHEDULE 8		
PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salary and Wages	150,272	—
staff welfare	4,604	—
	154,876	—
SCHEDULE 9		
ADMINISTRATIVE AND OTHER EXPENSES		
Bank Charges	1,012	165
Advertisement and publicity expenses	7,690	—
Book and Periodicals	19,155	—
Legal & Professional Expenses	30,500	316,602
Printing & Stationery	26,400	—
General Expenses	17,488	—
Audit Fee	55,150	55,150
Filing Fees	13,670	10,500
Telephone and Telex	3,725	—
Rates and Taxes	2,500	500
Membership and Subscription	1,250	—
Loss on redemption of mutual funds Units (Net)	22,001	—
Travelling and Conveyance Expenses	123,617	—
	324,158	382,917

SCHEDULES TO ACCOUNTS

SCHEDULE: 10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

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

b. Use of Estimates

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

c. Revenue Recognition

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

- i. Revenue from Interest is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- ii. Income and expenses are accounted for on accrual basis.
- iii. Dividend Income is recognized when rights to receive payment is established.

d. Taxation

- i. Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- ii. Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with mandatory Accounting Standard (AS-22).
- iii. Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.
- iv. Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

e. Fixed Assets

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

f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account.

g. 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.

Previously recognized impairment losses are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been (net of depreciation or amortization) had no impairment loss been recognized in prior years.

h. Earnings per share

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

SCHEDULES TO ACCOUNTS

I. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and cash/ cheques in hand and short-term deposits with Banks less short-term advances from Banks.

j. Dividend

Dividend recommended by the Board of Directors is provided for in the accounts pending shareholders approval.

k. Provisions and Contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

B. NOTES TO ACCOUNTS

1. As per information available with the management and as certified by them, there is no contingent liability as at 31st March, 2011.
2. As per the information available with the management and as certified by them, there is no outstanding Capital Commitment as on 31st March, 2011.
3. There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard (AS 29) as it is not probable that an outflow of resources embodying economic benefit will be required.
4. The Company is not liable for Provident Fund and/or any other retirement benefit for its employees under the relevant applicable Laws, Rules & Regulations.
5. There are no adjustments on account of deferred tax liability or deferred tax asset in respect of current period as well as earlier period since there are no timing difference between the book income and taxable income.
6. As per the information available and explanation provided to us and as certified by management there are no amounts due to Micro, Small & Medium Enterprises which are outstanding for more than 45 days together with interest at the Balance Sheet Date as defined under the Micro, Small & Medium Enterprises Development Act, 2006.

7. SEGMENT INFORMATION

The Company does not have more than one reportable segment in accordance with the principle outlined in Accounting Standard (AS 17), "Segment Reporting", Segment Information is not applicable.

8. Auditor's Remuneration

(Amount in Rupees)

Particulars	Year ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (9 Months)
a. Statutory audit fee	35,000	35,000
b. Tax audit fee	15,000	15,000
TOTAL	50,000	50,000

(Figures are excluding Service Tax)

9. Related Party Transactions

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

Related Party Disclosures

- a. List of related parties
 - (i) Holding Company Asian Hotels (East) Limited
 - (ii) Entities over which directors and their relatives can exercise significant influence.
 - Robust Hotels Pvt. Ltd.
 - Unison Hotels Ltd.
 - Vedic Hotels Ltd.
 - Unison Power Ltd.
 - Juniper Hotels Pvt. Limited
 - Unison Hotels (South) Pvt. Limited
 - Yak & yeti Hotels Ltd., Nepal.
 - Taragaon Regency Hotels Limited
 - Saraf Investments Limited
 - Sara Hospitality Limited

SCHEDULES TO ACCOUNTS

(iii) Fellow subsidiary Regency Convention Centre & Hotels Limited.

Balances outstanding /transaction with related parties

Amount in Rupees)

Nature of Transactions	Holding Company		Entities Controlled by Directors or their Relatives		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Reimbursement of Expense	17,47,813	1,700	—	—	17,47,813	1,700
Investment made by holding co.	—	60,00,65,000	—	—	—	60,00,65,000
Investment made						
Robust Hotels Pvt. Ltd.	—	—	47,57,95,000*	30,01,40,000	47,57,95,000	30,01,40,000
Advance Received	27,14,00,000	2,00,000	—	—	27,14,00,000	2,00,000
Closing Balance as on Balance Sheet Date						
Account Payables	21,04,00,000	5,37,27,880	—	—	21,04,00,000	5,37,27,880
Investments as at year end	—	—	2,52,16,43,625*	2,04,58,48,625	2,52,16,43,625	2,04,58,48,625
Investment held by holding Co. at year end	2,34,63,65,000	2,34,63,65,000	—	—	2,34,63,65,000	2,34,63,65,000

* includes Rs. 47,57,95,000/- towards share application money pending allotment .

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

Amount in Rupees

Sl. No.	Particulars	Units	Year ended 31.03.2011	Period ended 31.03.2010
a.	Net profit/ (loss) after tax	Rs.	95,69,891	47,91,941
b.	Weighted average of number of equity shares used in computing basic earnings per share (in nos.)	No.	1,09,61,000	97,48,850
c.	Basic / diluted earnings per share	Rs.	0.87	0.49

11. The Company has not recognized any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the management there is no reduction in the value of any assets.

12. There are no foreign currency exposures with Company.

13. Figures have been rounded off to the nearest Rupee.

14. Previous period figures have been re-grouped or re-cast wherever considered necessary, however, the same are not strictly comparable as the previous period figures are for nine months, whereas current year figures are for twelve months.

15. Schedules 1 to 10 form an integral part of Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended 31st March, 2011.

As per our report of even date attached
For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Arindam Chandra
Partner
Membership No. 062511
Place : Kolkata
Dated : 28th May 2011

For and on behalf of the Board

UMESH SARAF **PADAM KR. KHAITAN**
Director Director

ARPITA ROY
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I. Registration Details

Registration No. U55101DI2002PLC117945

Balance Sheet Date 31st March, 2011

State Code 021

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
2,366,447	2,366,447

Sources of Funds

Paid up Capital	Reserves & Surplus	Unsecured Loans	Net Deferred Tax Liability
109,610	2,256,837	Nil	Nil

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Accumulated Losses
54,539	2,521,644	(209,736)	Nil

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure	Earnings Per Share
10,299	479	0.87
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
9,820	9,570	Nil

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
N.A.	Finance & Investments

As per our report of even date attached

For **KSMN & Company**
Chartered Accountants
Firm Regn. No. 001075N

Arindam Chandra
Partner
Membership No. 062511
Place : Kolkata
Dated : 28th May 2011.

For and on behalf of the Board

UMESH SARAF **PADAM KR. KHAITAN**
Director Director

ARPITA ROY
Company Secretary

SEVENTEENTH ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

UMESH SARAF
SURENDRA JAI NARAYAN KAPUR
FARHATH SURENDRA KAPUR
JOY SURENDRA KAPUR
AMIT SARAF
BIMAL KUMAR JHUNJHUNWALA
AMIT MODI

AUDITORS

V.VAIDYANATHAN & CO.
CHARTERED ACCOUNTANTS
F-36, SITARAM BUILDING,
PALTON ROAD
MUMBAI - 400 001

REGISTERED OFFICE

C/O. ASIAN HOTELS (EAST) LIMITED,
HYATT REGENCY KOLKATA,
JA-1, SECTOR - III, SALT LAKE CITY
KOLKATA, WEST BENGAL

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Seventeenth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2011.

OBJECTS, OPERATIONS AND FINANCIAL RESULTS

The Company has not prepared any Profit & Loss Account for the year ended 31st March, 2011 since the Company has not started any commercial operation till date. The administrative expenses to the extent of Rs. 15.79 lacs have been capitalized with property at Sahar, Mumbai.

During the year under review, the Airports Authority of India (AAI) has taken out a Notice of Motion No.3307 of 2010 on 3rd December, 2010 *inter alia* seeking direction/permission of the Hon'ble Court of Bombay for the use of suit land admeasuring 31,000 sq. mtrs. by the Municipal Corporation of Greater Mumbai (MCGM) for dumping the excavated material for a period of 12 to 14 months. In order to effectively oppose the above Notice of Motion by filing a reply, the Company sought inspection of all documents referred to and relied upon by them in the above matter. However, the Company was not given chance to inspect the documents and in view of this conduct of the AAI and their failure to respond to the Company's demand for inspection, the Company took out a Chamber Summons No.134 of 2011, dated 28th January, 2011 *inter alia* seeking direction of the Hon'ble High Court of Bombay to forthwith give the said inspection.

Presently in the matter of the main Suit No. 6846 of 1999, Commission work of recording evidence of witnesses of all the parties to the suit is going on by the Court appointed Commissioner.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

During the year under review, the registered office of the Company was shifted from the NCT of Delhi to the State of West Bengal. The Company has also obtained necessary certificates from Registrar of Companies, West Bengal in this respect.

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956, Mr. Amit Modi and Mr. Amit Saraf, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their appointment to the Board in the ensuing Annual General Meeting.

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

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under:

- that in the preparation of annual accounts for the year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to materials departures, if any;

Regency Convention Centre and Hotels Limited

- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and pursuant 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;
- that the Director 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 disclosures and details in the Schedules to the Accounts.

AUDITORS

M/s. V Vaidyanathan & Co., Chartered Accountants, Mumbai the present auditors of the Company, retires at the forthcoming Annual General Meeting and is eligible for re-appointment as auditors. Members are requested to re-appoint them and fix their remuneration. The Company has received confirmation from the firm to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The Audit Committee of the Board has recommended their re-appointment.

The notes on accounts referred to in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no particulars to furnish under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

PERSONNEL

The Company has no employee falling under the categories mentioned in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

By Order of the Board

For **Regency Convention Centre And Hotels Limited**

Umesh Saraf
Director

Bimal K Jhunjhunwala
Director

Place: Kolkata
Date: 28th May, 2011

COMPLIANCE CERTIFICATE

Regd. No. 21-160633,
CIN-U74899WB1994PLC160633
Authorized Capital- 25.00 lakh
Paid up Capital-Rs.15,53,570

To,
The Members
Regency Convention Centre and Hotels Limited

We have examined the registers, records, books and papers of **Regency Convention Centre and Hotels Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March, 2011**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, clause 3 is not applicable.
4. The Board of Directors duly met Seven (7) times respectively on 10/06/2010, 03/08/2010, 04/08/2010, 25/08/2010, 06/10/2010, 04/01/2011 and 22/03/2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the period under scrutiny.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 22.09.2010 after giving notice to the members of the Company and the resolution passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra ordinary General Meeting was held on 10/09/2010, after giving notice to the members of the Company and the resolution passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has not entered into any contract requiring making of entries in the register maintained under Section 301 of the Act.
11. As there was no instance falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members, or Central Government.
12. The Company has issued one Consolidated Duplicate Share certificates during the period under scrutiny.
13. The Company :
 - a. has not made any transfer of Shares, on lodgment thereof during the Financial Year.
 - b. has not deposited any amount in a separate Bank Account as no dividend was declared during the period.
 - c. was not required to post warrants to member of the Company as no dividend was declared during the period.
 - d. has no amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon and as such it was not required to transfer any amount to Investor Education Protection Fund.
 - e. has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole time Director/ Manager during the period under scrutiny, as there was no need to do so.
16. The Company has not appointed any sole -selling agents during the period under scrutiny.
17. The Company has obtained the approvals of the Central Government; Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the act during the period under scrutiny, as follows:

The Approval of the Company Law Board u/s 17 of the Companies Act , 1956 has been obtained by the Company for shifting of its Registered Office from the State of New Delhi to the State of West Bengal.

Regency Convention Centre and Hotels Limited

The Order No. 54/17/2011 in this regard has been issued by Hon'ble Company Law Board, Delhi Bench on 28/02/2011. The said order has been registered with Register of Companies West Bengal and certificate thereof has been issued on 20/03/2011.

18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Share during the Financial Year.
20. The Company has not bought back any Shares during the period under scrutiny.
21. There was no redemption of preference Shares or debentures during the period under scrutiny, as the Company has not issued any preference Shares or debentures.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights Shares and bonus Shares pending registration of transfer of Shares.
23. The Company has not invited/ accepted any deposits under Section 58A of the Act during the period under scrutiny.
24. The Company has not made any borrowings falling with the provisions of section 293(1) (d) of the Act.
25. The Company has not made any loans or advances to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the period under scrutiny, by shifting its registered office from the state of New Delhi to the state of West Bengal, and Clause II of Memorandum of Association is changed accordingly.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the period under scrutiny.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the period under scrutiny.
29. The Company has not altered the provisions of Memorandum with respect to Share Capital of the Company during the period under scrutiny.
30. The Company has not altered its Articles of Association during the period under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the period under scrutiny, for offences under the Act.
32. The Company has not received any money as security from its employees during the period under scrutiny.
33. The Company has not deducted or contributed to the provident fund during the period under scrutiny.

It is stated that the compliance of all the applicable provisions of the Companies Act, 1956 is the responsibility of the management. Our examination, on a testcheck basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities/ statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the Companies Act, 1956.

For D.RAUT & ASSOCIATES
(Company Secretaries)

Place: Kolkata
Dated : the 28th May, 2011

S/d
Name of the Company Secretary: **DEBENDRA RAUT**
(Proprietor)
C.P.No. : 5232

Regency Convention Centre and Hotels Limited

ANNEXURE A

Registers/Records as maintained by the Company:

Registers	Section
Register of Transfer	108/111
Register of Members	150
Minutes Book of Board Meetings	193
Minutes Book of General Meetings	193
Register of Notice of Interest given by the Directors	299
Register of Contracts, Companies and firms in which Directors are interested	301(3)
Registers of Directors , Managing Director, Manager and Secretary	303
Register of Directors Shareholding	307
Application for and allotment of Shares	
Copies of Annual Return	163

ANNEXURE B

Forms as filed by the Company with Register of Companies (ROC), Regional Director, Central Government or other authorities during the financial year ending on **31st March 2011**.

Sl No.	Form No./ Return	Filed u/s	For the period	Date of filing	Whether filed within the prescribed time (Y/N)	If not, whether additional fees have been paid
1.	Form 23AC & 23ACA relate to Balance sheet & Profit & Loss Account	220(1)	For the financial year ending 31.03.2010	22.10.2010	Yes	No
2.	Form 20B relate to Annual Return	159(1)	For the financial year ending 31.03.2010	18.11.2010	Yes	No
3.	Form 66	383A	For the financial year ending 31.03.2010	20.10.2010	Yes	No
4.	Form 23	192	Change the place of registered office from NCT of Delhi to the state of West Bengal.	17.11.2010	Yes	No
5.	Form 21	17(1)	Filing of CLB Order no. 54/17/2011-CLB Order dated 28.02.2011	01.03.2011	Yes	No
6.	Form 18	146	Change of situation of Registered Office	01.03.2011	Yes	No

Regency Convention Centre and Hotels Limited

AUDITORS'REPORT

To,
The Shareholders,
Regency Convention Centre and Hotels Limited
New Delhi

We have audited the attached Balance Sheet of M/s. Regency Convention Centre and Hotels Limited as at 31st March, 2011. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above:

- i. 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.
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books of the Company.
- iii. The Balance Sheet dealt with by this report is in agreement with the books of account. The Company has not prepared Profit & Loss Account for the year ended 31st March 2011 since the Company has not commenced any commercial operation till date.
- iv. In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956.
- v. Based on the written representations made by the Directors of the Company and taken on record by the Board of Directors, the information and explanations as made available, the Directors of the Company do not prima facie have any disqualification as referred to in clause (9) of sub-section (1) of section 274 of the Act,
- vi. Since the company has not commenced commercial operations till date profit & loss account has not been prepared and all incidental expenses incurred so far has been capitalized with the property
- vii. Read with the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Balance Sheet, of the state affairs of the Company as at 31st March, 2011.

For **V. Vaidyanathan & Co.**
Chartered Accountants
Firm Regn. No. 111225W

V. Vaidyanathan
(Partner)
Membership No, 017905

Place: Mumbai
Dated: 28th May, 2011

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph (3) of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) **Fixed assets**

- a) The amount shown under investments in property represents the earnest money paid for the property and the expenditure incurred by the promoters on the property. The Company had handed over the property to the Government on December 2001. As per the understanding with the Government the land will be leased back to the Company for its operations. The administrative expenses to the extent of Rs. 15,79,091/- have been capitalized with the property during the year.
- b) None of the fixed assets have been revalued during the year.
- c) Since the Company does not have any other assets other than rights in the property referred to above, the question of maintenance of property records of its fixed assets showing full particulars, including quantitative details and their location or physical verification etc does not arise.

(ii) **Loans & advances**

The project has been funded by M/s. Asian Hotels (East) Led an associate company and an erstwhile director by incurring expenses on Companies behalf. The amount due to them as on 31st March, 2011 was Rs. 1,31,35,258/-The Company has not taken any other loans, secured or unsecured loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are/or from the Companies under the same management, as defined in section 370 1 (B), the rate of interest or other terms and conditions on which are, prime facia prejudicial to the interest of the company. There is an overdue amount of Rs. 84,770/-The amount appears to be doubtful of recovery. But no provision had been made in the accounts.

(iii) **Internal controls**

In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) **Transaction with parties u/s 301**

- a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register(s) maintained u/s 301 of the Companies Act, 1956 (1 of 1956), and exceeding the value of Rs. five lakhs or more in respect of any party, during the year In respect of each party.

(v) **Deposits**

The Company has not accepted deposits from public within the meaning of Sec. 58A and 58AA of the Companies Act, 1956, and the rules framed there under.

(vi) **Internal Audit**

In our opinion, based on the criteria determined as per CARO, the Company is not required to have an Internal Audit.

(vii) **Cost Records**

The Company has not started commercial operations till date and hence the provision regarding maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956 does not arise.

(viii) **Statutory dues**

- a) The Company has deposited with the appropriate authorities undisputed statutory dues applicable.
 - b) According to the information and explanations given to us, there is no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty which are outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (ix) in our opinion and according to the information and explanations given to us, the Company has not defaulted during the year, in repayment of dues to any financial institution, banks or debenture-holders.

Regency Convention Centre and Hotels Limited

- (x) The Company has not granted any loans or advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xi) The Company has not given guarantees for loans taken by others.
- (xii) The Company has not raised any additional term loans during the year.
- (xiii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xiv) According to the information and explanations given to us, during the year, the Company has not made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xv) The Company has not raised funds during the year by way of public issue or debenture issue.
- (xvi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **V. Vaidyanathan & Co.**
Chartered Accountants
Firm Regn. No. 111225W

Place: Mumbai
Dated: 28th May, 2011

V. Vaidyanathan
(Partner)
Membership No, 017905

Regency Convention Centre and Hotels Limited

BALANCE SHEET as at 31st March, 2011

	Schedule	As at 31st March, 2011	Amount in Rupees As at 31st March, 2010
SOURCES OF FUNDS			
1 SHAREHOLDERS' FUNDS			
Share Capital	1	1,553,570	1,553,570
		1,553,570	1,553,570
 APPLICATION OF FUNDS			
2 FIXED ASSETS			
Land - at sahar	2	14,912,239	13,333,148
 3 CURRENT ASSETS, LOANS AND ADVANCES			
a Cash & Bank Balances	3	417,875	42,761
b Loans and Advances	4	84,770	84,770
		502,645	127,531
 LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	5	13,861,314	11,907,109
		13,861,314	11,907,109
 Net Current Assets		 (13,358,669)	 (11,779,578)
		1,553,570	1,553,570
Significant Accounting Policies and Notes to Accounts	6		

As per our report of even date attached

For **V. Vaidyanathan & Co.**
Chartered Accountants
Firm Regn. No. 111225W

V. Vaidyanathan
Partner
Membership No. 017905

Place : Mumbai
Dated : 28th May, 2011

For and on behalf of Board of Directors

Umesh Saraf
Director

Bimal K Jhunjhunwala
Director

Regency Convention Centre and Hotels Limited

SCHEDULES TO ACCOUNTS

	31st March, 2011	Amount in Rupees 31st March, 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
250000(P.Y. 250000) Equity Shares of Rs. 10 each	2,500,000	2,500,000
	2,500,000	2,500,000
ISSUED, SUBSCRIBED AND PAID UP		
155357 (P.Y. 155357) Equity Shares of Rs. 10 each	1,553,570	1,553,570
	1,553,570	1,553,570
SCHEDULE 2		
FIXED ASSETS		
Property at Sahar	13,333,148	11,578,971
Add:- Expenses capitalised during the year		
Professional and legal fees	1,381,537	1,676,247
Travelling expenses and Conveyance	158,076	7,325
Payment to auditors as Audit Fees	11,030	16,545
Filling Fees	4,080	8,560
Salary & Wages	15,000	—
Printing & Stationary	940	—
Postage & Telegram	51	—
General expenses	660	—
Bank Charges	27	—
Advertisement & Publicity	7,690	—
Preliminary Expenses Written Off	—	45,500
	14,912,239	13,333,148
SCHEDULE 3		
CASH AND BANK BALANCES		
Balances with scheduled banks in		
-Current Accounts	412,939	—
Balances with Co-op banks in		
-Current Accounts	1	1
	412,940	1
CASH BALANCE		
Cash in hand	4,935	42,760
	417,875	42,761
SCHEDULE 4		
LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received .	84,770	84,770
	84,770	84,770
<u>Note</u> :- Advances Outstanding for a period exceeding six months:	84,770	84,770
SCHEDULE 5		
CURRENT LIABILITIES		
A. Sundry Creditors		
Malvi Rachodddas & Co.	635,663	378,584
V. Vaidyanathan & Co.	9,908	15,423
Asian Hotels (East) Limited (Holding Company)	8,519,474	6,887,462
M. H. Merchant	4,615,784	4,615,784
TDS Payable	70,629	—
Others	9,856	9,856
	13,861,314	11,907,109

(Maximum balance due to the holding company during the year Rs. 85,19,474/- Previous year Rs. 68,87,462/-)

SCHEDULES TO ACCOUNTS

SCHEDULE: 6

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

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

b. Use of Estimates

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

c. Revenue Recognition

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

d. Fixed Assets

The cost of property represents the earnest money paid for the property, the incidental expenditure, legal expenses and the preoperative expenditures capitalized. The company has handed over the property to the Airports Authority of India (AAI). As per the understanding with the AAI the land will be leased back to the Company for its operations. The expenditure incurred on this property till date is capitalized with fixed assets as preoperative expenditure to be written off on commencement of commercial operation.

e. Taxation

Income tax is computed on the basis that taxes accrue in the same period, the related revenue and expenses arise. Since the Company has not commenced operations no provision has been made.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized. Since the company has not commenced commercial operations and there is no loss or deferred expenditure during the current year the company has not made any provision for deferred taxation. Deferred tax assets are reviewed at each balance sheet date.

f. Depreciation

Since there is no assets other than the expenditures related to land as referred above, no depreciation has been provided.

g. Expenses

Material known liabilities are provided for on the basis of available information/estimates.

h. Income

The company has not started commercial operation till date.

i. Provision of Retirement Benefits

The Company is not liable for Provident fund or any other retirement benefit.

B. NOTES TO ACCOUNTS

1. Profit & Loss Account

Profit and loss account has not been prepared as the operation has not started and all incidental expenses incurred so far has been capitalized with the property.

Regency Convention Centre and Hotels Limited

SCHEDULES TO ACCOUNTS

2. Auditor's Remuneration

Amount in Rupees

Particulars	For the year ended 31st March 2011.	For the year ended 31st March 2010.
a. Statutory audit fee	10,000	15,000
b. Tax audit fee	NA	NA
TOTAL	10,000	15,000

(Figures are excluding Service Tax)

3. Previous period figures have been re-grouped and re-cast wherever considered necessary, to make them comparable with the current years' figures.
4. Schedules 1-6 form an integral part of Balance Sheet as at 31st March, 2011.

As per our report of even date attached

For **V. Vaidyanathan & Co.**
Chartered Accountants
Firm Regn. No. 111225W

V. Vaidyanathan
Partner
Membership No. 017905

Place : Mumbai
Dated : 28th May, 2011

For and on behalf of Board of Directors

Umesh Saraf
Director

Bimal K Jhunjhunwala
Director

Regency Convention Centre and Hotels Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I. Registration Details

Registration No. U74899DLI994LC093547

Balance Sheet Date 31st March, 2011

State Code 021

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
1,554	1,554

Sources of Funds

Paid up Capital	Reserves & Surplus	Unsecured Loans	Net Deferred Tax Liability
1,554	NIL	Nil	Nil

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Accumulated Losses
14,912	NIL	(13,358)	Nil

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure	Earnings Per Share
NA	NA	NA
+/- Profit/ Loss Before Tax	+/- Profit/ Loss After Tax	Dividend Rate %
NA	NA	NA

V. Genetic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Products Description
N.A.	Hotels Activities

As per our report of even date attached

For **V. Vaidyanathan & Co.**
Chartered Accountants
Firm Regn. No. 111225W

V. Vaidyanathan
Partner
Membership No. 017905

Place : Mumbai
Dated : 28th May, 2011

For and on behalf of Board of Directors

Umesh Saraf
Director

Bimal K Jhunjhunwala
Director

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT

TO THE MEMBERS OF ASIAN HOTELS (EAST) LIMITED

We have audited the attached Consolidated Balance Sheet of **ASIAN HOTELS (EAST) LIMITED** and its subsidiary companies as at March 31, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of subsidiary companies whose financial statements reflect total assets of Rs. 23680.01 Lakhs as at 31st March 2011, total revenues of Rs. 102.99 Lakhs and net cash outflow of Rs. 3048.39 Lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion; in so far as it relates to the amounts included in respect of the subsidiary companies are based solely on the report of the other auditors.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements' notified pursuant to Accounting Standards (Rules), 2006 and on the basis of the separate audited financial statements of Asian Hotels (East) Limited and its subsidiary companies included in the consolidated financial statements.

We draw attention to Schedule 3 of the Consolidated Financial Statements regarding the goodwill arising on consolidation of Regency Convention Centre and Hotels Limited (a Subsidiary) amounting to the Rs. 2569.85 Lakhs and to Note 2 in Schedule 16 of the Notes annexed to the Accounts regarding other receivables amounting to Rs. 334.48 Lakhs relating thereto. As elucidated in the said note, considering that the value of the aforesaid assets, including goodwill, cannot be reasonably ascertained at present, resultantly, no provision for impairment has been made in the said financial statements.

Based on our audit and on consideration of the report of other auditors on separate financial statements and on the other information of the subsidiary companies and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- a) In the case of Consolidated Balance Sheet, read with observation given in para 5 above, of the Consolidated state of affairs of Asian Hotels (East) Limited and its subsidiary companies as at 31st March, 2011;
- b) In the case of Consolidated Profit and Loss Account, read with observation given in para 5 above, of the Consolidated results of operations of Asian Hotels (East) Limited and its subsidiary companies for the year ended as on that date; and
- c) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flows of Asian Hotels (East) Limited and its subsidiary companies for the year ended as on that date.

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

Mahendra Sureka
Partner

Membership No. : 093290

Place : Kolkata
Date : 28th May, 2011

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET as at 31st March, 2011

	Schedule	As at 31st March 2011	Amount in Rupees As at 31st March 2010
SOURCES OF FUNDS			
SHAREHOLDERS FUND			
a	Share Capital	1	114,295,620
b	Reserves and Surplus	2	7,609,315,380
			<u>7,723,611,000</u>
MINORITY INTEREST			
			637,050
DEFERRED TAX LIABILITY			
			211,200,618
	TOTAL		<u>7,935,448,668</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a	Gross Block	3	2,462,501,600
b	Less: Depreciation		564,408,165
c	Net Block		<u>1,898,093,435</u>
	Add: Capital Work In Progress		15,774,447
			<u>1,913,867,882</u>
INVESTMENTS			
			6,022,629,041
CURRENT ASSETS, LOANS AND ADVANCES			
a	Inventories	5	21,029,417
b	Sundry Debtors	6	18,856,435
c	Cash & Bank Balances	7	45,320,534
d	Loans and Advances	8	93,920,940
			<u>179,127,326</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
a	Current Liabilities	9	111,203,607
b	Provisions	10	68,971,973
			<u>180,175,580</u>
	Net Current Assets		<u>(1,048,254)</u>
	TOTAL		<u>7,935,448,668</u>
Significant Accounting Policies & Notes on Accounts	16		

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

Umesh Saraf
Joint Managing Director

S. S. Bhandari
Director

MAHENDRA SUREKA

Partner
Membership No. 093290

Bimal K. Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Place : Kolkata
Dated : 28th May, 2011

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011

	Schedule	For 12 months period ended 31st March 2011	Amount in Rupees For 9 months period ended 31st March 2010 *	
INCOME				
a	Rooms, Food, Beverages and Other Services (Gross)	11	825,529,162	412,279,106
	Less: Excise Duty Paid		241,969	124,211
b	Net Sales		825,287,193	412,154,895
c	Other Income	12	194,529,113	47,976,151
			1,019,816,306	460,131,046
EXPENDITURE				
a	Consumption of Provisions, Beverages, Smokes & Others	13	92,356,240	48,420,623
b	Payment to and Provision for Employees	14	185,070,610	58,204,762
c	Operating and General Expenses	15	302,516,353	128,656,114
			579,943,203	235,281,499
	PROFIT BEFORE DEPRECIATION		439,873,103	224,849,547
	Depreciation		67,951,667	28,197,646
	PROFIT BEFORE TAX		371,921,436	196,651,900
	Provision for Taxation			
a	Current Tax		62,550,000	51,285,772
b	Deferred Tax		(1,866,681)	(2,071,701)
	PROFIT AFTER TAX		311,238,117	147,437,829
	Add: Amount brought forward from previous year		1,025,974,012	(1,093,987)
	Transferred pursuant to the Scheme of Arrangement & Demerger		—	933,939,947
	Profit available for appropriation		1,337,212,128	1,080,283,789
LESS : APPROPRIATIONS				
a.	Transfer to General Reserve		30,166,823	14,284,028
b.	Proposed Dividend on Equity Shares		51,308,019	34,205,346
c.	Paid/Proposed Dividend on Non Convertible Preference Shares		2,500	5,000
d.	Proposed Dividend on Fully Convertible Preference Shares		2,778	1,158
e.	Corporate Dividend tax		8,324,329	5,814,245
			89,804,449	54,309,777
	SURPLUS CARRIED FORWARD TO BALANCE SHEET		1,247,407,679	1,025,974,012
	Earning per share - Basic (Rupees) (See note no. 9)		27.30	23.38
	Earning per share - Diluted (Rupees) (See note no. 9)		27.20	23.30

Significant Accounting Policies and Notes on Accounts

16

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

Umesh Saraf
Joint Managing Director

S. S. Bhandari
Director

MAHENDRA SUREKA

Partner
Membership No. 093290

Bimal K. Jhunjhunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Place : Kolkata

Dated : 28th May, 2011

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2011

	12 months period ended March 31, 2011	Amount in Rupees 9 months period ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	371,921,436	196,651,900
Adjustment for:		
Depreciation	67,951,667	28,197,646
Provision for Doubtful Debts	150,000	170,000
Dividend Income on Investment	(158,761,799)	(11,370,238)
Interest Earned	(34,987,110)	(35,599,649)
Excess Provision Written Back	—	(622,242)
Short Term Capital Gain on Mutual Fund	—	(59,022)
Loss on sale of investments	130,077	7,052
Loss on Sale of Fixed Assets	953,898	—
Sundry Balances written off	—	6,732
	247,358,169	177,382,179
Operating profit before working capital changes		
Adjustments for:		
(Increase)/Decrease in inventories	(90,935)	(2,595,936)
(Increase)/Decrease in Sundry Debtors	5,573,204	2,000,040
(Increase)/Decrease in Loans and Advances	1,021,038	3,531,045
Increase/(Decrease) in Current Liabilities	(27,701,900)	(2,231,390)
Increase/(Decrease) in Provisions	975,229	(1,962,593)
	(20,223,364)	(1,258,834)
Cash generated from operations	227,134,805	176,123,345
Direct taxes paid (Net)	(66,741,237)	(54,328,052)
Net cash from Operating Activities (A)	160,393,568	121,795,293
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Fixed Assets	(12,538,799)	(112,740,935)
Sale of fixed assets	1,184,898	—
Purchase of Investments	(707,831,454)	(3,176,854,660)
Dividend Income on Investment	158,761,799	11,370,238
Interest Received	34,987,110	35,599,649
Short Term Capital Gain on Mutual Fund	—	59,022
Loss on sale of investments	(130,077)	—
Loss on Sale of Fixed Assets	(953,898)	(7,052)
Net Cash from Investing Activities (B)	(526,520,420)	(3,242,573,738)
C CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares	(9,332,000)	—
Dividend Paid	(34,214,004)	—
CDT Paid	(5,814,670)	—
Net Cash from Financing activities [C]	(49,360,674)	—
Net Increase/ (Decrease) in Cash Equivalent [A+B+C]	(415,487,526)	(3,120,778,445)
Cash and Cash equivalent (Beginning of the year) (Refer Schedule.7)*	460,808,059	3,581,586,503
Cash and Cash equivalent (End of the year) (Refer Schedule 7)	45,320,534	460,808,059

* Include Rs. 327.58 lacs acquired pursuant to the Scheme of Arrangement and Demerger.

Notes:

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

As per our report of even date attached

On Behalf of the Board of Directors

For **S. S. KOTHARI MEHTA & Co.**

Chartered Accountants
Firm Registration No.: 00756N

Umesh Saraf
Joint Managing Director

S. S. Bhandari
Director

MAHENDRA SUREKA

Partner
Membership No. 093290

Bimal K. Jhunjunwala
Vice President - Corporate Finance

Saumen Chattopadhyay
Chief Legal Officer & Company Secretary

Place : Kolkata

Dated : 28th May, 2011

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 1		
SHARE CAPITAL		
a AUTHORISED		
14,000,000 (Previous Year 14,000,000) Equity Shares of Rs.10/- each	140,000,000	140,000,000
1,000,000 (Previous Year 1,000,000) Preference Shares of Rs.10/- each	10,000,000	10,000,000
	150,000,000	150,000,000
b ISSUED, SUBSCRIBED AND PAID UP		
11,401,782 (Previous Period 11,401,782) Equity Shares of Rs.10/- each fully paid up*	114,017,820	114,017,820
NIL (previous period - 1,00,000) 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each*	—	1,000,000
27,780 (previous period -27,780) 1% Cumulative Fully Convertible Preference Shares of Rs. 10 each*	277,800	277,800
	114,295,620	115,295,620

* Shares have been issued pursuant to the Scheme of Arrangement and Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

SCHEDULE 2

RESERVES & SURPLUS

a Capital Reserve *	141,043	141,043
b Capital Redemption Reserve *		
For redeemed NCPS	2,000,000	1,000,000
For redeemable NCPS	—	1,332,000
c Securities Premium Account*		
On 1% Cumulative Redeemable Non-Convertible Preference Share (NCPS)	—	8,000,000
On Fully Convertible Preference Share Capital (FCPS)	14,723,400	14,723,400
d Tourism Development Utilised Reserves*	533,202,000	533,202,000
e General Reserves*	5,781,674,432	255,660,727
Add: Transfer of excess of assets over liabilities *	—	5,511,729,677
Add: Transferred during the current year	30,166,823	14,284,028
	5,811,841,255	5,781,674,432
f Profit and Loss Account Balance	1,247,407,682	1,025,974,012
	7,609,315,380	7,366,046,887

* Transferred to the Company pursuant to the Scheme of Arrangement & Demerger approved by the Hon'ble High Court of Delhi vide Order dated 13 January, 2010.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 3 FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.4.2010	Addition pursuant to Scheme of Arrangement and Demerger	Additions	Deductions	As at 31.03.11	As at 01.04.2010	Addition pursuant to Scheme of Arrangement and Demerger	Depreciation During the Year	Deductions	As at 31.03.11	As at 31.03.11	As at 31.03.10
Property at Sabar	13,333,148	—	1,579,091	—	14,912,239	—	—	—	—	—	14,912,239	13,333,148
Land - GIS Hotels Ltd.	54,539,349	—	—	—	54,539,349	—	—	—	—	—	54,539,349	54,539,349
Goodwill	256,985,204	—	—	—	256,985,204	—	—	—	—	—	256,985,204	256,985,204
Land - Leasehold	323,628,125	—	1,579,091	—	325,207,216	—	—	—	—	—	325,207,216	323,628,125
Buildings	984,836,462	—	—	—	984,836,462	115,760,228	—	16,052,841	—	131,813,069	853,023,393	869,076,234
Furniture, Fixture & Furnishings	171,730,980	—	174,828	—	171,905,808	114,051,549	—	16,226,906	—	130,278,455	41,627,353	57,679,431
Plant & Machinery	701,785,471	—	8,964,048	2,401,894	708,347,625	261,920,724	—	34,287,386	1,216,996	294,991,113	413,356,511	439,864,747
Vehicles	13,398,453	—	1,820,832	—	15,219,285	5,940,994	—	1,384,534	—	7,325,528	7,893,757	7,457,459
Total	2,452,364,695	—	12,538,799	2,401,894	2,462,501,600	497,673,494	—	67,951,667	1,216,996	564,408,165	1,898,093,435	1,954,691,201
Previous Year	—	—	—	—	—	—	—	—	—	—	—	—
Capital Work in Progress	15,774,447	—	—	—	15,774,447	—	—	—	—	—	15,774,447	15,774,447
Grand Total	2,468,139,142	—	12,538,799	2,401,894	2,478,276,047	497,673,494	—	67,951,667	1,216,996	564,408,165	1,913,867,882	1,970,465,648
Previous Year	—	2,357,098,144	111,623,460	582,462	2,468,139,142	—	469,475,848	28,197,646	—	497,673,494	1,970,465,648	—

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 4		
INVESTMENTS		
Long -Term Investments		
Trade, Unquoted Fully Paid Up		
In Bonds, Shares and Debentures		
105 (Previous Year- Nil) 10% Non Convertible Debentures of Brassco Estates Pvt. Limited of Rs. 10,00,000/- each	105,000,000	—
45 (Previous Year- Nil) 10.2% Non Convertible Debentures of Brassco Estates Pvt. Limited of Rs. 10,00,000/- each	45,000,000	—
200 (Previous Year- Nil) 11.5% Non Convertible Debentures of Harshil Projects Limited of Rs. 10,00,000/- each.	193,315,200	—
100 (Previous Year- Nil) 11% Bonds of Educomp Infrastructure and School Management Limited of Rs. 10,00,000/- each	100,000,000	—
4300000 (Previous Year- Nil) 12% Preference Shares of Robust Hotels Pvt. Ltd of Rs. 100/-each.	615,374,060	—
	1,058,689,260	—
Non-Trade, Unquoted		
Body Corporate		
Robust Hotels Pvt. Ltd.		
0.001% 8119575(Previous Year 8119575) Cumulative Redeemable Optional Convertible Preference Shares of Rs. 10 each fully paid up.	1,745,708,625	1,745,708,625
1% 1396000 (previous year Nil) Cumulative Redeemable Optional Convertible Preference Shares of Rs 10 each fully paid up	300,140,000	300,140,000
Share application money	475,795,000	—
	2,521,643,625	2,045,848,625
Short Term Investments		
Non-Trade, Quoted		
In Mutual Funds (Face Value of Rs. 10 each, unless otherwise stated)		
Canara Robeco Interval Series 2 -Quarterly Plan (NIL,Prev.Yr.-15,00,000 units)	—	150,000,000
DSP Black Rock FMP-12M-Series 14 Growth (12,00,000 units, Prev.Yr.-NIL)	12,000,000	—
DSP Black Rock FMP-3M-Series-27 - Dividend (10,00,000 units , Prev Yr. NIL)	10,000,000	—
DWS Money Plus Fund -Insttl. Daily Div.-Reinvest (20,37,141.530 units; Prev. Yr. NIL)	20,532,349	—
Fidelity FMP Series 5-Plan D -Dividend (10,334,182.980 units Prev. Yr.-NIL)	103,341,830	—
ICICI Prudential Fixed Maturity Plan-Series 54-1 yr.Plan (10,000,000 units ; Prev. Yr. NIL)	100,000,000	—
IDFC Fixed Maturity Plan Quarterly Series 55 (NIL,Prev.Yr.-50,000,000 units)	—	500,000,000
Kotak Flexi Debt Fund (NIL, Prev.Yr.-23,034179.054 units)	—	231,435,914
Kotak Floater Long Term Fund - DDR (21,23,08,410 units ; Prev. Yr.-NIL)	212,308,411	—
Kotak Qtrly Interval Plan Series-1 Dividend (31,000,000 units Prev. Yr- 100,000,000 units)	310,000,000	1,000,000,000
Kotak Quqrterly Interval Plan-Series 4-Option Div. (1,999,340.218 units ; Prev. Yr.-NIL)	20,000,000	—
LIC MF Income Plus Fund (NIL, Prev.Yr.-50,259,361.362 Units)	—	502,593,614
Reliance Fixed Horizon Fund-XIX-Series 10- Growth Plan (10,000,000 units ; Prev. Yr.-NIL)	100,000,000	—
Reliance Fixed Horizon Fund-XVIII-Series 6 -Dividend Plan (25,000,000 units; Prev. Yr.-NIL)	250,000,000	—
Reliance Fixed Horizon Fund-XVIII-Series-5-Div.Plan (2,000,381.365 units ; Prev. Yr.-NIL)	20,003,814	—
Reliance Fixed Horizon Fund-XVII-Series I-DDR (20,000,000 units ; Prev. Yr.-NIL)	200,000,000	—
Reliance Interval Fund-Qly Plan-Series I-Inst. Div. (3,81,73,945.984 units ;Prev. Yr.-NIL)	382,488,151	—
Reliance Monthly Interval Plan Series II (NIL,Prev.Yr.-33,412,433.459 units)	—	334,247,961
Reliance Qly.Interval Fund Series-III-Inst. (2,01,93,516.897 units ; Prev. Yr. 14,995,201.536 units)	202,010,129	150,000,000
Tata Fixed Income Port Folio Fund-B3 (31,211,147.190 units; Prev. Yr.-15000000)	312,111,472	150,000,000
UTI Fixed Income Interval Fund (18,750,000 units ;Prev. Yr. -20,000,000 Units)	187,500,000	200,000,000
UTI Treasury Advantage Fund (NIL, Prev. Yr.- 50,660.627 units)(Face Value-Rs.-1000)	—	50,671,473
(Market Value as on 31st Mar 11 is Rs 24557.54 lakhs)	2,442,296,156	3,268,948,962
	6,022,629,041	5,314,797,587

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 5		
INVENTORIES		
(as taken, valued and certified by the management)		
Food, Liquor & Tobacco	15,786,640	12,520,784
Crockery, Cutlery, Silverware, Linen	3,151,841	6,639,409
General Stores and Spares	2,090,936	1,778,290
	21,029,417	20,938,482
SCHEDULE 6		
SUNDRY DEBTORS		
Outstanding for over six months		
Considered Good	2,705,626	355,760
Considered Doubtful	2,584,931	2,434,931
Others	16,150,809	24,223,879
	21,441,366	27,014,570
Less: Provision for Doubtful Debts	2,584,931	2,434,931
	18,856,435	24,579,639
Unsecured considered good	18,856,435	24,579,639
Unsecured considered doubtful	2,584,931	2,434,931
SCHEDULE 7		
CASH AND BANK BALANCES		
Cash in hand (Including Stamps in Hand Rs. 200,000)	1,369,456	1,392,877
Balances with scheduled banks in:-		
Current Accounts	23,951,076	54,276,780
Fixed Deposits	20,000,002	405,138,402
	45,320,534	460,808,059
SCHEDULE 8		
LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advance Tax (Net of Provision for Tax of Rs. 54,328,052)	16,551,848	5,181,469
Advances recoverable in cash or in kind or for value to be received *	71,230,105	77,411,485
Security Deposits	1,453,745	1,358,745
Interest accrued but not due on fixed deposits	4,683,093	6,796,892
Advance Fringe Benefit Tax	2,150	2,150
	93,920,940	90,750,741

** Includes Rs. 33,448,276 as advance for purchase of shares of the Subsidiary Company - Regency Convention Centre & Hotels Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 9		
CURRENT LIABILITIES		
Sundry Creditors	87,529,670	115,560,632
Advance from customers	17,499,393	18,573,626
1st Unpaid Dividend Account	447,501	—
Other Liabilities	5,727,043	4,771,249
	111,203,607	138,905,508
SCHEDULE 10		
PROVISIONS		
Provision for Gratuity	8,121,242	6,665,903
Provision for Leave Encashment	1,216,030	1,696,140
Proposed Dividend (including Corporate Dividend Tax)	59,634,701	40,025,749
	68,971,973	48,387,792

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	For 12 months period ended 31st March, 2011	For 9 months period ended 31st March, 2010
SCHEDULE 11		
ROOMS, FOOD, BEVERAGES & OTHER SERVICES		
Rooms	389,152,727	190,710,273
Wines and Liquor	45,925,601	21,337,362
Food, Other Beverages, Smokes and Banquets	300,338,456	151,164,034
Communication	8,923,903	4,280,307
Others	81,188,476	44,787,130
	825,529,162	412,279,106
SCHEDULE 12		
OTHER INCOME		
Interest Earned*	34,987,110	35,599,649
Dividend on Investment	158,761,799	11,370,238
Miscellaneous Income	780,204	384,022
Excess Provision Written back	—	622,242
	194,529,113	47,976,151
*Tax deducted at source- Rs. 2,44,578		
SCHEDULE 13		
CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES AND OTHERS		
Wine & Liquor		
Opening Stock*	8,379,033	9,095,761
Add : Purchases	16,019,002	7,860,093
	24,398,035	16,955,854
Less : Closing Stock	11,460,693	8,379,033
	12,937,342	8,576,821
Food, Provisions, Other Beverages and Smokes		
Opening Stock*	4,141,750	2,921,504
Add : Purchases	69,295,744	36,636,643
	73,437,494	39,558,147
Less : Closing Stock	4,325,947	4,141,750
	69,111,547	35,416,397
Cost of Local Calls	165,459	110,013
Lease Line Rentals	3,634,563	1,474,198
Total Cost of Telephones	3,800,022	1,584,211
Vehicle Fuel (Guest Transportation)	6,201,687	2,636,010
Vehicle upkeep	305,642	207,184
Total Cost of Guest Transportation	6,507,329	2,843,194
Total Cost of Consumption	92,356,240	48,420,623

*Transferred pursuant to the Scheme of Arrangement & Demerger

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	For 12 months period ended 31st March, 2011	For 9 months period ended 31st March, 2010
SCHEDULE 14		
PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages & Bonus	134,493,100	41,616,139
Contribution to Provident & other funds	7,529,083	2,903,193
Workmen and Staff Welfare*	17,810,867	3,811,824
Contract Labour and Service	22,100,534	8,652,950
Recruitment & Training	3,137,026	1,220,655
	185,070,610	58,204,762
*Workmen & Staff Welfare includes :		
Cost of provisions consumed in Staff Cafeteria	8,919,511	3,427,576
Realisation on sale of food coupons to Staff	528,876	323,134
SCHEDULE 15		
OPERATING AND GENERAL EXPENSES		
Linen, Room, Catering & other supplies	25,220,729	10,710,964
Operating equipments Consumption	7,908,941	3,351,390
Fuel, Power & Light	83,354,381	29,766,452
Repairs, Maintenance & Refurbishing*	43,784,462	23,843,755
Lease Rent	231,193	77,064
Rent	39,827	98,876
Rates & Taxes	2,876,297	1,986,309
Insurance	4,444,700	1,659,017
Directors' Sitting Fees	204,000	212,000
Legal & Professional Expenses	24,805,062	11,271,825
Audit Fees	704,739	551,500
Printing & Stationery	2,716,121	1,458,147
Travelling & Conveyance*	11,816,675	4,359,953
Communication Expenses	2,743,673	1,419,139
Technical Services	33,066,309	16,991,321
Advertisement & Publicity	23,182,779	7,429,103
3rd AGM Expenses	118,188	—
Postal Ballot Expenses	157,675	—
Commission & Brokerage	24,168,218	11,601,922
Charity & Donation	7,602,000	27,000
Bank charges and Commission	265,383	148,559
Provision for Bad & Doubtful Debts	150,000	170,000
Loss on Sale of Investments	130,077	7,052
Loss on sale of Fixed Assets	953,898	—
Miscellaneous	1,871,027	1,514,768
	302,516,353	128,656,114
*Repairs, Maintenance & Refurbishing includes:		
Repairs & Maintenance - Buildings	8,023,857	8,023,857
Repairs & Maintenance - Plant & Machinery	3,881,349	3,881,349
Repairs & Maintenance- Others	11,936,549	11,936,549
*Travelling and Conveyance includes:		
Travel of Directors	291,631	291,631

CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE: 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

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

b. Use of Estimates

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

c. Revenue Recognition

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

- i. Revenue from rendering of hospitality services is recognized when the related services are performed 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 hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

d. Income in Foreign Exchange

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

e. Expenses remittable in foreign exchange

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

f. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year-end are translated at the year-end rates resulting in exchange differences being recognized as income / expenses (net).

Foreign Currency balances at the year-end are converted at the year-end rate of exchange except those covered by forward exchange contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

g. Employee Benefits

- i. Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an independent actuary using the projected unit credit method.
- ii. 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 Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

h. Taxation

- i. Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- ii. Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with mandatory Accounting Standard (AS-22).
- iii. Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE: 16 (Contd.)

- iv. Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

i. Fixed Assets and Depreciation

i. Fixed Assets

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

ii. Depreciation

- a. Depreciation as per straight line method has been charged in the accounts.
- b. The charge is on the basis of rates as prescribed under Schedule XIV to the Companies Act, 1956 pro rata from the month of purchase. If the asset is purchased on or before the 15th of month depreciation is charged from the month of purchase, otherwise depreciation is charged from the month following the month of purchase.
- c. No depreciation is charged on the assets sold/ discarded during the year.

j. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

k. Inventory

- i. Inventory is valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated realizable value in the normal course of business less the estimated costs necessary to make the sale.
- ii. Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.
- iii. Shares held as Stock-in-trade are valued at cost or market value whichever is lower.

l. 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. Value in use is determined for assets or group of assets which are capable of generating independent cash flows i.e. cash generating units.

m. Earnings per share

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

n. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and cash/ cheques in hand and short-term deposits with Banks.

o. Dividend

Dividend recommended by the Board of Directors is provided for in the accounts pending shareholders approval.

p. Provisions and Contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

q. Preliminary Expenses

Preliminary expenses representing expenses incurred for the incorporation of subsidiaries has been fully written off during the prior year in accordance with the Accounting standard 26 on "Intangible Assets".

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE: 16 (Contd.)

r. Principles of Consolidation

The Consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements".

The Consolidated Financial Statements comprise the financial statements of Asian Hotels (East) Limited and the following subsidiaries:-

Name of the Company	Country of Incorporation	% of Holding as on 31st March 2011
GJS Hotels Ltd. (Subsidiary)	India	100.00
Regency Convention centre & Hotels Ltd. (Subsidiary)	India	58.99

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

- The Financial Statements of the Company and its subsidiaries companies have been combined on a 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.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- Goodwill arising in Consolidated Financial Statements on consolidation of Financial Statements of the Company and its subsidiary companies has been capitalised and shown as part of fixed assets to the extent not impaired in the books of the Company.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities not provided for in respect of:

- a. Export obligation in respect of EPCG Licenses: Rs. 243.01 lakhs (Previous year Rs 243.01 lakhs).
- b. Claims against the Company not acknowledged as debts:
 - i) Sales Tax/VAT Rs. 26.44 lakhs (Previous Year Rs. 1.13 lakhs)
 - ii) Service Tax Rs 131.34 lakhs (Previous Year Rs. 145.92 lakhs)
 - iii) ESIC Rs. 21.80 lakhs. (Previous Year Rs 21.80 lakhs)
 - iv) Letter of Credit for Rs. 50 lakhs issued by IDBI bank Ltd. in favour of West Bengal Electricity Distribution Company Limited . (Previous Year Rs 50 lakhs)
 - v) Suit instituted by a party before State Consumer Disputes Reddressal Commission, West Bengal – Rs. 98 lakhs. (Previous Year Rs NIL)

2. As on date, the Company holds 91,652 Equity shares of Rs. 10/- each of its subsidiary, Regency Convention Centre and Hotels Limited (RCC), representing 58.99% of the paid up capital of RCC. Apart from the above, the Company had also made an advance of Rs. 334.48 lakhs for acquiring further shares of RCC from their existing shareholders which has been disclosed as a recoverable advance.

Goodwill represents the difference between the net assets of RCC as at the date of its becoming subsidiary of the Company and Company's investment therein as at that date. The principal assets of Regency convention Centre and Hotels Limited comprise of an interest in a parcel of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court. However Regency Convention Centre and Hotels Limited is in possession of opinions given by the highest legal authorities clearly stating that Regency Convention Centre and Hotels Limited has a reasonable chance of winning the ongoing legal dispute. Such assets form part of the company's undertaking at book values.

The value of the above assets is primarily dependent on the legal dispute and is, therefore, subject matter of uncertainty at this juncture .As such, the ultimate outcome of the matter and, therefore whether there is impairment, if any, in the value of the aforesaid assets cannot be reasonably determined at present.

3. Pursuant to the Scheme of Arrangement & Demerger, the company had obtained approval of the Government of West Bengal for the vesting of the leasehold property upon which Hotels Hyatt Regency Kolkata is situated. Stamp duty or other liabilities, if any, will be determined as and when the registration is done.
4. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management; there is no reduction in value of any asset. In respect of subsidiaries, such decision is based on the management accounts / audited accounts of the subsidiaries, as available and on the basis of information and explanations given to us.
5. As the company is engaged in only one segment of Hotel business, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable.
6. As per the Notification NO. S.O. 301(E) dated 8th February 2011, in exercise of the power conferred by section 211(3) of the Companies Act, 1956, the company being a Hotel Company is exempted from disclosing quantitative details of turnover of each class of goods, opening stock, purchases, production and consumption of raw materials in the financial statement for the financial year ended 31st March, 2011 upon compliance of the condition mentioned in the said notification.

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE: 16 (Contd.)

7. Auditor's Remuneration

Particulars	Amount in Rupees	
	Period ended 31.03.2011 (12 Months)	Period ended 31.03.2010 (9 Months)
a. Statutory audit fee	5,25,000	4,25,000
b. Tax audit fee	1,35,000	90,000
TOTAL	6,60,000	5,15,000

(Figures are excluding Service Tax)

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

Related Party Disclosures

a. List of related parties

(i) Key Management Personnel

- Mr. Umesh Saraf (Jt. Managing Director)
- Mr. Arun Kr. Saraf (Jt. Managing Director)

(ii) Entities over which directors and their relatives can exercise significant influence

- Nepal Travel Agency Pvt. Ltd.
- Robust Hotels Pvt Limited
- Unisons Hotels Limited
- Vedic Hotels Limited
- Unision Power Limited
- Unision Hotels (South) Limited
- Juniper Hotels Pvt. Limited
- Yak & Yeti Hotels Limited, Nepal.
- Taragaon Regency Hotels Ltd, Nepal.
- Saraf Investment Limited
- Sara Hospitality Limited
- Juniper Investments Limited
- Chartered Hotels Pvt Limited
- Blue Energy Pvt. Limited
- Footsteps of Buddha Hotels Pvt. Limited.
- Sara International Limited.
- Samra Importex Pvt. Limited.

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE: 16 (Contd.)

Balances outstanding/transactions with related parties

Amount in Rupees

Nature of Transactions	Subsidiary Company		Key Management Personnel		Entities Controlled by Directors or their Relatives		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Services Availed during the Year								
Nepal Travel Agency Pvt. Ltd.	—	—	—	—	428,270	130,456	428,270	130,456
Investment made								
Robust Hotels Pvt. Limited	—	—	—	—	475,795,000*	300,140,000	475,795,000	300,140,000
Managerial Remuneration								
Umesh Saraf	—	—	13,320,000	1,507,538	—	—	13,320,000	1,507,538
Arun Kr. Saraf	—	—	11,804,844	—	—	—	11,804,844	—
Closing Balance as on Balance Sheet Date							—	—
Account Payables								
Umesh Saraf	—	—	3,000,000	37,465,055	—	—	3,000,000	37,465,055
Arun Kr. Saraf	—	—	5,008,069	—	—	—	5,008,069	—
Investments as at year end								
Robust Hotels Pvt. Limited	—	—	—	—	2,521,643,628*	2,045,848,625	2,521,643,625	2,045,848,625

*Includes Rs. 47,57,95,000/- towards share application money pending allotment.

9. Earnings Per Share

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

Sl. No.	Particulars	Amount in Rupees	
		Current Period	Previous Period
Basic EPS			
a.	Net profit/ (loss) after tax	31,12,38,117	14,74,37,829
b.	Less: Dividend on preference shares(including Corporate dividend tax)	3,329	7,205
c.	Profit available for equity shareholders	31,12,34,782	14,74,30,624
d.	Weighted average of number of equity shares used in computing basic earnings per share (in Nos.)	1,14,01,782	63,05,909
e.	Basic earnings per share*	27.30	23.38
Diluted EPS			
a.	Net profit/ (loss) after tax	31,12,38,117	14,74,37,829
b.	Less: Dividend on preference shares(including Corporate dividend tax)	3,329	7,205
c.	Profit available for equity shareholders	31,12,34,782	14,74,30,624
d.	Weighted average number of equity shares used in computing basic earnings per share (in Nos.)	1,14,01,782	63,05,909
	Add:- Weighted average number of potential equity shares on account of conversion of FCPS to Equity Shares	38,910	21,443
e.	Weighted average numbers of shares outstanding for diluted EPS	1,14,23,225	63,27,352
f.	Diluted EPS	27.20	23.30
	Face Value Per Share (Rupees)	10	10



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE: 16 (Contd.)

10. Schedules 1 to 16 form an integral part of the Balance Sheet as at 31 March, 2011 and the Profit and Loss Account for the year ended 31 March, 2011.
11. Previous period figures have been re-grouped / re-classified wherever necessary to confirm to current period classification.

As per our report of even date attached

On Behalf of the Board of Directors

For S. S. KOTHARI MEHTA & Co.

Chartered Accountants
Firm Registration No.: 00756N

MAHENDRA SUREKA

Partner
Membership No. 093290

Place : Kolkata

Dated : 28th May, 2011

Umesh Saraf

Joint Managing Director

S. S. Bhandari

Director

Bimal K. Jhunjhunwala

Vice President - Corporate Finance

Saumen Chattopadhyay

Chief Legal Officer & Company Secretary

8th June, 2011

Dear Member(s),

Subject : Registration of e-mail id for servicing of documents by the Company under the Companies Act, 1956- A Green Initiative of Ministry of Corporate Affairs.

The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance vide Circular Nos. 17/2011 & 18/2011 dated 21st & 29th April, 2011 respectively by allowing companies to send various notices/documents including annual reports etc., to members through electronic mode on their registered e-mail addresses.

Keeping in view the spirit of MCA, your Company propose to send henceforth notices/documents including annual reports etc. to the members in electronic form. This will be in compliance to the provisions of Sections 53 of the Companies Act, 1956. Please note that as valued member of the Company, you are always entitled to request and receive all such communication in physical form free of cost under Section 219(1) of the Companies Act, 1956. Further, the documents served through e-mail will be available on the Company's website www.asianhotelseast.com.

Upon verifying our / Depository Participant (DP) records, it is noted that you have not registered your e-mail id. Kindly register your e-mail id's with NSDL/CDSL (through your DP). You may also register the same with M/s Karvy Computershare Private Limited., (Karvy) our RTA, by e-mailing the below mentioned particulars at ahel.clocs@karvy.com or alternatively, despatch duly filled perforated proforma to Karvy Computershare Pvt. Ltd., Unit: Asian Hotels (East) Limited, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad -500081. Members holding shares in physical form are also requested to send duly filled perforated proforma to Karvy for registration of their e-mail id's.

In future, you may also change/update the e-mail id's by following the same procedure.

We trust that you will whole-heartedly support the green initiative and co-opreate with the Company by supplying your e-mail ids's at the earliest.

Thanking you,

Yours faithfully,

For **Asian Hotels (East) Limited**

(Saumen Chattopadhyay)

Chief Legal Officer & Company Secretary

----- TEAR HERE -----

Karvy Computershare Private Limited
17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad- 500 081
Andhra Pradesh India
Fax : 040 23420814/23420857

Unit : Asian Hotels (East) Limited

Sub : Servicing of Notices, documents including Notices of General Meetings, Annual Reports, Circulars, etc. through e-mail.

In view of the Green Initiative, take by the Ministry of Corporate Affairs (MCA) Circular Nos.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011:

I/We..... son/daughter/wife of
Sri..... holding equity shares of Asian Hotels (East) Limited., under
Folio No. DP Id Client Id..... do hereby register my/our e-mail address
and confirm and convey that I/We wish to receive all future documents and communication as required to be sent to me/us at my/our following
e-mail address.

E-mail address.....

Thanking you,

Yours faithfully,

_____	_____	_____
Signature (1st /Sole holder)	Signature (2nd holder)	Signature (3rd holder)
_____	_____	_____
Name	Name	Name

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Asian Hotels (East) Limited

Registered Office : Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098

ATTENDANCE SLIP

(To be handed over, duly filled in, at the entrance of the Meeting hall)

Name of the attending Member/Proxy* (in block letters)

Member's name

Member's Folio/Client ID No. No. of Shares held

I hereby record my presence at the 4th Annual General Meeting of the Company on Wednesday, the 24th August, 2011 at 11.00 A.M. at Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098.

*Please strike off whichever is not applicable.

**To be signed at the time of handing over the slip.

.....
Signature of Member's/Proxy**

IMPORTANT:

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

----- TEAR HERE -----



Asian Hotels (East) Limited

Registered Office : Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098

PROXY FORM

I / We of

..... in the district of

..... being a Member / Members of the above named Company, hereby appoint

..... of in the district of

..... or failing him / her of in

in the district of as my / our Proxy to vote for me / us on my / our behalf at the 4th Annual General Meeting of the said Company to be held on Wednesday, the 24th August, 2011 at 11.00 A.M. at Regency Ball Room, Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098 and at any adjournment thereof.

Signed this day of August, 2011



Member's Signature

Folio / Client ID No.

No. of Shares held

Notes : a) The Proxy need not be a member of the Company.

b) The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

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Asian Hotels (East) Limited

Registered Office: Hyatt Regency Kolkata,
JA-1, Sector-III, Salt Lake City,
Kolkata - 700 098, W.B., India