
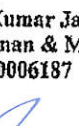






FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

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| 1. | Name of the Company: | Asian Hotels (North) Limited |
| 2. | Annual financial statements for the year ended | 31st March, 2014 |
| 3. | Type of Audit qualification | Except for..... |
| 4. | Frequency of qualification | Note 16 – first occurrence Note 17 - Repetitive, since 31 st March, 2011 |
| 5. | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report: | <p>Gist of the qualifications:</p> <p>Para 16 of the Annexure to the Auditors' Report – That one term loan taken to fund cash flow mismatch have been utilized to create fixed deposits with a bank amounting to Rs. 3,000 lakhs and has been given as security for loans taken by one of the subsidiaries of the Company.</p> <p>Management's response- That the Company has availed a term loan of Rs. 30 crore and placed it in a fixed deposit as security for a loan availed by Leading Hotels Limited, a subsidiary of the Company as the subsidiary is still at a nascent stage and is trying to tie-up project loans on its own.</p> <p>Para 17 of the Annexure to the Auditors' Report – That no funds raised on short term basis have been used for long term purposes, except the following: Inter-corporate loans (net) taken during the year for repayment of long term loans and interest thereon – Rs. 5,150 lakhs. Besides the above, certain advances and security deposits have also funded the long term uses.</p> <p>Management's response- That due to the expansion project (now complete), the Company temporarily utilized certain short- term funds for repayment of long-term loans and interest thereon to meet the temporary cash flow mismatch. The said short-term loans are being repaid as per respective repayment schedule.</p> |



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| 6. | Additional comments from the board/audit committee chair: | The Board of Directors is confident that the Company has adequate arrangements to meet its liabilities in time. |
| 7. | <p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO  • Auditor of the company  • Audit Committee Chairman | <div style="text-align: right;">  Shiv Kumar Jatia Chairman & Managing Director DIN 00006187 </div> <div style="text-align: right;">  Jyoti Subarwal President-Finance & Operations (Chief Financial Officer) </div> <div style="text-align: right;">  Vikas Vig Membership No. 16920 Partner, Mohinder Puri & Company Chartered Accountants Firm Regn. No. 000204N </div> <div style="text-align: right;">  Lalit Bhasin Chairman, Audit Committee Asian Hotels (North) Limited DIN: 00001607 </div> |