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BENARES HOTELS LIMITED

DIRECTORS AND CORPORATE INFORMATION

BENARES HOTELS LIMITED

Board of Directors

Dr. Anant Narain Singh (Chairman)

Rakesh Sarna
(appointed w.e.f. March 24, 2015)

Shriraman

Rukmani Devi

B. L. Passi

D.R. Kaarthikeyan

Rohit Khosla
(appointed w.e.f. May 7, 2015)

Company Secretary

P. K. Bhatia

Auditors

N. Krishnaswamy and Company

Chartered Accountants

71A, Kashi Raj Apartments, Kamachha,
Varanasi – 221 001

Registered Office

Nadesar Palace Compound,

Varanasi – 221 002

Phone: 0542-6660001

CIN – L55101UP1971PLC003480

Website: www.benareshotelslimited.com

Registrar and Share Transfer Agent

The Indian Hotels Company Limited

Mandlik House, Mandlik Road

Mumbai – 400 001

Phone: 022-66395515

Fax: 022-22027442

Email: Investorrelations@tajhotels.com

DIRECTORS' REPORT TO THE MEMBERS

The Directors hereby present the Forty Fourth Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2015.

OPERATING AND FINANCIAL RESULTS

	₹ Lacs 2014-15	₹ Lacs 2013-14
Income	4824.06	4411.88
Gross Profit for the year	1693.01	1565.98
Less: Depreciation	267.23	190.28
Less: Interest	—	—
Profit before tax	1425.78	1375.70
Less: Provision for Tax		
Current Tax	445.84	459.89
Deferred Tax	57.77	11.33
Earlier Years Taxes	(0.45)	6.49
Net Profit	922.62	897.99
Add: Balance brought forward from previous year	2012.80	1519.00
Balance available for appropriations	2935.42	2416.99
APPROPRIATIONS :		
a. A dividend @ 200 % i.e. ₹ 20/- per equity share (previous year 200% i.e. ₹ 20/- per equity share) on 13,00,000 Equity Shares, which, if approved by the Shareholders at the Annual General Meeting, to be held on Friday, 21st August, 2015, will be paid out of the provision for dividend	260.00	260.00
b. Tax on Dividend	52.93	44.19
c. Amount transferred to General Reserve :	—	100.00
d. Balance carried forward	2622.49	2012.80

OPERATIONS

The Company has improved its performance during the year registering 9% growth in revenue. While Room revenue was 11% higher than previous year, the Food and Beverage revenue was higher by 7% over previous year.

During the year under report, The Gateway Hotel, Balaghat Road, Gondia, Maharashtra comprising 34 rooms and related facilities has been made operational. The directors hope that the hotel will be well received in the market.

Owing to the opening of new hotel at Gondia, the Depreciation for the year was higher at ₹ 267.23 Lacs as compared to ₹ 190.28 Lacs in the previous year. The Profit before taxes for the year at ₹ 1425.78 Lacs was 4% higher than the previous year.

DIVIDEND

Your Directors recommend the payment of dividend @200% (previous year dividend @ 200%) per equity share involving distribution of ₹ 260.00 lacs.

PARTICULARS OF EMPLOYEES

The Company had no employees during the year who were in receipt of remuneration aggregating to:

- Not less than ₹ 60.00 lacs for the year, if employed throughout the financial year, or
- Not less than ₹ 5.00 lacs per month, if employed for part of the financial year.

BENARES HOTELS LIMITED

DIRECTORS

During the year under report, Mr. Raymond N. Bickson resigned from the directorship of the Company with effect from 1st September, 2014. Mr. Prabhat Verma resigned from the directorship of the Company w.e.f. 29th April, 2015. The Directors place on record their appreciation of the services rendered by Mr. Bickson and Mr. Verma during their tenure as Director of the Company.

Mr. Rakesh Sarna and Mr. Rohit Khosla were appointed as Additional Directors by the Board of Directors at its meeting held on 24th March, 2015 and 7th May, 2015 respectively on the recommendation of the Nomination & Remuneration Committee. In terms of Section 161 of the Companies Act, 2013 and Article 122 of the Articles of Association of the Company, Mr. Sarna and Mr. Khosla hold office up to the date of the Annual General Meeting of the Company. It is proposed to appoint Mr. Sarna and Mr. Khosla as Director(s) of the Company at the ensuing Annual General Meeting.

The Board of Directors commends their appointment. Except Mr. Sarna and Mr. Khosla, no other Director is interested in this item.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anant Narain Singh, Director of the Company is liable to retire by rotation and being eligible seeks reappointment.

KEY MANAGERIAL PERSONNEL

During the year under report, in terms of Section 203 of Companies Act, 2013, your Company has appointed Mr. Ahmar Siddiqui as the Chief Executive

Officer (CEO), Mr. Ravi Sharma as the Chief Financial Officer (CFO) and formalized the appointment of Mr. Prakash Bhatia, who already was the Company Secretary of the Company, as the Key Managerial Personnel of the Company.

INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure 1.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

HOLDING COMPANY

The Indian Hotels Company Limited (IHCL) is the Ultimate Holding Company of the Company.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

The Company had convened 5 (five) Board Meetings during the financial year under report.

AUDIT COMMITTEE AND VIGIL MECHANISM

In terms of Section 177 of the Companies Act, 2013, your Company has an Audit Committee with Mr. B.L. Passi, Mr. Shriraman, and Mrs. Rukmani Devi as its members.

Your Company has adopted the policy on vigil mechanism/Whistleblower policy in the Meeting of the Board of Directors held on 17th July, 2014 providing mechanism for employees of the Company to report their grievances to the Audit Committee with adequate protection against victimization to those who express their concerns.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013 (the Act), your Directors have constituted the Corporate Social Responsibility Committee (CSR Committee) of the Board with Dr. Anant Narain Singh, Mr. D.R. Kaarthikeyan and Mr. Rohit Khosla as the members of the Committee. The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act read with rules thereunder. Your Company has adopted the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company and the monitoring thereof as recommended by the CSR Committee. The details as required under Section 135 of the Companies Act, 2013 read with rule 8 of (Corporate Social Responsibility Policy) Rules, 2014, are given in Annexure 2 to this Report.

NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178(1) of the Companies Act, 2013 (the Act), the Company has a Nomination and Remuneration Committee (NRC) of the Board with Dr. Anant Narain Singh, Mrs. Rukmani Devi and Mr. Shriraman as the members of the Committee. The Committee met twice during the year on 17th, July, 2014 and 24th March, 2015.

In terms of the requirement of section 178(3) and Clause 49 of the Listing Agreement, NRC formulated and recommended to the Board a policy relating to the remuneration for the directors, KMPs and other employees which was adopted by the Board. The key features of the said policy are:

- Overall remuneration (sitting fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company;
- Overall remuneration practices should be consistent with recognized best practices
- Within the parameters prescribed under the law, the payment of sitting fees and commission will be recommended by NRC and approved by the Board.
- The aggregate commission payable to the Directors will be recommended by NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The quantum of commission for each director shall be recommended by NRC to the Board based upon the outcome of the evaluation process drive by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by the Directors other than in meetings.

INTERNAL COMPLAINTS COMMITTEE

The Company has an 'Internal Complaints Committee' under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the prevention and redressal of complaints of sexual harassment and for the matters concerned, connected or incidental thereto. The Company has not received any complaint on sexual harassment during the financial year 2014-15.

DECLARATION BY INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Companies Act, 2013 (the Act), the Independent Directors have given a declaration that they meet the criteria of independence as per Section 149(6) of the Act.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In addition to the Corporate Governance Guidelines discussed and adopted by the Board which, inter alia, included the role, rights and responsibilities of independent directors, a familiarization programme for independent directors was conducted during the year under report per details on the website of the Company www.benareshotelslimited.com.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

During the year under report, the Company has placed a sum of ₹ 7.00 crores as short term Inter Corporate Deposits with bodies corporate within the limits prescribed under Section 186 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

In terms of Section 204(1) of the Companies Act, 2013, M/s A K Bhayana & Associates, Company Secretaries, were appointed by the Company as the Secretarial Auditor. The secretarial audit report as obtained from them is attached to this Report as Annexure 3. The report is self explanatory and does not call for any comments.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules 2014 is furnished in Annexure 4 to this Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year under report were at arm's length basis and in the ordinary course of business. The Company has developed a Related Party Transactions Framework under the Policy on Related Party Transactions, which policy is also available at Company's website www.benareshotelslimited.com, for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all the related party transactions is placed before the Audit Committee for its approval on a quarterly basis.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report.

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's Operations.

RISK MANAGEMENT POLICY

Pursuant to Clause 49 of the Listing Agreement, the Company has formulated a Risk Management Policy. The Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

The key business risks identified by the Company and its mitigation plans are as under:

Strategy Risks: Risk of erosion of market dominance by losing market share, which originates from the choices we make on markets, resources and delivery models that can potentially impact our competitive advantage in the medium and long term. Loss of F&B attractiveness on account of pricing / design / competition.

Industry and Economic Risks: High dependence on US, Europe and East Asian markets for foreign tourists arrival. The economic situation in these parts of the world has a potential impact on the entire tourism industry. Risks arising from the development in the regulatory environment that could impact the Hotel/Tourism Industry. Risks due to geographic concentration of business, primarily in the city of Varanasi.

Operational Risks: High dependence on several technology platforms & systems to operate business - both Internal & External. Cost overruns/ delays in completion of projects. Loss of critical / sensitive data due to Leakage / loss / hacking. Increase in fixed cost elements beyond entity control. Highly litigious nature of the industry / adverse consequences of litigation against company. Non-renewal of key licenses and NOCs.

Safety and Security Risks: Risks arising from factors such as Fire, Accidents, Electricity mishaps, etc. Business interruption on account of natural calamities/ act of God / riots & strikes / political instability and terrorism.

Resources: Risks arising from sub-optimal succession planning and retention of talent pool. Inappropriate utilization of financial capital, talent and infrastructure.

Key Risk Management practices

Risk Identification and Impact Assessment: Risk assessment enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures and included in the risk register. Apart from risk register, internal audit findings also provide input for risk identification and assessment, which is carried out on an annual basis across all functions.

Operational risks are assessed primarily on three dimensions, namely strength of underlying controls, compliance to policies and business procedure effectiveness.

Risk reporting and Disclosure: Risks to the achievement of key business objectives, trend line of risk level, impact and mitigation actions are reported and discussed. The escalation of risk information is timely, accurate and gives complete coverage of the key risks to support management decision making at all levels.

Risk Mitigation and Monitoring: Each Manager creates a risk mitigation plan by employing an effective system of internal controls & checks and balances to mitigate the risks in the most effective manner, including designating responsibilities and providing for upward and onward communication of any significant issues that may merit attention or escalation. All employees actively engage in risk management within their own areas of responsibility.

Integration with Strategy and Business Planning: Identified risks to the business objectives in the near term, medium term and long term are used as one of the key inputs for the development of strategy and annual business plan. Key strategic initiatives are identified to mitigate specific risk.

AUDITORS

At the Annual General Meeting the Members will be required to appoint the Auditors for the current year and fix their remuneration.

CONSERVATION OF ENERGY

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. The Company has implemented following energy conservation initiatives at the hotel:

- Installation of LED lights in lobby, public areas and corridors in place of CFL lights.
- Replacing Existing split AC's with energy efficient inverter AC's at Nadesar Palace.
- Replacing oil based hot water generation with heat pump that also generates useful chilled water concurrently and reduces heat loss.
- Converting primary and secondary pumping system into single variable primary system resulting in savings in electricity consumption.
- Improving power factor and reducing line losses by installing suitable capacitors.

TECHNOLOGY ABSORPTION

The activities of the Company do not involve the absorption of technology as envisaged to be furnished pursuant to The Companies (Accounts) Rules, 2014.

FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 134(3)(f)(m) of the Companies Act, 2013, read with Rule 8(3)(C) of The Companies (Accounts) Rules, 2014, the Foreign Exchange earned in terms of actual inflows during the

year and the Foreign Exchange outgo during the year in terms of actual outflows is furnished in Notes on Accounts (Refer Note 28 and 29 in Notes to Financial Statements).

DIRECTORS EVALUATION

The Board of Directors has made the annual evaluation of its own performance and that of its committees and individual directors based on the review conducted by the Nomination & Remuneration Committee by assessing the questionnaires furnished by the directors/members of various committees in respect of their self assessment as well as the assessment of the Board/Committees following by the discussions with the directors/members of the Committees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(C) & 134(5) of the Companies Act, 2013, the Board of Directors, based on the representations received from the Operating Management, hereby confirms that.

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that period;
- c) The Directors had 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;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board desires to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

On behalf of the Board of Directors

Dr. Anant Narain Singh
Chairman

Place : Mumbai

Date : 7th May, 2015

Forty Fourth Annual Report 2014-15
Annexure 1

The information pursuant to Rule 5 of The Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of Disclosures		
The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2014-15.	1.	Dr. A. N. Singh 4.5:1
	2.	Mr. Rakesh Sarna N.A.
	3.	Mr. Shriraman 3.0:1
	4.	Mrs. Rukmani Devi- 3.0:1
	5.	Mr. B. L. Passi 3.5:1
	6.	Mr. D. R. Kaarthikeyan 1.3:1
	7.	Mr. Prabhat Verma 2.3:1 (resigned w.e.f 29-4-2015)
	8.	Mr. Rohit Khosla N.A.
The percentage increase in remuneration of each Director*, Chief Financial Officer etc. in the financial year * Directors are entitled to get Commission on the net profit of the Company and the sitting fee for attending the Board Meetings.	1.	Dr. A. N. Singh 70.5%
	2.	Mr. Rakesh Sarna N.A.
	3.	Mr. Shriraman 36.5%
	4.	Mrs. Rukmani Devi 23.8%
	5.	Mr. B. L. Passi 16.0%
	6.	Mr. D. R. Kaarthikeyan 14.9%
	7.	Mr. Prabhat Verma N.A.
	8.	Mr. Ahmar Siddiqui (CEO) 14.5%
	9.	Mr. Ravi Sharma (CFO) 13.1%
	10.	Mr. P K Bhatia (CS) N.A.
The percentage increase in the median remuneration of employees in the financial year	6.6%	
The number of permanent employees on the rolls of company for the year 2014-15	125	
The explanation on the relationship between average increase in remuneration and company performance	While during the year, the PBT increased by 3.6% from ₹ 1375.70 Lacs in the previous year to ₹ 1425.78 Lacs, the average employee remuneration increased by 8.9%.	
Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The remuneration paid to the KMPs during the year amounts to 3.02% of the PBT.	
Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	A. Market Capitalization and P/E Ratio As at 31.3.2014- ₹ 77.25 Crs. As at 31.3.2015- ₹ 164.97 Crs. P/E Ratio As at 31.3.2014- 8.6 As at 31.3.2015- 17.88	
	B. Percentage increase in market quotation in the shares in comparison to the rate at which the company came out with the last public offer :- 12590%. The last public offer was in May 1987 by way of an at par rights issue.	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the remuneration of KMP, is 14% while the average percentile increase in the salaries of employees other than KMP is 8.1%	

BENARES HOTELS LIMITED

Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	As against the increase in PBT by 3.6%, the remuneration of KMPs increased as follows: CEO- 14.5% CFO- 13.1% Company Secretary- N.A.
The key parameters for any variable component of remuneration availed by the directors	The remuneration to directors comprises the sitting fees for attending the meetings and the commission on net profit of the Company. Attendance at the meetings, contribution at the meeting and the contribution other than in meetings are the key parameters for deciding the commission payable to directors.
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not applicable as the Company has only non-executive directors whose remuneration comprises only the sitting fee and the commission on net profit equivalent to a maximum of 3% of the net profit in aggregate for all the directors.

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors
Dr. Anant Narain Singh
Chairman

Place : Mumbai
Date : 7th May, 2015

Forty Fourth Annual Report 2014-15

Annexure 2

Annual Report on Corporate Social Responsibility Activities
(Pursuant to Companies Corporate Social Responsibility Policy Rules, 2014)

1. A brief outline of the Policy

The CSR theme of the Company "Building Livelihoods" and improving the quality of the life of the communities we serve through long term stakeholder value creation. The CSR activities were designed to:

Serve and be seen to serve society and community and create significant and sustained impact in their lives

Provide opportunities for Tata employees to contribute to these efforts through volunteering.

The programmes/projects were undertaken in line and as specified in Schedule VII of the Act.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors is available on the Company's website www.benareshotelslimited.com.

2. Composition of the CSR Committee

- i) Chairman: Dr. Anant Narain Singh
- ii) Member: Mr. D.R. Kaarthikeyan
- iii) Member: Mr. Rohit Khosla

3. Average Net Profit of the Company for the last three Financial Years : ₹ 1182.62 lacs

4. Prescribed CSR Expenditure : ₹ 23.65 lacs

5. Details of CSR spent during the Financial Year 2014-15: ₹ 38.66 lacs

A) Manner in which the amount spent during the year is detailed below:-

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or programme wise	Amount spent on the projects or programmes	Cumulative expenditure upto 31st March, 2015	Amount spent: Direct or through Implementing agency
1.	Employment opportunity to the candidates in hospitality through training in the Skills Certification Centre	Employability	Benares	₹ 25 Lacs (Capital Cost) ₹ 4.50 Lacs (Operating Cost)	₹ 26.32 Lacs (Capital Cost) ₹ 1.68 Lacs (Operating Cost)	₹ 26.32 Lacs (Capital Cost) ₹ 1.68 Lacs (Operating Cost)	Direct
2.	Health check-up and medicine distribution to underprivileged at the ghats of Varanasi	Health & Awareness	Benares	–	₹ 0.19 Lacs	₹ 0.19 Lacs	Direct
	Constructing Basic Toilet cum Bath facility in the village Sarai Mohana, Varanasi in underprivileged weavers houses, and promoting basic hygiene standards in their life		Benares	₹ 8.00 Lacs	₹ 8.16 Lacs	₹ 8.16 Lacs	Direct

BENARES HOTELS LIMITED

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or programme wise	Amount spent on the projects or programmes	Cumulative expenditure upto 31st March, 2015	Amount spent: Direct or through Implementing agency
3.	Adoption of Munshi Ghat and maintaining the same as Model Ghat for Varanasi setting an example of cleanliness and hygiene	Environment	Benares	₹ 2.28 Lacs	₹ 2.31 Lacs	₹ 2.31 Lacs	Direct
	Total					38.66 lacs	

6. The CSR Committee Responsibility Statement

The activities of the Company are in compliance with the CSR objectives and CSR policy of the Company

Shriraman
Director
(DIN00114913)

On behalf of the Board of Directors

Dr. Anant Narain Singh
Chairman, CSR Committee
(DIN 00114728)

Place : Mumbai
Date : 7th May, 2015

**Forty Fourth Annual Report 2014-15
Annexure 3**

**Secretarial Audit Report
The Members,
Benares Hotels Ltd.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BENARES HOTELS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company 's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there-under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. And other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972 and other Labour laws.
- vii. And all other laws applicable to Hospitality and Hotel industry and in particular Food and Beverages, the list of which was provided by the Company.
- viii. And all direct tax and indirect tax laws including excise, customs and service tax.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Though SS1 and SS2 are applicable from 1st July 2015)
- ii) The Listing Agreements entered into by the Company with respective Stock Exchanges.

BENARES HOTELS LIMITED

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, and nothing significant has come to our knowledge which impacts the Company's operations materially.

We further report that:

The Company has placed short term inter corporate deposits with bodies corporate within the limits prescribed under section 186 of the Companies Act, 2013.

The Company has formulated Policy on Related Party Transactions and the Policy is available on the Company's website. The Company has related party transactions (RPT) under section 188 of the Companies Act, 2013, which are done at Arm's Length Pricing arrived at on the basis of report submitted by an independent agency.

The Company has complied with section 135 of the Companies Act, 2013 read with schedule VII, by constituting a CSR committee and undertaking activities as given in CSR policy. The CSR systems and process of evaluation is in place.

The Company has complied with section 203 of the Companies Act, 2013, by appointing Key Managerial Persons.

The meeting of the Independent Directors under section 149 read with schedule IV of the Companies Act, 2013 was duly held on 24th March, 2015.

The Board of Directors of the Company is duly constituted with proper balance of, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice, along with agenda and detailed notes on agenda is given to all the directors for the Board Meetings at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting, and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

A K Bhayana & Associates

Company Secretaries

Date. 7th May 2015

Place: New Delhi

Anil Kumar Bhayana

Prop.

Membership No. FCS1585

CP 624

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. We have obtained the Management Representation about the compliance of laws, rules and regulations and other applicable laws.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

A K Bhayana & Associates
Company Secretaries

Date: 7th May 2015
Place: New Delhi

Anil Kumar Bhayana
Prop.
Membership No. FCS1585
CP 624

Forty Fourth Annual Report 2014-15
Annexure 4

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	L55101UP1971PLC003480
ii)	Registration Date	03/11/1971
iii)	Name of the Company	Benares Hotels Limited
iv)	Category / Sub-Category of the Company:	Company Limited by Shares/Indian Non Government Company
v)	Address of the Registered office and contact Details	Nadesar Palace Compound, Varanasi 221 002 Phone: 0542-6660001
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	The Indian Hotels Co. Ltd. Registrar & Share Transfer Agent Unit: Benares Hotels Limited Mandlik House, Mandlik Road, Mumbai 400 001. E-mail id: investorrelations@tajhotels.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Hoteliering	55101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited	L74999MH1902PLC000I83	Ultimate Holding	53.70 (together with subsidiaries)	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	60,250	22,550	82,800	6.37	60,250	22,550	82,800	6.37	No Change

Subsidiaries Accounts 2014-2015

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	7,29,138		7,29,138	56.09	7,29,138		7,29,138	56.09	No Change
e) Banks/FI									
f) Any Other..									No Change
Sub-total (A) (1):-	7,89,388	22,550	8,11,938	62.46	7,89,388	22,550	8,11,938	62.46	
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of									
Promoter (A) = (A)(1)+(A) (2)	78,93,888	22,550	8,11,938	62.46	7,89,388	22,550	8,11,938	62.46	No Change
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0.00		0.00		0.00		0.00		
2. Non- Institutions									
a) Bodies Corp.	26,796	815	27,611	2.12	27,938	815	28,753	2.21	0.09
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,44,084	90,382	3,34,466	25.72	2,54,933	86,727	3,41,660	26.29	0.57

BENARES HOTELS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	63,852	20,000	83,852	6.45	61,852	20,000	81,852	6.29	0.16
c) Others									
-Trust	100		100	0.00	100		100	-	
-Directors & their relatives	7,448	9,040	16,488	1.26	798	9,000	9,798	0.76	0.50
-Non-resident Indians	1,980		1,980	0.16	2120	-	2,120	0.16	No Change
-Clearing members	529		529	0.04	107		107	-	
- HUF	23,076		23,076	1.78	2,367		23,672	1.82	1.78
Sub-total (B)(2):-									
Total Public									
Shareholding (B) =	3,67,865	1,20,197	4,88,062	37.54	3,71,520	1,16,542	4,88,062	37.54	No change
(B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	11,57,253	1,42,747	13,00,000	100.00	11,60,908	1,39,092	13,00,000	100	

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	TIFCO Holdings Limited	3,50,825	26.99	-	3,50,825	26.99	-	-
2	The Indian Hotels Company Limited	2,93,000	22.54	-	2,93,000	22.54	-	-
3	Piem Hotels Limited	54,063	4.16	-	54,063	4.16	-	-
4	All India Kashiraj Trust	30,000	2.31	-	30,000	2.31	-	-
5	Imlak Varanasi Developments Private Limited	1,050	0.80	-	1,050	0.80	-	-
6	Northern India Hotels Limited	150	0.01	-	150	0.01	-	-
7	Oriental Hotels Limited	50	-	-	50	-	-	-
8	Anant Narain Singh	24,000	1.85	-	24,000	1.85	-	-
9	M.K. Krishna Priya	17,550	1.35	-	17,550	1.35	-	-
10	M K Vishnupriya	13,000	1.00	-	13,000	1.00	-	-
11	Maharaj Kumari Hari Priya	12,450	0.96	-	12,450	0.96	-	-
12	Anamika Kunwar	5,700	0.44	-	5,700	0.44	-	-
13	Maharaj Kumari Har Priya	5,100	0.39	-	5,100	0.39	-	-
14	Maharaj Kumari Vishnupriya	5,000	0.38	-	5,000	0.38	-	-
	Total	8,12,018	62.46		8,12,018	62.46		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NO CHANGE			
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc):				
	At the End of the year	NO CHANGE			

BENARES HOTELS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Raghubir Singh R Gohil				
	At the beginning of the year	23,802	1.83	23,802	1.83
	At the end of the year	23,802	1.83	23,802	1.83
2	Brij Raj Singh of Kishangarh				
	At the beginning of the year	20,000	1.54	20,000	1.54
	At the end of the year	20,000	1.54	20,000	1.54
3	Vinodchandra Mansukhlal Parekh				
	At the beginning of the year	19,252	1.48	19,252	1.48
	At the end of the year	19,252	1.48	19,252	1.48
4	Arjun Ramani				
	At the beginning of the year	18,798	1.45	18,798	1.45
	At the end of the year	18,798	1.45	18,798	1.45
5	Arjun Dhunichand Ramani				
	At the beginning of the year	11,391	0.88	11,391	0.88
	At the end of the year	11,391	0.88	11,391	0.88
6	Muktilal Ganulal Paldiwal				
	At the beginning of the year	7,602	0.58	7,602	0.58
	At the end of the year	7,602	0.58	7,602	0.58
7	Jitendra Mansukhlal Parekh				
	At the beginning of the year	7,141	0.55	7,141	0.55
	At the end of the year	7,141	0.55	7,141	0.55
8	Sharda Ramani				
	At the beginning of the year	6,700	0.52	6,700	0.52
	At the end of the year	6,700	0.52	6,700	0.52
9	Dinesh Muktilal Paldiwal				
	At the beginning of the year	6,502	0.50	6,502	0.50
	At the end of the year	6,502	0.50	6,502	0.50
10	Munira M Pancha				
	At the beginning of the year	6,375	0.49	6,375	0.49
	At the end of the year	6,375	0.49	6,375	0.49

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Anant Narain Singh (Chairman)				
	At the beginning of the year	24,000	1.85	2,400	1.85
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No Change		No Change	
	At the End of the year	2,400	1.85	2,400	1.85

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	Mr. Shriraman (Director)				
	At the beginning of the year	4,500	0.35	4,500	0.35
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No Change		No Change	
	Equity etc):				
	At the End of the year	4,500	0.35	4,500	0.35
3.	Mrs. Rukmani Devi				
	At the beginning of the year	798	0.06	798	0.06
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No Change		No Change	
	At the End of the year (or on the	798	0.06	798	0.06

(v) INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2014-15.

(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. The Company is a Board managed Company and does not have any Managing Director, Whole-time Directors and / or Manager.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. D.R. Kaarthikeyan	Mr. Shriraman	Mr. B.L. Passi	Mrs. Rukmani Devi	
1.	Independent Directors					
	◊ Fee for attending board committee meetings	25,000	20,000	20,000	25,000	90,000
	◊ Commission @ (for 2013-14)	2,95,700	7,09,700	8,28,800	7,09,300	25,43,500
	◊ Others, please specify	-	-	-	-	-
	Total (1)	3,20,700	7,29,700	8,48,800	7,34,300	26,33,500

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. A. N. Singh	Mr. Prabhat Verma	Mr. Rakesh Sarna*	Mr. Rohit Khosla**	
2.	Other Non-Executive Directors					
	◊ Fee for attending board committee meetings	25,000	25,000	-	-	50,000
	◊ Commission @ (for 2013-14)	10,65,000	5,18,000	NA	NA	15,83,000
	◊ Others, please specify					
	Total (2)	1,09,000	5,43,000	-	-	16,33,000
	Total (B) = (1+2)	-	-	-	-	42,66,500
	Total Managerial Remuneration	-	-	-	-	42,66,500
	Overall Ceiling as per the Act	3 % of the net profit of the Company excluding sitting fees				

* Appointed as an Additional Director w.e.f. 24th March, 2015

** Appointed as an Additional Director w.e.f. 7th May, 2015

@ An amount of ₹ 42.81 Lacs has been provided in the Books of Accounts towards the commission payable to the Directors for the financial year ended 31.3.2015 and shall be paid as may be decided by the Board on the recommendation of the Nominations and Remuneration Committee after adoption of accounts by the Shareholders at the Annual General Meeting to be held on 21.8.2015.

BENARES HOTELS LIMITED

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,27,449	-	14,18,285	38,45,734
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,00,976	-	-	3,00,976
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...				
5.	Others, (PF, Superannuation, Gratuity)	1,07,137	-	61,976	1,69,113
	Total	28,35,562	-	14,80,261	43,15,823

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/ punishments/ compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Place : Mumbai
Date : 7th May, 2015

On behalf of the Board of Directors
Dr. Anant Narain Singh
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Benares Hotels Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of The Benares Hotels Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

2.1 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

2.2 This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

3.2 We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

3.3 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

3.4 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

5.2 As required by Section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) 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;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements refer Note 24 to financial statements.
 - ii. the Company did not enter into any long-term contracts including derivative contracts for which there were any material foreseeable loss;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N. Krishnaswamy & Co
Chartered Accountants
(Registration No. 001555S)

N. Krishnaswamy
Partner (M. No. 004797)

Mumbai, 7th May, 2015

Annexure to the Auditors' Report

(Referred to in paragraph 4.2 of our Report of even date)

The Annexure referred to in our report to the members of Benares Hotels Limited for the year ended on 31/03/2015. We report that: -

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the Management during the year and there is a regular programme of verification which in our opinion, is reasonable having regard to the size of the company and the nature of its assets
- (ii) (a) The Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are 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 the book records were not material and the same has been properly dealt with in the books of account.
- (iii) The company has not taken or given any loan from or to any companies covered in the register under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) The company has not accepted any deposits from the public under the provision of the Sec.73 to 76 of the Act.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

Statue	Amt (₹ In Lacs)	Pertaining to Years	Forums where pending
Income Tax Act, 1961	141.18	2008-09 to 2011-12	CIT- Appeals (Varanasi) and ITAT-Allahabad
Service Tax (Finance Act, 1994)	19.08	2008-09 to 2011-12	Addl. Commissioner, Central Excise Allahabad
Uttar Pradesh Trade Tax Act	26.27	2006-07 and 2007-08	1st Appellate Tribunal, UPVAT

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

BENARES HOTELS LIMITED

- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) 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 and on behalf of
N. KRISHNASWAMY & CO.
Chartered Accountants
(Firm Registration No. 0015555)

N. Krishnaswamy
Partner (M. No. 004797)

Place: Mumbai

Dated: 7th May, 2015

Balance Sheet as at 31st March, 2015

	Note	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Equity and Liabilities			
Shareholders' Funds:			
Share Capital	3	130.00	130.00
Reserves and Surplus	4	4,790.57	4,180.88
		<u>4,920.57</u>	<u>4,310.88</u>
Non-current liabilities			
Deferred Tax Liabilities (net)	5	303.41	245.64
Other Long-term Liabilities	6	2.19	-
Long-term Provisions	7	21.39	15.92
		<u>326.99</u>	<u>261.56</u>
Current liabilities			
Trade Payables	8	405.10	310.13
Other Current Liabilities	9	362.45	309.92
Short-term Provisions	10	317.72	308.28
		<u>1,085.27</u>	<u>928.33</u>
Total		<u><u>6,332.84</u></u>	<u><u>5,500.77</u></u>
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	11	4,259.83	2,554.24
Intangible assets	12	116.13	16.16
Capital Work-in-Progress		<u>83.59</u>	<u>1,076.19</u>
		<u>4,459.55</u>	<u>3,646.59</u>
Long-term Loans and Advances	13	82.40	71.15
		<u>4,541.95</u>	<u>3,717.74</u>
Current assets			
Inventories	14	115.28	105.03
Trade Receivables	15	240.06	245.98
Cash and Bank Balances	16	595.70	232.72
Short-term Loans and Advances	17	788.11	1,159.65
Other Current Assets	18	51.74	39.65
		<u>1,790.89</u>	<u>1,783.03</u>
Total		<u><u>6,332.84</u></u>	<u><u>5,500.77</u></u>
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the financial statements	1-36		

As per our Report of even date attached

For N. Krishnaswamy & Co.

Chartered Accountants

ICAI Firm Registration No. 0015555

N. Krishnaswamy

Partner

(Membership No.: 004797)

Date : 7th May, 2015

Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh

Chairman

DIN: 00114728

Prakash Bhatia

Company Secretary

D. R. Kaarthikeyan

Director

DIN: 00327907

Ravi Sharma

Chief Financial Officer

BENARES HOTELS LIMITED

Statement of Profit and Loss for the Year ended 31st March, 2015

	Note	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Income			
Rooms, Restaurants, Banquets and Other Operating Income	19	4,716.63	4,319.35
Other Income	20	107.43	92.53
Total		4,824.06	4,411.88
Expenses			
Food and Beverages Consumed	21	495.42	478.06
Employee Benefit Expense and Payment to Contractors	22	719.06	630.85
Finance Costs		-	-
Depreciation and Amortisation		267.23	190.28
Other Operating and General Expenses	23	1,916.56	1,736.99
Total		3,398.27	3,036.18
Profit Before Tax and Exceptional Items		1,425.78	1,375.70
Exceptional Items		-	-
Profit/(Loss) Before Tax		1,425.78	1,375.70
Tax Expenses			
Current Tax		445.84	459.89
Deferred Tax		57.77	11.33
Short/ (Excess) Provision of Tax of Earlier Years (net)		(0.45)	6.49
Total		503.15	477.71
Profit/(Loss) After Tax		922.62	897.99
Earnings Per Share -	35		
Basic and Diluted - (₹)		70.97	69.08
Face Value per Ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the financial statements	1 - 36		

As per our Report of even date attached
For N. Krishnaswamy & Co.
Chartered Accountants
ICAI Firm Registration No. 0015555

N. Krishnaswamy
Partner
(Membership No.: 004797)

Date : 7th May, 2015
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Prakash Bhatia
Company Secretary

D. R. Kaarthikeyan
Director
DIN: 00327907

Ravi Sharma
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2015

Note	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Cash Flow From Operating Activities		
Net Profit Before Tax	1,425.78	1,375.70
Adjustments For :		
Depreciation and Amortisation	267.23	190.28
Provision for Doubtful Debts	(0.70)	1.32
Loss on sale of assets	1.25	3.35
Interest (Net)	(95.63)	(77.96)
Provision for Employee Benefits	6.17	3.26
	<u>178.32</u>	<u>120.25</u>
Cash Operating Profit before working capital changes	1,604.10	1,495.95
Adjustments For :		
Trade Receivables	6.63	(12.92)
Inventories	(10.25)	(16.64)
Long term loans and advances	4.00	(9.44)
Short term loans and advances	21.54	(23.98)
Other current assets	(11.95)	80.55
Trade Payables	94.97	(122.90)
Other current liabilities	59.40	58.79
Other long term liabilities	2.19	-
	<u>166.53</u>	<u>(46.54)</u>
Cash Generated from Operating Activities	1,770.63	1,449.41
Direct Taxes Paid	(425.00)	(470.26)
Net Cash From Operating Activities (A)	1,345.63	979.15
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1,125.85)	(737.65)
Sale of Fixed Assets	1.89	3.73
Short Term Inter Corporate Deposits placed	350.00	(1,050.00)
Interest Received	95.49	72.09
Bank Balances not considered as Cash and Cash Equivalents	(6.87)	(4.14)
Net Cash Used In Investing Activities (B)	(685.34)	(1,715.97)
Cash Flow From Financing Activities		
Dividend Paid (Including tax on dividend)	(304.19)	(304.19)
Net Cash Used In Financing Activities (C)	(304.19)	(304.19)
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)	356.10	(1,041.01)
Cash and cash equivalents - Opening - 1st April, 2014	203.32	1,244.33
Cash and cash equivalents - Closing - 31st March, 2015	559.43	203.32
Footnote :		
Reconciliation of Cash and cash equivalents with Cash and bank balances as per the Balance Sheet		
Cash and cash equivalents as above	559.43	203.32
Add : Other Cash and Bank Balances not considered Cash and Cash Equivalent		
Earmarked balances for Unclaimed Dividends	36.27	29.40
Cash and bank balances classified as Current in Note 16	595.70	232.72

The accompanying notes form an integral part of the financial statements 1 - 36

As per our Report of even date attached
For N. Krishnaswamy & Co.
Chartered Accountants
ICAI Firm Registration No. 0015555

N. Krishnaswamy
Partner
(Membership No.: 004797)

Date : 7th May, 2015
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Prakash Bhatia
Company Secretary

D. R. Kaarthikeyan
Director
DIN: 00327907

Ravi Sharma
Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2015

Note 1 : Corporate Information

Benares Hotels Limited ("BHL" or the "Company"), is a listed public limited company incorporated in 1971. The Company operates its hotels, viz. The Gateway Hotel Ganges and Nadesar Palace in Varanasi and The Gateway Hotel, Gondia in Maharashtra. The Company became a subsidiary of The Indian Hotels Company Limited in May, 2011.

Note 2 : Significant Accounting Policies

The significant accounting policies adopted in the presentation of the financial statements are as under:-

a. Accounting Standards:

The Financial Statements have been prepared on the basis of historical cost convention following the accrual system of accounting.

b. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. None of the Assets were revalued during the course of the year.

c. Depreciation/ Amortisation:

- i. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and machinery – 10 to 20 years

Electrical installations and equipment – 20 years

Hotel Wooden Furniture - 15 years

End User devices-Computers, Laptops, etc - 6 years

In respect of Leasehold land, depreciation is provided from the date land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of improvements to buildings, depreciation is provided based on estimated useful life.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The rates currently used for amortising intangible assets are as under:

Website Development Cost	20.00%
Cost of Customer Reservation System (including licensed software)	16.67%
Service & Operating Rights	10.00%

- ii. The Company has reassessed the useful lives of its tangible fixed assets on and from April 1, 2014, and based on a technical evaluation, revised the useful lives to match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets, other than end-user computers, electrical installation and equipment, plant and machinery and select items of furniture. Management believes that the revised useful lives of the assets reflect the periods over which these assets are to be used. As a result of the change, the charge on account of Depreciation for year ended March 31, 2015, is higher by ₹ 19.04 Lacs as compared to the useful lives estimated in earlier periods.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

d. Inventories:

Inventories of Stores, Operating Supplies and Food and Beverages are valued at lower of cost and net realisable value. Cost is determined on weighted average basis.

e. Retirement Benefits:

- i. **Provident Fund:** Liability is determined on the basis of contribution as required under the Statute / Rules.
- ii. **Gratuity:** Liability is determined on the basis of an independent Actuarial valuation made at the year end and is fully funded by the Company.

f. Foreign Currency Transaction:

Transactions in foreign currency are recorded at prevailing rates of exchange in force, at the time the transactions are affected. At the year end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising on foreign currency transactions are recognized as Income or Expense in the period in which they arise.

g. Revenue Recognition:

Revenue (Income) is recognized when no significant uncertainty as to its determination or realization exists.

h. Provisions and Contingent Liabilities:

Provisions are recognised in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

i. Taxes on income:

Tax expense comprises both current and deferred tax at the applicable enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

j. Leave Encashment:

The liability on account of leave encashment is determined on the basis of independent actuarial valuation made at the year end.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 3 : Share Capital

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Authorised Share Capital		
Ordinary Shares		
15,00,000 Ordinary Shares of ₹ 10/- each	150.00	150.00
	<u>150.00</u>	<u>150.00</u>
Issued Share Capital		
13,00,000 (Previous year - 13,00,000) Ordinary Shares of ₹ 10 /- each (with voting rights)	130.00	130.00
	<u>130.00</u>	<u>130.00</u>
Subscribed and Paid Up		
13,00,000 (Previous year - 13,00,000) Ordinary Shares of ₹ 10 /- each, Fully Paid (with voting rights)	130.00	130.00
[Refer Footnote (a)]	<u>130.00</u>	<u>130.00</u>

Footnotes :

(a) Of the above 6,98,088 (53.70%) ordinary shares are held by The Indian Hotels Company Limited (the ultimate holding company) and its subsidiaries / associates as follows:

Name of Shareholder	Relationship	As at 31st March, 2015 No. of Shares held	As at 31st March, 2014 No. of Shares held
The Indian Hotels Co. Ltd	Ultimate Holding Company	2,93,000	2,93,000
TIFCO Holdings Limited	Subsidiary of Ultimate Holding Company	3,50,825	3,50,825
Piem Hotels Limited	Subsidiary of Ultimate Holding Company	54,063	54,063
Northern India Hotels Ltd.	Subsidiary of Ultimate Holding Company	150	150
Oriental Hotels Limited	Associate of Ultimate Holding Company	50	50

(b) List of Shareholders holding more than 5% of the share capital

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Indian Hotels Co. Ltd	2,93,000	22.54	2,93,000	22.54
TIFCO Holdings Limited	3,50,825	26.99	3,50,825	26.99

Note 4 : Reserves and surplus

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Capital Reserve		
Opening and Closing Balance	0.86	0.86
General Reserve		
Opening Balance	2,167.22	2,067.22
Add : Transferred from Surplus in Statement of Profit and Loss	-	100.00
Closing Balance	<u>2,167.22</u>	<u>2,167.22</u>
Surplus in Statement of Profit and Loss		
Opening Balance	2,012.80	1,519.00
Add : Net Profit for the current year	922.62	897.99
Less : Proposed Dividend	260.00	260.00
Less : Tax on Dividend	52.93	44.19
Less : Transfer to General Reserve	-	100.00
Closing Balance	<u>2,622.49</u>	<u>2,012.80</u>
	<u>4,790.57</u>	<u>4,180.88</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 5 : Deferred tax liabilities (net)

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Deferred Tax Liabilities:		
Depreciation on fixed assets	372.46	291.12
Total (A)	372.46	291.12
Deferred Tax Assets:		
Provision for Employee Benefits	9.06	7.24
Provision for Bad Debts	6.17	6.30
Others	53.81	31.94
Total (B)	69.04	45.48
Net Deferred Tax Liabilities (A-B)	303.41	245.64

Note 6 : Other Long-term Liabilities

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Trade Deposits		
Secured	-	-
Unsecured	2.19	-
	2.19	-

Note 7 : Long-term provisions

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Provision For Employee Benefits		
Compensated absences	21.39	15.92
	21.39	15.92

Note 8: Trade Payables

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Trade Payables		
Micro and Small Enterprises	-	-
Vendor Payables	211.86	167.26
Accrued expenses and others	193.24	142.87
	405.10	310.13

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 9 : Other current liabilities

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Payables on Current Account dues :		
Related Parties	0.96	0.53
Others	2.19	2.96
	<u>3.15</u>	<u>3.49</u>
Trade Deposits		
Secured	-	-
Unsecured	33.12	35.78
	<u>33.12</u>	<u>35.78</u>
Income received in advance	-	1.60
Advances collected from customers	79.79	66.44
Creditors for capital expenditure	74.68	51.83
Unclaimed dividend	36.27	29.40
Other Liabilities	135.44	121.38
	<u>362.45</u>	<u>309.92</u>

Note 10 : Short-term provisions

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Provision for Employees Benefits		
Compensated absences	4.79	4.09
	<u>4.79</u>	<u>4.09</u>
Provision - Others		-
Proposed Dividend	260.00	260.00
Tax on Dividend	52.93	44.19
	<u>312.93</u>	<u>304.19</u>
	<u>317.72</u>	<u>308.28</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 11 : Tangible Assets

₹ Lacs

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Opening 01.04.2015	Additions	Deductions 31.03.2015	Opening 01.04.2015	Charge for the year	Deductions 31.03.2015	Closing 31.03.2015	Opening 01.04.2015
1. Freehold Land (PY)	13.05	-	-	13.05	-	-	13.05	13.05
2. Buildings (PY)	1,716.16	1,044.97	-	2,761.13	43.37	-	2,463.48	1,461.89
	1,663.52	57.53	(4.89)	1,716.16	27.61	(1.12)	1,461.89	1,435.73
3. Plant & Machinery (PY)	1,681.10	718.16	(10.49)	2,388.77	117.53	(7.70)	1,431.21	833.37
	1,579.33	123.56	(21.79)	1,681.10	103.16	(19.16)	833.37	815.60
4. Furniture & Fixtures (PY)	596.88	156.36	(1.29)	751.95	75.65	(0.94)	297.19	216.83
	576.97	23.85	(3.94)	596.87	45.84	(3.25)	216.82	239.50
5. Office Equipments (PY)	133.35	44.98	-	178.33	18.96	-	54.74	28.72
	127.76	5.59	-	133.35	12.03	-	28.72	35.16
6. Vehicles (PY)	3.18	-	-	3.18	0.21	-	0.16	0.37
	3.18	-	-	3.18	0.23	-	0.37	0.60
Total (PY)	4,143.72	1,964.46	(11.78)	6,096.40	255.72	(8.64)	4,259.83	2,554.24
	3,963.81	210.54	(30.62)	4,143.72	188.87	(23.53)	2,554.24	2,539.66

(i) Additions during the year include additions made towards assets used for the purpose of CSR- ₹ 26.32 Lacs (refer Note 31).

Note 12 : Intangible Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Opening 01.04.2015	Additions	Deductions 31.03.2015	Opening 01.04.2015	Charge for the year	Deductions 31.03.2015	Closing 31.03.2015	Opening 01.04.2015
Service & Operating Rights (PY)	18.62	112.06	-	130.68	12.10	-	116.13	16.16
	3.39	15.23	-	18.62	1.41	-	16.16	2.34

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 13 : Long-term loans and advances

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
(Unsecured, considered good unless stated otherwise)		
Capital advances	-	6.90
Sundry Deposits		
Public Bodies and Others	44.37	41.47
Other loans and advances		
Advance Income Tax paid (net)	38.03	22.78
	<u>82.40</u>	<u>71.15</u>

Note 14 : Inventories (At lower of cost and net realisable value)

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Food and Beverages	55.08	45.75
Stores and Operating Supplies	60.20	59.28
	<u>115.28</u>	<u>105.03</u>

Note 15 : Trade Receivables

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
(Unsecured)		
Outstanding over six months :		
Considered good	18.07	22.74
Considered doubtful	17.82	18.53
	<u>35.89</u>	<u>41.27</u>
Others :		
Considered good	221.99	223.24
Considered doubtful	-	-
	<u>221.99</u>	<u>223.24</u>
	<u>257.88</u>	<u>264.51</u>
Less : Provision for Doubtful Debts	17.82	18.53
	<u>240.06</u>	<u>245.98</u>

Note 16 : Cash and bank balances

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Cash and cash equivalents		
Cash on hand	3.32	9.79
Balances with bank in current account	222.72	191.95
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	333.39	1.58
	<u>559.43</u>	<u>203.32</u>
Other Balances with banks :		
Earmarked balances	36.27	29.40
	<u>36.27</u>	<u>29.40</u>
Total Cash and bank balances	<u>595.70</u>	<u>232.72</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 17 : Short-term loans and advances

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Sundry Deposits		
Related parties	200.00	550.00
Public Bodies and Others	503.08	502.52
	703.08	1,052.52
Other advances		
Considered good	85.03	107.13
Considered doubtful	-	-
	85.03	107.13
	788.11	1,159.65

Note 18 : Other Current Assets

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Interest receivable		
Related Parties	1.87	6.78
Others	11.70	6.65
	13.57	13.43
On Current Account dues :		
Related Parties	30.32	22.54
Others	7.85	3.68
	38.17	26.22
	51.74	39.65

Note 19 : Rooms, Restaurants, Banquets and Other Operating Income

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Income from Operations	4,716.63	4,319.35
Other Operating Income	-	-
Total	4,716.63	4,319.35

Income from Operations is derived from the following :

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Room Income	2,359.93	2,126.10
Food, Restaurants and Banquet Income	2,161.43	2,028.55
Shop rentals	52.44	47.55
Membership fees	2.99	2.66
Car Hire Income	29.32	-
SPA Income	67.70	69.87
Laundry Income	24.18	23.45
Others	18.64	21.17
Total	4,716.63	4,319.35

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 20 : Other Income

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Interest Income		
Inter-corporate deposits	34.00	21.56
Deposits with banks	12.47	29.30
Deposits with related parties	49.16	27.00
Others	-	0.10
Total	95.63	77.96
Others	11.80	14.57
Total	107.43	92.53

Note 21 : Food and Beverages Consumed

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Opening Stock	45.75	39.14
Add : Purchases	504.75	484.67
	550.50	523.81
Less : Closing Stock	55.08	45.75
Food and Beverages Consumed	495.42	478.06

	March, 31 2015		March, 31 2014	
	₹ Lacs	%	₹ Lacs	%
Imported	-	-	-	-
Indigenous	495.42	100.00	478.06	100.00
Total	495.42	100.00	478.06	100.00

Note 22 : Employee benefit expense and Payment to Contractors

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Salaries, Wages, Bonus etc.	419.54	379.41
Company's Contribution to Provident and Other Funds	36.31	32.41
Reimbursement of Expenses on Personnel Deputed to the Company	120.52	85.65
Payment to Contractors	51.71	45.54
Staff Welfare Expenses	90.98	87.84
Total	719.06	630.85

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 23 : Other Operating and general expenses

(i) Operating expenses consist of the following :

	March 31, 2015	March 31, 2014
	₹ Lacs	₹ Lacs
Linen and Room Supplies	67.29	89.43
Catering Supplies	44.43	39.76
Other Supplies	9.53	5.78
Fuel, Power and Light	366.78	352.12
Repairs to Buildings	50.86	38.15
Repairs to Machinery	66.47	61.04
Repairs to Others	8.17	7.96
Garden Expenses	38.65	37.86
Linen and Uniform Washing and Laundry Expenses	56.16	57.60
Operating Fees	355.12	319.87
Payment to Orchestra Staff, Artistes and Others	2.65	2.34
Guest Transportation	17.49	1.69
Travel Agents' Commission	24.40	20.15
Discount to Collecting Agents	35.98	30.18
Other Operating Expenses	119.14	117.40
Total	1,263.12	1,181.33

Linen, Room, Catering and Other Supplies Consumed

	March, 31 2015		March, 31 2014	
	₹ Lacs	%	₹ Lacs	%
Imported	-	-	-	-
Indigenous	121.25	100.00	134.97	100.00
Total	121.25	100.00	134.97	100.00

(ii) General expenses consist of the following :

	March 31, 2015	March 31, 2014
	₹ Lacs	₹ Lacs
Rent	29.65	22.60
Licence Fees	30.02	24.72
Rates and Taxes	93.43	67.95
Insurance	10.12	10.30
Advertising and Publicity	140.65	136.96
Printing and Stationery	21.95	18.18
Security Expenses	35.95	26.18
Corporate Services	46.55	43.91
CRS/ CIS Expenses	46.55	43.91
Passage and Travelling	18.99	19.83
CSR Expenses (refer Note 31)	12.34	4.69
Telephone and Internet Expenses	25.51	10.07
Provision for Doubtful Debts	(0.70)	1.32
Professional Fees	22.74	15.07
Outsourced Support Services	15.60	12.46
Exchange Loss (Net)	0.06	0.75
Loss on Sale of Fixed Assets (Net)	1.25	3.35
Payment made to Statutory Auditors (Refer Footnote ii)	4.19	4.04
Directors' Fees and Commission	44.13	43.50
Other Expenses	54.46	45.88
Total	653.44	555.66
	1,916.56	1,736.99

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 23 : Other Operating and general expenses
Footnotes :
(iii) Expenditure recovered from other parties :

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Fuel, Power and Light	18.23	20.92
Total	18.23	20.92

(iv) Payment made to Statutory Auditors:

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
As Auditors	2.50	1.75
As Tax Auditors	1.30	0.80
For Management Services	0.14	0.94
For Other services	0.25	0.55
	4.19	4.04

(v) Provision for Doubtful Debts:

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Opening Balance	18.53	47.05
Add : Provision during the year	(0.70)	2.72
	18.53	49.77
Less : Bad debts written off	-	29.84
Less : Provision no longer required, written back	-	1.40
Closing Balance	17.83	18.53

Note 24. Contingent Liabilities (to the extent not provided for):
a) On account of Income Tax matters in dispute:

- In respect of matters which have been decided in the Company's favour by the CIT-Appeals, where the Income Tax Department has preferred an appeal in ITAT – ₹ 127.97 Lacs (previous year - ₹ 118.35 Lacs).
- In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer – ₹ 23.21 Lacs (previous year – ₹ 60.05 Lacs)

b) On account of other disputes in respect of:

- Service Tax – ₹ 19.08 Lacs (previous year – ₹ 19.08 Lacs)
- Sales tax – ₹ 36.27 Lacs (previous year – ₹ 36.27 Lacs)
- Others – ₹ 3.45 Lacs (previous year – ₹ 3.45 Lacs)

Note 25. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 41.67 Lacs (Previous year – ₹ 672.64 Lacs).

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 26. Capital Work in Progress

The total Capital Work in Progress consists of the following:

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Capital Work in Progress at Varanasi Hotel	83.59 Lacs	141.09 Lacs
Capital Work in Progress at Gondia Hotel	-	935.10 Lacs

Note 27. Value of Imports

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Stores, Supplies and Spare Parts for Machinery	13.43 Lacs	11.68 Lacs
Value of Capital Imports (CIF)	33.13 Lacs	24.67 Lacs

Note 28. Expenditure in Foreign Currency

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Professional and Consultancy Fees	6.65 Lacs	0.99 Lacs
Other Expenditure in Foreign Currency	12.33 Lacs	14.31 Lacs

Note 29. Earnings in Foreign Exchange

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Earnings in Foreign Exchange	1,809.09 Lacs	1,636.50 Lacs

(As certified by the Management and verified by the Auditors)

Note 30. Provision for Doubtful Debts and Bad Debts written off

- During the year, an amount of ₹ 0.70 lacs was written back from provision for doubtful debts due to provision no more required on some debts.
- There is no provision for doubtful debts or amounts written off or written back during the year for debts due from or to related parties.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 31. CSR (Corporate Social Responsibility) Expenditure

During the year, the company incurred an expenditure of ₹ 38.66 Lacs towards Corporate Social Responsibility in terms of the provision of Section 135 of the Companies Act, 2013. A brief summary along with the breakup of expenditure along with type, i.e. revenue/ capital, is as follows:

Capital Expenditure (Capitalized as Fixed Assets)

CSR Programs	CSR Projects	Cost Incurred- ₹ Lacs
Employability	Setting up of Skills Certification Centre in the premises of The Gateway Hotel Ganges, Varanasi	26.32

Revenue Expenditure

CSR Programs	CSR Projects	Cost Incurred- ₹ Lacs
Employability	Cost of running the Skills Certification Centre in the premises of The Gateway Hotel Ganges, Varanasi	1.68
Health & Awareness	Construction of 16 nos. Toilets in Weavers Village, Varanasi and Health Awareness Camps	8.35
Environment	Maintenance of Munshi Ghat at Varanasi	2.31
	Total	12.34

Note 32. Segment Reporting

The Company's business consists of its hotel operations only and hence no separate information for segment-wise disclosures under Accounting Standard on 'Segment Reporting (AS-17)', issued by the Institute of Chartered Accountants of India, is given.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 33. Related Party Disclosures

- (a) As per Accounting Standard – 18, “Related Parties Disclosure” notified by the companies (Accounting Standards) Rules 2006 the following is the list of Related Parties:

i. Holding Company

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited	India

ii. Fellow Subsidiary Companies of the Holding Company

Name of the Company	Country of Incorporation
Domestic	
TIFCO Holdings Ltd.	India
Residency Foods & Beverages Ltd.	India
KTC Hotels Ltd.	India
United Hotels Ltd.	India
Taj SATS Air Catering Ltd.	India
Roots Corporation Ltd.	India
Taj Entreprises Ltd.	India
Taj Trade and Transport Ltd.	India
Inditravel Ltd.	India
Piem Hotels Ltd.	India
Northern India Hotels Ltd.	India
Taj Rhein Shoes Co. Ltd.	India
Ideal Ice & Cold Storage Co. Ltd.	India
TIFCO Security Services Limited	India
International	
Samsara Properties Ltd.	British Virgin Islands
Apex Hotel Management Services (Pte) Ltd.	Singapore
Chieftain Corporation NV	Netherlands Antilles
IHOCO BV	Netherlands
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
IHMS (Australia) Pty. Ltd.	Australia
IHMS Inc. United States of America	USA
Taj International Hotels (H.K.) Ltd.	Hong Kong
PIEM International (H.K.) Ltd.	Hong Kong
BAHC 5 Pte. Ltd.	Singapore
Premium Aircraft Leasing	Ireland

iii. Key Managerial Personnel

Ahmar Siddiqui- Chief Executive Officer
Ravi Sharma- Chief Financial Officer

BENARES HOTELS LIMITED

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

(b) Details of related party transactions during the year ended March 31, 2015:

Particulars	Holding Company ₹ Lacs	Fellow Subsidiaries Companies ₹ Lacs	KMP ₹ Lacs	Other ₹ Lacs
Interest received/accrued	- (17.09)	49.16 (9.90)	- -	- -
Operating / Management fees paid	345.73 (312.22)	- -	- -	- -
Fee Paid for Other Services	210.28 (192.28)	- -	- -	- -
Deputed Staff Salaries Paid	89.74 (95.42)	- (4.25)	- -	- -
Transportation and Conveyance Expenses	- -	5.61 (10.02)	- -	- -
License Fee paid (Nadesar Palace)	- -	- -	- -	27.36 (24.02)
Dividend Paid	58.60 (58.60)	81.01 (81.01)	- -	- -
Other Income Earned	- -	2.46 (3.40)	- -	- -
ICD Placed during the year	- (700.00)	- (550.00)	- -	- -
ICD Encashed during the year	- (700.00)	(350.00) -	- -	- -
Remuneration Paid / Payable	- -	- -	43.15 (37.85)	- -
<u>Balances outstanding at the end of the year</u>				
Current Account Receivables	30.11 (26.86)	0.21 (3.36)		- -
Trade Payables	- (27.66)	0.96 (4.56)		- -
ICD Receivable	- -	200.00 (550.00)		- -
Interest Receivable	- -	1.86 (6.79)		- -

Footnotes:

(i) Figures in italics are of the previous year.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

(c) Statement of Material Transactions

Company Name	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Holding Company	As per note 33(b)	As per note 33(b)
The Indian Hotels Company Limited	above	above
Fellow Subsidiary Company		
Roots Corporation Limited		
Interest Received/ Accrued	49.16	9.90
ICD placed during the year	-	550.00
ICD encashed during the year	350.00	-
Piem Hotels Limited		
Deputed Staff Salaries Paid	-	4.25
Dividend Paid	10.81	10.81
Inditravels Limited		
Transportation and Conveyance Expenses	5.61	10.02
Other Incomes earned	2.46	3.41
TIFCO Holdings Limited		
Dividend Paid	70.17	70.17
Directors and Entities controlled by Directors		
License Fee paid (Nadesar Palace)		
Dr. Anant Narain Singh	13.68	12.01
Companies/ Trust Controlled by Dr Anant Narain Singh		
Maharaja Prabhu Narain Physical Cultural trust	3.42	3.00
Aditya Dairies Pvt Ltd	6.84	6.01
Ananta Electric Lamp Works Pvt Ltd	3.42	3.00

Note 34. Employee Benefits

- (a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries) :

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Provident Fund	24.12	22.41

- (b) The Company operates post retirement defined benefit plans as follows :-

Funded : Post Retirement Gratuity

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

(c) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2015 :-

(i) Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity Funded ₹ Lacs
Present Value of Funded Obligations	140.64 131.29
Fair Value of Plan Assets	(135.00) (136.41)
Net (asset) / Liability	5.63 (5.11)

(ii) Expenses recognized in the Statement of Profit & Loss

	Gratuity Funded ₹ Lacs
Current Service Cost	7.77 7.80
Interest Cost	11.84 10.21
Expected return on Plan Assets	(9.70) (9.65)
Actuarial Losses / (Gain) recognised in the year	5.82 (1.39)

(iii) Reconciliation of Defined Benefit Obligation

	Gratuity Funded ₹ Lacs
Opening Defined Benefit Obligation	131.29 126.73
Current Service Cost	7.77 7.80
Interest Cost	11.84 10.21
Actuarial Losses / (Gain)	8.73 (4.29)
Benefits Paid	(19.00) (9.16)
Closing Defined Benefit Obligation	140.63 131.29

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

(iv) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded ₹ Lacs
Opening Fair Value of Plan Assets	136.41
	133.81
Expected return on Plan Assets	9.70
	9.65
Actuarial (Gain) / Losses	2.90
	(2.90)
Contribution by Employer	5.00
	5.00
Benefits Paid	(19.00)
	(9.16)
Closing Fair Value of Plan Assets	135.00
	136.40
Expected Employer's contribution next year	5.63
	5.00

(v) Description of Plan Assets (Managed by an Insurance Company)

	Gratuity Funded ₹ Lacs
Government of India Securities	0%
	0%
Corporate Bonds	0%
	0%
Equity	0%
	0%
Others	100%
	100%
Grand Total	100%
	100%

(vi) Actuarial Assumptions

	Gratuity Funded ₹ Lacs
Discount rate (p.a.)	7.90%
	9.15%
Expected Rate of Return on Assets (p.a.)	7.50%
	7.50%
Salary Escalation Rate (p.a.)	5.00%
	5.00%
Mortality Table Used	2006-08
	2006-08

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
(vii) Experience Adjustments

	2014/15 ₹ Lacs	2013/14 ₹ Lacs	2012/13 ₹ Lacs	2011/12 ₹ Lacs	2010/11 ₹ Lacs
Defined Benefit Obligation	140.63	131.29	126.73	105.59	98.59
Plan Assets	134.99	136.40	133.82	111.44	100.04
Surplus/ (Deficit)	(5.63)	5.11	7.08	5.85	1.45
Experience Adjustment on Plan Liabilities	(2.40)	5.63	8.32	1.22	10.11
Experience Adjustment on Plan Assets	2.90	(2.89)	16.62	(1.75)	0.35

Footnote : Figures in italics under (i) to (vi) are of the previous year.

Note 35. Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' - AS-20, notified by the Company's (Accounting Standards) Rules, 2006 as amended.

Particulars	March 31, 2015	March 31, 2014
Profit after tax – (₹ Lacs)	922.62	897.99
Number of Ordinary Shares	13,00,000	13,00,000
Weighted Average Number of Ordinary Shares	13,00,000	13,00,000
Earnings Per Share – (₹) Basic and Diluted	70.97	69.08

Note 36. Shareholding Pattern

Particulars	March 31, 2015	March 31, 2014
Public Shareholding		
No. of Shares	4,88,062	4,88,062
% of Shares	37.54%	37.54%
Promoters and promoter group Shareholding		
a) Pledged/Encumbered		
- Number of shares	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil
b) Non-encumbered		
- Number of shares	8,11,938	8,11,938
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	62.46%	62.46%

DIRECTORS AND CORPORATE INFORMATION

INDITRAVEL LIMITED

Board of Directors:

Mr. Mohini Dutta (resigned w.e.f. January 22, 2015)	(DIN: 00064894)
Mr. Veer Vijay Singh (resigned w.e.f. April 8, 2015)	(DIN: 02276330)
Mr. Faisal Momen	(DIN: 00064878)
Mr. Nabakumar Shome	(DIN: 03605594)
Mr. Himanshu Jain (appointed w.e.f. July 24, 2014)	(DIN: 06890639)

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai – 400 001.
CIN: U74999MH1981PLC023924
Tel.: 66395515; Fax: 22027442

Auditors:

M/s. SNB Associates,
Chartered Accountants, Chennai

Bankers:

State Bank of India
HDFC Bank Limited
Central Bank of India

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting the Thirty-Fifth Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2015:

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 2015 is summarized below:

	2014-2015 ₹	2013-2014 ₹
Total Income	41,25,36,746	66,81,24,172
Profit/ (Loss) before exceptional and extra-ordinary items & tax	42,25,679	9,30,68,531
Exceptional Items (Provision for diminution in value of investment)	(4,87,57,800)	-
Profit/(Loss) Before Tax	(4,45,32,121)	9,30,68,531
Current Tax (including tax on discontinued operations)	(3,80,385)	(3,07,39,015)
Deferred Tax	(6,06,867)	(1,18,533)
Minimum Alternate Tax Credit	3,80,385	-
Profit/(Loss) After Tax from continuing operations	(4,51,38,988)	6,22,10,983
Profit/(Loss) After Tax from discontinuing operations	2,16,909	(22,77,747)
Tax credit of discontinuing operations	-	7,39,015
Profit /(Loss) for the year	(4,49,22,079)	6,06,72,251
Balance brought forward from the previous year	17,91,77,857	17,51,15,513
Profit available for appropriation	13,42,55,778	23,57,87,764
Appropriations		
Proposed Equity Dividend	(4,32,00,720)	(4,32,00,720)
Tax on Proposed Equity Dividend	(87,94,803)	(73,41,962)
Transfer to General Reserve	-	(60,67,225)
Balance Profit/(Loss) carried to Balance Sheet	8,22,60,255	17,91,77,857

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Company discontinued operations at seven desks across Ginger hotels effective May 1, 2014. The Taj group companies decided to undertake car hire business directly with the vendors rather than through the Company and accordingly the Company has ceased to get car hire business from the Taj group effective December 1, 2014, with which a major portion of the Company's revenue has been lost. The Company would consider looking at other business avenues.

The Company had to provide for diminution, other than temporary in value of one of its long term investment.

As an effect of the above, the Profit/(Loss) after Tax of the Company decreased to ₹ (4.49) crores from ₹ 6.06 crores in the previous year.

No material changes and commitments have occurred between the end of the financial year to which these financial statements relate and the date of this Report, which affect the financial position of the Company.

DIVIDEND

Taking into account the profits for the year and prospects for the future, the Directors have recommended a dividend of 600% or ₹ 60/- per equity share of ₹ 10/- each. The dividend payment shall be subject to approval of the Members at the ensuing Annual General Meeting.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the sale of the Company's stake in the equity shares of Taj Rhein Shoes Company Limited, Taj Rhein Shoes Company Limited has ceased to be the Company's Subsidiary effective March 30, 2015. Further, Taj Safaris Limited ceased to be the Company's Associate effective September 18, 2014 due to changes in shareholding of Taj Safaris Limited. The Company currently does not have any Subsidiary, Joint Venture or Associate Company.

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

The Company takes all efforts towards conservation of energy and technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013 ("the Act") and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility Committee comprising Mr. Faisal Momen, Mr. Nabakumar Shome and Mr. Himanshu Jain, Directors of the Company.

However, in view of discontinuation of the operations of the Company effective December 1, 2014, which has in turn resulted into a loss for the year under review, the Company has been unable to spend any amounts towards Corporate Social Responsibility.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

The Company has not given any guarantees nor made any investments under Section 186 of the Act during the year under review. The particulars of Inter-Corporate Loans made by the Company are furnished in Note No. 15 of the Notes to Accounts.

BORROWINGS

The Company does not have any borrowings.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework for purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all related party transactions is placed before the Board of Directors for their approval on a quarterly basis.

DIRECTORS

During the year under review, Mr. Mohini Dutta and Mr. Veer Vijay Singh resigned as Directors of the Company, effective January 22, 2015 and April 8, 2015 respectively. The Board wishes to place on record, its appreciation of the valuable services rendered by Mr. Mohini Dutta and Mr. Veer Vijay Singh during their respective tenures as Directors of the Company.

Mr. Himanshu Jain was appointed as Additional Director of the Company effective July 24, 2014 and holds office upto the date of the forthcoming Annual General Meeting.

In accordance with the Act and the Articles of Association of the Company, two of the Directors viz. Mr. Faisal Momen and Mr. Nabakumar Shome retire by rotation and are eligible for re-appointment as Directors.

Your approval for their appointments as Directors has been sought in the Notice convening the Annual General Meeting of the Company.

Board Meetings:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were convened and held viz. on April 30, 2014, July 24, 2014, October 17, 2014 and January 21, 2015. The intervening gap between the meetings did not exceed the period prescribed under the Act.

AUDITORS

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

At the Annual General Meeting, the Members will be requested to re-appoint M/s. SNB Associates, Chartered Accountants, Chennai (Firm Registration No. 015682N) as the Statutory Auditors for the financial years 2015-16 and 2016-17 to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Thirty-Seventh Annual General Meeting, subject to ratification by the Members at each Annual General Meeting and authorise the Board of Directors to fix their remuneration.

M/s. SNB Associates have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

SHARE CAPITAL

As on March 31, 2015 the issued, subscribed and paid-up share capital of the Company comprised of 7,20,012 Equity Shares of ₹ 10 each aggregating ₹ 72,00,120/-. The Company has not issued any shares during the year under review.

The Company has neither bought back its shares, nor has it issued any Sweat Equity or Bonus Shares or provided Stock Option to its employees during the year under review. None of the Directors of the Company hold shares of the Company as on March 31, 2015.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT 9 pursuant to Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules 2014, is annexed herewith.

STAFF

The Company does not have any employee drawing salary in terms of the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board wishes to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

WOMEN EMPOWERMENT AND ANTI SEXUAL HARASSMENT INITIATIVE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) & 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, hereby confirms that, for the financial year ended March 31, 2015:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for that period;
- (iii) it has 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;
- (iv) it has prepared the annual accounts on a going concern basis; and
- (v) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
2. The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee, Nomination and Remuneration Committee, Vigil Mechanism are not applicable to the Company.
3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

On behalf of the Board of Directors

Faisal Momen
Director
(DIN: 00064878)

Nabakumar Shome
Director
(DIN: 03605594)

Mumbai, May 4, 2015

Registered Office:

Inditravel Limited
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U74999MH1981PLC023924
Tel. No.: 022 66395515
Fax No.: 022 22027442

Annexure to Directors' Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as at the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN: U74999MH1981PLC023924
- ii) Registration Date: February 19, 1981
- iii) Name of the Company: Inditravel Limited
- iv) Category / Sub-Category of the Company: Indian Non-Government Company Limited by Shares
- v) Address of the Registered office and contact details: Mandlik House, Mandlik Road, Mumbai- 400 001.
- vi) Whether listed company: No
- vii) Name, Address and Contact details of Registrar and Nil
Transfer Agent, if any:

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Travel-related service/ car rentals	799 - Other Reservation Service and Related Activities	95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 4000 001.	L74999MH1902PLC000183	Holding	96.67% (together with subsidiaries)	2 (87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	Nil	6,96,012	6,96,012	96.67	Nil	6,96,012	6,96,012	96.67	Nil
e) Banks / FI									
f) Any Other....									

Subsidiaries Accounts 2014-2015

Sub-total (A) (1):-	Nil	6,96,012	6,96,012	96.67	Nil	6,96,012	6,96,012	96.67	Nil
(2) Foreign									
a) NRIs -									
Individuals									
b) Other –									
Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	Nil	6,96,012	6,96,012	96.67	Nil	6,96,012	6,96,012	96.67	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	Nil	24,000	24,000	3.33	Nil	24,000	24,000	3.33	Nil
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	Nil	24,000	24,000	3.33	Nil	24,000	24,000	3.33	Nil
Total Public Shareholding (B)=(B) (1)+(B)(2)	Nil	24,000	24,000	3.33	Nil	24,000	24,000	3.33	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	7,20,012	7,20,012	100	Nil	7,20,012	7,20,012	100	Nil

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share Holding during The year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	2,40,004	33.34	Nil	2,40,004	33.34	Nil	Nil
2	Tifco Holdings Limited	99,005	13.75	Nil	99,005	13.75	Nil	Nil
3	Taj Trade and Transport Company Limited	72,001	10.00	Nil	72,001	10.00	Nil	Nil
4	Piem Hotels Limited	1,89,002	26.25	Nil	1,89,002	26.25	Nil	Nil
5	Taj Enterprises Limited	72,000	10.00	Nil	72,000	10.00	Nil	Nil
6	Northern India Hotels Limited	24,000	3.33	Nil	24,000	3.33	Nil	Nil
TOTAL		6,96,012	96.67	Nil	6,96,012	96.67	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6,96,012	96.67	6,96,012	96.67
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	6,96,012	96.67	6,96,012	96.67

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Lake Palace Hotels & Motels Pvt. Limited				
	At the beginning of the year	24,000	3.33	24,000	3.33
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	24,000	3.33	24,000	3.33

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1)	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2)	Stock Option					
3)	Sweat Equity					
4)	Commission					
	- as % of profit					
	- others, specify					
5)	Others, please specify					
	Total (A)	Nil	Nil	Nil	Nil	Nil

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
3.	Independent Directors Fee for attending board / committee meetings Commission Others, please specify					
4.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1)	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2)	Stock Option				
3)	Sweat Equity				
4)	Commission - as % of profit - others, specify...				
5)	Others, please Specify				
6)	Total	N.A.	N.A.	N.A.	N.A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

On behalf of the Board of Directors

Faisal Momen
Director
(DIN: 00064878)

Nabakumar Shome
Director
(DIN: 03605594)

INDEPENDENT AUDITOR'S REPORT

To the Members of Inditravel Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of INDITRAVEL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2015 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order , to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) 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
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were to be transferred to the Investor Education and Protection Fund by the Company .

For SNB ASSOCIATES
Chartered Accountants

Sridhar R
Partner
Membership No.28317
Firm Registration No. 015682N

Place : Mumbai
Dated : May 4, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF INDITRAVEL LIMITED

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" section of our report of even date for the year ended 31 March, 2015)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. During the year the Company had physically verified the assets once and the material discrepancies had been suitably dealt with in the accounts. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.
2. As the company has no stock of inventory Clause 3(ii) (a),(b) and (c) of the order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) and (b) of the clause (iii) of paragraph 3 of the said order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.
7. a. The Company is regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax , customs duty, excise duty were outstanding, as at March 31, 2015 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax , income tax, customs duty and excise duty which have not been paid deposited on account of any dispute except the following :

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	₹ 27,55,410/-	Assessment Year 2011-12	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	₹ 8,06,180/-	Assessment Year 2012-13	Commissioner of Income Tax (Appeals), Mumbai

- c. According to the records of the Company, there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act , 1956 (1 of 1956) and rules made there under.

8. The Company does not have accumulated losses . The Company has not incurred cash loss during the year covered by our audit nor in the immediately preceding financial year.
9. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders and accordingly paragraph 3(ix) of the said Order relating to default to such parties is not applicable.
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions and accordingly paragraph 3(x) of the said Order is not applicable.
11. According to the information and explanations given to us, the company has not raised any term loans and therefore paragraph 3(xi) of the said Order relating to application of term loan for the purpose for which it was obtained is not applicable.
12. According to the information and explanations given to us , during the year no fraud on or by the Company has been noticed or reported

For SNB ASSOCIATES
Chartered Accountants

Sridhar R
Partner
Membership No.28317
Firm Registration No. 015682N

Place : Mumbai
Dated : May 4, 2015

INDITRAVEL LIMITED

Balance Sheet as at March 31, 2015

	Notes	March 31, 2015 ₹	March 31, 2014 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	72,00,120	72,00,120
(b) Reserves and surplus	3	25,57,28,497	35,26,46,099
		<u>26,29,28,617</u>	<u>35,98,46,219</u>
2 Non-current liabilities			
(a) Long-term provisions	4	33,93,760	56,52,138
(b) Deferred tax liabilities (net)		77,972	-
		<u>34,71,732</u>	<u>56,52,138</u>
3 Current liabilities			
(a) Short-term borrowings	5	-	1,20,09,560
(b) Trade payables		1,29,84,407	4,68,55,273
(c) Other current liabilities	6	52,92,881	73,89,487
(d) Short-term provisions	7	5,21,58,771	5,20,22,575
		<u>7,04,36,059</u>	<u>11,82,76,895</u>
TOTAL		<u>33,68,36,408</u>	<u>48,37,75,252</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		94,75,221	95,41,165
(ii) Intangible assets		36,18,989	9,28,343
(iii) Capital work-in-progress		3,24,461	-
		<u>1,34,18,671</u>	<u>1,04,69,508</u>
(b) Non-current investments	9	6,92,44,459	11,53,52,235
(c) Deferred tax assets (net)		-	5,28,895
(d) Long-term loans and advances	10	4,49,69,954	3,37,24,650
		<u>12,76,33,084</u>	<u>16,00,75,288</u>
2 Current assets			
(a) Current investments	11	9,36,69,910	5,03,56,105
(b) Inventories	12	-	26,50,026
(c) Trade receivables	13	1,28,59,516	6,15,26,286
(d) Cash and bank balances	14	5,29,32,014	4,67,10,843
(e) Short-term loans and advances	15	4,97,41,884	16,24,56,704
		<u>20,92,03,324</u>	<u>32,36,99,964</u>
TOTAL		<u>33,68,36,408</u>	<u>48,37,75,252</u>
III. Notes Forming Part of the Financial Statements	1 - 33		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

Sridhar R
Partner
M. No. 028317
Firm Registration No. 015682N

Place : Mumbai
Dated : May 4, 2015

For and on behalf of the Board

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Profit and loss statement for the year ended March 31, 2015

	Notes	March 31, 2015 ₹	March 31, 2014 ₹
IV INCOME			
I. Revenue from operations	16	39,30,49,521	64,66,78,802
II. Other income	17	1,94,87,225	2,14,45,370
III. Total Revenue (I + II)		41,25,36,746	66,81,24,172
V EXPENSES	18		
Operating Expenses		30,29,54,703	46,36,00,155
Employee Benefits Expense		6,50,76,679	7,09,73,639
Depreciation and amortization expense		17,28,030	14,24,799
Other expenses		3,85,51,655	3,90,57,048
Total Expenses		40,83,11,067	57,50,55,642
VI Profit / (Loss) before exceptional and extra ordinary items and tax (IV-V)		42,25,679	9,30,68,531
VII Exceptional Items (Provision for diminution in value of investment)		(4,87,57,800)	-
VIII Profit / (loss) before extraordinary items and tax (VI -VII)		(4,45,32,121)	9,30,68,530
IX Extraordinary Items Income / (Expenses)		-	-
X Profit / (Loss) before tax (VIII - IX)		(4,45,32,121)	9,30,68,531
XI Tax expense:			
(1) Current tax		3,80,385	3,07,39,015
(2) Deferred tax		6,06,867	1,18,533
(3) Minimum Alternet Tax Credit		(3,80,385)	-
Total Taxes		6,06,867	3,08,57,548
XII Profit after tax for the year from continuing operations (X-XI)		(4,51,38,988)	6,22,10,983
XIII Profit/(loss) from discontinuing operations	19	2,16,909	(22,77,747)
XIV Tax credit of discontinuing operations		-	(7,39,015)
XV Profit/(loss) from Discontinuing operations (after tax) (XIII - XIV)		2,16,909	(15,38,732)
XVI Profit (Loss) for the year (XII+XV)		(4,49,22,079)	6,06,72,251
XVII Earnings per equity share:		(62)	84
Basic & Diluted			

III Notes Forming Part of the Financial Statements

1 - 33

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

Sridhar R
Partner
M. No. 028317
Firm Registration No. 015682N

Place : Mumbai
Dated : May 4, 2015

For and on behalf of the Board
Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Cash Flow Statement for the year ended March 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
Cash flow from operating activities		
Net Profit before Tax	(4,43,15,212)	9,07,90,784
Adjustments For:		
Depreciaition/amortisation	18,06,024	15,20,031
Loss/(Profit) on sale of Fixed Assets	(1,000)	-
Provision for Contingencies	12,50,000	50,00,000
Provision for diminution in value of investments	4,87,57,800	-
Provision for Doubtful Debts written back	4,00,000	(2,12,261)
Dividend Income	(45,11,269)	(35,66,529)
Interest (Net)	(1,40,21,973)	(1,69,93,838)
Provision for Employee Benefits	-	12,83,651
Unrealised Exchange (Gain)/Loss on Borrowings/ (Sundry Balance Written Back)	-	(3,74,197)
	3,36,79,582	(1,33,43,143)
Cash flow from opeartions before working capital changes	(1,06,35,630)	7,74,47,641
Adjustments for:		
Decrease / (Increase) in Trade receivables	4,82,66,770	(1,97,21,142)
Decrease / (Increase) in Inventories	26,50,026	-
Decrease / (Increase) in long term loans and advances	9,16,396	(12,74,218)
Decrease / (Increase) in short term loans and advances	23,43,319	44,68,289
(Decrease) / Increase in Trade Payables	(3,38,70,866)	61,61,296
(Decrease) / Increase in short term borrowings	(1,20,09,560)	-
(Decrease) / Increase in long term provisions	(22,58,378)	(15,90,186)
(Decrease) / Increase in short term provisions	(13,16,645)	-
(Decrease) / Increase in other current liabilities	(20,96,604)	17,37,071
	26,24,458	(1,02,18,890)
Cash flow from operating activities	(80,11,172)	6,72,28,751
Direct Taxes Paid (net of refund)	(1,34,11,700)	(3,53,70,743)
Net cash flow from Operating activities	(2,14,22,872)	3,18,58,008
Cash flow from Investing Activities		
Purchase of Fixed Assets	(47,15,188)	(17,24,498)
Capital work in progress	(3,24,461)	-
Sale of Fixed Assets	2,85,462	-
Purchase of Non-current Investments	-	-
Non-current Investments net of provision	(26,50,026)	-
Interest received	1,40,93,474	1,55,99,324
Dividend Received	45,11,269	35,66,529
Long/ Short Term Deposits Refunded by companies	13,68,00,000	(48,41,00,000)
Long/ Short Term Deposits placed with companies	(2,65,00,000)	49,50,00,000
Net Cash Used in Investing Activities	12,15,00,530	2,83,41,355

Cash Flow Statement for the year ended March 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
Cash Flow from Financing Activities		
Short Term Loan Raised	-	1,20,09,560
Dividend Paid (Including tax on dividend)	(5,05,42,682)	(4,18,40,797)
Net Cash Used In Financing Activities	(5,05,42,682)	(2,98,31,237)
Net Increase / (Decrease) in cash and cash equivalents	4,95,34,976	3,03,68,126
Effect of exchange difference on cash & cash equivalents held in foreign currency		
Cash and Cash Equivalents as at 1st April 2014	9,70,66,948	6,66,98,822
Cash and Cash Equivalents as at 31st March 2015	14,66,01,924	9,70,66,948
Components of Cash and Cash equivalents as at 1st April 2014		
Cash and bank Balance	4,67,10,843	6,56,93,375
Current Investments	5,03,56,105	10,05,447
Total	9,70,66,948	6,66,98,822
Components of Cash and Cash equivalents as at 31st March 2015		
Cash and bank Balance	5,29,32,014	4,67,10,843
Current Investments	9,36,69,910	5,03,56,105
Total	14,66,01,924	9,70,66,948

III. Notes Forming Part of the Financial Statements

1 - 33

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

Sridhar R
Partner
M. No. 028317
Firm Registration No. 015682N

Place : Mumbai
Dated : May 4, 2015

For and on behalf of the Board
Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Notes to Financial Statements for year ended March 31, 2015

Note 1 : Notes to accounts

1. Statement of significant accounting policies

a) Basis of accounting :

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Accounting Standards referred to in section 133 and other applicable provisions of the Companies Act, 2013.

b) Fixed assets and depreciation :

Fixed assets are stated at cost less depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to working condition for its intended use.

Pursuant to enactment of the Companies Act 2013, the Company has adopted the option given under the Companies Act and accordingly provided depreciation based on useful life as determined by technical evaluation. The useful lives adopted are different from the useful life given under schedule II as disclosed below:

Nature of Assets	Useful life as per Schedule II	Useful life adopted
Leasehold Improvements	-	05 years
Plant & Machinery / Office Equipment	15 years	15 years
Furniture & Fixtures	10 years	15 years
Electrical fittings	10 years	10 years
Computers	3 years	6 years

c) Investments :

Investments are carried at cost. Provision is made for diminution in value other than temporary investments, on an individual basis. Current Investments are carried at lower of cost and fair value.

d) Revenue recognition :

- Car/Boat Hire, Commission on Ticket Sales and Travel Booking Income are net of service tax.
- Income from services is accounted when services rendered are complete.
- Other Income is accounted on accrual basis.

e) Retirement benefits :

Contribution required for Post retirement benefits like Provident Fund & Defined Contribution to Superannuation schemes in the nature of defined contribution plans are recognized in the Profit & Loss Account on accrual basis. Liabilities under the defined benefit schemes are determined through independent actuarial valuation at the year end & charge recognized in the books. For schemes where recognized funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains & losses are recognized in the Profit & Loss Account.

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge recognized in the profit and loss account.

f) Taxation :

Provision for tax is made based on the tax payable under the Income Tax Act, 1961. Deferred Tax on timing differences between taxable income and accounting income is accounted for using tax rates and tax laws enacted or substantially enacted as on the Balance Sheet date. Deferred Tax assets are recognized only to the extent there is a reasonable certainty of realization.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

g) Provisions, contingent liabilities and contingent assets :

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

h) Cash and cash equivalents :

The Company consider all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

i) Impairment :

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discontinued to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the statement of profit and loss.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 2 : Share Capital

	March 31, 2015 ₹	March 31, 2014 ₹
1 Authorised Share capital		
a) Equity Shares		
750000 (Previous Year 750000) Equity Shares of ₹ 10 each	75,00,000	75,00,000
b) Preference Shares		
12000000 (Previous Year 12000000) 6% Cumulative Optionally Convertible Preference Shares of ₹ 10 each	12,00,00,000	12,00,00,000
c) Unclassified Shares		
17250000 (Previous Year 17250000) Unclassified Shares of ₹ 10 each	17,25,00,000	17,25,00,000
	30,00,00,000	30,00,00,000
2 Issued, Subscribed and Paid up		
a) Equity Shares		
720012 (Previous Year 720012) Equity Shares of ₹ 10 each fully paid	72,00,120	72,00,120
Total	72,00,120	72,00,120

a. Shareholders holding more than 5% shares in the Company

Name of the Company	March 31, 2015		March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity share of ₹ 10/- each fully paid				
The Indian Hotels Company Limited	2,40,004	33.33	2,40,004	33.33%
TIFCO Holding Limited	99,005	13.75	99,005	13.75%
Taj Trade and Transport company Limited	72,001	10.00	72,001	10.00%
Piem Hotels Limited	1,89,002	26.26	1,89,002	26.26%
Taj Enterprises Limited	72,000	10.00	72,000	10.00%

b. Reconciliation of the shares outstanding at the beginning and at the end of reporting period

	March 31, 2015		March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
Opening Balance	7,20,012	72,00,120	7,20,012	72,00,120
Add : Issued during the year	-	-	-	-
Less : Redeemed / Bought Back	-	-	-	-
Closing Balance	7,20,012	72,00,120	7,20,012	72,00,120

c. Shares in the Company held by its ultimate holding company including shares held by subsidiaries or associates of ultimate holding company

Name of the Company	March 31, 2015		March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
<u>Shares held by Ultimate Holding Company</u>				
The Indian Hotels Company Limited	2,40,004	33.33	2,40,004	33.33
	2,40,004	33.33	2,40,004	33.33
<u>Shares held by Subsidiary of Ultimate Holding Company</u>				
Piem Hotels Limited	1,89,002	26.26%	1,89,002	26.26%
Taj Trade and Transport Company Limited	72,001	10.00%	72,001	10.00%
TIFCO Holding Limited	99,005	13.75%	99,005	13.75%
Taj Enterprises Limited	72,000	10.00%	72,000	10.00%
Northern Indian Hotels Limited	24,000	3.33%	24,000	3.33%
	4,56,008	63.34%	4,56,008	63.34%

- d. The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of interim dividend. In event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 3 : Reserves and Surplus

	March 31, 2015 ₹	March 31, 2014 ₹
Capital Reserves		
Balance as per last Balance sheet	15,50,000	15,50,000
Closing Balance	15,50,000	15,50,000
Capital Redemption Reserve		
Balance as per last Balance sheet	12,00,00,000	12,00,00,000
Closing Balance	12,00,00,000	12,00,00,000
General Reserves		
Balance as per last Balance sheet	5,19,18,242	4,58,51,017
Add :Current Year Transfer	-	60,67,225
Closing Balance	5,19,18,242	5,19,18,242
Surplus in Profit and loss account		
Balance as per last Balance sheet	17,91,77,857	17,51,15,513
Add : Net Profit / (Net Loss) For the current year	(4,49,22,079)	6,06,72,251
Less :Proposed Dividend	4,32,00,720	4,32,00,720
Less :Tax on Proposed Dividend	87,94,803	73,41,962
Less: Transfer to reserves	-	60,67,225
Closing Balance	8,22,60,255	17,91,77,857
Grand Total	25,57,28,497	35,26,46,099

Note 4 : Long Term Provisions

Long Term Provisions consist of the following :

	March 31, 2015 ₹	March 31, 2014 ₹
Provision for employee benefits		
Gratuity	27,95,708	47,30,162
Leave Encashment	5,98,052	9,21,976
Total	33,93,760	56,52,138

Note 5 : Short term borrowings

Short term borrowings consist of the following

	March 31, 2015 ₹	March 31, 2014 ₹
Short term borrowings		
Temporary Overdraft	-	1,20,09,560
Total	-	1,20,09,560

Note 6 : Other Current Liabilities

Other Current Liabilities consist of the following :

	March 31, 2015 ₹	March 31, 2014 ₹
Other Current Liabilities		
(i) Statutory Liabilities	9,97,769	20,37,159
(ii) Capital Creditors	-	51,528
(iii) Others	42,95,112	53,00,800
Total	52,92,881	73,89,487

Note 7 : Short term provisions

Short term provisions consist of the following :

	March 31, 2015 ₹	March 31, 2014 ₹
(a) Provision for Employee benefits		
Gratuity	71,009	11,35,817
Leave Encashment	92,239	3,44,076
(b) Proposed Dividend	4,32,00,720	4,32,00,720
(c) Tax on Dividend	87,94,803	73,41,962
Total	5,21,58,771	5,20,22,575

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 8 : Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Opening	Additions	Deductions	Closing	Opening	Charge for the year	Closing	Opening
A. TANGIBLE ASSETS								
1. Building	58,42,623	-	-	58,42,623	15,73,436	77,994	16,51,430	41,91,193
Previous Year	58,42,623	-	-	58,42,623	14,78,204	95,232	15,73,436	42,69,187
2. Plant & Machinery	1,14,03,114	13,23,719	4,18,999	1,23,07,834	73,62,576	9,75,139	81,77,234	41,30,600
Previous Year	1,00,71,546	13,31,568	-	1,14,03,114	63,90,083	9,72,493	73,62,576	40,40,538
3. Furniture & Fixtures	14,87,365	3,306	-	14,90,671	7,28,050	75,573	8,03,623	6,87,048
Previous Year	13,45,308	1,42,057	-	14,87,365	6,39,563	88,487	7,28,050	7,59,315
4. Office Equipments	7,48,504	52,090	-	8,00,594	2,76,379	57,835	3,34,214	4,66,380
Previous Year	7,07,119	41,385	-	7,48,504	2,43,758	32,621	2,76,379	4,72,125
Total (A)	1,94,81,606	13,79,115	4,18,999	2,04,41,722	99,40,441	11,86,541	1,60,481	94,75,221
Previous Year	1,79,66,596	15,15,010	-	1,94,81,606	87,51,608	11,88,833	-	95,41,165
B. INTANGIBLE ASSETS								
5 Softwares	23,70,387	33,36,073	58,000	56,48,460	14,42,044	6,19,483	32,056	20,29,471
Previous Year	21,60,899	2,09,488	-	23,70,387	11,10,846	3,31,198	-	14,42,044
Grand Total (A+B)	2,18,51,993	47,15,188	4,76,999	2,60,90,182	1,13,82,485	18,06,024	1,92,537	1,29,95,972
Previous Year	2,01,27,495	17,24,498	-	2,18,51,993	98,62,454	15,20,031	-	1,13,82,485
Note :								

Depreciation for the year includes ₹ 77,994 (Previous year ₹ 95,232) is in respect of discontinued operations refer note no. 19

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 9 : Non - Current Investments

Non-current investment consist of the following:

	March 31, 2015		March 31, 2014	
	Holdings as at	₹	Holdings as at	₹
TRADE INVESTMENT AT COST				
A. Investment in equity instruments				
i. Un-Quoted				
(a) Investment in Subsidiaries				
Taj Rhein Shoes Co. Ltd Shares of ₹ 100/- each fully paid-up*	-	-	1,87,004	1
	-	-	1,87,004	1
B. Investment in other companies				
Taj Enterprises Ltd. Shares of ₹ 100/- each fully paid-up**	12,450	2,12,40,860	12,450	2,12,40,860
Taj Trade & Transport Company Ltd shares of ₹ 10/- each fully paid-up**	5,50,766	2,83,11,373	5,50,766	2,83,11,373
Taj Safaris Ltd of ₹ 10/- each, fully paid-up	65,80,000	6,58,00,000	65,80,000	6,58,00,000
Indian Dairy Entrepreneurs Agricultural Co Ltd			-	7,550
Less: Provision for Diminution in the value of Investment***	-	(4,87,57,800)	-	(7,549)
		<u>6,65,94,433</u>		<u>11,53,52,234</u>
OTHER NON CURRENT INVESTMENTS				
Investment in immovable properties		26,50,026		-
		<u>26,50,026</u>		<u>-</u>
TOTAL		<u>6,92,44,459</u>		<u>11,53,52,235</u>
1) Aggregate value of cost of unquoted Investments		11,53,52,233		11,53,59,784
2) Aggregate provision for diminution in value of investment		4,87,57,800		7,549
3) * Taj Rhein Shoes Co. Ltd Shares of ₹ 100/- each fully paid-up (1,87,004 shares sold during the year)				
4) ** These companies are the fellow subsidiaries of Inditravel limited				
5) *** Provision for diminution in value has been made on the basis of fair valuation of the shares of the company				

Note 10 : Long term loans and advances

Long term loans and advances consist of the following:

	March 31, 2015	March 31, 2014
	₹	₹
(Unsecured, considered good)		
Capital Advances	-	15,26,410
Security deposit	34,09,721	34,96,418
Loans and advances to employees	-	92,471
Advance tax (net of provision)	4,74,29,848	3,36,09,351
Less : Provision for Contingency	62,50,000	50,00,000
Sub-Total	<u>4,11,79,848</u>	<u>2,86,09,351</u>
MAT Credit	3,80,385	-
Unsecured considered doubtful		
Loans and advances to related parties	-	6,71,29,997
Less : Provision for doubtful loans and advances	-	6,71,29,997
	<u>-</u>	<u>-</u>
Total	<u>4,49,69,954</u>	<u>3,37,24,650</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 11 : Current Investments

Current investment consist of the following:

	March 31, 2015		March 31, 2014	
	Holdings as at	₹	Holdings as at	₹
(A) Investment - Others (Non - trade) - Quoted				
Kotak Liquid Scheme Plan A - Daily Dividend	463	5,66,062	435	5,32,479
ICICI Prudential Money Market Fund - Regular Plan- Daily Dividend	30,991	31,03,211	69,226	69,31,526
Birla Sun Life Cash Plus - Regular Plan - Daily Dividend	4,36,553	4,37,40,450	1,52,291	1,52,79,221
Peerless Liquid Fund - Super Institutional - Daily Dividend	-	-	5,09,624	50,22,513
JPMorgan India Liquid Fund Super Inst. - Daily Dividend	5,19,190	52,06,394	5,03,976	50,53,819
Franklin Templeton Mutual Fund - Daily Dividend	41,024	4,10,53,793	17,524	1,75,36,547
	10,28,221	9,36,69,910	12,53,076	5,03,56,105
1) Aggregate market value of quoted Investments		9,36,69,910		5,03,56,105

Note 12 : Inventories

(As taken, valued and certified by the management)

Inventories consist of the following:

	March 31, 2015	March 31, 2014
	₹	₹
a. Stock of saleable area *	-	26,50,026
* Valued at cost or market value whichever is lower		
Total	-	26,50,026

Note 13 : Trade receivables

Trade receivables consist of the following:

	March 31, 2015	March 31, 2014
	₹	₹
Trade receivables (Unsecured)		
Exceeding six months		
Considered good	46,23,790	21,02,702
Considered doubtful	4,00,000	-
Total (1)	50,23,790	21,02,702
Others:		
Considered good	82,35,726	5,94,23,584
Total (2)	82,35,726	5,94,23,584
Total (1+2)	1,32,59,516	6,15,26,286
Less : Provision for doubtful debts	4,00,000	-
Grand Total	1,28,59,516	6,15,26,286

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 14 : Cash and Bank balances

Cash and Bank Balances consist of the following:

	March 31, 2015 ₹	March 31, 2014 ₹
1 Cash and Cash equivalents		
(i) Cash on hand	15,445	1,37,749
(ii) Cheques, drafts on hand	11,68,958	2,04,85,974
(iii) Balance with Banks		
a) In current accounts	34,18,407	-
b) Call and Short Term Deposit Accounts less than 3 months	3,84,73,075	-
Total (1)	4,30,75,885	2,06,23,723
2 Other Bank balances		
(i) Call and Short Term Deposit Accounts more than 3 months and less than 12 months.	98,56,129	2,60,87,120
Total (2)	98,56,129	2,60,87,120
Total (1+2)	5,29,32,014	4,67,10,843

Note 15 : Short term loans and advances

Short term loans and advances consist of the following:

	March 31, 2015 ₹	March 31, 2014 ₹
(Unsecured, considered good)		
Interest receivable	8,55,485	9,26,986
Loans and advances to employees	74,434	2,48,151
Loans and advances to related parties	4,28,00,000	1,63,00,000
Loans and advances to others	60,11,965	14,49,81,567
Total	4,97,41,884	16,24,56,704

Note 16 : Revenue from operation

Revenue from operation consist of revenues from:

	March 31, 2015 ₹	March 31, 2014 ₹
Sale of service		
Car Hire Services	38,84,39,589	63,70,27,532
Travel Booking	4,57,526	12,38,310
Commission on Ticket Sale	20,750	1,03,641
Boat Hire Charges	41,31,656	83,09,319
Sub-Total	39,30,49,521	64,66,78,802

Note 17 :Other income

Other income consist of the following:

	March 31, 2015 ₹	March 31, 2014 ₹
(a) Dividend Income from current investment	34,09,737	19,14,231
(b) Dividend Income (Non Current)	11,01,532	16,52,298
(c) Surplus on sale of fixed assets (Net)	1,000	-
(d) Interest Income	1,40,21,973	1,69,93,838
Tax deducted at source: ₹ 14,02,197/- (Previous year: ₹ 16,99,384/-)		
(e) Miscellaneous Income	9,52,983	8,85,003
Sub-total	1,94,87,225	2,14,45,370
Total	41,25,36,746	66,81,24,172

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 18 : EXPENSES

Expenses consist of the following:

	March 31, 2015	March 31, 2014
	₹	₹
a) Operating Expenses		
Car Hire Charges	27,00,87,819	41,83,14,676
Ticket Booking / Service charges	22,53,355	74,033
Boat Hire Charges	29,72,124	59,77,850
License Fees	2,76,41,405	3,92,33,596
Sub-Total	30,29,54,703	46,36,00,155
b) Employees benefit expenses		
(i) Salaries, Wages, Bonus etc.	3,87,84,803	4,64,63,625
(ii) Company's Contribution to Retirement Funds & Other Funds	53,34,125	38,02,175
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	1,76,34,387	1,61,47,589
(iv) Workmen / Staff Welfare Expenses	33,23,364	45,60,250
Sub-Total	6,50,76,679	7,09,73,639
c) Other Expenses		
Rent Rates & Taxes	34,85,254	32,73,755
Electricity expenses	10,33,945	8,73,427
Repairs & Maintenance	6,43,781	7,37,524
Insurance	15,30,228	12,09,736
Credit Card Charges	33,20,031	58,61,581
Legal & Professional Fees	1,83,38,459	1,16,35,827
Provision for contingency	12,50,000	50,00,000
Miscellaneous expenses	76,39,906	96,29,638
Auditors' Remuneration		
As Auditors	8,14,610	7,25,000
For Taxation matters	3,37,080	1,00,000
Auditors other services	75,000	-
For Reimbursement of expenses	83,361	10,560
Sub-Total	13,10,051	8,35,560
Sub-Total	3,85,51,655	3,90,57,048
TOTAL (a+b+c)	40,65,83,037	57,36,30,843

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 19 : Profit / (Loss) on Discontinued Operations

	March 31, 2015 ₹	March 31, 2014 ₹
Income from Discontinued operation	3,60,000	3,60,000
Total	3,60,000	3,60,000
<u>Expenses from discontinued operation</u>		
Interim Relief to Staff/ Compensation	-	19,50,000
Rates and taxes	38,877	39,015
Repairs & Maintenance	26,220	-
Professional fees	-	5,53,500
Depreciation	77,994	95,232
Sub - total	1,43,091	26,37,747
Profit /(loss) on Discontinued operation	2,16,909	(22,77,747)

Note 20 : Contingent Liabilities:

Contingent liabilities and commitments (to the extent not provided for)

	March 31, 2015 ₹	March 31, 2014 ₹
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Income tax demand under appeal	35,61,590	27,55,410
(ii) Claims by vendors	-	-
Sub Total	35,61,590	27,55,410
(b) Other money for which the company is contingently liable.		
Employee related matter	-	6,60,000
Sub Total	-	6,60,000
Total	35,61,590	34,15,410
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	12,48,882
	-	12,48,882

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation

- 21 a) The Company has adopted the option given under the Companies Act and accordingly provided depreciation based on useful life as determined by technical evaluation. The useful lives adopted are different from the useful life given under schedule II as disclosed below:

Nature of Assets	Useful life as per Schedule II	Useful life adopted
Leasehold Improvements	-	05 years
Plant & Machinery / Office Equipment	15 years	15 years
Furniture & Fixtures	10 years	15 years
Electrical fittings	10 years	10 years
Computers	3 years	6 years

- b) The above option given under schedule II has resulted in depreciation for the year as Compared to deprecation provided during the previous year based on schedule XIV of the Companies Act 1956, being lower by ₹ 48,793/-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 22 : Deferred Tax Assets

Following are the major components of deferred tax (asset)/liability:

No deferred tax asset has been created in respect of capital loss as there is no virtual certainty of having adequate taxable profit in the near future to realise such asset.

	March 31, 2015	March 31, 2014
	₹	₹
Deferred tax Assets:		
Gratuity & Leave Encashment	11,67,145	23,13,988
Bonus	3,46,110	2,50,878
Unabsorbed Depreciation	8,53,259	-
Others	1,29,780	
Total of Deferred tax assets (A)	24,96,294	25,64,866
Deferred tax liabilities:		
Depreciation on Fixed assets	(25,74,266)	(20,35,971)
Gratuity and Leave encashment	-	-
Total of Deferred tax liabilities (B)	(25,74,266)	(20,35,971)
Deferred tax net - Assets / (Liabilities) - (A-B)	(77,972)	5,28,895

Note 23 : Particulars of earnings per share :

	March 31, 2015	March 31, 2014
	₹	₹
Net profit / (loss) for the year as per the statement of profit and loss	(4,49,22,079)	6,06,72,251
Profit / (loss) to equity share holders	(4,49,22,079)	6,06,72,251
Weighted average number of equity shares	720,012	720,012
Nominal value per share	10	10
Earnings per share – Basic & Diluted	(62)	84

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 24 : Closure of Units :

- a) The Company discontinued its printing, electroplating and other operations (except travel division) with effect from March 2001. As at March 31, 2015, the Company carried the following assets and liabilities of discontinued operations:

	March 31, 2015			March 31, 2014		
	Divisions			Divisions		
	Printing ₹	Others ₹	Total ₹	Printing ₹	Others ₹	Total ₹
Assets	-	69,72,681	69,72,681	-	42,72,998	42,72,998
Liabilities	58,669	2,75,000	3,33,669	58,669	2,75,000	3,33,669

The Market values of these Assets are higher than the carrying value.

The Company has incurred Profit of ₹ 2,16,909/- (Previous Year Loss of ₹ 22,77,747/-) from discontinued business, which is included in the Profit and Loss Account, break-up of which is given as under:

Divisions	March 31, 2015			March 31, 2014		
	Particulars			Particulars		
	Revenue ₹	Expenses ₹	Profit/(Loss) ₹	Revenue ₹	Expenses ₹	Profit/(Loss) ₹
Printing	-	-	-	-	25,03,500	(25,03,500)
Others	3,60,000	1,43,091	2,16,909	3,60,000	1,34,247	2,25,753
Total	3,60,000	1,43,091	2,16,909	3,60,000	26,37,747	(22,77,747)

- b) Closure of car hire activity – During the year the Company has discontinued the Car hire activity w.e.f. December 02, 2014.

Note 25 : In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of the Company's business.

Note 26 : Amounts due to Micro, Small and Medium Enterprises:

- (i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extend such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.
- (ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2015 ₹	March 31, 2014 ₹
(a) Principal amount remaining unpaid to supplier as at end of the accounting year.	-	-
(b) Interest due there on remaining unpaid to supplier as at end of the accounting year.	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
(f) The amount further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 27 : Employee Benefits

Applicable Disclosures as per AS-15 (Revised) Gratuity :

The Company has calculated the various benefits to employees as under:

(A) Defined contribution plans

The company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and other funds(net of recoveries)

	March 31, 2015 ₹	March 31, 2014 ₹
Provident fund	16,87,126	20,78,122

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Non Funded

(C) Defined benefit plans(Gratuity) – as per actuarial valuation on March 31, 2015 :-

(i) Principal Actuarial Assumptions as at 31st March 2015.

Particulars	March 31, 2015 ₹	March 31, 2014 ₹
Assumptions :		
Discount rate	7.92%	9.32%
Salary escalation rate	7%	7%
Employee Turnover rate	27%	27%

Data Summary :

No. of Employees	20	69
Total Salary	2,39,673	5,98,070
Total Past Service	14	12
Value of liability	28,66,717	58,65,979

Disclosure as per Revised AS15 :
Reconciliation of PBO

Projected Benefit Obligation at Beginning of year	58,65,979	61,28,739
Current Service Cost	3,76,919	3,81,853
Interest Cost	5,46,709	4,90,299
Actuarial (Gain) / Loss due to change in assumptions	(1,40,159)	2,61,497
Benefits Paid	(37,82,731)	(13,96,409)
Projected Benefit Obligation at End or year	28,66,717	58,65,979

Total actuarial gain/(loss) to be recognized immediately (included in Statement of Profit and Loss)	(1,40,159)	2,61,497
--	-------------------	-----------------

Amounts Recognized in the balance sheet

Projected Benefit Obligation at End or year	28,66,717	58,65,979
Funded Status asset / (liability)	(28,66,717)	(58,65,979)
Pre-Paid(+)/Accrued Liability(-) recognized in Balance Sheet	(28,66,717)	(58,65,979)

Statement of Profit and Loss

Current Service Cost	3,76,919	3,81,853
Interest Cost	5,46,709	4,90,299
Net actuarial (gain)/loss to be recognized in year	(140,159)	2,61,497
Expense recognized in the statement of Profit and Loss	7,83,469	11,33,649

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 28 : Related Party Disclosure A – 18, issued by the Institute of Chartered Accountants of India.

a) The names of the related parties are as under:

A. Holding Company	The Indian Hotels Company Ltd.
B. Subsidiaries of Holding Company	TIFCO Holdings Limited
	KTC Hotels Limited
	United Hotels Limited
	Roots Corporation Limited
	Taj Sats Air Catering Limited
	Piem Hotels Limited
	Taj Trade and Transport Company Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Taj International Hotels (H.K) Limited
	Cheiftain Corporation NV
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited
	IHMS Inc.
	Samsara Properties Limited
	IHMS (Australia) Pty Limited
	Apex Hotel MGMT Services Pte Ltd
	PIEM International Hotels (H.K) Limited
	Premium Aircraft Leasing Corporation, Limited
	BAHC 5 Limited
C. Associates of Holding Company	Oriental Hotels Ltd.
	Taj Madurai Limited
	Taida Trading & Industries Ltd.
D. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts
	Taj Safaris Ltd.
	Kaveri Retreat & Resorts Ltd

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
b) Details of Transactions with related parties are as follows:
₹

Particulars	Holding Company		Subsidiaries of Holding Company	
	2014-15	2013-14	2014-15	2013-14
Re-imbursement of expenses	1,27,77,998	1,20,02,053	3,18,678	-
Professional Fees paid	1,50,00,000	97,00,000		-
Operating / Licence fees paid	2,18,71,444	2,89,82,782	15,59,118	29,41,859
ICD given	-	19,00,00,000	-	10,00,00,000
Interest Received on ICD	-	29,62,534.00	-	26,90,753
ICD refund received	-	19,00,00,000	-	10,00,00,000
Dividend received	-	-	11,01,582	16,52,298
Dividend Paid	1,44,00,240	1,20,00,200	2,73,60,480	2,28,00,400
Purchase of services	11,71,017	82,61,747	98,592	12,85,035
Rent Income	3,60,000	3,60,000	-	-
Sale or services rendered	7,60,21,876	10,43,62,005	57,74,404	99,43,170
Due from Current Account as on 31.03.2014 (Debit)	(8,44,866)	2,08,82,112	(1,69,537)	60,35,876

₹

Particulars	Associates of Holding Company		Joint Ventures	
	2014-15	2013-14	2014-15	2013-14
Interest Accrued	-	-	-	42,997
Operating / Licence fees paid	-	-	6,39,587	9,54,490
ICD given	-	-	2,45,00,000	1,75,00,000
Interest Received on ICD	-	-	36,92,004	13,41,278
ICD received back	-	-	-	1,00,00,000
Inter Corporate Deposits outstanding	-	-	4,00,00,000	1,55,00,000
Purchase of services	-	-	-	1,37,272
Sale or services rendered	-	-	18,95,911	14,37,463
Due from Current Account as on 31.03.2015 (Debit)	-	-	19,47,371	38,41,393

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

c) Statement of material transactions:

Company Name	March 31 2015 ₹	March 31 2014 ₹
Holding Company		
The Indian Hotels Company Ltd.		
Inter Corporate Deposit Given	-	19,00,00,000
Interest Income on Inter Corporate Deposits	-	29,62,534
Inter Corporate Deposit received back	-	19,00,00,000
Rental Income	3,60,000	3,60,000
Dividend Income - Non-Current Investment	-	-
Dividend paid	1,44,00,240	1,20,00,200
Professional Fees paid	1,50,00,000	97,00,000
Lease Rentals for Hotel/Factory Premises	2,18,71,444	2,89,82,782
Reimbursement of Deputed Staff Salary & Wages	1,27,77,998	1,20,02,053
Reimbursement of Laundry expenses	2,18,779	9,31,242
Reimbursement of Other expenses	9,52,238	73,30,505
Due from Current Account	(8,44,866)	2,08,82,112
Sales or Services	7,60,21,876	10,43,62,005
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	1,13,40,120	94,50,100
Lease Rentals for Hotel/Factory Premises	12,67,878	20,66,568
Reimbursement of Laundry expenses	-	1,48,504
Reimbursement of Other expenses	4,17,270	8,07,299
Due from Current Account	-	37,57,606
Sales or Services	51,62,927	76,97,370
United Hotels Ltd.		
Due from Current Account	-	42,289
Beneras Hotels Ltd.		
Lease Rentals for Hotel/Factory Premises	2,46,487	3,40,873
Reimbursement of Laundry expenses	-	52,461
Reimbursement of Other expenses	-	2,17,050
Due from Current Account	32,102	4,43,984
Sales or Services	5,61,477	10,02,261
Taj Trade & Transport Co. Ltd.		
Interest Income on Inter Corporate Deposits	-	-
Inter Corporate Deposit Received	-	-
Dividend paid	43,20,060	36,00,050
Dividend Received	11,01,582	16,52,298
Due from Current Account	(2,01,639)	3,34,446
Sales or Services	50,000	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Company Name	March 31 2015 ₹	March 31 2014 ₹
TIFCO Holdings Limited		
Dividend paid	59,40,300	49,50,250
Roots Corporation Limited		
Inter Corporate Deposit Given	-	10,00,00,000
Interest Income on Inter Corporate Deposits	-	26,90,753
Inter Corporate Deposit Received back	-	10,00,00,000
Lease Rentals for Hotel/Factory Premises	44,753	5,34,418
Reimbursement of Other expenses	-	59,721
Due from Current Account	-	14,57,551
Sales or Services	-	12,43,540
Taj Enterprises Limited		
Dividend paid	43,20,000	36,00,000
Northern India Hotels Limited		
Dividend paid	14,40,000	12,00,000
Joint Ventures		
Taj Kerala Hotels & Resorts Limited		
Lease Rentals for Hotel/Factory Premises	3,68,177	7,18,521
Reimbursement of Other expenses	-	77,896
Due from Current Account	-	12,79,067
Sales or Services	4,73,810	12,50,662
Taj Safaris Limited		
Interest Income on Inter Corporate Deposits	36,92,004	13,38,196
Interest Accrued	-	42,997
Lease Rentals for Hotel/Factory Premises	1,13,165	-
Inter Corporate Deposits outstanding	4,00,00,000	1,55,00,000
Inter Corporate Deposit Given	2,45,00,000	75,00,000
Due from Current Account	3,58,439	16,43,003
Kaveri Retreat & Resorts Limited		
Interest Income on Inter Corporate Deposits	-	3,082
Lease Rentals for Hotel/Factory Premises	1,58,245	2,35,969
Inter Corporate Deposit Given	-	1,00,00,000
Inter Corporate Deposit Received Back	-	1,00,00,000
Reimbursement of Other expenses	-	59,376
Due from Current Account	-	9,19,323
Sales or Services	14,22,101	1,86,801

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 29: The details of provisions as required by the provisions of Accounting Standard 29 "Provisions, contingent Liabilities and Contingent Assets" are as under:

Nature of Provision	Leave Encashment & Gratuity ₹
Opening Balance	71,32,031
Additional provisioning	32,95,843
Amounts used during the year	68,70,866
Amounts reversed during the year	-
Closing Balance	35,57,008

Note 30 : The Company's only business being travel related services, disclosure of segment-wise information is not applicable under Accounting Standard 17 – Segmental Information (AS – 17 notified by the Company's (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.

Note 31 : Additional information :

	March 31, 2015 ₹	March 31, 2014 ₹
(i) Value of imports on CIF basis	Nil	Nil
(ii) Expenditure in Foreign Currency		
a. Passage and Travelling	Nil	Nil
b. Professional Fees	Nil	Nil
(iii) Earnings in foreign exchange		
a. Export - F.O.B. value	Nil	Nil

Note 32 : Sale of Services :

	March 31, 2015 ₹	March 31, 2014 ₹
Car Hire and other services	39,30,49,521	64,66,78,802

Note 33 : Previous year figures are regrouped and rearranged wherever necessary to match with current year's classification.

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

Sridhar R
Partner
M. No. 028317
Firm Registration No. 015682N

Place : Mumbai
Dated : May 4, 2015

For and on behalf of the Board

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

DIRECTORS AND CORPORATE INFORMATION

KTC HOTELS LIMITED

Board of Directors

Mr. V. Mohan

Mr. Ashok Binnani

Mr. Prabhat Verma

Bankers

Syndicate Bank

Auditors

M/s Varma & Varma, Calicut

Chartered Accountants

Registered Office

The Gateway Hotel,

Shanmugam Road,

Marine Drive,

Ernakulam,

Kochi - 682 011

Kerala

CIN : U55101KL1984PLC004105

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2015 :

FINANCIAL RESULTS

	March 31, 2015 ₹ Lakhs	March 31, 2014 ₹ Lakhs
Income	28.92	25.64
Expenditure	7.27	7.71
Profit Before Tax	21.65	17.93
Less : Provision For Tax		
Current Tax	7.51	6.51
Deferred Tax	(0.89)	(0.67)
Taxation – Prior years	-	-
Profit After Tax	15.03	12.09
Balance profit brought forward from previous year	22.24	10.16
Profit / Loss carried to Balance Sheet	37.27	22.25

OPERATING RESULTS

The Total Income for the year was ₹ 28.92 lakh (Previous Year - ₹ 25.64 lakh) against which the Expenditure was ₹ 7.27 lakh (Previous Year - ₹ 7.71 lakhs).

DIVIDEND

No Dividend was declared for the year 2014-15.

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

The Company takes all efforts towards conservation of energy and technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013 ("the Act") and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

The Company has not given any loans or guarantees nor made any investments under Section 186 of the Act during the year under review.

FIXED DEPOSIT:

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

BORROWINGS

The Company does not have any borrowings.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework for purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all related party transactions is placed before the Board of Directors for their approval on a quarterly basis.

DIRECTORS

Mr. S.Y.Raman and Mr. P.K.Mohankumar resigned as Directors of the Company, both effective from May 9, 2014.

The members of the Company have confirmed the appointment of Mr. Ashok Binnani and Mr. Prabhat Verma as Directors of the Company at the Annual General Meeting held on September 5, 2014. They were appointed as Additional Directors of the Company w.e.f. April 28, 2014.

In accordance with the Companies Act, 2013, and the Articles of Association of the Company, one of your Director viz. Mr.Ashok Binnani retires by rotation and is eligible for re-appointment. Your approval for his re-appointment as a Director has been sought in the Notice convening the Annual General Meeting of the Company.

BOARD MEETINGS:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were convened and held viz. on May 9, 2014, July 25, 2014, October 30, 2014 and January 23, 2015 The intervening gap between the meetings did not exceed the period prescribed under the Act.

AUDITORS

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

At the Annual General Meeting, the Members are requested to re-appoint M/s.Varma & Varma, Chartered Accountants, Ernakulam, Cochin (Firm Registration No. 004532S) as the Statutory Auditors for the financial year 2015-16 to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Thirty First Annual General Meeting and authorise the Board of Directors to fix their remuneration.

M/s.Varma & Varma, Chartered Accountants have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

SHARE CAPITAL

As on 31st March 2015, the issued, subscribed and paid-up share capital of the Company comprised of 6,04,000 Equity Shares of ₹ 10 each aggregating to ₹ 60,40,000/-. The Company has not issued any shares during the year under review.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT 9 pursuant to Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules 2014, is annexed herewith.

PARTICULARS OF EMPLOYEES

The Company does not have any employee drawing salary in terms of the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board wishes to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) & 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, hereby confirms that, for the financial year ended March 31, 2015:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that period;
- (iii) it has 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;
- (iv) it has prepared the annual accounts on a going concern basis; and
- (v) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
2. The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Vigil Mechanism are not applicable to the Company.
3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

On behalf of the Board of Directors

V. Mohan	Ashok Binnani
Director	Director
(DIN : 00215718)	(DIN: 03326335)

Place : Mumbai

Date : May 12, 2015

Registered Office:

KTC Hotels Limited

The Gateway Hotel,

Shanmugham Road,

Marine Drive, Ernakulam,

Kerala - 682011

CIN: U55101KL1984PLC004105

KTC HOTELS LIMITED

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U55101KL1984PLC004105
- ii) Registration Date : 22/12/1984
- iii) Name of the Company : K T C Hotels Limited
- iv) Category : Company Limited by Shares
- v) Sub-Category of the Company : Indian Non- Government Company
- vi) Address of the registered office : Taj Gateway Hotel, Marine Drive,
and contact details : Ernakulam, Kerala- 682011
- vii) Whether listed company : No
- viii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Lessors of real property	70106	97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Colaba, Mumbai- 400 001	L74999MH1902PLC000183	Holding	100	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01.04.2014)				No. of Shares held at the end of the year (i.e 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	6,04,000	6,04,000	100	-	6,04,000	6,04,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	6,04,000	6,04,000	100	-	6,04,000	6,04,000	100	-
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter/ Promoter group (A)=(A)(1)+(A)(2)	-	6,04,000	6,04,000	100	-	6,04,000	6,04,000	100	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									

KTC HOTELS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01.04.2014)				No. of Shares held at the end of the year (i.e 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals i) Individual shareholders holding nominal share capital upto ₹ 1 lakh ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh c) Others (specify) 1) Directors and Relatives									
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	6,04,000	6,04,000	100	-	6,04,000	6,04,000	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e 01.04.2014)			Share holding at the end of the year (i.e 31.03.2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	5,03,698	83.39	-	5,03,698	83.39	-	-
2	IHCL jointly with Inditravel Ltd	1	-	-	1	-	-	-
3	IHCL jointly with Taida Trading and Industries Limited	100	0.02	-	100	0.02	-	-
4	IHCL jointly with Ideal Ice & Cold Storage Company Limited	1	-	-	1	-	-	-
5	IHCL jointly with Taj Trade and Transport Company Limited	7,000	1.16	-	7,000	1.16	-	-
6	IHCL jointly with Taj Air Limited	36,600	6.06	-	36,600	6.06	-	-
7	IHCL jointly with Taj Safaris Ltd	56,600	9.37	-	56,600	9.37	-	-
	TOTAL	6,04,000	100	-	6,04,000	100	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)-

Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	No Change			
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	None of the Directors hold shares of the Company			
	At the End of the year				

KTC HOTELS LIMITED

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			₹ 3,50,00,000 Nil Nil	0,00,000 Nil Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)			₹ 3,50,00,000	₹ 3,50,00,000
Change in Indebtedness during the financial year Addition Reduction			Nil	Nil
Net Change			Nil	Nil
Indebtedness at the end of the financial year			₹ 3,50,00,000 Nil Nil	₹ 3,50,00,000 Nil Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)			₹ 3,50,00,000	₹ 3,50,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration		Total Amount
1)	Gross salary	The Company has no Executive Director on the Board	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2)	Stock Option		
3)	Sweat Equity		
4)	Commission - as % of profit - others, specify...		
5)	Others, please specify		
	Total (A)		

B. Remuneration to other directors:
Non Executive

Sl. No.	Particulars of Remuneration	V. Mohan	Prabhat Verma	Ashok Binnani	Total Amount
	Fee for attending board / committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Other, please specify	NIL	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- Not Applicable

Sl. No.	Particulars of Remuneration		Total
1)	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2)	Stock Option		
	Sweat Equity		
	Commission - as % of profit - others, specify...		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty / Punishment /Compounding)			NIL		
B. DIRECTORS (Penalty / Punishment /Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment / Compounding)					

On behalf of the Board of Directors

V. Mohan	Ashok Binnani
Director	Director
(DIN : 00215718)	(DIN: 03326335)

INDEPENDENT AUDITOR'S REPORT

To the Members of
KTC Hotels Limited .

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of KTC Hotels Limited ('the Company'), which comprise the balance sheet as at 31st March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) 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;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 to the financial statements;
 - ii. the company did not have any long term contracts including derivative contracts for which they have any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Varma & Varma
Chartered Accountants
FRN No : 004532S

S. Raghunandan
(Partner)
Membership No. :23592

Place : Calicut

Date : 15 May, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company is a service company, primarily the income is in the form of license fee. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) (a) The Company has not granted loans to corporates, firms or parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) (a) to (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, the following dues of income tax and service tax has not been deposited by the Company on account of disputes;

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income tax Act 1961	Income Tax	9,59,450/-*	AY 2005 -06	CIT(Appeals), Kozhikode
Finance Act 1994	Service tax	22,47,062/-	FY 2007 – 08 and 2008 – 09	Office of the Commissioner of Central Excise, Customs and Service Tax(Appeals), Cochin

* Out of the above, an amount of ₹ 5,24,190/- have been adjusted against the refund due for the AY 2009-10.

- (c) According to the information and explanations given to us there are no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956)
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions..
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Varma & Varma
Chartered Accountants
FRN No : 0045325

S. Raghunandan
(Partner)
M No. 23592

Place : Calicut
Date : 15 May, 2015

KTC HOTELS LIMITED

Balance Sheet as at March 31, 2015

	Note	March 31, 2015 ₹	March 31, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	60,40,000	60,40,000
Reserves and surplus	3	70,27,460	55,24,541
		<u>1,30,67,460</u>	<u>1,15,64,541</u>
Non-current liabilities			
Deferred tax liabilities (Net)	4	77,07,739	77,96,883
Other Long term liabilities	5	3,50,00,000	3,50,00,000
		<u>4,27,07,739</u>	<u>4,27,96,883</u>
Current liabilities			
Other current liabilities	6	43,820	66,117
		<u>43,820</u>	<u>66,117</u>
TOTAL		<u><u>5,58,19,019</u></u>	<u><u>5,44,27,541</u></u>
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	7	3,25,09,847	3,31,43,646
Long Term Advances	8	23,74,001	22,82,043
		<u>3,48,83,848</u>	<u>3,54,25,689</u>
Current Assets			
Trade receivables	9	2,00,31,443	1,83,58,845
Cash and cash equivalents	10	8,75,860	6,15,703
Other current assets	11	27,868	27,304
		<u>2,09,35,171</u>	<u>1,90,01,852</u>
TOTAL		<u><u>5,58,19,019</u></u>	<u><u>5,44,27,541</u></u>
See accompanying notes forming part of the financial statements	1-22		

In terms of our report of even date attached

For Varma & Varma

FRN : 0045325

Chartered Accountants

S.Raghunandan

Partner

M.No : 23592

Place : Calicut

Date : 15-05-2015

For and on behalf of the board of directors

Ashok Binani Director (DIN: 03326335)

V. Mohan Director (DIN : 00215718)

Place : Mumbai

Date : 12-05-2015

Statement of Profit and Loss for the year ended March 31, 2015

	Note	March 31, 2015 ₹	March 31, 2014 ₹
Revenue			
Revenue from Operations:	12	28,11,295	25,37,007
Other income	13	80,604	27,304
Total revenue		28,91,899	25,64,311
Expenses:			
Depreciation and amortization expense	7	6,33,799	6,51,536
Other expenses	14	92,925	1,19,785
Total expenses		7,26,724	7,71,321
Profit before tax		21,65,175	17,92,990
Tax expense:			
Current tax expenses		7,51,400	6,51,806
Deferred tax		(89,144)	(67,557)
Profit for the year		15,02,919	12,08,741
Earnings per share [nominal value of share ₹ 10/-]			
Basic & Diluted (₹)	15	2.49	2.00
See accompanying notes forming part of the financial statements	1-22		

In terms of our report of even date attached

For Varma & Varma
FRN : 0045325
Chartered Accountants

S.Raghunandan
Partner
M.No : 23592

Place : Calicut
Date : 15-05-2015

For and on behalf of the board of directors
Ashok Binani Director (DIN: 03326335)

V. Mohan Director (DIN : 00215718)

Place : Mumbai
Date : 12-05-2015

Statement of Cash flow for the year ended 31, March 2015

	March 31, 2015 ₹	March 31, 2014 ₹
Cash flow from operating activities		
Net profit before Tax :	21,65,175	17,92,990
Adjustments for :		
Add :Depreciation	6,33,799	6,51,536
Less: Interest Income	(59,900)	(27,304)
	<u>5,73,899</u>	<u>6,24,232</u>
Cash flow from operations before working capital changes	27,39,074	24,17,222
Adjustments for :		
Trade and other receivables	(17,65,120)	(21,28,912)
Trade Payables	(22,297)	(324)
	<u>(17,87,417)</u>	<u>(21,29,236)</u>
Cash flow from operating activities	9,51,657	2,87,986
Direct Tax Paid	7,51,400	2,88,100
Net cash flow from Operating activities (A)	2,00,257	(114)
Cash flow from Investing Activities (B)	-	-
Cash Flow from Financing Activities		
Interest Income received	59,900	-
Dividend paid (Including tax on dividend)	-	-
Net Cash Used In Financing Activities (C)	59,900	-
Cash and Cash Equivalents as at the beginning of the period	6,15,703	6,15,817
Cash and Cash Equivalents as at the year ending 31st March 2015	8,75,860	6,15,703
See accompanying notes forming part of the financial statements		

In terms of our report of even date attached

For Varma & Varma

FRN : 0045325

Chartered Accountants

S.Raghunandan

Partner

M.No : 23592

Place : Calicut

Date : 15-05-2015

For and on behalf of the board of directors

Ashok Binani

Director

(DIN: 03326335)

V. Mohan

Director

(DIN : 00215718)

Place : Mumbai

Date : 12-05-2015

Notes to Financial Statements for year ended March 31, 2015

1. Significant accounting policies

1.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention and as a going concern. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP which requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

1.3 Cash flow statement

Cash flow statement has been prepared in accordance with AS-3 of Companies (Accounting Standards) Rules 2006 using indirect method to determine cash flow from operating activity.

1.4 Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation, and impairment losses are recognised wherever necessary.

1.5 Depreciation and amortisation

In respect of fixed assets acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

1.6 Revenue recognition

- (i) License fees are recognised in accordance with contractual terms under completed contract service method.
- (ii) Interest accrued is recognised in time proportion basis taking into account amount outstanding and rates applicable.

1.7 Earnings per share

In determining the earnings per share, the company considers the Net Profit after tax. The number of shares used in computing the earnings per share in the weighted average number of shares outstanding during the period. For computing the diluted earnings per share, potential equity is added to the above weighted average number of shares.

1.8 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the balance sheet date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

1.9 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss, if any, is recognised in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.10 Provisions and contingencies

Provisions are recognized when the Company has a present obligation as a result of a past event for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to the present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

Contingent liabilities are not recognized but are disclosed in the notes, when the Company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation. Contingent assets are neither recognized nor disclosed in the accounts.

2. Share Capital

	March 31, 2015		March 31, 2014	
	No. of shares	₹	No. of shares	₹
i. Authorised				
15,00,000 Equity Shares of ₹ 10 each (15,00,000 Equity Shares of ₹ 10 each)	15,00,000	1,50,00,000	15,00,000	1,50,00,000
Issued, Subscribed & Paid up				
6,04,000 Equity Shares of ₹ 10 each (6,04,000 Equity Shares of ₹ 10 each)	6,04,000	60,40,000	6,04,000	60,40,000
ii. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period				
	March 31, 2015		March 31, 2014	
	Number	₹	Number	₹
Equity shares				
As at the beginning of the financial year				
- Number of shares	6,04,000		6,04,000	
- Amount	60,40,000		60,40,000	
As at the end of the financial year				
- Number of shares	6,04,000		6,04,000	
- Amount	60,40,000		60,40,000	
iii. Terms / rights / restrictions attached to equity shares				
a) The Company has only one class of equity shares having a face value of ₹ 10 per share. Every member holding equity shares therein is entitled to one vote per equity share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the Annual General Meeting.				
b) In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in the proportion to their share holding. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.				
iv. Particulars of share holders holding more than 5% shares in the Company:				
Class of shares / Name of shareholder	March 31, 2015		March 31, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares ; The Indian Hotel Company Ltd	6,04,000	100%	6,04,000	100%

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

3. Reserves and Surplus

	March 31, 2015 ₹	March 31, 2014 ₹
General Reserve		
Opening balance	33,00,000	33,00,000
Add: Amount Transferred from Surplus	-	-
Closing balance	33,00,000	33,00,000
Surplus		
Opening balance	22,24,541	10,15,800
Add: Profit for the year	15,02,919	12,08,741
Less: Interim dividend	-	-
Less: Dividend tax	-	-
Less: Amount Transferred to General Reserve	-	-
Closing balance	37,27,460	22,24,541
Total	70,27,460	55,24,541

4. Deffered tax liabilities

	March 31, 2015 ₹	March 31, 2014 ₹
On excess of net book value over Income Tax written down value of fixed assets	77,07,739	77,96,883
Total	77,07,739	77,96,883

5. Other Long-term liabilities

	March 31, 2015 ₹	March 31, 2014 ₹
Deposits received from related parties		
Unsecured		
Indian Hotels Co Ltd, Calicut	3,50,00,000	3,50,00,000
Total	3,50,00,000	3,50,00,000

6. Other Current Liabilities

	March 31, 2015 ₹	March 31, 2014 ₹
(a) Statutory remittances (TDS & Service Tax)	5,899	8,092
(b) Other payables	37,921	58,025
Total	43,820	66,117

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

7. Fixed Assets

Tangible assets	Gross block				Accumulated Depreciation and impairment				(Amount in ₹)	
	1 April, 2014	Additions	Disposals	31 March, 2015	1 April, 2014	Depreciation expenses for the year	Eliminated on disposal of assets	31 March, 2015	31 March, 2015	31 March, 2014
Free-hold Land	42,52,675	-	-	42,52,675	-	-	-	-	42,52,675	42,52,675
	42,52,675	-	-	42,52,675	-	-	-	-	42,52,675	42,52,675
Buildings	3,99,71,449	-	-	3,99,71,449	1,10,80,478	6,33,799	-	1,17,14,277	2,82,57,172	2,88,90,971
	3,99,71,449	-	-	3,99,71,449	1,04,28,942	6,51,536	-	1,10,80,478	2,88,90,971	2,95,42,507
Total	4,42,24,124	-	-	4,42,24,124	1,10,80,478	6,33,799	-	1,17,14,277	3,25,09,847	3,31,43,646
	4,42,24,124	-	-	4,42,24,124	1,04,28,942	6,51,536	-	1,10,80,478		

8. Long term Loans and Advances

	March 31, 2015	March 31, 2014
	₹	₹
(a) Security deposits		
Unsecured, considered good	16,913	16,913
(b) Other loans and advances		
(i) Income Tax Advance (net of provisions)	17,21,205	16,31,615
(ii) Service Tax Recoverable	6,35,883	6,33,515
Total	23,74,001	22,82,043

9. Trade Receivables

	March 31, 2015	March 31, 2014
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good (See Note below)	1,72,20,148	1,58,21,838
Others		
Unsecured, considered good (See Note below)	28,11,295	25,37,007
Total	2,00,31,443	1,83,58,845

Note: Trade receivables include amount due from:

Related Party:		
Indian Hotels Co Ltd, Calicut	2,00,31,443	1,83,58,845

10. Cash and Bank Balances

	March 31, 2015	March 31, 2014
	₹	₹
Cash and Cash Equivalents		
(a) Balance with banks		
(i) In current accounts	2,20,010	15,703
(ii) In deposit accounts (See note below)	6,55,850	6,00,000
(b) Cash on hand	-	-
Total	8,75,860	6,15,703

Note: Balances with banks in deposit accounts include time deposits [maturity period of more than 3 months but less than 12 months from the reporting date ₹ 6,55,850/- (₹ 6,00,000) and [maturity period less than or equal to 3 months from the reporting date was Nil (P.Y. Nil)], not under any lien, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

11. Other current assets

	March 31, 2015 ₹	March 31, 2014 ₹
Interest accrued on deposits	27,868	27,304
Total	27,868	27,304

12. Revenue from operations

	March 31, 2015 ₹	March 31, 2014 ₹
License fee received	28,11,295	25,37,007
Total	28,11,295	25,37,007

13 Other income

	March 31, 2015 ₹	March 31, 2014 ₹
(a) Interest income from bank deposits	59,900	27,304
(b) Excess provision written back	20,704	-
Total	80,604	27,304

14. Other expenses

	March 31, 2015 ₹	March 31, 2014 ₹
(a) Legal and Professional Charges	33,090	28,090
(b) Payments to auditors (See Note below)	58,989	84,696
(c) Miscellaneous expenses	846	6,999
Total	92,925	1,19,785

Note Payments to auditors

	March 31, 2015 ₹	March 31, 2014 ₹
For statutory audit	42,135	36,517
For taxation matters	16,854	16,854
For other Services	-	20,224
For reimbursement of expenses	-	11,101
Total	58,989	84,696

15. Disclosures under Accounting Standards (contd.)

	March 31, 2015 ₹	March 31, 2014 ₹
Earnings per share		
Basic & Diluted		
Net profit for the year	15,02,919	12,08,741
Number of equity shares	6,04,000	6,04,000
Par value per share	10	10
Earnings per share	2.49	2.00

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

16. The details of provisions and contingent liabilities are as under: (Disclosed in terms of Accounting Standard-29 on Provisions, Contingent liabilities and Contingent assets notified by the Companies (Accounting Standards) Rules 2006.

Contingent liabilities not provided for;

	March 31, 2015 ₹	March 31, 2014 ₹
1) Income Tax Demands disputed in Appeals not provided for AY 2005-06 (Refer note 16.1)	9,59,450	9,59,450
2) Service Tax Demands disputed in Appeals not provided for 2007-08 to 2008-09	22,47,062	22,47,062

Note 16.1 :

In respect of above, the company has good chance of getting orders in favour of the company and hence no provision is considered necessary at this stage.

17. Disclosure of transactions with related parties as required by Accounting Standard-18 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules 2006:

Particulars	Nature of Transactions	March 31, 2015 ₹	March 31, 2014 ₹
	License fee.	28,11,295	25,37,007
Indian Hotels Company Ltd. (Holding Company)	Deposit (Note 5)	3,50,00,000	3,50,00,000
	Receivables	2,00,31,443	1,83,58,845
	Expenses reimbursed	6,44,250	7,21,670

18. Earnings in Foreign Exchange on FOB basis : Nil (31.03.2014: Nil)

19. Value of imports on CIF basis : Nil (31.03.2014: Nil)

20. Expenditure in Foreign currency : Nil (31.03.2014: Nil)

21. The figures of the previous years have been regrouped wherever found necessary in order to confirm to current year's classification. Figures have been rounded off to the nearest rupee.

In terms of our report of even date attached

For Varma & Varma

FRN : 0045325

Chartered Accountants

S.Raghunandan

Partner

M.No : 23592

Place : Calicut

Date : 15-05-2015

For and on behalf of the board of directors

Ashok Binani Director (DIN: 03326335)

V. Mohan Director (DIN : 00215718)

Place : Mumbai

Date : 12-05-2015

DIRECTORS AND CORPORATE INFORMATION

NORTHERN INDIA HOTELS LIMITED

Forty Third Annual Report 2014-15

Board of Directors

Directors

Mr. Sudhir Nagpal

Mr. Rajesh Nagpal

Mr. Prabhat Verma

Auditors

O P Dadu & Co.

Chartered Accountants

Bankers

Indian Overseas Bank

State Bank of India

Registered Office

The Gateway Hotel

Fatehabad Road

Taj Ganj

Agra 282 001

CIN – L55101UP1971PLC003838

Website – www.northernindiahotelsltd.com

Registrar and Share Transfer Agent

The Indian Hotels Company Limited

Mandlik House, Mandlik Road

Mumbai – 400 001

Phone : 022-6639 5515

Fax : 022-2202 7442

Email : investorrelations@tajhotels.com

BOARD'S REPORT

Dear Shareholders,

Your Directors hereby present the Forty Third Annual Report of the Company for the Financial Year ended March 31, 2015.

1. Financial Performance

The summarized standalone results of your Company are given in the table below.

₹ in Lacs

Particulars	Standalone	
	31/03/2015	31/03/2014
Total Income	338.68	308.91
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	319.74	278.79
Finance Charges	-	-
Depreciation	(17.33)	0.76
Provision for Income Tax (including for earlier years)	104.59	85.84
Net Profit/(Loss) After Tax	232.48	192.19
Profit/(Loss) brought forward from previous year	1,728.72	1,536.53
Amount transferred consequent to Scheme of Merger	-	-
Profit/(Loss) carried to Balance Sheet	1,961.20	1,728.72

*previous year figures have been regrouped/rearranged wherever necessary.

2. Working Results

The Income for the year was ₹ 338.68 lacs compared to ₹ 308.91 lacs for the previous year after expenditure, depreciation and provision for taxes was ₹ 232.48 as compared to ₹ 192.19 lacs for the previous year which has been transferred to the Balance Sheet.

3. Statutory Auditors

M/s. O.P. Dadu & Co., Chartered Accountants have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

4. Directors:

During the year under report, Ms. Deepa Misra Harris resigned from the Directorship of the Company with effect from 13th March, 2015. The Directors place on record their appreciation of the services rendered by Ms. Harris during her tenure as Director of the Company.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sudhir Nagpal, Director of the Company is liable to retire by rotation and is eligible for reappointment

5. Number of Board Meetings conducted during the year

The Company had 4 (four) for Board Meetings during the financial year under report.

6. Particulars of loans, guarantees or investments under section 186:-

During the year under review, the Company had approved the Short term Inter Corporate Deposit of ₹ 4 crores under Section 186 of the Companies Act, 2013.

7. Annual Return

The details forming part of the extract of Annual Return in form MGT9 pursuant to section 92(3) of the Act read with Rule 12 of The Companies (Management and Administration) Rules 2014, is annexed herewith.

8. Particulars of Contracts or Arrangements made with Related Parties

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework for purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature.

9. Risk Management

The operations of the Company primarily comprise only the licence fee received from Piem Hotels Ltd, to whom The Gateway Hotel, Agra has been given on licence which is constantly monitored from the risk management perspective.

10. Internal financial controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

11. Fixed Deposits

Your Company has not accepted any deposits from public covered under Chapter V of the Act.

12. Borrowings

The Company does not have any borrowings.

13. Significant and material orders passed by the regulators

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

14. Particulars of Employees

The Company had no employees during the year who were in receipt of remuneration aggregating to:

(a) Not less than ₹ 60.00 lacs for the year, if employed throughout the financial year.

or

(b) Not less than ₹ 5.00 lacs per month, if employed for part of the financial year

15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company has no activity relating to conservation of energy or technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

16. Details of Holding/Subsidiaries/Joint Venture Companies

Piem Hotels Limited is the Holding Company. The Company has not any Subsidiary Company/Joint Venture Company.

17. Referral of Company to Dissemination Board of BSE

Consequent to the derecognition of Delhi Stock Exchange by SEBI, the Company which was exclusively listed on the Delhi Stock Exchange, had been given the option of referring the Company to Dissemination Board of BSE, where the trading platform shall be provided by BSE in terms of SEBI circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012 and SEBI circular CIR/MRD/DSA/18/2014 dated May 22, 2014 and on such referral the Company would cease to be a listed Company. The Company opted for referral to the Dissemination Board of BSE and accordingly has ceased to be a listed company.

18. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(C) of the Companies Act, 2013, the Board of Directors, based on the representations received from the Operating Management, hereby confirms that -

- a). In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b). The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that period;
- c). The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d). The Directors had prepared the annual accounts on a going concern basis; and
- e). The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19 Acknowledgements

The Board desires to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

For and on behalf of the Board of Directors

Mr. Sudhir Nagpal
Director
(DIN: 00044762)

Mr. Rajesh Nagpal
Director
(DIN: 00032123)

Place: Mumbai

Date: 21.04.2014

Annexure 1**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2015 of Northern India Hotels Limited [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L55101UP1971PLC003838
ii)	Registration Date	18/08/1971
iii)	Name of the Company	Northern India Hotels Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares / Indian Non Government Company
v)	Address of the Registered Office and contact details	The Gateway Hotel, Fatehabad Road, Taj Ganj Agra - 282 001
vi)	Whether listed company	No (It was listed at DSE, consequent to the derecognition of DSE by SEBI, the Company has opted referring to the Dissemination Board of BSE)
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	The Indian Hotels Company Limited Mandlik House, Mandlik Road Mumbai – 400 001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Hoteliering	55101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	PIEM Hotels Limited	U55101MH1968PLC013960	Holding	93.14	2(87)(ii)

NORTHERN INDIA HOTELS LTD.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF									
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.	4,07,567	Nil	4,07,567	93.14	4,07,567	Nil	4,07,567	93.14	Nil
(e) Banks / FI									
(f) Any Other....									
Sub-total (A) (1):-	4,07,567	Nil	4,07,567	93.14	4,07,567	Nil	4,07,567	93.14	Nil
(2) Foreign									
(a) NRIs - Individuals									
(b) Other – Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4,07,567	Nil	4,07,567	93.14	4,07,567	Nil	4,07,567	93.14	Nil

Subsidiaries Accounts 2014-2015

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds									
(b) Banks / FI									
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
(a) Bodies Corp.	Nil	2,000	2,000	0.46	Nil	2,000	2,000	0.46	Nil
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	28,033	28,033	6.14	Nil	28,033	28,033	6.14	Nil
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
(c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	30,033	30,033	6.86	Nil	30,033	30,033	6.86	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	40,756	30,033	4,37,600	100	40,756	30,033	4,37,600	100	Nil

NORTHERN INDIA HOTELS LTD.

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Piem Hotels Limited	4,07,567	93.14	Nil	4,07,567	93.14	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,07,567	93.14	4,07,567	93.14
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	4,07,567	93.14	4,07,567	93.14

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1	Bhushan Sachdev				
	At the beginning of the year	2,400	0.55	2,400	0.55
	At the end of the year	2,400	0.55	2,400	0.55
2	Shellka Woolen Pvt. Ltd.				
	At the beginning of the year	2,000	0.46	2,000	0.46
	At the end of the year	2,000	0.46	2,000	0.46
3	Narinder Kumar				
	At the beginning of the year	800	0.18	800	0.18
	At the end of the year	800	0.18	800	0.18
4	Pagadala Kuppuswami				
	At the beginning of the year	750	0.17	750	0.17
	At the end of the year	750	0.17	750	0.17

Sl. No.	For Each of the	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Top 10 Shareholders				
5	Rajendra Mehra				
	At the beginning of the year	700	0.16	700	0.16
	At the end of the year	700	0.16	700	0.16
6	Sunder Singh Gahlant				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
7	Tirath Raj Vaid				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
8	Gulshan Kapoor				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
9	Kush Kant				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
10	Madam Mohan Kapoor				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

NORTHERN INDIA HOTELS LTD.

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2014-15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL - NA

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company is a Board managed Company and does not have any Managing Director, Whole Time Directors and / or Manager.

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify					
	Total (1)					
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Sudhir Nagpal -	Rajesh Nagpal -	Prabhat Verma 4,000	Deepa Misra Harris 2,000	6,000
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	NIL	NIL	4,000	2,000	6,000
	Overall Ceiling as per the Act	(3% of the net profit of the Company), but no remuneration has been paid.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD: NOT APPLICABLE

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Place:Mumbai

Date: 21.04.2015

Mr. Sudhir Nagpal
Director

Mr. Rajesh Nagpal
Director

INDEPENDENT AUDITORS' REPORT

To the Members of Northern India Hotels Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of NORTHERN INDIA HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) 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.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)
New Delhi, April 21, 2015

ANNEXURE TO THE AUDITORS' REPORT

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets , showing full particulars including their quantitative detail and situation.
b) The Company has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.
2. The company doesn't hold any inventory, during the year.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. The Company did not accept any deposit during the year.
6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.
7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, cess and other statutory dues wherever applicable to it.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, or Sales Tax, Wealth tax, Service Tax , customs duty, excise duty, value added Tax and cess were in arrears, as at 31.03.2015 for a period of more than six months from the date they became payable.
c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Value Added Tax and cess which have not been deposited on account of any dispute.
d) According to the information and explanation given to us, there were no amounts which were required to transferred to the investor education and protection fund by the company, in accordance with the relevant provisions of Company Act 1956 and rule made there under.
8. In our opinion there are no accumulated losses of the company. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
9. There were no dues payable to any financial institution or bank or debenture holders during the year.
10. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. The Company has not taken any term loan during the year.
12. 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 O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)
New Delhi, April 21, 2015

NORTHERN INDIA HOTELS LTD.

Balance Sheet as at March 31, 2015

	Notes	March 31, 2015 ₹	March 31, 2014 ₹
Equity and Liabilities			
Shareholders' Funds:			
Share Capital	2	44,15,250	44,15,250
Reserves and Surplus	3	19,61,19,377	17,28,71,530
		<u>20,05,34,627</u>	<u>17,72,86,780</u>
Non-current liabilities			
Deferred tax liabilities (Net)	4	9,00,000	3,30,000
		<u>9,00,000</u>	<u>3,30,000</u>
Current liabilities			
Other current liabilities	5	7,53,512	13,41,360
Short-term provisions	6	-	-
		<u>7,53,512</u>	<u>13,41,360</u>
Total		<u><u>20,21,88,139</u></u>	<u><u>17,89,58,140</u></u>
Assets			
Non-current assets			
Fixed Assets	7		
Tangible assets		42,17,653	24,93,946
Intangible assets		50,530	24,720
		<u>42,68,183</u>	<u>25,18,666</u>
Non-current investments	8	10,43,136	11,02,035
Long-term loans and advances	9	58,621	58,621
Other Non Current Assets	10	-	16,65,46,070
		<u>53,69,940</u>	<u>17,02,25,392</u>
Current assets			
Trade receivables	11	11,67,462	39,46,593
Cash and bank balances	12	19,44,97,343	36,06,840
Short-term loans and advances	13	11,53,394	11,79,315
		<u>19,68,18,199</u>	<u>87,32,748</u>
Total		<u><u>20,21,88,139</u></u>	<u><u>17,89,58,140</u></u>

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)
New Delhi , April 21, 2015

For and on behalf of the Board

Sudhir L. Nagpal Director
DIN 00044762
Rajesh R. Nagpal Director
DIN 00032123

Mumbai, April 21, 2015

Statement of Profit and Loss for the year ended March 31, 2015

	Notes	March 31, 2015 ₹	March 31, 2014 ₹
Income			
Income from Hotel Operation	14	1,63,43,317	1,55,36,925
Other Income	15	1,75,24,674	1,53,54,327
Total		3,38,67,991	3,08,91,252
Expenditure			
Employee Benefits Expense	16	-	-
Depreciation / Amortization (Refer Note No. 20)	7	(17,33,017)	75,981
Other Operating and General Expenditure	17	18,94,401	30,12,250
Total		1,61,384	30,88,231
Profit Before Tax and Exceptional Items		3,37,06,607	2,78,03,021
Exceptional Items	18	-	-
Profit Before Tax		3,37,06,607	2,78,03,021
Tax Expenses			
Current Tax		99,00,000	86,00,000
Deferred Tax		5,70,000	(16,000)
Short / (Excess) Provision of Tax of earlier years (Net)		(11,240)	-
Profit After Tax		2,32,47,847	1,92,19,021
Earnings Per Share - (₹)			
Basic and Diluted	22	53.13	43.92
Face Value per Equity share - (₹)		10.00	10.00

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date

For O. P. Dadu & Co.

Chartered Accountants

Firm Registration No. 001201N

O. P. Dadu

Partner (010871)

New Delhi , April 21, 2015

For and on behalf of the Board
Sudhir L. Nagpal

DIN 00044762

Director

Rajesh R. Nagpal

DIN 00032123

Director

Mumbai, April 21, 2015

Cash Flow Statement for the year ended March 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
Cash flow from operating activities		
Profit / (Loss) before extraordinary items and tax	3,37,06,607	2,78,03,021
Adjustments for:		
Depreciation and amortisation expense	(17,33,017)	75,981
Interest income	(1,59,55,038)	(1,40,00,333)
Dividend income	(15,43,996)	(13,53,994)
Net (gain) / loss on sale of investments	99	-
Adjustments to the carrying amount of investments	58,799	-
	<u>(1,91,73,153)</u>	<u>(1,52,78,346)</u>
Operating profit / (loss) before working capital changes	1,45,33,454	1,25,24,675
Adjustments for:		
Movement in work in capital		
Decrease / (increase) in trade receivables	27,79,131	12,27,864
Decrease / (increase) in short-term loans and advances		13,59,556
Increase / (decrease) in other current liabilities	<u>(5,87,848)</u>	<u>2,26,044</u>
	21,91,283	28,13,464
Cash generated from operations	1,67,24,737	1,53,38,139
Net income tax (paid) / refunds	<u>(98,62,839)</u>	<u>(92,56,229)</u>
Net cash flow from / (used in) operating activities (A)	68,61,898	60,81,910
Cash flow from investing activities		
Purchase of fixed assets	(16,500)	-
Bank balances not considered as Cash and cash equivalents	16,65,46,070	(2,15,54,412)
Proceeds from sale of long-term investments	1	-
Interest received	1,59,55,038	1,40,00,333
Dividend received	<u>15,43,996</u>	<u>13,53,994</u>
Net cash flow from / (used in) investing activities (B)	18,40,28,605	(62,00,085)
Cash flow from financing activities	-	-
Net cash flow from / (used in) financing activities (C)	-	-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	19,08,90,503	(1,18,175)
Cash and cash equivalents at the beginning of the year	<u>36,06,840</u>	<u>37,25,015</u>
Cash and cash equivalents at the end of the year	<u>19,44,97,343</u>	<u>36,06,840</u>

Notes:

- The cash flow statement reflects the combined cash flows pertaining to continuing and discontinuing operations.
- These earmarked account balances with banks can be utilised only for the specific identified purposes.

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date

For O. P. Dadu & Co.

Chartered Accountants

Firm Registration No. 001201N

O. P. Dadu

Partner (010871)

New Delhi , April 21, 2015

For and on behalf of the Board

Sudhir L. Nagpal

DIN 00044762

Rajesh R. Nagpal

DIN 00032123

Mumbai, April 21, 2015

Director

Director

Notes to Financial Statements for year ended March 31, 2015

1. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 20

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The significant accounting policies adopted in the presentation of the Accounts are as under:-

a) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

b) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

c) Income

Income is accounted for on accrual basis.

d) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established

e) Tangible and Intangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation / amortization and impairment losses, if any. Cost includes expenses incidental to the acquisition/installation of assets.. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Interest on loans to acquire qualifying assets is added to the cost of fixed assets in accordance with Accounting Standard 16 on "Borrowing Costs"

f) Depreciation / Amortization

'Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible/intangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

'The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

g) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

h) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

i) Provisions, Contingent Liabilities and Contingent Assets

- i. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.
- ii. Contingent Liabilities are recognized and disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- iii. Contingent assets are not recognized in the financial statements.

j) Impairment of Assets

The Company reviews the carrying value of its fixed assets for any possible impairment at each Balance Sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at an appropriate discount rate.

k) Assets given under license agreement

License Fee receivable under agreement are accounted for in the year in which they accrue..

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

2 : Share Capital

	March 31, 2015 ₹	March 31, 2014 ₹
Authorized		
Equity Shares		
5,50,000 Equity Shares of ₹ 10/- each	55,00,000	55,00,000
Preference Shares		
5,000, 9.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	5,00,000	5,00,000
	<u>60,00,000</u>	<u>60,00,000</u>
Issued Share Capital		
4,49,050 (Previous Year - 4,49,050) Equity Shares of ₹ 10/- each	44,90,500	44,90,500
	<u>44,90,500</u>	<u>44,90,500</u>
Subscribed and Paid Up		
4,37,600 (Previous Year - 4,37,600) Equity Shares of ₹ 10/- each, Fully Paid	43,76,000	43,76,000
Add: 11,450 Shares forfeitted	39,250	39,250
	<u>44,15,250</u>	<u>44,15,250</u>

(a) Reconciliation of Number of Equity shares :

	March 31, 2015		March 31, 2014	
	No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year	4,37,600	43,76,000	4,37,600	43,76,000
Add : Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>4,37,600</u>	<u>43,76,000</u>	<u>4,37,600</u>	<u>43,76,000</u>

(b) Equity Shares : The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive any of the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(c) Shares held by Holding Company

	March 31, 2015		March 31, 2014	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Piem Hotels Limited (PIEM)	<u>4,07,567</u>	<u>93.14</u>	<u>4,07,567</u>	<u>93.14</u>

(d) Details of shares held by other shareholders holding more than 5% of the aggregate shares in the Company

	March 31, 2015		March 31, 2014	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Piem Hotels Limited (PIEM)	<u>4,07,567</u>	<u>93.14</u>	<u>4,07,567</u>	<u>93.14</u>

3 : Reserves and Surplus

	March 31, 2015 ₹	March 31, 2014 ₹
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	17,28,71,530	15,36,52,509
Add : Profit for the year	2,32,47,847	1,92,19,021
Total	<u>19,61,19,377</u>	<u>17,28,71,530</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

4 : Deferred Tax Liabilities (net)	March 31, 2015	March 31, 2014
	₹	₹
Depreciation on fixed assets	9,00,000	3,30,000
Total	9,00,000	3,30,000
5 : Other Current Liabilities	March 31, 2015	March 31, 2014
	₹	₹
On Current Account dues		
- Holding Company	39,000	9,61,051
- Others	-	-
	39,000	9,61,051
Statutory liabilities	6,10,883	1,99,812
Other Liabilities	1,03,629	1,80,497
Total	7,53,512	13,41,360
6 : Short-term provisions	March 31, 2015	March 31, 2014
	₹	₹
Short-term Provision for Employee Benefits	-	-
Total	-	-

7 : Fixed Assets

Particulars	Gross Block (At Cost)				Depreciation / Amortization				Net Block	
	As At March 31, 2014	Additions	Deductions	As At March 31, 2015	As At March 31, 2014	For the year	Deduc- tion / Adjust- ments	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(A) Tangible Assets *										
Freehold Land	3,79,479	-	-	3,79,479	-	-	-	-	3,79,479	3,79,479
Leasehold Land	9,86,922	-	-	9,86,922	-	-	-	-	9,86,922	9,86,922
Buildings	62,18,681	-	-	62,18,681	50,91,930	(17,23,707)	-	33,68,223	28,50,458	11,26,751
Plant and Machinery	10,98,061	-	-	10,98,061	10,97,267	-	-	10,97,267	794	794
Vehicles	-	-	-	-	-	-	-	-	-	-
Total	86,83,143	-	-	86,83,143	61,89,197	(17,23,707)	-	44,65,490	42,17,653	24,93,946
Previous Year	87,64,202	-	81,059	86,83,143	62,10,755	59,501	81,059	61,89,197	24,93,946	25,53,447
(B) Intangible Assets										
Computer Software	1,25,880	16,500	-	1,42,380	1,01,160	(9,310)	-	91,850	50,530	24,720
Total	1,25,880	16,500	-	1,42,380	1,01,160	(9,310)	-	91,850	50,530	24,720
Previous Year	1,25,880	-	-	1,25,880	84,680	16,480	-	1,01,160	24,720	41,200
Total	88,09,023	16,500	-	88,25,523	62,90,357	(17,33,017)	-	45,57,340	42,68,183	25,18,666
Total Previous Year	88,90,082	-	81,059	88,09,023	62,95,435	75,981	81,059	62,90,357	25,18,666	

* For Assets given under License Agreement (Refer Note 20)

Note : Gross Block includes Freehold Land admeasuring 14744.60 Sq. Yd. aggregating to ₹ 1,93,499/- pending conveyance.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

8 : Non-Current Investments	Face Value	March 31, 2015		March 31, 2014	
	₹	Nos	₹	Nos	₹
Long-Term Investments (At cost)					
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Associates					
Taida Trading and Industries Limited	100	4,000	8,800	4,000	8,800
Inditravel Limited	10	24,000	2,40,000	24,000	2,40,000
Taj Trade and Transport Company Limited	10	49,998	7,91,635	49,998	7,91,635
			10,40,435		10,40,435
Investment in Fellow Subsidiaries					
Indian Dairy Entrepreneurs Agricultural Co. Ltd	1	-	-	50,000	50,000
Residency Foods and Beverages Ltd.	10	-	-	10	100
			-		50,100
Fully Paid Quoted Equity Instruments					
Investment in Fellow Subsidiaries					
Beneras Hotels Limited	10	150	1,500	150	1,500
			1,500		1,500
Total of Trade Investments (A)			10,41,935		10,92,035
Non Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Sarswat Co-operative Bank Ltd.	10	1,000	10,000	1,000	10,000
Total of Non Trade Investments (B)			10,000		10,000
Total Long-Term Investments - (A + B)			10,51,935		11,02,035
Less: Provision for Diminution in value of Investment			8,799		-
Total Long-Term Investments -Net			10,43,136		11,02,035
Notes :					
1. Aggregate of Quoted Investments - Gross					
Cost			1,500		1,500
Market value			1,90,350		89,250
2. Aggregate of Unquoted Investments - Gross					
Cost			10,50,435		11,00,535

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

9 : Long-Term Loans and Advances	March 31, 2015 ₹	March 31, 2014 ₹
(Unsecured, considered good unless stated otherwise)		
Deposits with Public Bodies and Others	58,621	58,621
Total	58,621	58,621
10 : Other Non-Current Assets	March 31, 2015 ₹	March 31, 2014 ₹
Deposit with banks with a maturity of more than 12 months	-	16,65,46,070
Total	-	16,65,46,070
11: Trade Receivables	March 31, 2015 ₹	March 31, 2014 ₹
Unsecured		
Considered good		
Outstanding over six months	-	-
Others	11,67,462	39,46,593
Total	11,67,462	39,46,593
Note: Trade Receivables include debts due from Holding Comapny - ₹ 11,67,462 (previous year - ₹ 39,46,593) in the ordinary course of business.		
12 : Cash and Bank balances	March 31, 2015 ₹	March 31, 2014 ₹
Cash and Cash equivalents		
Cash on Hand	26,692	9,066
Balances with Banks		
Current Accounts	85,65,049	35,97,774
Call and Short-term Deposit accounts (less than 3 months)	18,59,05,602	-
Total	19,44,97,343	36,06,840

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

13 : Short-Term Loans and Advances	March 31, 2015	March 31, 2014
	₹	₹
(Unsecured, considered good unless stated otherwise)		
Loans and Advance to Related Parties		
On Current Account dues		
Holding Company	-	-
	-	-
Other Advances		
Considered good	-	-
	-	-
Advance Income Tax (net of provisions)	11,53,394	11,79,315
Total	11,53,394	11,79,315
14 : Income from Operations	March 31, 2015	March 31, 2014
	₹	₹
Income from Hotel Operation	1,63,43,317	1,55,36,925
Total	1,63,43,317	1,55,36,925
15 : Other Income	March 31, 2015	March 31, 2014
	₹	₹
Interest Income	1,59,55,038	1,40,00,333
Dividend Income from long-term Investments	15,43,996	13,53,994
Miscellaneous Non-Operating Income	25,640	-
Total	1,75,24,674	1,53,54,327
16 : Employee Benefits Expense	March 31, 2015	March 31, 2014
	₹	₹
Salaries, Wages, Bonus etc.	-	-
Company's Contribution to Provident and Other Funds	-	-
Retiring Gratuity	-	-
Staff Welfare Expenses	-	-
Total	-	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

17 : Other Operating and General Expenditure	March 31, 2015	March 31, 2014
	₹	₹
Advertising & Publicity	<u>1,09,982</u>	<u>1,38,458</u>
Printing & Stationery	<u>27,592</u>	<u>23,908</u>
Passage & Travelling	-	-
Loss on Sale of Investment	<u>99</u>	-
Payment made to Statutory Auditors:		
i. As Statutory Auditors	<u>67,416</u>	<u>67,416</u>
ii. As Tax Auditors	<u>4,494</u>	<u>4,494</u>
iii. For Taxation matters	<u>12,750</u>	<u>12,750</u>
iv. For Other Services	-	-
vi. For Reimbursement of expenses	<u>13,402</u>	<u>8,490</u>
Directors' Fees	<u>6,000</u>	<u>6,000</u>
Legal & Professional Expenses	<u>1,38,340</u>	<u>15,71,082</u>
Service Charges	<u>13,21,706</u>	<u>9,71,419</u>
Diminution in Value of Investment	<u>8,799</u>	-
Other Expenses	<u>1,83,821</u>	<u>2,08,233</u>
Total	<u><u>18,94,401</u></u>	<u><u>30,12,250</u></u>

18 : Exceptional Items	March 31, 2015	March 31, 2014
	₹	₹
Profit on Sale of Long Term Trade Investment	<u>-</u>	<u>-</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>

19 : Contingent Liabilities	March 31, 2015	March 31, 2014
	₹	₹
Claims against the Company not acknowledged as debts	<u>-</u>	<u>-</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>

20 : During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company changed its method of depreciation of fixed assets from written down value (WDV) method to straight line method (SLM) as per useful life prescribed in schedule-II. Consequent to this change, all assets are now being depreciated under SLM. The details of depreciation method applied and rates are as follows:

Asset	Previous depreciation method	Previous depreciation rate	Revised useful life based on SLM
Hotel Buildings	<u>WDV</u>	<u>5%</u>	<u>60 years</u>
Computers Software	<u>WDV</u>	<u>40%</u>	<u>6 years</u>

The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 18,41,017/- . consequent to the above change in the method of depreciation.

Consequent to the above changes Deferred tax liability has been enhanced by an amount of ₹ 5,70,000/-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

21 : Information on assets given under License Agreement

	March 31, 2015 ₹	March 31, 2014 ₹
License fee received during the period on the following assets given under License Agreement expiring on 2016		
Cost	73,16,742	73,16,742
Accumulated Depreciation	44,65,490	61,89,197
Net Book Value	28,51,252	11,27,545
License Fee income recognized in the Statement of Profit and Loss	1,63,43,317	1,55,36,925
Aggregate depreciation charged on the above assets	(17,23,707)	59,501

22 : Earnings Per Share

	March 31, 2015 ₹	March 31, 2014 ₹
a) Profit after tax	2,32,47,847	1,92,19,021
b) Weighted average number of shares	4,37,600	4,37,600
c) Nominal value of shares (Rupees)	10.00	10.00
d) Basic and diluted earnings per share (Rupees)	53.13	43.19

23 : Based on information available with the Company, there are no dues to Micro, Small and Medium Enterprises as defined in the Micro, Small & Medium Enterprises Development Act, 2006, as at March, 31, 2015

24 : Related party disclosures

a) The names of Related Parties of the company are as under

(i) Ultimate Holding Company

The Indian Hotels Company Ltd. (IHCL)

TIFCO Holdings Ltd (Wholly Owned Subsidiary of IHCL)

(ii) Holding Company

Piem Hotels Limited

(iii) Fellow Subsidiary Companies

Piem International (H.K.) Ltd.(PIHK)

BHAC 5 Pte Ltd (Subsidiary of PIHK)

Premium Aircraft Leasing Corporation Ltd (Subsidiary of PIHK)

b) Details of transactions with related parties during the year

1) The Indian Hotels Company Limited

S.No.	Particulars	March 31, 2015 ₹	March 31, 2014 ₹
1.	Dividend Received	-	-
2.	Debenture Redeemed	-	-
3.	Interest Received on Debenture	-	-
4.	Sale of Investment	-	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

2) Piem Hotels Limited

S.No.	Particulars	March 31, 2015 ₹	March 31, 2014 ₹
1.	Operating/License Fees Income	1,63,43,317	1,55,36,925
2.	Reimbursement of Services	13,21,706	9,71,419
	Balance at the year end	11,28,462	29,85,542

Previous year's figures have been regrouped/rearrange wherever necessary.

24 : Segment Reporting

The Company's only business is hoteliering and hence disclosure of segment-wise information is not applicable under Accounting Standard 17 on 'Segmental Information'. There is no geographical segment to be reported since all the operations are undertaken in India.

As per our Report of even date

For O. P. Dadu & Co.

Chartered Accountants

Firm Registration No. 001201N

O. P. Dadu

Partner (010871)

New Delhi , April 21, 2015

For and on behalf of the Board

Sudhir L. Nagpal

DIN 00044762

Rajesh R. Nagpal

DIN 00032123

Mumbai, April 21, 2015

Director

Director

DIRECTORS AND CORPORATE INFORMATION

PIEM HOTELS LIMITED

Board of Directors

Mr. Rakesh Sarna (Appointed w.e.f. October 31, 2014)	Chairman & Managing Director
Mr. Raymond N. Bickson (Resigned w.e.f. September 1, 2014)	
Mr. Rajesh R. Nagpal	Joint Managing Director
Mr. Sudhir L. Nagpal	Joint Managing Director
Mr. Rajkumar M. Nagpal	Executive Director
Mr. Anil P. Goel	
Ms. Ninotchka Malkani Nagpal	
Mr. Sanjay Ubale	
Ms. Deepa Misra Harris (Resigned w.e.f. March 13, 2015)	
Mr. Abhijit Mukerji (Resigned w.e.f. April 13, 2015)	
Ms. Beryl Fernandes Nagpal	
Mr. G. Anantharaman	
Mr. K. B. Dadiseth (Appointed w.e.f. October 31, 2014)	
Ms. Farzana Sam Billimoria	Company Secretary

Bankers

HDFC Bank
Standard Chartered Bank
Bank of Baroda

Auditors

Price Waterhouse Chartered Accountants LLP
PKF Sridhar & Santhanam LLP

Registered Office

Vivanta by Taj – President,
90, Cuffe Parade, Mumbai – 400 005.
CIN: U55101MH1968PLC013960
Fax No. (91-22) 6665 0303 Tel. No. (91-22) 6665 0808
E-mail: bookvivanta.president@tajhotels.com

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Forty Seventh Annual Report together with the audited statement of accounts for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

			₹ Lakhs	
	Standalone		Consolidated	
Financial Results	2014-15	2013-14	2014-15	2013-14
Total Income	32,318.31	32,643.53	32,773.61	31,641.89
Expenditure	27,493.37	26,405.90	27,583.34	26,290.15
Profit before Tax and Exceptional Items	4,824.94	6,237.63	5,190.27	5,351.74
Exceptional item	-	(316.29)	-	(316.29)
Profit before Tax	4,824.94	5,921.34	5,190.27	5,035.45
Less : Provision for taxes	1,642.00	1,814.90	1,746.59	1,900.74
Profit after Tax	3,182.94	4,106.44	3,443.68	3,134.71
Less: Profit attributable to Minority Interest	-	-	15.96	13.19
Add: Share of Profit/ (Loss) of Associates	-	-	336.33	343.13
Profit After Minority Interest & Share of Associates	3,182.94	4,106.44	3,764.05	3,464.65
Add: Balance Brought Forward from the previous year	31,931.30	30,909.37	48,145.84	47,786.45
Amount available for appropriation	35,114.24	35,015.81	51,909.89	51,251.10
Appropriations :				
General Reserve	320.00	410.00	320.00	430.75
Dividend				
- Proposed Dividend	1,524.00	2,286.00	1,524.00	2,286.00
- Tax on Proposed Dividend	304.72	388.51	304.72	388.51
Balance carried to Balance Sheet	32,965.52	31,931.30	49,761.17	48,145.84
	35,114.24	35,015.81	51,909.89	51,251.10

BUSINESS REVIEW

Your Company earned a total income of ₹ 32,318.31 lakhs, which is 1% less than the previous year's income of ₹ 32,643.53 lakhs. Profit for the year before exceptional items has decreased by 22.65% to ₹ 4,824.94 lakhs, compared to ₹ 6,237.63 lakhs in the previous year. Considering the impact of exceptional items in the previous year, the profit was lower than that of the previous year by 18.52%. Although Average Room Revenue for the year increased marginally by 1.5% at ₹ 6,019 as compared to ₹ 5,930 in the previous year, occupancies were almost flat at 72% as against 74% in the previous year, mainly on account of increased competition from international brands.

Your Company earned a total consolidated income of ₹ 32,773.61 lakhs, which is 3.58% more than the previous year's consolidated income of ₹ 31,641.89 lakhs. Consolidated Profit for the year before exceptional item has decreased by 3.02% to ₹ 5,190.27 lakhs, compared to ₹ 5,351.74 lakhs in the previous year.

DIVIDEND

Taking into account the results for the year, your Directors are pleased to declare a Dividend of 400% i.e. ₹ 40/- per equity share (Previous Year ₹ 60/- per Equity Share) on 38,10,000 Equity Shares.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 320 lakhs to the General Reserve. An amount of ₹ 32,965.52 lakhs is proposed to be retained in the Profit & Loss Account.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 (the Act) and Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report. The Consolidated Financial Statements are being presented to the Members for the first time and the same have a profit after tax of ₹ 3,443.68 lakhs.

SUBSIDIARIES AND ASSOCIATES

Your Company has one domestic and three international subsidiaries and four associates. During the year, no company has become or ceased to be a subsidiary or associate of the Company. Pursuant to the provisions of Section 129 of the Act, as read with Rule 8 (1) the Companies (Accounts) Rules, 2014 as amended from time to time, a statement containing the salient features of the financial statement of our subsidiaries and associates in the prescribed format AOC-1 is in the notes to the Financial Statements. The statement also provides the details of performance and financial positions of each of the subsidiaries and associates.

EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is annexed to this Report as Annexure – A.

DIRECTORS

Mr. Raymond N. Bickson had resigned from the Board as Chairman & Managing Director with effect from September 1, 2014. Mr. Rakesh Sarna was appointed as Chairman & Managing Director of the Company with effect from October 31, 2014, which was also approved by the Members at the Extra-ordinary General Meeting of the Company held on December 15, 2014. The Company has preferred an application to the Central Government pursuant to Part I of Schedule V of the Act, for approval of his appointment.

Ms. Deepa Misra Harris stepped down from the Board with effect from March 13, 2015. Mr. Abhijit Mukerji stepped down as Director of the Company, effective April 13, 2015. The Board places on record its appreciation of their contribution to the Company during their respective tenures as Directors of the Company.

Pursuant to the provisions of Section 152 of the Act and Article 135 of the Articles of Association of the Company, Mr. Sudhir Nagpal and Ms. Ninotchka Nagpal are liable to retire by rotation and are eligible for re-appointment.

INDEPENDENT DIRECTORS

The Company's Holding Company - The Indian Hotels Company Limited (IHCL) being a listed company is required to comply with the provisions of the Listing Agreements with the Stock Exchanges. The Company was identified as a material non-listed Indian subsidiary of IHCL for 2014-15. Clause 49 (V) (A) of the Listing Agreement requires that at least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company. Accordingly, Mr. K. B. Dadiseth, who is an Independent Director on the Board of Directors of IHCL, was appointed as an Additional Independent Director on the Board of the Company, effective October 31, 2014. His appointment is subject to the approval of the Members.

Mr. G. Anantharaman was appointed as an Independent Director of the Company with effect from March 18, 2015, subject to the Members' approval.

The Board of Directors, based on the declarations received from the Independent Directors, state that all the Independent Directors of the Company hereby qualify for appointment pursuant to the provisions of Section 149 of the Act and the Rules thereunder.

Your approval for the appointments / re-appointments of Directors has been sought in the Notice convening the Annual General Meeting of the Company.

BOARD MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, five Board Meetings were convened and held and the gap between the Meetings was within the prescribed period under the Act.

COMMITTEES

Pursuant to the provisions of Sections 135, 177 and 178 of the Act and the Rules there under as amended from time to time, the Company had constituted/reconstituted the following committees:-

AUDIT COMMITTEE

The Company has reconstituted its Audit Committee pursuant to the provisions of Section 177 of the Act and the rules thereunder. During the year, six Audit Committee Meetings were convened and held. The Audit Committee comprises three directors, with Independent Directors forming a majority, as under:

1. Mr. G. Anantharaman (Independent Director) - Chairman
2. Mr. K. B. Dadiseth (Independent Director)
3. Mr. Anil P. Goel

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Act and the rules thereunder, the Company has constituted a Nomination and Remuneration Committee (NRC), which has formulated and recommended a Policy pursuant to the provisions of the Act, on Directors appointment & remuneration, which was adopted by the Board.

Procedure for Nomination and Appointment of Directors:

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC may conduct a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

Independence: A Director will be considered as an 'Independent Director' if he/ she meets the criteria for 'Independent Director' as laid down in the Act.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

It is affirmed that the remuneration paid to Directors and employees is as per the Remuneration Policy of the Company.

While formulating this policy, the factors laid down under Section 178(4) of the Act, have been considered, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- (c) remuneration to directors and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Key principles governing the Remuneration Policy are as follows:

Remuneration for independent directors and non-independent non-executive directors

- Independent Directors (ID) and non-independent Non-Executive Directors (NED) may be paid sitting fees for attending the meetings of the Board and of the Committees of which they may be Members and commission, within regulatory limits.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board as well as the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of opinion that the Director possesses requisite qualification for the practice of the profession.
- In addition to the sitting fees and commission, the Company may pay to the Independent director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company, including in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Remuneration for Managing Director ("MD"), Executive Directors ("ED") & rest of the employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry. Company's operations and the Company's capacity to pay, consistent with recognised best practices and aligned to any regulatory requirements.
- The remuneration mix for the MD/ ED is as per the contract approved by the Members. In case of any change, the same would require the approval of the shareholders.
- Basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursements or insurance cover and accidental death and retirement benefits as applicable and dismemberment through personal accident insurance.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ED such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to overall ceilings stipulated in the Section 197 of the Act. The Company also provides retirement benefits, as applicable.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the Remuneration Policy.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has formulated its Corporate Social Responsibility (CSR) Policy the main contents of which inter alia, include “giving back” to the society and focuses on the theme of “Building Sustainable Livelihoods” where inter alia, vocational skills & training are imparted to those who are differently-abled and / or from the deserving strata of society and in the areas where the Company operates. The Annual Report on CSR activities is annexed herewith as Annexure - B.

The CSR Committee comprises five Directors, of which one is an Independent Director, as detailed below:

- (i) Mr. G. Anantharaman (Independent Director) - Chairman
- (ii) Mr. Rakesh Sarna
- (iii) Mr. Anil P. Goel
- (iv) Mr. Rajesh Nagpal
- (v) Mr. Sudhir Nagpal

CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company conducts various energy audits to continuously reduce its Fuel, Power & Light consumption. Electricity consumption has reduced and the Company invests in various energy-saving equipments. The Company also holds the Earth Check Certification for all its units, of which the units at Mumbai and Bangalore are Gold Level Certified and the rest, are Silver Level Certified.

The total Foreign Exchange Inflow was ₹ 7,653.15 lakhs and Outflow was ₹ 450.05 lakhs, during the year under review.

LOANS, GUARANTEES OR INVESTMENTS

The Company is exempt from the provisions of Section 186 of the Act in so far as they relate to loans & guarantees. Details of Investments covered under the provisions of Section 186 of the Act are given in the Financial Statements.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions (RPTs) that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. However, for one RPT for sale of investments, although the same was done on an arm's length basis, with requisite approvals, it was not in the ordinary course of business i.e. the Company divested its entire stake in Ideal Ice and Cold Storage Company Limited, Residency Foods and Beverages Ltd and Taj Rhein Shoes Company Limited, respectively, in favour of Taida Trading and Industries Limited, a Related Party.

RISK MANAGEMENT POLICY

Pursuant to the provisions of the Section 134 of the Act, the Company has developed and implemented a Risk Management Policy to identify and evaluate business risks and opportunities. Risks are analyzed by combining estimates of probability and impact of occurrence, if the risk occurs.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The efficacy of the same is monitored and evaluated together with its compliance with operating systems, accounting procedures and policies at all locations of the Company.

HUMAN RESOURCES

The Board wishes to record its sincere appreciation to the employees. The Company recognises and appreciates the co-operation and support from its employees.

STATUTORY AUDITORS

The Company had received intimations from its Joint Statutory Auditors, M/s. Price Waterhouse, Chartered Accountants (Registration No. 012754N) and M/s PKF Sridhar & Santhanam, Chartered Accountants, (Registration No. 003990S), to the effect that they have converted into Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 with effect from July 25, 2014 and April 21, 2015, respectively. Accordingly, effective those dates, they would be known as M/s. Price Waterhouse, LLP Chartered Accountants (Registration No. 012754N / N500016) and M/s PKF Sridhar & Santhanam, LLP, Chartered Accountants, (Registration No. 0003990S / S200018) respectively. The Board of Directors of the Company have noted the same.

The Statutory Auditors retire at the ensuing Annual General Meeting of the Company and are eligible for reappointment. They have confirmed their eligibility under the provisions of Sections 139 & 141 of the Act and the Rules framed there under for reappointment as Auditors of the Company.

The Audit Committee and Board recommend their re-appointment. Members are requested to re-appoint the Joint Statutory Auditors and authorize the Board of Directors to fix their remuneration.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Rules thereunder, the Company has appointed Mr. Neville Daroga, Company Secretary in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report of the Company is annexed herewith as Annexure - C.

AUDITORS' REPORTS

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory or Secretarial Auditors in their respective Audit Reports.

INTERNAL COMPLAINTS COMMITTEE

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the financial year 2014-15, the Company has received three complaints on sexual harassment, all of which have been disposed off and appropriate action taken and no complaints remain pending.

GENERAL

During the year under review:

- i. No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.
- ii. The Company does not accept deposits as covered under Chapter V of the Act
- iii. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- iv. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENTS

The Board wishes to place on record its sincere appreciation to all its stakeholders, including customers, suppliers, investors and business partners as also the Government of India, State Governments in India and concerned Government departments and / or agencies for their co-operation.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the financial statements and annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected accounting policies as mentioned in the Notes of the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at March 31, 2015 and of the profit of the Company for the year ended March 31, 2015;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the financial statements and annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Mr. Sudhir Nagpal
Jt. Managing Director
(DIN:00044762)

Mr. Rajesh Nagpal
Jt. Managing Director
(DIN: 00032123)

Mumbai, May 6, 2015

Annexure - A
**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U55101MH1968PLC013960
- ii) Registration Date : March 13, 1968
- iii) Name of the Company : Piem Hotels Limited
- iv) Category : Company Limited by Shares
- v) Sub-Category of the Company : Indian Non- Government Company
- vi) Address of the registered office : Vivanta by Taj- President, 90 Cuffe Parade,
and contact details : Mumbai- 400005.
- vii) Whether listed company : No
- viii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Short term accommodation activities	551	44.92
2	Restaurants and mobile food service activities	561	50.48

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Colaba, Mumbai- 400 001	L74999MH1902PLC000183	*Holding	25.90	2 (46)
2	TIFCO Holdings Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U65910MH1977PLC019873	*Holding	25.67	2(46)
3.	Northern India Hotels Limited The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra- 282001	L55101UP1971PLC003838	Subsidiary	93.41	2 (87)

PIEM HOTELS LIMITED

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
4.	Piem International (H. K) Ltd 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	100	2(87)
5.	BAHC 5 Pte Ltd, 78 Shenton Way, # 26-02A, Singapore- 079120	Foreign Company	** Subsidiary	100	2(87)
6.	Premium Aircraft Leasing Corporation Ltd First Floor, Fitzwilliam House, Wilton Place, Dublin 2, Ireland	Foreign Company	** Subsidiary	100	2(87)
7.	Taida Trading and Industries Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U13100MH1959PLC011396	Associate	25.41	2(6)
8.	Inditravel Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U74999MH1981PLC023924	Associate	26.25	2 (6)
9.	Taj Trade and Transport Company Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U60300MH1977PLC019952	Associate	25.56	2(6)
10.	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, New Delhi- 110 021	U55101DL1979PLC009746	Associate	21.10	2(6)

* The Indian Hotels Company Limited together with its Wholly-owned Subsidiary TIFCO Holdings Limited holds 51.57% of Piem Hotels Limited

** Subsidiary of Piem International (H. K) Ltd

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01.04.2014)			No. of Shares held at the end of the year (i.e 31.03.2015)			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoters							
(1) Indian							
a) Individual/HUF	14,51,998	14,51,998	38.11	15,03,830	15,03,830	39.47	1.36%
a) HUF	51,832	51,832	1.36	-	-	-	(1.36%)
b) Central Govt	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-
d) Bodies Corp.	19,99,770	19,99,770	52.49	19,99,770	19,99,770	52.49	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-
Sub-total (A) (1):-	35,03,600	35,03,600	91.96	35,03,600	35,03,600	91.96	-
(2) Foreign							
a) NRIs - Individuals	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-
Total Shareholding of Promoter/ Promoter group (A)=(A)(1)+(A)(2)	35,03,600	35,03,600	91.96	35,03,600	35,03,600	91.60	-
B. Public Shareholding							
(1) Institutions							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIs	2,59,000	2,59,000	6.80	2,59,000	2,59,000	6.80	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
Sub-total (B)(1):-	2,59,000	2,59,000	6.80	2,59,000	2,59,000	6.80	-
(2) Non-Institutions							
a) Bodies Corp.							
i) Indian	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-

PIEM HOTELS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01.04.2014)			No. of Shares held at the end of the year (i.e 31.03.2015)			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	47,400	47,400	1.24	47,400	47,400	1.24	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh							
*** See notes	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-
1) Directors and Relatives	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Sub-total (B)(2):-	47,400	47,400	1.24	47,400	47,400	1.24	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	3,06,400	3,06,400	8.04	3,06,400	3,06,400	8.04	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,81,00,000	3,81,00,000	100	3,81,00,000	3,81,00,000	100	-

Notes

- All the shares of the Company are held in the Physical Form.
- ***Data of Shares held by Directors & their relatives as also of Individual shareholders holding nominal share capital in excess of ₹ 1 lakh are already included in Individual Promoters i.e. 15,03,830 shares.

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e 01.04.2014)			Share holding at the end of the year (i.e 31.03.2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	9,86,760	25.90	-	9,86,760	25.90	-	-
2	TIFCO Holding LTD	9,78,010	25.67	-	9,86,760	25.90	-	-
3	Tata Investment Corporation Limited	35,000	0.92	-	35,000	0.92	-	-
4	Lalchand M. Nagpal (HUF)	51,832	1.36	-	1	-	-	(1.36)
5	Sudhir L. Nagpal	3,37,566	8.86	-	3,89,398	10.22	-	(1.36)
6	Lalchand Nagpal	1,934	0.05	-	-	-	-	(0.05)
7	Pushpa L. Nagpal	1,18,425	3.11	-	1,20,359	3.16	-	(0.05)
8	Rajesh R. Nagpal	4,99,429	13.11	-	4,99,429	13.11	-	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e 01.04.2014)			Share holding at the end of the year (i.e 31.03.2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
9	Rajkumar M. Nagpal	2,46,088	6.46	-	2,46,088	6.46	-	-
10	Subhadra R. Nagpal	1,99,418	5.23	-	1,99,418	5.23	-	-
11	Ninotchka Malkani Nagpal	14,321	0.38	-	14,321	0.38	-	-
12	Promoters with their Relatives	34,817	0.91	-	34,817	0.91	-	-
	TOTAL	35,03,600	91.96	-	35,03,600	91.96	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)-

Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Lalchand M Nagpal (HUF)				
	At the beginning of the year	51,832	1.36		
	Date wise Decrease in Promoters Share holding during the year specifying the reasons for decrease (e.g. transfer):			51,832 shares were transferred on January 20,2015	(1.36)
	At the End of the year			-	-
2	Sudhir Nagpal				
	At the beginning of the year	3,37,566	8.86		
	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase (e.g. transfer):			51,832 shares were transferred on January 20,2015	1.36
	At the End of the year			389,398	10.22
3	Lalchand Nagpal				
	At the beginning of the year	1,934	0.05		
	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase (e.g. transfer):			1,934 shares were transmitted on November 26,2014	0.05
	At the End of the year			-	-
4	Pushpa Nagpal				
	At the beginning of the year	1,18,425	3.11		
	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase (e.g. transfer):			1,934 shares were transmitted on November 26,2014	0.05
	At the End of the year			1,20,359	3.16

PIEM HOTELS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of the Shareholder	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	New Vernon Private Equity Limited	2,59,000	6.80	2,59,000	6.80
2	Sudha Karve	8,000	0.21	8,000	0.21
3	Vasanti V. Agnihotri	4,000	0.10	4,000	0.10
4	L. A. Menezes	3,000	0.08	3,000	0.08
5	Munira M. Pancha	2,200	0.06	2,200	0.06
6	Naomi Menezes	2,000	0.05	2,000	0.05
7	Jamshyd D.F.Lam	2,000	0.05	2,000	0.05
8	J. K. Delvadawalla	2,000	0.05	2,000	0.05
9	Parvathy Krishnamurthy	1,800	0.05	1,800	0.05
10	Suman Munjal	1,600	0.04	1,600	0.04

(v) Shareholding of Directors

Sl. No.	Name of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajkumar M. Nagpal				
	At the beginning of the year	2,46,088	6.46	2,46,088	6.46
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year			2,46,088	6.46
2	Sudhir Nagpal				
	At the beginning of the year	3,37,566	8.86	3,37,566	8.86
	Date wise Increase in Share holding during the year specifying the reasons for increase (e.g. transfer):			51,832 shares were transferred on January 20,2015	1.36
	At the End of the year			3,89,398	10.22
3	Rajesh R. Nagpal				
	At the beginning of the year	4,99,429	13.11	4,99,429	13.11
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year			4,99,429	13.11

Sl. No.	Name of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Ninotchka Malkani Nagpal				
	At the beginning of the year	14,321	0.38	14,321	0.38
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year			14,321	0.38
5	Beryl Fernandes Nagpal (2nd Holder with Sudhir Nagpal)				
	At the beginning of the year	-	-	-	-
	Date wise Increase in Share holding during the year specifying the reasons for increase / decrease (e.g. transfer):			51,832 shares transferred on January 20,2015	1.36
	At the End of the year			51,832	1.36

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	N.A.			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year Addition Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

PIEM HOTELS LIMITED

I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ lakhs

Sl. No.	Particulars of Remuneration	Lalchand Nagpal	Rajesh R. Nagpal	Sudhir Nagpal	Rajkumar M. Nagpal	Raymond N. Bikson^	Rakesh Sarna^	Total Amount
1)	Gross salary							
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	45.49	47.65	23.10	NIL	NIL	116.24
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	37.83	67.20	20.13	NIL	Nil	125.16
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-	-	-
2)	Stock Option							
3)	Sweat Equity							
4)	Commission - as % of profit - others, specify...	40	60	60	40	NIL	NIL	200
5)	Others, please specify							
	Total (A)	40	143.32	174.85	83.23	NIL	NIL	441.40
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013							₹ 533.36

^ Mr. Raymond Bickson resigned with effect from September 1, 2014 and Mr. Rakesh Sarna was appointed w.e.f. October 31, 2014. Both were not drawing any remuneration from the Company in their capacity of Chairman and Managing Director of the Company.

~~ Mr. Lalchand Nagpal passed away in 2013 and only his commission for 2013-14 was paid in 2014-15.

B. Remuneration to other directors:

Independent Directors

Sl. No.	Particulars of Remuneration	K. B. Dadiseth	G Anantharaman	Total Amount
1	Fee for attending board / committee meetings	NIL	NIL	NIL
2	Commission for 2014-15	Will be paid in 2015/16	Will be paid in 2015/16	NIL
3	Other, please specify	NIL	NIL	NIL
	Total	NIL	NIL	NIL
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013			₹ 53.34 lakhs

Non Executive

₹ lakhs

Sl. No.	Particulars of Remuneration	#Anil Goel	#Abhijit Mukerji	Deepa Misra Harris	Sanjay Ubale	G Anantharaman	Ninotchka Malkani Nagpal	Beryl F. Nagpal	Total Amount
1	Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Commission	NIL	NIL	5.54	4.25	11.34	3.87	NIL	25.00
3	Other, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013								53.34

Mr. Anil Goel and Mr. Abhijit Mukerji being the Whole-time Directors of The Indian Hotels Company Limited, the Holding Company, did not draw any remuneration from the Company

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- Not Applicable

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock Option	NA	-
3	Sweat Equity	NA	-
4	Commission - as % of profit - others, specify...	NA	-
5	Others, please Specify	-	-
	Total	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty / Punishment /Compounding)			NIL		
B. DIRECTORS (Penalty / Punishment /Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment / Compounding)					

For and on behalf of the Board of Directors

Mr. Sudhir Nagpal
Jt. Managing Director
(DIN : 00044762)

Mr. Rajesh Nagpal
Jt. Managing Director
(DIN: 00032123)

Mumbai, May 6, 2015

CORPORATE SOCIAL RESPONSIBILITY REPORT OF THE COMPANY

THE ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link, if any, to the CSR policy and projects or programs –
The Company has formulated its CSR Policy, which imbibes the values and traditions of giving back to the society. The Company focuses on the theme of "Building Sustainable Livelihoods" where inter alia, vocational skill training & certification are provided to less privileged & marginalized youth in partnership with Governmental & non-Governmental organizations. The Company also actively contributes towards ensuring environmental sustainability by maintaining public gardens, taking up activities to contribute to Clean India movement & distribution of saplings.
2. The Composition of the CSR Committee is as under:
 - (i) Mr. G. Anantharaman (Independent Director) - Chairman
 - (ii) Mr. Rakesh Sarna
 - (iii) Mr. Anil P. Goel
 - (iv) Mr. Rajesh Nagpal
 - (v) Mr. Sudhir Nagpal
3. Average net profit of the Company for last three financial years: ₹ 6319.17 lakhs
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 126.38 lakhs
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year; ₹ 126.38 lakhs
 - (b) Amount unspent, if any; ₹ 47.39 lakhs
 - (c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity defined	Sector in which the Project is covered	Projects or Programs: 1) Local area or other 2) the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1	Eradicating Extreme Hunger & Poverty - Schedule VII (i)	Distribution of food to local charities/ orphanages	Maharashtra, Uttar Pradesh, Karnataka	10.00	6.55	6.55	6.55
2	Employment Enhancing Vocational Skills/ Promotion of Education - Schedule VII (ii)	Set up of skill training centers AND/ OR providing support and training to less-privileged & marginalised youth across India (in partnerships with NGOs/ Govt bodies, etc.)	Maharashtra, Uttar Pradesh, Karnataka	90.00	55.89	62.44	55.89

Sl. No.	CSR project or activity defined	Sector in which the Project is covered	Projects or Programs: 1) Local area or other 2) the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
3	Environment Sustainability & Upkeep of Public Facilities & Properties – Schedule VII (iv)	Maintenance of Public Gardens & public areas / approach roads, etc	Maharashtra, Uttar Pradesh, Karnataka	26.00	16.52	78.96	16.52
4	Donations to CSR partners/projects - Rule 4(2) of Companies (CSR) Rules, 2014	Donations made to support education & other miscellaneous requirements of neighboring communities	Maharashtra, Uttar Pradesh, Karnataka	0.40	0.03	78.99	0.03
Total				126.40	78.99	78.99	78.99

* Don Bosco Tech, Chinchwad; ITI, Mulund; ITI, Lonavala; Don Bosco, Borivalli; Pratham Lucknow; Little Sisters of the Poor, Bangalore; Manisha Mandir, Lucknow; Premdaan, Mumbai; SPJ Sadhana, Mumbai; Leprosy Mission, Nashik; Saranathan Children Home, Agra.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has always been actively involved in activities for the betterment of the community. These include, in addition to environment- related & other CSR activities, donations that are given from time to time to various worthy causes. During the year, the Company, in addition to CSR projects, also donated to various worthy causes, which, however, cannot be claimed as CSR activities under the Schedule VII. However, going forward, it is proposed to budget CSR activities in such a manner that the requisite spends can be met within the required time, whilst at the same time, continuing with its commitments to social welfare.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee hereby undertakes that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.

(Mr. Sudhir Nagpal)

Jt. Managing Director

DIN: 00044762

(Mr. Rajesh Nagpal)

Jt. Managing Director

DIN: 00032123

(Mr. G. Anantharaman)

Chairman of CSR

DIN: 02229822

**FORM NO. MR-3 SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Piem Hotels Limited
Vivanta by Taj President-90 Cuffe Parade
Mumbai -400005

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and adherence to good corporate practices of your Company M/s. PIEM HOTELS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the aforesaid period, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Since the Company is not a listed Company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i. Food Safety and Standards Act, 2006

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Since the Company is an Unlisted Company no provisions of listing agreement are applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings and the agenda and detailed notes on agenda together with the notice were sent at least seven days in advance. The Company has a proper system in existence to enable the Directors to seek and obtain further information and clarifications on the agenda items before the meeting, as also for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For example:

- 1. Public/Right/Preferential issue of shares / debentures / sweat equity, etc.
- 2. Redemption / buy-back of securities
- 3. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- 4. Merger / Amalgamation / Reconstruction, etc.
- 5. Foreign Technical Collaborations

FOR NEVILLE DAROGA & ASSOCIATES

(Neville K. Daroga)

ACSN o. 8663

C.PNo. 3823

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
PIEM Hotels Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of PIEM Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. 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.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015, on its financial position in its standalone financial statements – Refer note 28;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2015 for which there were no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

FRN: 012754N/N500016

Pankaj Khandelia

Partner

Membership No. 102022

Place : Mumbai

May 6, 2015

For PKF Sridhar and Santhanam LLP

Chartered Accountants

FRN : 003990S / S200018

S Ramakrishnan

Partner

Membership No. 18967

Place : Mumbai

May 6, 2015

Annexure to the Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of PIEM Hotels Limited on the standalone financial statements for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, duty of customs, duty of excise and cess which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and service tax as at March 31, 2015 which have not been deposited on account of a dispute are as follows:

Subsidiaries Accounts 2014-2015

Name of the statute	Nature of dues	Amount in ₹ Lakhs	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income tax	10.04	Assessment year 2010-11	Income Tax Appellate Tribunal
The U.P Sales Tax Act	Sales Tax	15.06	Financial year 2006-07	Commissioner of Sales Tax, Agra
The U.P Sales Tax Act	Sales Tax	0.42	Financial year 2007-08 to 2010-11	Commissioner of Sales Tax, Agra
The Finance Act, 1994	Service Tax	95.24	Financial year 2006-07 to 2010-11	Commissioner of Central Excise and Customs and Service Tax, Agra
The Finance Act, 1994	Service Tax	462.37	Financial year 2004-2005 to 2012-2013.	Commissioner of Central Excise and Customs and Service Tax, Lucknow
The Bombay Sales Tax Act, 1959	Sales Tax	39.29	April 1, 1995 - March 31, 1996	High Court, Bombay
The Bombay Sales Tax Act, 1959	Sales Tax	1.70	April 1, 2000 – March 31, 2001	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	103.91	April 1, 2002 – March 31, 2003	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	120.35	April 1, 2001 - March 31, 2002	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	7.32	April 1, 2003 - March 31, 2004	Senior Deputy Commissioner of Sales Tax, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	9.85	April 1, 2004 - March 31, 2005	Senior Deputy Commissioner of Sales Tax, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	9.99	April 1, 2007 - March 31, 2008	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	118.50	April 1, 2008 - March 31, 2009	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	35.53	April 1, 2009 - March 31, 2010	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act, 1959	Sales Tax	104.90	April 1, 2010 - March 31, 2011	Joint Commissioner of Sales Tax Appeal, Mumbai
The Finance Act, 1994	Service Tax	129.87	Financial year 2009-10	Commissioner of Central Excise, Pune
The Finance Act, 1994	Service Tax	27.73	Financial year 2010-11	Commissioner of Central Excise, Pune
The Finance Act, 1994	Service Tax	70.55	Financial year 2005-06 and 2010-11	Commissioner of Central Excise and Customs and Service Tax, Nashik
The Finance Act, 1994	Service Tax	0.18	Financial year 2013-14 and 2014-15	Local Service Tax Authority
The Finance Act, 1994	Service Tax	349.95	Financial year 2006-07 to 2009-10	Customs Excise and Service Tax Appellate Tribunal and Commissioner of Central Excise and Customs and Service Tax, Bangalore

- (c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

FRN: 012754N/N500016

Pankaj Khandelia

Partner

Membership No. 102022

Place : Mumbai

May 6, 2015

For PKF Sridhar and Santhanam LLP

Chartered Accountants

FRN : 003990S / S200018

S Ramakrishnan

Partner

Membership No. 18967

Place : Mumbai

May 6, 2015

Balance Sheet as at March 31, 2015

	Note	March 31, 2015	₹ in lakhs March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	381.00	381.00
Reserves and Surplus	3	48,263.17	46,908.95
		<u>48,644.17</u>	<u>47,289.95</u>
Non-current liabilities			
Deferred Tax Liabilities (Net)	4	1,494.90	1,402.90
Other Long Term Liabilities	5	13.27	10.81
Long Term Provision	6	321.07	263.06
		<u>1,829.24</u>	<u>1,676.77</u>
Current liabilities			
Short-term borrowings	7	-	-
Trade payables	8	1,647.06	1,996.13
Other current liabilities	9	2,643.14	2,310.29
Short-term provisions	10	2,554.46	2,990.32
		<u>6,844.66</u>	<u>7,296.74</u>
Total		<u><u>57,318.07</u></u>	<u><u>56,263.46</u></u>
ASSETS			
Non-current Assets			
Fixed assets	11		
Tangible assets		23,625.90	24,890.15
Intangible assets		161.28	160.77
Capital work-in-progress		9,086.69	4,559.68
		<u>32,873.87</u>	<u>29,610.60</u>
Non-current investments	12	9,474.14	9,474.14
Long-term loans and advances	13	1,587.44	1,363.42
Other non-current assets	14	401.70	366.38
		<u>44,337.15</u>	<u>40,814.54</u>
Current assets			
Current investments	15	4,115.59	7,146.77
Inventories	16	798.27	729.76
Trade receivables	17	1,084.99	1,063.36
Cash and Bank Balances	18	1,008.32	991.52
Short-term loans and advances	19	5,862.00	5,458.45
Other current assets	20	111.75	59.06
		<u>12,980.92</u>	<u>15,448.92</u>
Total		<u><u>57,318.07</u></u>	<u><u>56,263.46</u></u>

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.

0039905 / S200018

S Ramakrishnan

Partner (18967)

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.

012754N / N500016

Pankaj Khandelia

Partner (102022)

For and on behalf of the Board

Sudhir L. Nagpal

(Jt. Managing Director)

DIN No : 00044762

Rajesh R. Nagpal

(Jt. Managing Director)

DIN No : 00032123

Anil P. Goel

(Director)

DIN No : 00050690

Ms. Farzana Sam Billimoria

Company Secretary

Mumbai, May 06, 2015

Statement of Profit and Loss for the year ended March 31, 2015

	Note	March 31, 2015	₹ in lakhs March 31, 2014
Income			
Rooms, Restaurants, Banquets and Other Operating Income	21	30,478.52	29,533.94
Other Income	22	1,839.79	3,109.59
Total		32,318.31	32,643.53
Expenditure			
Food and Beverages Consumed	23	3,734.86	3,613.35
Employee Benefits Expense	24	7,465.08	6,654.95
Depreciation / Amortization	11	1,862.20	2,220.56
Other Operating and General Expenditure	25	14,431.23	13,917.04
Total		27,493.37	26,405.90
Profit Before Tax And Exceptional Items		4,824.94	6,237.63
Exceptional Items - Income / (Expenses)	26	-	(316.29)
Profit Before Tax		4,824.94	5,921.34
Tax Expenses			
Current Tax		1,550.00	1,800.00
Deferred Tax		92.00	14.90
Profit After Tax		3,182.94	4,106.44
 Earnings Per Share - (₹) (Basic and Diluted)	38	 83.54	 107.78
Face Value per Equity share - (₹)		10.00	10.00

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration No.
012754N / N500016

S Ramakrishnan
Partner (18967)

Pankaj Khandelvia
Partner (102022)

Mumbai, May 06, 2015

For and on behalf of the Board

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No : 00044762
Rajesh R. Nagpal
(Jt. Managing Director)
DIN No : 00032123
Anil P. Goel
(Director)
DIN No : 00050690
Ms. Farzana Sam Billimoria
Company Secretary

Cash Flow Statement for the year ended March 31, 2015

Particulars	₹ in lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities		
Profit / (Loss) before extraordinary items and tax	4,824.94	5,921.34
Adjustments for:		
Depreciation and amortisation expense	1,862.20	2,220.56
(Profit) / loss on sale / write off of assets	10.74	18.26
Liabilities / provisions no longer required written back	-	(30.00)
Interest income	(804.47)	(787.82)
Dividend income	(433.59)	(1,959.72)
Net (gain) / loss on sale of investments (₹ 1)	-	-
	634.88	(538.72)
Operating profit / (loss) before working capital changes	5,459.82	5,382.62
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(68.52)	(122.44)
Trade receivables	(21.63)	(118.87)
Short-term loans and advances	372.46	4,242.83
Long-term loans and advances	(150.17)	276.87
Other non-current assets	(10.13)	(5.19)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(349.06)	(157.13)
Other current liabilities	(77.16)	(306.07)
Other long-term liabilities	2.46	(23.64)
Short-term provisions	409.93	35.77
Long-term provisions	58.01	(33.34)
	166.19	3,788.79
Cash generated from operations	5,626.01	9,171.41
Net income tax (paid) / refunds	(1,403.69)	(1,879.25)
Net cash flow from / (used in) operating activities (A)	4,222.32	7,292.16

PIEM HOTELS LIMITED

	₹ in lakhs	
	For the year ended	For the year ended
Particulars	March 31, 2015	March 31, 2014
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(4,982.26)	(3,801.48)
Proceeds from sale of fixed assets	35.90	85.90
Inter-corporate deposits (net)	(776.00)	129.00
Current investments not considered as Cash and cash equivalents		
- Purchased (Net)	-	(4,347.54)
- Proceeds from sale (Net)	3,031.18	-
Proceeds from sale of long-term investments		
- Associates (₹ 4)	-	-
Interest received		
- Others	726.58	774.46
Dividend received		
- Subsidiaries	-	1,593.80
- Associates	141.94	121.10
- Others	291.64	244.82
	(1,531.01)	(5,199.94)
Net cash flow from / (used in) investing activities (B)	(1,531.01)	(5,199.94)
C. Cash flow from financing activities		
Dividends paid	(2,286.00)	(1,714.50)
Tax on dividend	(388.51)	(291.38)
	(2,674.51)	(2,005.88)
Net cash flow from / (used in) financing activities (C)	(2,674.51)	(2,005.88)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	16.80	86.34
Cash and cash equivalents at the beginning of the year	991.52	905.18
Cash and cash equivalents at the end of the year	1,008.32	991.52

Note: Previous year's have been regrouped wherever necessary.

As per our Report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
0039905 / S200018

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration No.
012754N / N500016

S Ramakrishnan
Partner (18967)

Pankaj Khandelia
Partner (102022)

Mumbai, May 06, 2015

For and on behalf of the Board
Sudhir L. Nagpal
(Jt. Managing Director)
DIN No : 00044762
Rajesh R. Nagpal
(Jt. Managing Director)
DIN No : 00032123
Anil P. Goel
(Director)
DIN No : 00050690
Ms. Farzana Sam Billimoria
Company Secretary

Notes to Financial Statements for year ended March 31, 2015

1. Significant Accounting Policies

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards (AS) notified under the Companies Act, 1956, shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

The significant accounting policies adopted in the presentation of the Accounts are as under:-

a) Income

Income is accounted for on accrual basis and comprises sale of rooms, food and beverages and allied services relating to hotel stay and is stated net of recoveries on account of service tax, luxury tax, etc. Income from other services like banquets, telecommunication services and laundry and other non-operating income are disclosed net of related expenses and recoveries on account of service tax.

b) Tangible and Intangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation /amortization and impairment losses, if any. Cost includes expenses incidental to the acquisition /installation of assets. Capital work in progress comprises cost of fixed assets that are not yet ready for their intended use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Interest on loans to acquire qualifying assets is added to the cost of fixed assets in accordance with Accounting Standard 16 on "Borrowing Costs".

c) Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Machinery	10 to 20 years
Electrical Installations and Equipment	20 years
Hotel Wooden Furniture	15 years
End-User devices-Computers, Laptops etc	6 years
Assets costing less than ₹ 5000	4 years
Improvements to Buildings	15 years

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

In respect of Leasehold land, depreciation is provided from the date land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of improvements to buildings, depreciation is provided based on estimated useful life.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The rates currently used for amortising intangible assets are as under:

Website Development Cost	20.00%
Cost of Customer Reservation System (including licensed software)	16.67%

d) Taxation

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax laws and taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

e) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

f) Inventories

Stock of food and beverages, stores and operating supplies are valued at lower of weighted average cost and net realizable value.

g) Transactions in Foreign Currencies

Transactions in foreign currencies are translated into Indian Rupees at the rates of exchange ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated into Indian Rupees at the rates of exchange ruling at that date. Non-monetary items denominated in foreign currency are carried at the exchange rate in force at the date of transaction. Gains and losses arising on settlement of foreign currency transactions and restatement of monetary assets and liabilities as at the year end are recognized in the Statement of Profit and Loss in the period in which they arise.

h) Employee benefits

Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses /gains are recognized in the Statement of Profit and Loss in the year in which they arise.

i) Provisions, Contingent Liabilities and Contingent Assets

- i. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets', when there is a present obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.
- ii. Contingent Liabilities are recognized and disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- iii. Contingent assets are not recognized in the financial statements.

j) Impairment of Assets

The Company reviews the carrying value of its fixed assets for any possible impairment at each Balance Sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at an appropriate discount rate.

k) Assets taken on lease

Operating lease payments are recognized as expenditure in the statement of profit and loss on a straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

l) Assets given on lease

Rentals receivable under lease are accounted for in the year in which they accrue.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
2. Share Capital

	₹ in lakhs	
	As at March 31, 2015	As at March 31, 2014
Authorized		
Equity Shares		
4,750,000 Equity Shares of ₹ 10/- each	475.00	475.00
Preference Shares		
9.5% First Redeemable Cumulative Preference Shares of ₹ 100/- each	18.00	18.00
Preference Shares		
3% Second Redeemable Cumulative Preference Shares of ₹ 100/- each	7.00	7.00
	<u>500.00</u>	<u>500.00</u>
Issued Share Capital		
3,810,000 (Previous Year - 3,810,000) Equity Shares of ₹ 10/- each	381.00	381.00
	<u>381.00</u>	<u>381.00</u>
Subscribed and Paid Up		
3,810,000 (Previous Year - 3,810,000) Equity Shares of ₹ 10/- each fully paid up	381.00	381.00

a. Reconciliation of Number of Equity shares :

Particulars	As at		As at	
	No. of shares	March 31, 2015	No. of shares	March 31, 2014
Shares outstanding at the beginning of the year	38,10,000	381	38,10,000	381
Add : Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>38,10,000</u>	<u>381</u>	<u>38,10,000</u>	<u>381</u>

- b. Equity Shares :** The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive any of the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

During the year ended March 31, 2015, the amount of per share dividend recognised as distribution to equity shareholder was ₹ 40/- (Previous year ₹ 60/-)

c. Shares held by Holding Company and Subsidiary of Holding Company

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Holding Company				
The Indian Hotels Company Limited (IHCL)	9,86,760	25.90	9,86,760	25.90
Subsidiary of Holding Company (Wholly owned)				
TIFCO Holdings Company Limited (TIFCO)	9,78,010	25.67	9,78,010	25.67
Total	<u>19,64,770</u>	<u>51.57</u>	<u>19,64,770</u>	<u>51.57</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

d. Details of shares held by other shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Rajesh R. Nagpal	4,99,429	13.11	4,99,429	13.11
Mr. Sudhir L. Nagpal	3,89,398	10.22	3,37,566	8.86
New Vernon Private Limited	2,59,000	6.80	2,59,000	6.80
Mr. Rajkumar M. Nagpal	2,46,088	6.46	2,46,088	6.46
Mrs. Subhadra R. Nagpal	1,99,418	5.23	1,99,418	5.23

3. Reserve and Surplus

	₹ in lakhs	
	As at March 31, 2015	As at March 31, 2014
Capital Reserve	375.61	375.61
Capital Redemption Reserve	77.00	77.00
Securities Premium Account	2,011.00	2,011.00
General Reserve		
Balance as at the beginning of the year	12,514.04	12,104.04
Add : Transferred from Surplus in Statement of Profit and Loss	320.00	410.00
Balance as at the end of the year	12,834.04	12,514.04
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	31,931.30	30,909.37
Add : Profit for the year	3,182.94	4,106.44
Less : Appropriations		
Proposed Dividend	1,524.00	2,286.00
Tax on Proposed Dividend	304.72	388.51
Transfer to General Reserve	320.00	410.00
Balance as at the end of the year	32,965.52	31,931.30
Total	48,263.17	46,908.95

4. Deferred Tax Liabilities (net)

	₹ in lakhs	
	As at March 31, 2015	As at March 31, 2014
Deferred tax liability:		
Depreciation on fixed assets	1,751.70	1,550.02
	1,751.70	1,550.02
Deferred tax asset:		
Provision for doubtful debts and advances	7.31	5.06
Liabilities / Provisions that are deducted for tax purposes when paid	122.33	40.77
Provision for compensated absences	127.16	101.29
	256.80	147.12
Total	1,494.90	1,402.90

5. Other Long-Term Liabilities

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

	As at March 31, 2015	₹ in lakhs As at March 31, 2014
Trade Payables		
Payable towards Voluntary Retirement Scheme	-	10.81
Others	13.27	-
Total	13.27	10.81

6. Long-Term Provisions

	As at March 31, 2015	₹ in lakhs As at March 31, 2014
Provision For Employee Benefits		
Compensated Absences (Refer Note 27 (B))	321.07	263.06
Total	321.07	263.06

7. Short-Term Borrowings

	As at March 31, 2015	₹ in lakhs As at March 31, 2014
Loans And Advances From Related Parties	-	-

8. Trade Payables

	As at March 31, 2015	₹ in lakhs As at March 31, 2014
Trade Payables *	1,626.43	1,978.99
Total Outstanding dues of micro and small enterprises (Refer Note 29 for outstanding dues of Micro Small Medium Enterprises)	20.63	17.14
Total	1,647.06	1,996.13

Footnote :

* includes Commission to Non-Executive Directors ₹ 40 lakhs (previous year ₹ 40 lakhs) and due to related parties ₹ 21.98 lakhs (previous year ₹ 14.17 lakhs)

9. Other Current Liabilities

	As at March 31, 2015	₹ in lakhs As at March 31, 2014
Security Deposits (includes related party ₹ 48 lakhs (previous year ₹ 48 lakhs))	58.99	64.86
On Current Account dues		
- Related Parties	65.84	110.15
- Others	10.45	51.63
	76.29	161.78
Advance from Customers	465.17	477.37
Income received in advance	22.99	24.13
Creditors for capital goods	657.02	247.02
Unclaimed dividend *	3.00	1.32
Statutory liabilities	483.12	475.67
Other Liabilities (Refer Note below)	876.56	858.14
Total	2,643.14	2,310.29

Footnote :

Payables towards voluntary retirement scheme ₹ 11.33 lakhs (previous year ₹ 13.60 lakhs), Employee benefits payable

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

₹ 671.33 lakhs (previous year ₹ 603.86 lakhs), Commission to Executive Directors ₹ 160 lakhs (previous year ₹ 200 lakhs) and Others ₹ 33.90 lakhs (previous year ₹ 40.68 lakhs),

* No dues to be transferred to Investor Education and Protection Fund.

10. Short-Term Provisions

	As at March 31, 2015	As at March 31, 2014
Short-term Provision for Employee Benefits		
Compensated Absences (Refer Note 27 (B))	48.99	37.72
Gratuity (Refer Note 27 (A))	261.64	66.14
Provision for contingencies (Refer Note 39)	415.11	186.32
Others:		
Loyalty programme (Refer Note below)	-	25.63
Proposed dividend on equity shares	1,524.00	2,286.00
Tax on proposed dividend	304.72	388.51
Total	2,554.46	2,990.32

Footnote :

	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	25.63	202.16
Less : Redeemed during the year	25.63	176.53
	-	25.63
Add : Provision during the year	-	-
Balance at the end of the year	-	25.63

11. Fixed Assets

Tangible assets	Gross block (At cost)				Depreciation / Amortization **				(Amount in ₹ in lakhs)	
	As at 1 April, 2014	Additions	Deduction/ Adjustments	As at 31 March, 2015	As at 1 April, 2014	Depreciation expenses for the year	Deduction/ Adjustments (Refer Note 4 below)	As at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
Freehold Land (Refer Note 1 & 5 below)	1,971.78	-	-	1,971.78	-	-	-	-	1,971.78	1,971.78
Leasehold Land	1,339.20	-	-	1,339.20	216.43	19.18	-	235.61	1,103.59	1,122.77
Buildings (Refer Note 2 below)	15,550.70	24.14	-	15,574.84	3,866.37	598.44	-	4,464.81	11,110.03	11,684.33
Plant and Equipment	16,822.45	442.73	144.89	17,120.29	9,080.00	740.15	105.86	9,714.29	7,406.00	7,742.45
Furniture, Fixtures	6,221.93	99.59	91.16	6,230.36	4,177.94	339.75	86.75	4,430.94	1,799.42	2,043.99
Office Equipment	1,014.20	42.28	37.28	1,019.20	818.09	91.38	36.06	873.41	145.79	196.11
Vehicles	309.96	-	65.52	244.44	181.24	37.46	63.55	155.15	89.29	128.72
Total	43,230.22	608.74	338.85	43,500.11	18,340.07	1,826.36	292.22	19,874.21	23,625.90	24,890.15
Previous Year	41,825.64	2,044.72	640.14	43,230.22	16,683.38	2,186.93	530.24	18,340.07	24,890.15	25,142.26

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

B. Intangible Assets	Gross block (At cost)				Depreciation / Amortization **				(Amount in ₹ in lakhs)	
	As at 1 April, 2014	Additions	Deduction/ Adjustments	As at 31 March, 2015	As at 1 April, 2014	Depreciation expenses for the year	Deduction/ Adjustments (Refer Note 4 below)	As at 31 March, 2015	Net Block	
									As at 31 March, 2015	As at 31 March, 2014
Goodwill	369.84	-	-	369.84	369.84	-	-	369.84	-	-
Computer Software	297.45	36.29	17.45	316.29	149.24	34.67	0.97	182.94	133.35	148.21
Customer Reservation System	12.02	6.30	(17.45)	35.77	6.99	4.26	(0.97)	12.22	23.55	5.03
Website Development Cost	28.16	-	-	28.16	20.63	3.15	-	23.78	4.38	7.53
Total	707.47	42.59	-	750.06	546.70	42.08	-	588.78	161.28	160.77
Previous Year	542.74	147.35	(17.38)	707.47	499.91	35.14	(11.65)	546.70	160.77	42.83

* For Assets given on Operating Lease (Refer Note No 37)

Footnote :

- (1) Cost of Freehold Land includes ₹ 4.32 lakhs pending registration (previous year ₹ 4.32 lakhs)
- (2) Gross Block of Buildings include -
 - (a) Hotel Buildings constructed on leasehold land - ₹ 3,464.28 lakhs ; (previous year - ₹ 3,463.77 lakhs).
 - (b) Cost of shares of Co-operative Societies in case of Residential Buildings
 - (c) Cost of improvements to Buildings taken on lease - ₹ 2,807.44 lakhs (previous year ₹ 2,805.64 lakhs)
- (3) ** Fixed Assets pertaining to (1) Amritsar Project amounting to ₹ 17.78 lakhs (previous year ₹ 7.02 lakhs) have been capitalised and depreciation on the same ₹ 3.52 lakhs (previous year ₹ 0.63 lakhs) have been debited to Capital Work in Progress Account (2) Nashik Project amounting to ₹ 29.07 lakhs (previous year ₹ 8.02 lakhs) have been capitalised and depreciation on the same ₹ 2.72 lakhs (previous year ₹ 0.88 lakhs) have been debited to Capital Work in Progress Account.
- (4) Deductions / adjustments are on account of sale, discarding and reclassification of assets
- (5) Cost of Freehold Land includes ₹ 9.61 lakhs held for disposal (previous year ₹ Nil)

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

12. Non Current Investments

				₹ in lakhs	
	Face value	March 31, 2015		March 31, 2014	
		Nos		Nos	
Long-Term Investments (At cost)					
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Company					
Piem International (H. K.) Limited (Wholly owned)	\$ 10	8,00,000	2,825.34	8,00,000	2,825.34
			2,825.34		2,825.34
Investments in Associates					
Taida Trading and Industries Limited	100	34,400	34.42	34,400	34.42
Taj Enterprises Limited	100	10,548	10.58	10,548	10.58
			45.00		45.00
Investment in Fellow Subsidiaries					
Inditravel Limited	10	1,89,002	18.91	1,89,002	18.91
Taj Trade and Transport Company Limited	10	8,86,500	140.38	8,86,500	140.38
Ideal Ice and Cold Storage Co. Ltd. *	10	-	-	39,984	4.00
Residency Foods and Beverages Ltd. *	10	-	-	2,50,000	25.00
Taj Rhein Shoes Co. Ltd. *	100	-	-	32,000	32.00
Roots Corporation Limited	10	65,35,948	5,000.00	65,35,948	5,000.00
			5,159.29		5,220.29
Investment in Other Companies					
Damania Airways Ltd.	10	500	0.15	500	0.15
Smile and Care Products Pvt. Ltd.	10	49,800	4.98	49,800	4.98
MPOWER Information Systems Pvt Ltd.	10	30,000	3.00	30,000	3.00
TAL Hotels and Resorts Limited	\$ 1	2,80,108	132.69	2,80,108	132.69
Taj Karnataka Hotels and Resorts Ltd.	10	3,00,000	30.00	3,00,000	30.00
			170.82		170.82
Fully Paid Quoted Equity Instruments					
Investments in Subsidiary Company					
Northern India Hotels Limited (Refer Note 4 below)	10	4,07,567	562.95	4,07,567	562.95
			562.95		562.95
Investment in Fellow Subsidiaries					
Benares Hotels Limited	10	54,063	5.41	54,063	5.41
			5.41		5.41
Investment in Other Companies					
Oriental Hotels Company Limited	1	36,57,170	596.81	36,57,170	596.81
Tulip Star Hotels Limited	10	35,800	39.38	35,800	39.38
			636.19		636.19
Total of Trade Investments (A)			9,405.00		9,466.00
Non Trade Investments :					
Fully Paid Quoted Equity Instruments					
Timex Group India Limited	1	1,000	0.59	1,000	0.59
Titan Industries Limited	1	18,06,000	101.30	18,06,000	101.30
Sharyans Resources Limited	10	42,000	9.80	42,000	9.80
			111.69		111.69

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

	Face value	March 31, 2015 Nos	₹ in lakhs March 31, 2014 Nos
Fully Paid Unquoted Preference Instruments			
Investment in Fellow Subsidiaries			
Ideal Ice and Cold Storage Company Limited - *			
14% Preference Shares	100	-	1,000
		-	0.65
		<u>111.69</u>	<u>112.34</u>
Total of Non Trade Investments (B)			
		<u>111.69</u>	<u>112.34</u>
Total Long-Term Investments - Gross (A +B)		9,516.69	9,578.34
Less : Provision for Diminution in value of Investment (Refer note 3 below)		42.55	104.20
Total Long-Term Investments - Net		<u>9,474.14</u>	<u>9,474.14</u>

Notes to Financial Statements

		₹ in lakhs As at March 31, 2015	₹ in lakhs As at March 31, 2014
Footnote :			
1. Aggregate of Quoted Investments - Gross (Refer Note 4 below)			
	Cost	753.29	753.29
	Market value	8,544.49	5,727.00
2. Aggregate of Unquoted Investments - Gross			
	Cost	8,200.45	8,262.10
3. Details of aggregate provision for Diminution in value of Investments are as follows			
Equity Instruments			
Taida Trading and Industries Ltd.		34.42	34.42
Damania Airways		0.15	0.15
Ideal Ice and Cold Storage *		0.00	4.00
Residency Foods and Beverages Ltd. *		0.00	25.00
Smile and Care Products		4.98	4.98
MPOWER Information Systems Pvt.Ltd.		3.00	3.00
Taj Rhien Shoes *		0.00	32.00
Preference Instruments			
Ideal Ice and Cold Storage *		0.00	0.65
Total		<u>42.55</u>	<u>104.20</u>
4. The Cost and Market value of quoted investments does not include investment in Northern India Hotels Limited, as market quotation is not available.			
5. * Sold during the year			

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

13. Long-Term Loans and Advances

	₹ in lakhs	
	As at	As at
	March 31, 2015	March 31, 2014
(Unsecured, considered good unless stated otherwise)		
Capital Advances	534.65	314.49
Long-Term Security Deposits placed for Residential premises	85.22	72.38
Deposits with Public Bodies and Others	517.04	370.58
Other Loans and advances (Refer Note below)	58.94	68.07
Advance Income Tax	391.59	537.90
Total	<u>1,587.44</u>	<u>1,363.42</u>

Footnote :

Other loans and advances comprise Prepaid expenses of ₹ 20.17 lakhs (previous year ₹ 24.84 lakhs), Loans and advances to employees of ₹ 38.77 lakhs (previous year ₹ 43.23 lakhs)

14. Other Non-current assets

	₹ in lakhs	
	As at	As at
	March 31, 2015	March 31, 2014
Margin Money Deposit with banks with a maturity of more than 12 months	344.84	334.71
Interest Accrued on Margin Money Deposit	56.86	31.67
Total	<u>401.70</u>	<u>366.38</u>

Footnote :

Margin money deposits comprise (a) ₹ 295.51 lakhs (previous year ₹ 295.01 lakhs) which is given against performance guarantee and (b) ₹ 49.33 lakhs (previous year ₹ 39.70 lakhs) which are deposited with excise, customs and other government authorities.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
15. Current investments

	Face Value	As at		As at	
		March 31, 2015		March 31, 2014	
		No. of units		No. of units	
J M High Liquidity Fund - Super Institutional Plan - Daily Dividend	10	48,20,799.102	502.82	-	-
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	1001	1,50,069.056	1,501.77	1,10,083.048	1,101.62
Reliance Liquid Fund - Treasury Plan-Institutional Option - Daily Dividend Option	1000	-	-	20,306.677	310.68
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	1000	1,40,999.118	1,410.36	20,465.856	204.71
JP Morgan India Liquid Fund - Super Institutional Daily Dividend Plan - Reinvestment	10	-	-	1,51,39,459.349	1,519.67
ICICI Prudential Liquid - Regular Plan - Daily Dividend	100	-	-	9,68,374.121	969.01
Kotak Floater Short Term - Daily Dividend	1012	69,259.201	700.64	41,012.855	415.23
Birla Sun Life Cash Plus - Daily Dividend-Regular Plan - Reinvestment	100	-	-	15,16,678.642	1,521.67
LIC Nomura MF Liquid Fund - Dividend Plan	1000	-	-	1,00,563.030	1,104.18
			4,115.59		7,146.77
Total			4,115.59		7,146.77
Aggregate of Unquoted Investments	Cost		4,115.59		7,146.77

16. Inventories*

	₹ in lakhs	
	As at	As at
	March 31, 2015	March 31, 2014
Food and Beverages	611.93	563.62
Stores and Operating Supplies	186.34	166.14
Total	798.27	729.76

* Refer Note No 1 (f) for basis of Valuation and Note No 36 for details of Food and Beverage Inventory

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

17. Trade Receivables

	As at March 31, 2015	₹ in lakhs As at March 31, 2014
Unsecured		
Outstanding over six months :		
Considered good	34.86	26.11
Considered doubtful	17.19	10.96
	<u>52.05</u>	<u>37.07</u>
Others:		
Considered good	1,050.13	1,037.25
Considered doubtful	-	-
	<u>1,050.13</u>	<u>1,037.25</u>
	1,102.18	1,074.32
Less : Provision for Doubtful Debts (Refer Note No 40)	17.19	10.96
Total	<u>1,084.99</u>	<u>1,063.66</u>

18. Cash and Bank balances

	As at March 31, 2015	₹ in lakhs As at March 31, 2014
Cash and Cash equivalents		
Cash on Hand	35.78	46.40
Cheques, Drafts on Hands	39.43	184.42
Balances with Banks		
Current Accounts	530.06	759.34
Unclaimed Dividend Bank Account	3.05	1.36
Call and Short-term Deposit accounts (less than 3 months)	400.00	-
Total	<u>1,008.32</u>	<u>991.52</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
19. Short-term Loans and Advances

	₹ in lakhs	
	As at	As at
	March 31, 2015	March 31, 2014
(Unsecured, considered good unless stated otherwise)		
Loans and Advances to Related Parties on Current Account dues:		
Related Parties	1.03	224.82
Others	39.22	35.97
	40.25	260.79
Deposit with Public bodies and others :		
Security deposits placed for residential premises	86.12	94.17
Intercompany Deposits to related parties :		
Fellow Subsidiary	-	2,250.00
	86.12	2,344.17
Other Advances (Refer Note below) :		
Considered good	5,735.63	2,853.49
Considered doubtful	3.93	3.93
	5,739.56	2,857.42
Provision for Doubtful Advances (Refer Note No 42)	3.93	3.93
	5,735.63	2,853.49
Total	5,862.00	5,458.45

Footnote :

Other advances comprise Loans and Advances to employees ₹ 81.34 lakhs (previous year ₹ 88.82 lakhs), Prepaid Expenses ₹ 227.34 lakhs (previous year ₹ 233.04 lakhs) Inter Corporate Deposits ₹ 5,147 lakhs (previous year ₹ 2,121 lakhs), Deputed Staff Recoverable from Related party ₹ 1.66 lakhs (previous year ₹ 1.58 lakhs) and Other Advances of ₹ 278.29 lakhs (previous year ₹ 409.05 lakhs)

20. Other Current Assets

	₹ in lakhs	
	As at	As at
	March 31, 2015	March 31, 2014
Interest Accrued on : (Net of TDS)		
Intercompany Deposits - Related Parties	0.56	56.01
Deposits with Banks and Others	111.19	3.05
Total	111.75	59.06

21. Rooms, Restaurants, Banquets and Other Operating Income

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Room Income	13,690.69	13,755.45
Food, Restaurants and Banquets Income	15,386.33	14,522.67
Others	1,401.50	1,255.82
Total	30,478.52	29,533.94

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

22. Other income

	₹ in lakhs	
	Year ended March 31, 2015	Year ended March 31, 2014
Interest Income	804.47	787.82
Dividend Income from long-term Investments		
From related parties	141.94	1,714.90
(including Dividend from Subsidiaries ₹ Nil (Previous year ₹ 1,593.80 lakhs))		
From Others	58.25	69.06
Dividend Income from Current Investments	233.39	175.76
Provision/ liabilities no longer required written back	372.78	144.23
Other Non-Operating Income	228.96	217.82
Total	1,839.79	3,109.59
Interest Income (Gross)		
Inter Corporate Deposits	731.26	721.58
Deposit with Banks	58.99	58.83
Others	14.22	7.41
	804.47	787.82

23. Food and Beverages Consumed

	₹ in lakhs	
	Year ended March 31, 2015	Year ended March 31, 2014
Food and Beverages Consumed (Refer Note 36)	3,734.86	3,613.35
Total	3,734.86	3,613.35

24. Employee Benefits Expense

	₹ in lakhs	
	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, Wages, Bonus etc. *	4,262.04	3,648.89
Company's Contribution to Provident and Other Funds	501.83	282.91
Salaries of Personnel Deputed to the Company	1,211.40	1,163.91
Payment to Contractors	585.19	591.85
Staff Welfare Expenses	904.62	967.39
Total	7,465.08	6,654.95

* Net of deputed out staff salary recoveries of ₹ 668.12 lakhs (previous year ₹ 588.35 lakhs)

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

- i. The Company has recognized the following amounts under the head "Company's Contribution to Provident Fund and Other Funds":

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Provident Fund	209.89	187.48
Retiring Gratuity (net of recovery for deputed employees)	252.73	57.69
Others	39.21	37.74
Total	501.83	282.91

- ii. Details of the managerial remuneration of executive director's included in the Employee Benefits Expenses :

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Salaries	229.81	222.63
Contribution to Provident and Other Funds	11.58	10.61
Commission on Profits	160.00	200.00
Total	401.39	433.24

Managerial remuneration as above excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Company's liability to all its employees.

25. Other Operating and General Expenditure

- i. Operating Expenses consists of the following :

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Linen and Room Supplies	527.40	513.90
Catering Supplies	297.24	327.95
Other Supplies	57.23	45.13
Fuel and Power	2,809.03	2,834.97
Repairs to Buildings	293.10	267.12
Repairs to Machinery	499.19	528.19
Repairs to Others	322.61	339.02
Linen and Uniform Washing and Laundry Expenses	389.74	403.03
Payment to Orchestra Staff, Artistes and Others	126.74	159.25
Guest Transportation	88.61	79.54
Travel Agents' Commission	278.95	268.17
Discount to Collecting Agents	311.98	274.57
Other Operating Expenses	476.06	476.41
Total (A)	6,477.88	6,517.25

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

ii. General Expenses consists of the following :

	₹ in lakhs	
	Year ended March 31, 2015	Year ended March 31, 2014
Rent	354.69	337.45
License Fees	1,297.24	1,327.61
Consultation Fees	1,531.82	1,505.84
Rates and Taxes	882.82	610.90
Insurance	76.70	89.81
Advertising & Publicity	1,337.65	1,261.67
Printing and Stationery	99.60	114.84
Passage and Travelling	74.03	64.05
Provision for Doubtful Debts (Refer Note 41)	6.23	8.04
Professional Fees	489.37	413.23
Loss on Sale of Fixed Assets (Net)	10.74	18.26
Payment made to Statutory Auditors:		
i. As Auditors	51.05	38.20
ii. As Tax Auditors	8.01	6.74
iii. For Other Services	7.51	7.42
iv. For Reimbursement of expenses	4.00	4.09
Directors' Fees and Commission	40.00	44.94
Reservation and Information System expenses	305.60	301.71
Brand Common cost	305.60	301.71
Expenditure towards Corporate Social Responsibility Activities	78.99	-
Other Expenses	991.70	943.28
Total (B)	7,953.35	7,399.79
Total - Other Operating and General Expenditure (A + B)	14,431.23	13,917.04

Note :

Other expenses includes : Loss on sale of investment	61.65
less : Withdrawal of provision	61.65
Net Loss (₹ 1/-)	-

Expenditure recovered from other parties :

	₹ in lakhs	
	Year ended March 31, 2015	Year ended March 31, 2014
Fuel and Power	70.54	55.76
Total	70.54	55.76

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
26. Exceptional items

	₹ in lakhs	
	Year ended March 31, 2015	Year ended March 31, 2014
Discontinued Project Charged Off	-	(316.29)
Total	-	(316.29)

During the previous year, expenditure of a discontinued project was charged off for commercial reasons.

27. Employee benefits
I) Defined benefit plan
(A) Gratuity Benefits

Description of the Gratuity Plan:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The said plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

The gratuity payable to employees is the higher of amounts payable under the provisions of Gratuity Act, 1972 and the Company's own Gratuity scheme.

In the case of The Gateway Hotel, Ambad, Nashik, the gratuity fund was being provided through annual contribution to a fund managed by the Life Insurance Corporation. With a view to consolidate the entire gratuity fund alongwith Tata AIA Insurance Company no contribution was made to these funds during the year and the liability was included in the gratuity fund of the company with Tata AIA Insurance Company, Mumbai.

In case of other units, the gratuity trust is self managed by the company along with Tata AIA Insurance Company. Contributions to the Trust are made by the Company based on actuarial valuation done by an independent Actuary.

I. Actuarial assumptions for Gratuity benefits and Compensated absences for employees :

	₹ in lakhs	
	March 31, 2015	March 31, 2014
Discount Rate	7.90%	9.00%
Rate of Return on Plan Assets*	7.50%	7.50%
Future Salary Rise**	5.00%	5.00%
Attrition Rate	1 - 2%	1 - 2%
Mortality	Published notes under the Indian Assured Lives Mortality(2006-08) Ult table	

*The expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The above information has been certified by the actuary.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

II. Table showing change in Benefit Obligation:

	₹ in lakhs	
	March 31, 2015	March 31, 2014
Liability at the beginning of the year	1,381.80	1,396.10
Current service cost	73.26	78.76
Interest cost	124.74	112.22
Actuarial loss/(gain) on obligations	262.01	(42.05)
Benefits paid	(107.77)	(163.23)
Liability at the end of the year	1,734.04	1,381.80

III. Fair Value of Plan Assets* :

	₹ in lakhs	
	March 31, 2015	March 31, 2014
Fair value of Plan Assets at the beginning of the year	1,315.66	1,381.24
Expected Return on Plan Assets	96.87	102.51
Actuarial (loss)/gain on Plan Assets	101.50	(54.12)
Contribution by Employer	66.14	49.26
Benefits paid	(107.77)	(163.23)
Fair value of Plan Assets at the end of the year	1,472.40	1,315.66

* The fair value of the plan assets does not include the Company's own financial instruments; no property of the Gratuity Trust is occupied by the Company.

IV. Actual Return on Plan Assets :

	₹ in lakhs	
	March 31, 2015	March 31, 2014
Expected return on Plan Assets	96.87	102.51
Actuarial gain/(loss) on Plan Assets	101.50	(54.12)
Actual return on Plan Assets	198.37	48.39

V. Amount Recognized in the Balance Sheet :

	₹ in lakhs	
	March 31, 2015	March 31, 2014
Liability at the end of the year	1,734.04	1,381.80
Fair value of plan assets at the end of the year	1,472.40	1,315.66
Difference	261.64	66.14
Amount not recognized as an Asset, because of limit in para 59 (b) of AS – 15	-	-
Amount recognized in the Balance Sheet [(asset) / Liability]	261.64	66.14

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
VI. Percentage of each category of Plan Assets to total fair Value of Plan Assets :

	₹ in lakhs	
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Government of India Securities	3%	3%
Corporate Bonds	0%	0%
Special Deposit Scheme	4%	5%
Insurer Managed funds	92%	90%
Others	1%	2%
Total	100%	100%

VII. Expenses recognized in the Statement of Profit and Loss :

	₹ in lakhs	
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Current service cost	73.26	78.76
Interest cost	124.74	112.22
Expected return on Plan Assets	(96.87)	(102.51)
Net actuarial (gain)/loss to be recognized	160.51	12.07
Past service cost	-	-
Amount not recognized as an Asset, because of limit in Para 59(b)	-	-
Expense/(Reversal) recognized in the Statement of Profit and Loss	261.64	100.54

VIII. Balance Sheet Reconciliation :

	₹ in lakhs	
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Opening net liability / (asset)	66.14	14.86
Expense/(Reversal) as above	261.64	100.54
Employers contributions	(66.14)	(49.26)
Amount recognized in Balance Sheet (asset)/Liability	261.64	66.14
Expected Employer's Contributions next year	90.00	90.00

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

IX. Experience Adjustments :

	Year ended				₹ in lakhs
	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015
Defined benefit Obligations	1,071.97	1,239.65	1,396.10	1,381.80	1,734.04
Plan Assets	1,053.28	1,169.18	1,381.24	1,315.66	1,472.40
Surplus / (Deficit)	(18.69)	(70.47)	(14.86)	(66.14)	(261.64)
Experience Adjustments on Plan Liabilities – Gain/(Loss)	28.76	106.32	141.58	53.16	133.05
Experience Adjustments on Plan Assets Gain/(Loss)	(1.72)	(25.73)	39.09	(54.12)	101.50

(B) Privileged Leave / Sick Leave (Compensated Absences for Employees)

The Company permits encashment of privileged leave (except sick leave) accumulated by its employees on retirement, separation and during the course of service. The liability for unexpired leave is determined and provided on the basis of actuarial valuation at the Balance Sheet date. The privileged leave and sick leave liability is not funded.

Amount recognized in the Balance Sheet and movements in net liability:

Privileged Leave

	₹ in lakhs	
	March 31, 2015	March 31, 2014
Opening Balance of Compensated Absences (X)	297.98	302.21
Present value of Compensated Absences (As per actuary valuation) as at the year end (Y)	367.44	297.98
(Excess) / Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss for the year (Y – X)	69.46	(4.23)

Sick Leave

	₹ in lakhs	
	March 31, 2015	March 31, 2014
Opening Balance of Compensated Absences (X)	2.80	40.56
Present value of Compensated Absences (As per actuary valuation) as at the year end (Y)	2.62	2.80
(Excess) / Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss for the year (Y – X)	(0.18)	(37.76)

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
28. Contingent liabilities and commitments (to the extent not provided for)

	₹ in lakhs	
	March 31, 2015	March 31, 2014
I. Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Minimum amount to be paid to Punjab Urban Development Authority (PUDA) for Amritsar as per Revenue sharing Agreement.	900.00	500.00
Employee termination/ resignation cases	42.03	39.03
Demand raised by Tahsildar towards evacuation not approved	60.75	60.75
Total	1,002.78	599.78
(b) Guarantees		
Guarantee given for Amritsar Project to PUDA	1,000.00	1,000.00
Guarantee given for Foreign cars	7.11	7.11
Total	1,007.11	1,007.11
(c) Other money for which the Company is contingently liable		
Income Tax	62.92	78.57
Luxury Tax	253.87	267.84
Entertainment Tax	118.95	39.43
Sales Tax/VAT	719.13	559.74
Property Tax	81.68	37.89
Service Tax	1,139.54	988.56
Others (Water & Sewerage Tax)	44.52	45.08
Total	2,420.61	2,017.11
* In some of the hotels, proposed revision in property taxes is contested by the Company, amount of which is indeterminate.		
Details of amounts paid under protest and accounted under Advance/Receivable		
Water Tax	44.00	21.00
Property Tax	84.82	20.00
VAT	152.30	106.30
Service Tax	3.65	3.50
Total	284.77	150.80
ii. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	8,817.20	9,683.59
Intangible assets	23.70	10.25
Total	8,840.90	9,693.84

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

29. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	₹ in lakhs	
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	20.63	17.14
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

30. Details on derivative instruments and unhedged foreign currency exposures

	₹ in lakhs	
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
The Company has no outstanding derivative instruments		
Un-hedged foreign currency exposures as at the year end	-	-

31. Value of imports calculated on CIF basis :

	₹ in lakhs	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Raw materials	411.43	467.28
Components & Spare parts	31.62	22.58
Capital goods	687.23	289.02

32. Expenditure in foreign currency :

	₹ in lakhs	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Professional and consultation fees	115.04	59.95
Other matters	335.01	283.02

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
33. Earnings in foreign exchange:

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Dividend	-	1,593.80
Other income		
Rooms, Restaurants, banquets and Other Services	7,653.15	7,920.81

34. Expenditure recovered from other parties credited to Expenses

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Fuel, Power and Light	93.91	73.76
Linen and Uniform washing	1.23	0.42
Rent	1.11	0.83
Other Expenses - Chemicals, Food cost & Indittravel recovery	12.49	3.90
Total	108.74	78.91

35. Details of Direct Expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings which have been capitalized

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Employee Benefit Expense	93.90	20.89
Depreciation	6.24	1.73
Other Expenses (Net)	93.25	5.41
Total	193.39	28.03

36. Food & Beverage Consumed

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2015	March 31, 2014
Opening Stock	563.62	430.10
Add: Purchases	3,783.17	3,746.87
	4,346.79	4,176.97
Less: Closing Stock	611.93	563.62
Food and Beverage Consumed	3,734.86	3,613.35
Break up of Value of Food and Beverage Consumed		
Imported	460.45	483.50
Indigenous	3,274.41	3,129.85
Total	3,734.86	3,613.35

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

37. Details of leasing arrangements

	Year ended March 31, 2015	₹ in lakhs Year ended March 31, 2014
As Lessor		
The Company has given on lease certain residential flats for a lease period ranging between 1 to 3 years. These arrangements are in the nature of cancelable lease and are generally renewable by mutual consent or mutual agreeable terms.		
Future minimum lease payments		
not later than one year	48.00	36.00
later than one year and not later than five years	-	-
later than five years	-	-
Cost	279.53	279.53
Accumulated Depreciation	64.52	54.02
Net Book Value	215.01	225.51
Depreciation recognised on the leased assets	10.49	9.53

38. Earnings per share

	Year ended March 31, 2015	₹ in lakhs Year ended March 31, 2014
<u>Basic and Diluted</u>		
<u>Total /Continuing operations</u>		
Profit for the year	3,182.94	4,106.44
Weighted average number of equity shares	38.10	38.10
Par value per share (₹)	10	10
Earnings per share Basic and Diluted (₹)	83.54	107.78

39. Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1 April, 2014	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2015
Provision for other contingencies					
Entertainment Tax	55.51	-	-	55.51	-
	-	(55.51)	-	-	(55.51)
Disputed Sales Tax	-	125.00	-	-	125.00
	-	-	-	-	-
Property Tax	130.81	159.30	-	-	290.11
	-	(130.81)	-	-	(130.81)
Total	186.32	284.30	-	55.51	415.11
	-	(186.32)	-	-	(186.32)

Note: Figures in brackets relate to the previous year.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
40. ₹ in lakhs

Particulars	As at 1 April, 2014	Provisions during the year	Debtors written off against past provision	Provision no longer required, written back	As at 31 March, 2015
Provision for doubtful debts	10.96 (26.49)	12.08 (7.57)	3.19 (21.92)	2.66 (1.18)	17.19 (10.96)

41. ₹ in lakhs

Particulars	As at 1 April, 2014	Provisions during the year	Provision no longer required, written back	Debts written off in the past recovered	As at 31 March, 2015
Bad and Doubtful debts charged to P&L a/c	- (0.47)	12.08 (7.57)	2.66 -	3.19 -	6.23 (8.04)

42. ₹ in lakhs

Particulars	As at 1 April, 2014	Provisions during the year	Advances written off against past	Debts written off in the past recovered	As at 31 March, 2015
Provision for doubtful advances	3.93 (5.15)	- -	- (1.22)	-	3.93 (3.93)

43. Related party disclosures

a) The names of Related Parties of the Company are as under

(i) **Holding Company**

The Indian Hotels Company Ltd. (IHCL)

(ii) **Subsidiary Companies**

Northern India Hotels Ltd.

Piem International (H.K.) Ltd.(PIHK)

BAHC 5 Pte Ltd (Subsidiary of PIHK) - held for disposal

Premium Aircraft Leasing Corporation Ltd (Subsidiary of PIHK) (held for disposal)

(iii) **Associate Companies**

Taida Trading and Industries Ltd.

Taj Enterprises Limited

Taj Trade and Transport Company Limited

Inditravel Limited

(iv) **Fellow Subsidiaries**

Domestic:

TIFCO Holdings Ltd.

KTC Hotels Limited

Taj SATS Air Catering Limited

Roots Corporation Limited

Residency Food and Beverages Limited - Note 1

United Hotels Limited

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Ideal Ice and Cold Storage Company Limited - Note 1

Taj Rhein Shoes Company Limited - Note 1

Benares Hotels Ltd

TIFCO Security Services Co. Ltd. - Note 1

International

Taj International Hotels (H.K) Limited

Cheftain Corporation NV

IHOCO BV

Taj International Hotels Limited

Samsara Properties Limited

International Hotel Management Services Inc.

IHMS (Australia) Pty Limited - Note 2

Apex Hotel Management Services (Australia) Pty. Ltd.

St. James Court Hotel Limited

(v) **Key Management Personnel**

Mr. Raymond N. Bickson - Managing Director - Note 3

Mr. Rakesh Sarna - Managing Director - Note 4

Mr. Sudhir L. Nagpal - Jt. Managing Director

Mr. Rajesh R. Nagpal - Jt. Managing Director

Mr. Rajkumar M. Nagpal - Executive Director

(vi) **Relatives of Key Management Personnel - Note 5**

Mrs Pushpa L Nagpal

Mrs Subhadra R Nagpal

Mrs N M Nagpal

Mr Aryaman R Nagpal

Ms Sansara R Nagpal

(vii) **Firms/Companies in which Key Management personnel are Interested**

J.B.Advani & Co. Private Limited

Ador Green Energy Private Limited

TRIL Roads Pvt. Ltd.

TRIL Logistics Pvt. Ltd.

MPOWER Information Systems Pvt Ltd.

Omnicom India Marketing Advisory Services Pvt. Ltd.

Notes:

- 1 Ceased to be fellow subsidiaries with effect from 30 March 2015
- 2 Ceased to be a subsidiary with effect from 1 November 2014
- 3 Mr. Raymond N. Bickson resigned on 31 August 2014.
- 4 Mr. Rakesh Sarna was appointed on 31 October 2014.
- 5 Parties with whom transactions were conducted during the year.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

b. The details of transactions with related parties are as follows

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Firm in which Key Management Personnel are Interested	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Purchase of Goods & Services and Sharing of Expenses (Note 2)	1,287.70	1,237.49			68.54	80.91					1.24	1.37
Sale of Services												
Interest Income	-	192.86			250.18	200.11					0.13	
Sale of Shares (Note 3)					0.00							
Lease Rent Income	49.65	36.00										
Lease Rent Expense	36.00	36.00							9.60	9.45		
License Fee Income					43.35	49.86						
Dividend Received			-	1,593.80	141.94	152.02						
Dividend Paid	592.06	444.00			586.81	440.10	649.85	532.11	219.26	140.71		
Inter Corporate Deposits Receivable					-	2250						
Interest Accrued					0.63	36.82						
Inter Corporate Deposits Placed	-	9,000			-	9,800						
Inter Corporate Deposits Refunded	-	13,500			2,250.00	7,550.00						
Consultation / License Fees	1,497.32	1,475.11	167.47	159.21								
Commission / Remuneration							401.39	433.24	3.87	4.42		
Deputed Staff Salary expenses	1,050.44	1,001.72			9.51	43.53						
Net Balance at year end	(109.98)	18.82	(11.28)	9.61	(11.32)	(36.78)	-	-	-	-	-	-
- Receivable / (Payables) Net Balance at year end												

Notes :

1. Reimbursement of expenses is not considered for AS-18 disclosure
2. Purchase of Goods and Services includes Advertisement, Reservation and Information system expenses and Brand Common Cost.
3. Sale of shares in fellow subsidiaries for a consideration amounting to ₹ 4 to Taida Trading and Industries Ltd. an Associate company.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Disclosure of transactions between the Company and related parties and the status of outstanding balances as on March 31, 2015, including names of the related parties comprising more than 10% of the total transactions / balances of the same type.

(c) Statement of Material Transactions

		₹ in lakhs	
	Particulars	2014 -15	2013 -14
a)	TIFCO Holdings Ltd		
	- Dividend Paid	586.81	440.10
b)	Roots Corporation Limited		
	- Inter Corporate Deposits Placed	-	9,800.00
	- Interest income	250.18	99.36
	- Inter Corporate Deposits Refunded	2,250.00	7,550.00
	- ICD Receivable at the year end	-	2,250.00
	- Interest Accrued	0.63	36.82
c)	Inditravel Limited		
	- Dividend Received	113.40	94.50
	- License Fee Income	12.68	20.67
	- Purchase of Services	68.54	80.91
d)	Taj Trade and Transport Company Limited		
	- Dividend Received	17.73	26.60
	- Amount Receivable/ (Payable)	(10.31)	(4.64)
	- License Fee Income	30.67	29.18
e)	United Hotels Limited		
	- Amount Receivable/ (Payable)	(2.20)	(0.71)
Subsidiaries			
a)	Northern India Hotels Limited		
	- Consultation / Licence Fees	167.47	159.21
	- Receivable /(Payable) at the year end	(11.28)	9.61
b)	Piem International (H.K.) Limited		
	- Dividend Received	-	1,593.80
Key Management Personnel			
a)	Mr Rajkumar Nagpal		
	- Dividend Paid	147.65	110.74
	- Commission / Remuneration	83.23	80.06
b)	Mr Sudhir L Nagpal		
	- Dividend Paid	202.54	151.90
	- Commission / Remuneration	174.85	159.73
c)	Mr Rajesh R Nagpal		
	- Dividend Paid	299.86	224.74
	- Commission / Remuneration	143.31	136.32
Relatives of Key Management Personnel			
a)	Mrs. Pushpa L Nagpal		
	- Dividend Paid	71.06	32.75
	- Lease rent expense	-	0.75
b)	Mrs. Subhadra R Nagpal		
	- Dividend Paid	119.65	89.74
	- Lease rent expense	9.60	8.70
Firms in which Key Management Personnel are Interested			
a)	MPOWER Information Systems Pvt Ltd.		
	- Purchase of Services	1.24	1.37
b)	TRIL Roads Pvt. Ltd.		
	- Sale of Services	0.13	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

44. The Company has reassessed the useful lives of its tangible fixed assets on and from April 1, 2014, and based on a technical evaluation, revised the useful lives to match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets, other than end-user computers, electrical installation and equipment, plant and machinery and select items of furniture. Management believes that the revised useful lives of the assets reflect the periods over which these assets are to be used. As a result of the change, the charge on account of Depreciation for the year ended March 31, 2015, is lower by ₹ 284 lakhs as compared to the useful lives estimated in earlier periods.

45. Segment Reporting

The Company's only business is hoteliering and hence disclosure of segment-wise information is not applicable under Accounting Standard 17 - on 'Segmental Information'. There is no geographical segment to be reported since all the operations are undertaken in India.

46. Previous year 's figures have been regrouped wherever necessary.

As per our Report of even date

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No.

003990S / S200018

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.

012754N / N500016

For and on behalf of the Board

Sudhir L. Nagpal

(Jt. Managing Director)

DIN No : 00044762

Rajesh R. Nagpal

(Jt. Managing Director)

DIN No : 00032123

Anil P. Goel

(Director)

DIN No : 00050690

Ms. Farzana Sam Billimoria

Company Secretary

S Ramakrishnan

Partner (18967)

Pankaj Khandelia

Partner (102022)

Mumbai, May 06, 2015

DIRECTORS AND CORPORATE INFORMATION

Roots Corporation Limited

Board of Directors :

Mr. Rakesh Sarna, Chairman

Mr. Raymond N. Bickson

(Resigned w.e.f. 1st September, 2014)

Mr. Anil P. Goel

Ms. Renu Basu

Mr. Padmanabh Sinha

Mr. Bobby Pauly

Mr. Anupam Narayan

Mr. P. K. Mohankumar – Managing Director & CEO

(upto 31st March 2015)

Chief Financial Officer :

Mr. Manish Jain

Company Secretary :

Mr. Dhanraj Mulki

Registered Office :

Godrej & Boyce Complex, Gate No. 8,

Plant No. 13 Office Building,

Vikhroli (East)

Mumbai – 400 079.

CIN : U55100MH2003PLC143639

Auditors :

M/s Deloitte, Haskins & Sells, Chartered Accountants

Bankers :

Axis Bank Limited

ICICI Bank Limited

State Bank of India

HDFC Bank Limited

IDBI Bank Limited

State Bank of Travancore

DIRECTOR'S REPORT

TO THE MEMBERS

The Directors submit the 12th Annual Report of the Company together with the Audited financial statements for the financial year ended March 31, 2015.

Particulars	2014-15 ₹ '000	2013-14 ₹ '000
Total income	12,77,407	11,70,246
Less : Operating expenses	10,65,565	9,69,378
Profit / (loss) before interest, depreciation and tax	2,11,842	2,00,868
Less : Depreciation	1,60,808	1,69,440
Less : Interest (net)	39,554	19,289
Profit/(Loss) before tax	11,480	12,139
Less: Provision for Tax	(2,544)	2,544
Profit/(Loss) after tax	14,024	9,595

The Directors have pleasure in informing that the Company for the second year in a row have recorded Profit before and after Tax from its operations.

INCOME

During the financial year 2014-15, the Company generated total income of ₹ 12,77,407 thousand which was higher by 9% than in 2013-14. The majority of the Company's income is from room sales which accounts for 92 % of total income.

EXPENSES

The total operating expenditure of the Company was ₹ 10,65,565 thousand, 10% higher than 2013-14 primarily due to 2 new hotels commencing operations during the last year and completing first full year of operation.

Depreciation for the year of Rs 1,60,808 thousand was lower than previous year and interest cost of Rs 39,554 thousand primarily due to 2 new hotels commencing operations during the last year and completing first full year of operation.

BUSINESS OVERVIEW

During the financial year 2014-15, 2 new Management Contracts, i.e Vizag and Katra and 1 Transit Guest House at Pune Hinjewadi were added to the portfolio. The Company had a year-end inventory of 27 owned / leased hotels (with a room inventory of approximately 2586 rooms) in addition to 5 hotels under Management Contract (with a room inventory of 406 rooms) and 1 Transit Guest House at Pune Hinjewadi (with a room inventory of approximately 92 rooms).

OPERATIONS

Year 2014-15, the Year of Execution Excellence- Ginger Rise. All the parameters including GSTS, SOPs, Partner Standardization in housekeeping & maintenance and HSE, that were standardized or initiated in 2013-14 were focused on and practiced in 2014-15.

With a gradual shift from ideation to execution, the Hotel Managers were more empowered in 2014-15 to get new business, to offer special HM rate for last minute walk-in guest, to be TPM and super cleaning approver and as leader of safety council for hotel. The Mumbai office provided complete support system in terms of procurement, HR, Repairs, Legal, finance and operations. The entire execution has brought in desired positive results in performance indicators.

GSTS - The overall score has gone up from 34% top box score (last year) to 42% for 2014-15. There is growth in other indices of Cleanliness, Efficiency, Facility, CCR and Food.

TRIP ADVISOR - The number of hotels in the rating of 4 has gone up from 6 in previous year to 9 hotels in 2014-15. Baroda, Jamshedpur (existing Gingers) and Katra (new Ginger) were added this year while Mumbai, Agartala, Noida,

Jaipur, Chandigarh and Nasik are hotels with consistent rating from previous year. Overall too, the score for top two boxes in GSTS have improved across Ginger Hotels.

REVENUE - The hotel direct bookings increased on an overall basis. Various incentive schemes were also run during the year to motivate the team.

SAFETY - The overall safety scores for Ginger has improved. The HSE initiative started last year in Ginger with 6 hotels. In 2014-15, all the hotels were brought under the purview of HSE. The highest score for this year has gone up to 73 % (Mangalore) from 66% last year (Pune).

TBEM - Ginger in 2014-15 was brought under the fold of TBEM. The learning's shall be used to improve the processes and communication within the company.

AWARDS & ACCOLADES

- World Travel Brands Award (2014-15) – “Best Budget Hotel”
- Ginger Hotel Jaipur - Best hotel in the Economy Segment (2014) HICSA

HUMAN RESOURCES

1. Talent attraction to Ginger via Gurukul initiative has helped the operations team in acquiring young enthusiastic GSAs (Guest service associates). During the year 161 associates have under gone Induction Program and TMS training.
2. Internal Career Progression was given impetus with 77% of Assistant Hotel Manager positions been filled through Career Progression.
3. Regular recognition through forums such as Townhalls, Ginger Life (Company Intranet) applauding individual and team performance. As part of the Rewards and Recognition initiative the hotel teams were recognized for their exemplary performance during the FY 2014-2015 during the Rewards & Recognition Ceremony conducted in September 2014.
4. Gallup Employee Satisfaction Survey conducted this year saw an overall improvement in scores at 4.18 as against the previous year of 4.10.

LEARNING & DEVELOPMENT

1. Courtesy, Competency and Responsiveness Index for FY 2014-2015 went up to 43% from the previous year of 39%.
2. New hotels Recruitment and Pre-Opening Training conducted.
3. Pictorial SOP's for the departments – Housekeeping, Front Office and F & B are developed for better understanding of the associates.
4. LQA (Leading quality assurance) training conducted across Ginger hotels to bring in consistency in product and guest experience covering all the departments.
5. I Care to be Courteous + Proactive + Responsive + Integrity – training conducted across Ginger hotels to bring in consistency in Guest sensitivity and improve on guest experience covering all the departments.
6. Grooming Audits and Grooming sessions conducted for all the associates across Ginger to achieve a standard of excellence at all times by improving the appearance of the associates.
7. Fire Training conducted across Ginger hotels covering all departments.

SALES AND MARKETING

Ginger hotels at Bangalore-IRR, Faridabad, Vadapalani, Mangalore, Ahmedabad, Whitefield, Andheri, Wakad, Chennai & Bhubaneshwar were the Top 10 performers and registered an average growth of 11% over the previous year's performance. This growth was mainly driven through corporates that grew by 8% as a segment, in the existing properties(which had completed a year by the starting of FY4-15).A sustained focus and nurturing of the segment led to the addition of about 2600 new corporates, overall, yielding about 34000 additional room nights.

For the year 2014-15, Ginger featured on a series of 5 advertorials partnered with National Geographic Traveller India magazine targeting the new age backpackers. Ginger was the hospitality partner for the event “Urban Stampede (Corporate

ROOTS CORPORATION LIMITED

Rally Race)" which was conducted in 7 cities; pan India, with visibility across 500 corporates & promotion through Print and Radio advertisement & social media.

New Alliances for the year – Ginger reached out to a database 70 lakh plus customers through Co-promotions with Jet Boarding Cards delights program, Lifestyle-Inner Circle members, Indusind Bank, HDFC Credit Cards, Standard Chartered, HSBC, Citi Bank, Tata Cards, Amex-Payback Cr. Card and Visa Cards.

There were 5 tactical promotion sale conducted during FY-2014-15 which contributed to additional 5,888 rooms nights during the year.

INFORMATION TECHNOLOGY

As part of the IT Roadmap the company had taken following initiatives. These initiatives were primarily focused on enhancing "Guest's feel good experience.

- New Web Site – all browsers compatible & mobile optimize site.
- Mobile optimised Reservation Booking engine
- Enhancing Internet leased line bandwidth from 2/ 5 MBPS to 10 MBPS in many hotels
- Wifi infrastructure revamped in 8 hotels
- New link based payment solution through call centre
- Hotel performance Dashboards

Following initiatives are underway / planned for the fiscal year i.e. 2015-16

- Real time integration with OTAs
- Promo code Functionality
- Building new I –frame technology on Web site for seamless experience to guest & increasing the success ratio
- Digital Signature - E Invoice
- Mobile Website
- EDC Integration
- SAP payroll
- HR Dashboard
- Auto Purchase Order

EXPANSION

As of 31st March 2015, Ginger Hotels has 27 owned/leased hotels with an inventory of 2,586 rooms, 5 hotels under management contract with an inventory of 406 rooms and 1 transit guest house with an inventory of 92 rooms.

Your Company currently operates Ginger hotels in Bangalore-Whitefield, Bhubaneswar, Mysore, Trivandrum, Pune-Pimpri, Nashik, Agartala, Pondicherry, Baroda, Pantnagar, New Delhi IRCTC RYN, Goa-Panaji, Ahmedabad, Mangalore, Guwahati, Pune-Wakad, Jamshedpur, Surat, Manesar, Chennai-IIT, Delhi- East Delhi, Indore, Tirupur, Faridabad, Mumbai-Andheri East, Chennai-Vadapalani, Bangalore-IRR, Noida Sector 63, Jaipur, Chandigarh, Vizag and Katra and a transit guest house in Hinjewadi.

At present, your Company has around 10 hotels at various stages of construction and expects 5 to be operational in the financial year 2015-16.

DIVIDEND

In view of the accumulated losses and unabsorbed depreciation, the Company is not in a position to declare dividend for the year.

BORROWINGS

As at 31st March 2015, the company had a Long term Borrowings of ₹ 7,16,000 thousand. The Company had a Short Term Borrowings of ₹ 40,000 thousand.

CAPITAL EXPENDITURE

During the year under the review, the Company has incurred ₹ 2,22,682 thousand towards capital expenditure.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment was rolled out and an internal complaints committee was constituted.

The Internal Committee looks into all complaints of sexual harassment and facilitates free and fair enquiry process with clear timelines.

EXTRACTS OF ANNUAL RETURNS

As provided under Section 92(3) of the Act, the extract of Annual Return is given in Annexure I in the prescribed Form MGT -9, which forms part of this report

CHANGES IN SHARE CAPITAL

There is no change in the Share Capital or the shareholding pattern

BOARD MEETINGS

During the year under review, 5 Board Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Companies Act, 2013. Details of attendance are given below:

Sr. No	Name of the Director	No of the Board Meeting attended	Attendance at last AGM
1.	Mr Rakesh Sarna w.e.f 28th October 2014	3 of 5	NA
2.	Mr. Anil P Goel	5 of 5	Yes
3.	Ms. Renu Basu	4 of 5	Yes
4.	Mr. Padmanabh Sinha	5 of 5	NA
5.	Mr. Bobby Pauly	5 of 5	NA
6.	Mr. Anupam Narayan	5 of 5	NA
7.	Mr. P K Mohankumar	5 of 5	Yes
8.	Mr Raymond Bickson (upto 1st September 2014)	2 of 5	Yes

EVALUATION OF THE BOARD'S PERFORMANCES

The Company has constituted Nomination and Remuneration Committee and a frame work for the evaluation of the board performances has been approved by the same will be implemented in 2015-16.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted of Mr. Anil Goel, Ms. Renu Basu & Mr. Bobby Pauly as its Members. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 177 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of the Company.

The Board has accepted all the recommendations of the Audit Committee of the Company.

The Audit Committee had 4 meetings during the year 2014-15. The attendance of each Committee member is as under

Sr. No	Name of the Director	No of the Board Meeting attended
1.	Mr. Anil P Goel	4 of 4
2.	Ms. Renu Basu	3 of 4
3.	Mr. Bobby Pauly	4 of 4

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and if required the Board approval is obtained. Ominbus approval of the Audit Committee is obtained for transactions which are of foreseen and repetitive in nature. The transactions entered into pursuant to the Ominbus approval so granted and a statement giving details of all related party transactions has been placed before the Audit Committee for their approval.

The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy, pursuant to the provision of Section 134 of the Companies Act, 2013, which has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Your Company is faced with risks of different types all of which need different approaches for mitigation

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. P K Mohankumar (DIN 00403604) was re-appointed as the Managing Director and Chief Executive Officer of the Company effective for the period of 3 months from 1st January 2015 to 31st March 2015. The Board of Directors expresses their deep sense of gratitude for the valuable services rendered by Mr. Mohankumar during his tenure as MD & CEO.

Mr. Raymond Bickson (DIN 00050664) resigned as a Chairman and Director from the Board w.e.f 1st September 2014. The Board places on record its appreciation for the services rendered by Mr. Bickson during his tenure as Director

Mr. Rakesh Sarna (DIN 01875340) has been appointed as the Chairman and Director of the Company w.e.f 24th October 2014, to fill in the casual vacancy caused by the resignation of Mr. Bickson.

In accordance with the Companies Act 2013, and the Article of Association of the Company, two of the Directors, i.e., Ms. Renu Basu (DIN 03550920) and Mr Padmanabh Sinha (DIN 00101379) retire by rotation and are eligible for re-appointment.

Your approval for their appointments/ re-appointment as Directors has been sought in the Notice convening the Annual General Meeting of the Company

In terms of Section 203 of the Companies Act, 2013 the following were designated as KMP of your Company by the Board:

1. Mr. P K Mohankumar, Managing Director & Chief Executive Officer
2. Mr. Manish Jain, Chief Financial Officer
3. Mr. Dhanraj Mulki, Head Legal & Company Secretary

Mr. P K Mohankumar contract as Managing Director and Chief Executive Officer has expired on 31st March 2015

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee has been constituted and the policy will be applicable from 2015-16

DIRECTORS' RESPONSIBILITY

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- That in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual financial statements have been prepared on a going concern basis;
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Deloitte, Haskins & Sells, Chartered Accountants, Ahmedabad, (registration number 117365W) were appointed Statutory Auditors of the Company from the conclusion of the eleventh annual general meeting (AGM) of Company held on August 27, 2014 till the conclusion of the Fourteenth AGM to be held in 2017, subject to the ratification of their appointment at every AGM.

The auditors in their report have made certain observations which are self explanatory, and therefore, in the opinion of the directors do not call for any further explanation.

Your Directors would like to refer to the Para Emphasis of Matter in the Auditors' Report. Your Company invites your attention to Point No.32 of Notes to the Financial statements which explains contingencies around the suspension of the operations of the Ludhiana hotel, for which the management has obtained a legal opinion. In your Directors' opinion, the Note is self-explanatory.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration) Rules 2014, the Company has appointed Mr. B Durga Prasad Rai, Company Secretary in Whole-time Practice,

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to undertake the Secretarial Audit of the Company for the financial year 2014. The Secretarial Audit Report is annexed herewith as "Annexure II". The report does not contain any qualification, reservation or adverse remarks.

CONSERVATION OF ENERGY

Ginger hotels have been designed to optimize the utilization of energy and reduce energy costs.

CORPORATE SOCIAL RESPONSIBILITY

Section 135 of Companies Act, 2013 does not apply to the Company in view of the networth, turnover and net profit below the thresh hold limit.

FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134 of the Companies Act 2013, read with rule 8 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and outgo is stated in Note No. 30 of the notes to the Balance Sheet and Profit and Loss Account.

EMPLOYEES

The particulars of employees required to be furnished pursuant to Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report.

The Board places on record its appreciation to all the employees of the Company for their efforts during the period under review.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors take this opportunity to express their sincere thanks to all the customers, shareholders, suppliers, bankers and other stakeholders for their unstinted support. The Directors would also like to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Anil Goel
Chairman

Padmanabh Sinha
Director

Mumbai
4th May 2015

Registered Office:
Godrej & Boyce Complex
Gate No 8, Plant no 13 Office Building,
Vikhroli (East), Mumbai 400079

Annexure I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31ST March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particular	Information
i)	CIN	U55100MH2003PLC143639
ii)	Registration Date	24.12.2003
iii)	Name of the Company	Roots Corporation Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the registered office and contact details	Roots Corporation Limited Godrej & Boyce Complex, Gate No 8, Plant No 13 office building, Vikhroli (E), Mumbai 400 079
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Hotel Industry (Lodging and Boarding)	551	93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400 001	L74999MH1902PLC00	Holding	59.33%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									

ROOTS CORPORATION LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.		5,10,00,000	5,10,00,000	59.33		5,10,00,000	5,10,00,000	59.33	NIL
e) Banks/FI									
f) Any Other..									
Sub-total (A) (1):-		5,10,00,000	5,10,00,000	59.33		5,10,00,000	5,10,00,000	59.33	NIL
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) =		5,10,00,000	5,10,00,000	59.33		5,10,00,000	5,10,00,000	59.33	NIL
(A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0.00		0.00		0.00		0.00		
2. Non- Institutions									
a) Bodies Corp.									
i) Indian		1,12,39,596	1,12,39,596	13.07		1,12,39,596	1,12,39,596	13.07	NIL
ii) Overseas		2,37,27,724	2,37,27,724	27.60		2,37,27,724	2,37,27,724	27.60	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh									

Subsidiaries Accounts 2014-2015

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Sub-total (B)(2):-		3,49,67,320	3,49,67,320	40.67		3,49,67,320	3,49,67,320	40.67	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		8,59,67,320	8,59,67,320	100		8,59,67,320	8,59,67,320	100	-

ROOTS CORPORATION LIMITED

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	The Indian Hotels Company Limited	5,10,00,000	59.33	-	5,10,00,000	59.33	-	NIL
	Total	5,10,00,000	59.33		5,10,00,000	59.33		NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change) – NO CHANGE

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Omega TC Holdings Pte Ltd.	2,37,27,724	27.60%	2,37,27,724	27.60%
2	Piem Hotels Limited	65,35,948	7.60%	65,35,948	7.60%
3	Tata Investment Corporation Limited	26,14,379	3.04%	26,14,379	3.04%
4	Tata Capital	20,89,269	2.43%	20,89,269	2.43%

(v) Shareholding of Directors and Key Managerial Personnel: NIL

(v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26,40,00,000		36,50,00,000	62,90,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due	21,55,561		3,21,884	24,77,445
Total (i+ii+iii)	26,61,55,561		36,53,21,884	63,14,77,445
Change in Indebtedness during the financial year				
Addition	50,00,00,000		40,20,00,000	90,20,00,000
Reduction	(4,80,00,000)		(72,70,00,000)	(77,50,00,000)
Net Change	45,20,00,000		(32,50,00,000)	(14,35,22,555)
Indebtedness at the end of the financial year				
i) Principal Amount	71,81,55,561		4,03,21,884	75,84,77,445
ii) Interest due but not paid				
iii) Interest accrued but not due	21,55,561		3,21,884	24,77,445
Total (i+ii+iii)	72,03,11,122		4,06,43,768	76,09,54,890

(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr P K Mohankumar, Managing Director and Chief Executive Officer	Total Amount
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	88,79,440	88,79,440
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,54,000	15,54,000
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- Others, specify...		
5.	Others, please specify		
	Total (A)	1,04,33,440	1,04,33,440
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Anupam Narayan	Total Amount
1.	Independent Directors		
	Fee for attending board / committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2.	Other Non-Executive Directors		
	Fee for attending board / committee meetings		
	Commission		
	Others, please specify	22,50,000	22,50,000
	Total (2)	22,50,000	22,50,000
	Total (B)=(1+2)	22,50,000	22,50,000
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTM

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961		38,25,441	55,31,122	93,56,563
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				

ROOTS CORPORATION LIMITED

2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...				
5.	Others, please Specify				
	Total		38,25,441	55,31,122	93,56,563

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty Punishment Compounding			NONE		
B. DIRECTORS					
Penalty Punishment Compounding			NONE		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			NONE		

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
ROOTS CORPORATION LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of ROOTS CORPORATION LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 32 to the financial statements which describe the uncertainty related to the outcome of the lawsuit filed against the Company in respect of the Ludhiana property. Considering the legal advice received by management, the amount is considered as good. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 23 and 32 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – refer Note 32 to the financial statements. The Company did not have any derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Mukesh Jain
(Partner)
Membership No. 108262

Mumbai, May 4, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in point 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, generally there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended and no order under the aforesaid sections has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in respect of the Company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and the Companies (cost records and audit) Rules 2014, as amended for any services rendered by the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable, except as disclosed below:

Name of Statute	Nature of Dues	Amount Involved (₹ in '000s)	Period to which the Amount Relates	Due Date
Puducherry Value Added Tax Act, 2007	Work Contract Tax, Pondicherry	687	July 2008	August 21, 2008
Kerala Value Added Tax, 2003	Work Contract Tax, Trivandrum	40	July 2014	August 21, 2014
Rajasthan Value added Tax	Work Contract Tax, Jaipur	229	December 2012	January 15, 2013
Tamil Nadu Value Added Tax, 2006	Work Contract Tax, Chennai	114	January 2014	February 20, 2014

ROOTS CORPORATION LIMITED

- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Mumbai, May 4, 2015

Mukesh Jain
Partner
(Membership No. 108262)

Balance Sheet as at March 31, 2015

	Notes	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	8,59,673	8,59,673
(b) Reserves and surplus	4	20,94,828	20,80,804
		29,54,501	29,40,477
Non-current liabilities			
(a) Long-term borrowings	5	6,68,000	2,16,000
(b) Other Long term liabilities	6	5,397	941
(c) Long-term provisions	7	5,859	4,523
		6,79,256	2,21,464
Current liabilities			
(a) Short-term borrowings	8	40,000	3,65,133
(b) Trade payables	9	2,24,562	1,97,054
(c) Other current liabilities	10	1,39,257	1,61,675
(d) Short-term provisions	11	7,768	7,317
		4,11,587	7,31,179
TOTAL		40,45,344	38,93,120
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	29,53,532	30,39,826
(ii) Intangible assets	12	75,487	73,610
(iii) Capital work-in-progress		3,76,598	2,16,176
(iv) Intangible assets under development		15,703	19,042
(b) Long-term loans and advances	13	3,50,029	2,98,849
(c) Other non-current assets	14	26,583	25,686
		37,97,932	36,73,189
Current assets			
(a) Current investments	15	-	133
(b) Inventories	15 A	27,955	31,493
(c) Trade receivables	16	1,41,078	1,23,085
(d) Cash and Cash Equivalent	17	12,477	12,508
(e) Short-term loans and advances	18	60,386	47,318
(f) Other current assets	19	5,516	5,394
		2,47,412	2,19,931
TOTAL		40,45,344	38,93,120

See accompanying notes forming part of the financial statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Mumbai, May 4, 2015

For and on behalf of the Board

Deepika Rao	CEO
Rakesh Sarna	Chairman DIN:01875340
Manish Jain	CFO
Anil P.Goel	Director DIN:00050690
Dhanraj Mulki	Company Secretary
Padmanabh Sinha	Director DIN:00101379

ROOTS CORPORATION LIMITED

Statement of Profit and Loss for the year ended March 31, 2015

	Notes	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
INCOME			
1 Revenue from operations	20	12,57,271	11,64,283
2 Other income	21	20,136	5,963
3 Total Revenue (1 + 2)		12,77,407	11,70,246
EXPENSES			
Employee benefits expense	22	1,70,400	1,51,219
Finance costs	22A	39,554	19,289
Depreciation and amortization expense	12	1,60,808	1,69,440
Other expenses	22B	8,95,165	8,18,159
4 Total Expenses		12,65,927	11,58,107
5 Profit / (Loss) before tax (3-4)		11,480	12,139
6 Tax Expenses			
Minimum Alternate Tax		-	2,544
Short/ (Excess) provision for tax relating to prior years		(2,544)	-
7 Profit / (Loss) after tax for the year (5-6)		14,024	9,595
8 Earnings per equity share:			
Basic and Diluted	33	0.16	0.11
Face Value per share		10	10

See accompanying notes forming part of the financial statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Mumbai, May 4, 2015

For and on behalf of the Board

Deepika Rao	CEO
Rakesh Sarna	Chairman DIN:01875340
Manish Jain	CFO
Anil P.Goel	Director DIN:00050690
Dhanraj Mulki	Company Secretary
Padmanabh Sinha	Director DIN:00101379

Cash Flow Statement for the year ended March 31, 2015

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
A. Cash flow from operating activities	11,480	12,139
Net Profit / (Loss) before extraordinary items and tax		
Adjustments for:		
Depreciation and amortisation	1,60,808	1,69,440
Loss on sale / write off of assets	5,365	2,530
Finance costs	39,554	19,289
Interest income	(2,518)	(3,057)
Net gain on sale of investments	(237)	(417)
Provision for Compensated Absences & Gratuity	1,787	(628)
Liabilities / provisions no longer required written back	(14,041)	(62)
Provision for doubtful trade and other receivables, loans and advances	2,564	2,243
	1,93,282	1,89,338
Operating profit / (loss) before working capital changes	2,04,762	2,01,477
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	3,538	(5,664)
Trade receivables	(20,557)	(3,881)
Short-term loans and advances	(13,068)	37,229
Long-term loans and advances	(12,226)	26,890
Other current assets	81	(546)
Other non-current assets	(898)	3,540
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	41,549	74,682
Other current liabilities	(13,865)	(1,417)
Other long-term liabilities	4,455	(5,270)
	(10,991)	1,25,563
Cash generated from operations	1,93,771	3,27,040
Net income tax (paid) / refunds	(17,378)	(3,338)
Net cash flow from operating activities (A)	1,76,393	3,23,702
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(2,22,682)	(3,38,902)
Proceeds from sale of fixed assets	5,266	361
Current investments not considered as Cash and cash equivalents	-	
- Purchased	(1,47,700)	(1,41,135)
- Proceeds from sale	1,48,070	1,41,419
Fixed Deposits		(24,000)
Interest received	2,315	3,057
Net cash flow from investing activities (B)	(2,14,731)	(3,59,200)

Cash Flow Statement for the year ended March 31, 2015

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
C. Cash flow from financing activities		
Proceeds from long-term borrowings	5,00,000	(36,000)
Repayment of long-term borrowings	(48,000)	
Proceeds from other short-term borrowings	4,02,000	9,38,215
Repayment of other short-term borrowings	(7,27,133)	(8,43,274)
Finance cost(Includes Capitalised Cost)	(88,560)	(22,670)
Cash flow from extraordinary items	38,307	36,271
Net cash used in financing activities (C)	38,307	36,271
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(31)	773
Cash and cash equivalents at the beginning of the year	12,508	11,735
Cash and cash equivalents at the end of the year	12,477	12,508
	(31)	773
CASH AND CASH EQUIVALENT		
Cash and Bank Balances as per Note 17	37,265	37,406
Less: Deposits under lien	24,788	24,898
Cash and cash equivalents at the end of the year	12,477	12,508

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Mumbai, May 4, 2015

For and on behalf of the Board

Deepika Rao
Rakesh Sarna
Manish Jain
Anil P.Goel
Dhanraj Mulki
Padmanabh Sinha

CEO
Chairman DIN:01875340
CFO
Director DIN:00050690
Company Secretary
Director DIN:00101379

Notes to Financial Statements for year ended March 31, 2015

1. Corporate information

Roots Corporation Ltd (RCL) is in the business of developing, managing and operating, what it terms, 'Smart Basics Hotels' that provides facilities to meet the key needs of today's travellers. Currently, the Company has 33 hotels including 5 hotels on management contracts across various geographical locations in India.

2. Significant Accounting Policies

i. Basis of accounting and preparation of financial statements:

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except for change in the accounting policy for depreciation.

ii. Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known / materialized.

iii. The accounting policies adopted are as under:

a. Revenue Recognition:

Revenue comprise sale of rooms, allied services relating to hotel operations, including net income from telecommunication services and revenue sharing fees for services outsourced. Revenue is recognized upon rendering of the service. Revenue from Management Contracts is recognised as per terms of contract and when there is reasonable certainty of collectability of revenue. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

b. Employee Benefits :

i. Provident Fund:

The Company's Contribution to Recognized Employees' Provident Fund scheme paid/payable during the year is recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees. The Company does not have any legal or informal obligation to pay additional sum.

ii. Gratuity (Un-funded):

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

iii. Compensated Absences:

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

iv. Other Employee Benefits (Short Term):

These are determined on an undiscounted basis and recognized based on the likely entitlement thereof.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

c. Fixed Assets:

i. Tangible assets:

Tangible assets are stated at cost less depreciation/amortisation and impairment loss, if any. Cost includes expenses incidental to the installation of assets and attributable borrowing costs. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

ii. Capital Work in Progress (WIP):

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

iii. Intangible Assets:

Intangible Assets comprising of System Software are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition, less accumulated amortisation and impairment loss, if any. Any expenses on software for support and maintenance payable annually are charged to revenue account.

iv. Intangible Assets under development:

Expenditure on Intangible under construction eligible for Capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

d. Depreciation / Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

1. Plant and machinery - 4 to 21 years
2. Electrical installations and equipment - 20 years
3. Hotel Wooden Furniture - 15 years
4. End User devices - Computers, Laptops, etc - 6 years

In respect of leasehold land, depreciation is provided from the date land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of improvements to buildings, depreciation is provided based on estimated useful life.

Intangible assets in the form of Computer Software are amortized in 5-10 years.

e. Impairment of Assets:

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to the greater of the net selling price and value in use. Value in use is arrived by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of Profit and Loss.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

f. Assets taken on Lease:

Assets taken on lease in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

g. Inventories:

Stock of Stores and Operating supplies are carried at cost (computed on weighted average basis) or Net Realisable Value, whichever is lower after providing for obsolesce and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including taxes.

h. Investments:

i) Long term investments are carried at cost. Provision is made for diminution in value, other than temporary, on an individual basis.

ii) Current investments are carried at the lower of cost and fair value, determined on a category wise basis.

iii) Cost of investments includes acquisition charges such as brokerage, fees and duties.

i. Taxes on Income:

i) Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between the taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on effective tax rates substantively enacted by the Balance Sheet date.

ii) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

iii) Deferred tax assets other than on unabsorbed depreciation and carried forward losses are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Company has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

iv) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

j. Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition and construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

k. Government Grants:

Government grants are recognized on the basis of reasonable certainty. Capital grants relating to specific assets are reduced from the gross value of the respective fixed assets.

l. Transactions in foreign currencies:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the year end. Non-monetary items denominated in foreign currencies are carried at the exchange rate in force at the dates of the transactions. Exchange differences arising on foreign currency transactions are recognized as income or expense in the year in which they arise.

m. Service Tax input credit:

Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

n. Accounting for Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the company have present obligation as a result of past events, where it is probable that there will be an outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits in the nature of defined benefit plans) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.

o. Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance is available for utilization in the Securities Premium Account.

p. Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

q. Cash and Cash equivalents (for purpose of Cash Flow statement) :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short- term balances (with an original maturity of three months or less from the date of acquisitions), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

r. Earnings per share:

Basic earnings per share are computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

s. Cash Flows:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 3 : Share Capital

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
(a) Authorised		
Equity Shares		
10,00,00,000 Equity Shares of ₹ 10/- each	10,00,000	10,00,000
Preference Shares		
1,50,00,000 Preference Shares of ₹ 100/- each	15,00,000	15,00,000
Total	25,00,000	25,00,000
(b) Issued, subscribed and fully paid-up		
Equity Shares		
8,59,67,320 (Previous year 8,59,67,320) Equity shares of ₹ 10/- each fully paid-up	8,59,673	8,59,673
Total	8,59,673	8,59,673

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	March 31, 2015		March 31, 2014	
	Equity Shares		Equity Shares	
	Number	₹ in 000's	Number	₹ in 000's
Shares outstanding at the beginning of the year	8,59,67,320	8,59,673	8,59,67,320	8,59,673
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	8,59,67,320	8,59,673	8,59,67,320	8,59,673

b. Terms/rights attached to Equity Shares

The Company has only one class of equity share having a par value of ₹ 10/- each. The holders of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

c. Shares held by holding Company

5,10,00,000 (Previous Year 5,10,00,000) number of equity shares are held by The Indian Hotels Company Limited, the holding company.

d. The details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid				
The Indian Hotels Company Limited, Holding Company	5,10,00,000	59%	5,10,00,000	59%
Omega TC Holdings Pte Limited	2,37,27,724	28%	2,37,27,724	28%
Piem Hotels Limited	65,35,948	8%	65,35,948	8%

e. Shares reserved for issue under Contract/Commitments

In terms of Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered with Omega TC Holdings Pte Limited ("Investor") read with addendum to Subscription Agreement dated March 25, 2014 and subject to the terms and conditions stated therein the Investor has an option but not the obligation to subscribe such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 10,00,000 thousand on or before December 31, 2015, provided that the Company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 4 : Reserves and Surplus

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
(a) Securities Premium Account		
Opening Balance	25,46,650	25,46,650
Add : Premium on Shares issued during the year	-	-
Less: Share Issue Expenses	-	-
Closing Balance	25,46,650	25,46,650
(b) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	(4,65,846)	(4,75,441)
Add: Profit/(Loss) for the year	14,024	9,595
Closing Balance	(4,51,822)	(4,65,846)
Total	20,94,828	20,80,804

Note 5 : Long Term Borrowings

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Term loan		
From bank		
Secured	6,68,000	2,16,000
Total	6,68,000	2,16,000

- a) Loan of ₹ 5,00,000 thousand carrying interest rate of 10.50% p.a. payable at monthly rests is repayable in 4 equal quarterly instalments of 8%, 16%, 20%, 26% and 30% of the loan amount starting from the 3rd year till the 7th year. The Company is in process of creating a charge by providing hypothecation of certain hotel properties and fixed assets contained therein.
- b) Loan of ₹ 2,16,000 thousand (of which ₹ 48,000 thousand is classified as current maturity of long term loans) carrying interest rate of 11.75% p.a. payable at monthly rests is repayable in equal quarterly installments of ₹ 12,000 thousand ending in May 2019. The Loan is secured by way of hypothecation of certain hotel properties of the Company.

Note 6 : Other Long Term Liabilities

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Contractor's Retention Money	5,397	941
Total	5,397	941

On the basis of the intimation received from 'suppliers' regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 there are no suppliers registered under the said Act. Hence, there are no disclosure made as required under the above said Act.

Note 7 : Long Term Provisions

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Provision for employee benefits		
Gratuity (Refer Note No. 27)	5,859	4,523
Total	5,859	4,523

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 8: Short Term Borrowings

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
(a) Loans repayable on Demand		
From Banks - Overdraft		
Unsecured	-	133
(b) Deposits		
Unsecured		
Inter Corporate Deposits from Related Parties (Refer Note 28)	40,000	3,60,000
Inter Corporate Deposits from Others	-	5,000
Total	40,000	3,65,133

Note 9 : Trade Payables

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Trade Payables		
Payable to Vendors	1,43,559	1,32,448
Accrued Expenses	81,003	64,606
Total	2,24,562	1,97,054

On the basis of the intimation received from 'suppliers' regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 there are no suppliers registered under the said Act. Hence, there are no disclosure made as required under the above said Act.

Note 10: Other Current Liabilities

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
(a) Current maturities of long-term debt (Refer Note No. 5)	48,000	48,000
(b) Interest accrued but not due on borrowings	2,937	8,376
(c) Advances collected from customers	30,326	33,727
(d) Other Payables		
Statutory Dues	14,508	10,569
Payables related to Capital Projects	7,320	10,438
Payable to Holding Company	420	5,164
Contractors Retention Money	3,408	8,766
Security Deposits Received	6,312	5,220
Other Payables (Refer Note ii)	26,026	31,415
Total	1,39,257	1,61,675

- i) On the basis of the intimation received from 'suppliers' regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 there are no suppliers registered under the said Act. Hence, there are no disclosure made as required under the above said Act.
- ii) Other Payables include accruals related to Employee benefits ₹ 23,071 thousand (Previous Year ₹ 24,294 thousand)

Note 11: Short Term Provisions

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Provision for employee benefits		
Compensated absences	7,768	7,317
Total	7,768	7,317

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 12 : Fixed Assets (Tangible and Intangible) (Refer Note No.32)
₹ In '000

Particulars		Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		As at April 1, 2014	Additions / Adjustments	Deductions/ Adjustments	As at March 31, 2015	As at April 1, 2014	Charge for the year	Deductions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
TANGIBLE ASSETS											
1 Freehold Land	CY	1,13,898	-	-	1,13,898	-	-	-	-	1,13,898	1,13,898
	PY	1,13,898	-	-	1,13,898	-	-	-	-	1,13,898	1,13,898
2 Leasehold Land	CY	1,00,058	-	-	1,00,058	10,599	1,589	-	12,188	87,870	89,459
	PY	1,00,058	-	-	1,00,058	8,936	1,663	-	10,599	89,459	91,122
3 Buildings											
a Hotel Building	CY	11,42,208	3,304	1,132	11,44,380	1,28,349	18,836	141	1,47,044	9,97,336	10,13,859
(Refer note 1 , 2 and 3)	PY	11,30,131	12,362	285	11,42,208	1,06,641	21,735	26	1,28,349	10,13,859	10,23,490
b Improvements to leasehold buildings	CY	11,53,802	22,336	3,016	11,73,122	1,38,081	39,494	48	1,77,527	9,95,595	10,15,722
(Refer note 3 and 4)	PY	9,60,233	1,93,570	-	11,53,802	99,466	38,615	-	1,38,081	10,15,722	8,60,767
Total Buildings	CY	22,96,010	25,640	4,148	23,17,502	2,66,430	58,330	189	3,24,571	19,92,931	20,29,581
	PY	20,90,365	2,05,932	285	22,96,010	2,06,107	60,350	26	2,66,430	20,29,581	18,84,257
4 Plant, Machinery & Data Processing Equipments	CY	9,52,831	39,813	14,984	9,77,660	3,04,769	69,473	12,927	3,61,315	6,16,345	6,48,061
(Refer note 4)	PY	8,56,889	98,207	2,266	9,52,831	2,36,446	69,153	830	3,04,769	6,48,061	6,20,443
5 Furniture and Fixtures	CY	2,80,817	6,559	3,746	2,83,630	1,23,376	20,707	2,172	1,41,911	1,41,719	1,57,442
(Refer note 4)	PY	2,50,869	32,686	2,738	2,80,817	96,006	28,911	1,542	1,23,376	1,57,442	1,54,863
6 Office Equipment	CY	3,957	-	-	3,957	2,572	616	-	3,188	769	1,385
	PY	3,957	-	-	3,957	2,403	168	-	2,572	1,385	1,554
Sub-Total	CY	37,47,571	72,012	22,878	37,96,705	7,07,746	1,50,715	15,288	8,43,173	29,53,532	30,39,826
	PY	34,16,035	3,36,825	5,289	37,47,571	5,49,898	1,60,245	2,398	7,07,746	30,39,826	28,66,137
INTANGIBLE ASSET											
1 Computer Software	CY	94,469	15,005	(568)	1,10,042	20,859	10,093	(3,603)	34,555	75,487	73,610
	PY	73,880	20,589	-	94,469	11,664	9,195	-	20,859	73,610	62,216
Sub-Total	CY	94,469	15,005	(568)	1,10,042	20,859	10,093	(3,603)	34,555	75,487	73,610
	PY	73,880	20,589	-	94,469	11,664	9,195	-	20,859	73,610	62,216
Total	CY	38,42,040	87,017	22,310	39,06,747	7,28,605	1,60,808	11,685	8,77,728	30,29,019	31,13,436
	PY	34,89,915	3,57,414	5,289	38,42,040	5,61,562	1,69,440	2,398	7,28,605	31,13,436	29,28,353

- Buildings include ₹ 445,980 thousand (Previous Year 445,980 thousand) constructed on leasehold land.
- Capital Grants amount to ₹ 35,143 thousand (Previous Year ₹ 35,143 thousand) relating to certain Hotel projects has been reduced from the Gross value of Fixed Assets.
- Gross Block of Hotel Buildings and Improvements to Lease hold buildings includes Nil (Previous Year ₹ 12,362 thousand) and Nil (Previous Year ₹ 4,766 thousand) towards major modifications and Improvements
- Depreciation for the previous year includes accelerated depreciation amounting to ₹ 4,343 thousand in respect of Ludhiana property.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 13 : Long Term Loans and Advances

Unsecured, considered good

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
(a) Capital Advances	56,905	37,874
(b) Security Deposit		
(i) Long Term Deposits for Hotel properties	2,25,437	2,15,068
(ii) Other Deposits	22,878	22,717
	<u>2,48,315</u>	<u>2,37,785</u>
(c) Prepaid Expenses (Unsecured, considered good)	2,289	593
(d) Advance Income Tax	42,520	22,597
Net of Provision ₹ 4,285 thousand (Previous Year ₹ 6,829 thousand)		
Total	<u><u>3,50,029</u></u>	<u><u>2,98,849</u></u>

Note 14 : Non-Current Assets

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Unamortised Borrowing Costs *	1,795	788
Margin Money Deposits (Refer Note No. 17)	788	898
Deposits pledged with Bank (Refer Note No. 17)	24,000	24,000
Total	<u><u>26,583</u></u>	<u><u>25,686</u></u>

*Represents expenses on loans amortised over the period of the loan

Note 15 : Current Investments

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Units	Amount	No. of Units	Amount
Investment in Mutual Fund				
Birla Sunlife Floating Rate ST growth	-	-	776	133
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>776</u></u>	<u><u>133</u></u>

Note 15 A : Inventories (At Lower of Cost and Net Realisable Value)

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Stores and Operating Supplies	27,955	31,493
Total	<u><u>27,955</u></u>	<u><u>31,493</u></u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 16: Trade Receivables

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Trade receivables		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	18,936	17,350
Considered Doubtful	6,458	3,893
Less: Provision for doubtful debts	(6,458)	(3,893)
	18,936	17,350
Others:		
Unsecured, considered good	1,22,142	1,05,735
	1,22,142	1,05,735
Total	1,41,078	1,23,085

Note 17: Cash and Cash Equivalents

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Cash and Cash equivalents		
(a) Cash on Hand	1,700	1,875
(b) Cheques, Drafts on hands	-	360
(c) Balance with Banks in Current Accounts	10,777	10,273
Total	12,477	12,508

Other Balances with Banks

Margin Money Deposits	788	898
Deposits pledged with Bank	24,000	24,000
Total	24,788	24,898
Total Cash & Bank Balances	37,265	37,406
Less: Term Deposits with Banks maturing after 12 months after the Balance Sheet Date and other earmarked margin money deposits classified as non-current. (Refer Note No. 14)	(24,788)	(24,898)
	12,477	12,508

Note 18: Short term Loans and Advances

Unsecured, considered good

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
(a) Prepaid Expenses	20,077	15,370
(b) Balances with government authorities Service Tax Receivable	2,716	4,783
(c) Advance to Suppliers	37,095	26,464
(d) Loans and Advances to employees	498	701
Total	60,386	47,318

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 19: Other Current Assets

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Others		
Unamortised Borrowing Costs (Refer Note No.14)	398	197
Interest Accrued on Deposits	1,029	1,232
Contractually Reimbursable Expenses	3,791	2,916
Others	298	1,049
Total	5,516	5,394

Note 20 : Revenue from Operations

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Room Income	11,60,689	10,85,839
Management and operating fees	19,231	5,744
Rental Income	61,917	61,480
Others	15,434	11,220
Total	12,57,271	11,64,283

Note 21 : Other Income

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Interest Income	2,518	3,057
Net Gain on sale of Current investments	237	417
Other Non-Operating Income		
Write back of Credit Balances	14,041	62
Miscellaneous Income	3,148	2,382
Net Gain on Foreign Currency Transactions and Translation	192	45
Total	20,136	5,963

Note 22 : Employee Benefits Expense

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Salaries and Wages (Refer Note No. 26)	1,31,589	1,17,276
Deputed Staff Cost	1,761	1,341
Contribution to Provident and Other Funds	7,411	6,884
Retiring Gratuity	2,825	1,066
Staff Welfare Expenses	26,814	24,652
Total	1,70,400	1,51,219

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 22 A : Finance Costs

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Interest Expenses on Borrowings (Refer Note No. 26)	39,357	19,092
Other Borrowing Costs	197	197
Total	39,554	19,289

Note 22 B : Other Expenses

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Other Operating Expenses		
Linen & Room Supplies	36,582	30,944
Housekeeping Charges	54,101	51,319
Maintenance Charges	21,699	20,532
Power and Fuel	1,48,190	1,38,882
Water Charges	9,493	10,047
Repairs to Buildings	16,396	15,783
Repairs to Machinery	29,397	28,459
Repairs to Others	37,543	31,595
Linen, Uniform Washing & Laundry Expenses	42,854	29,106
Travel Agent's Commission	1,375	2,534
Collecting Agent's Commission	11,791	9,238
Cable / satellite TV Subscription	18,473	23,212
Security Charges	35,710	33,160
General Expenses		
Rent	2,42,767	2,24,546
License Fees	16,714	15,303
Rates & Taxes	23,718	20,779
Insurance	2,350	2,567
Advertising & Publicity	45,472	49,440
Printing & Stationery	7,076	5,955
Passage & Travelling (Refer Note No. 26)	10,784	8,243
Provision for Doubtful Debts	2,564	2,243
Legal and Professional Fees	34,258	21,361
Loss on Sale of Fixed Assets	5,365	2,530
Telephone & Communications Expenses	17,626	15,472
Bad Debts	712	268
Courier expenses	1,961	2,007
Other Miscellaneous Expenses	13,712	16,029
Payment to Auditors		
i. As Auditors'	3,200	3,200
ii. For Taxation matters	1,000	1,000
iii. For other Services	1,800	2,180
iv. For Reimbursement of Expenses	482	225
Total	8,95,165	8,18,159

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 23 : Contingent Liabilities and Commitments (to the extent not provided for):

- (a) Claims against the Company not acknowledged as debt: ₹ Nil (Previous Year ₹ 1,200 thousand).
- (b) Guarantees issued on behalf of the Company ₹ 6,675 thousand (Previous Year ₹ 6,675 thousand).
- (C) Commitments:
- (a) The Company has entered into Strategic Partnership with Tata Consultancy Services Limited (TCS) which is designed to meet major IT needs of the Company for a period of 5 years commencing from May 4, 2011 to May 3, 2016. The agreement has a minimum lock-in-period of 3 years from the start of engagement. Post Lock-in period, a minimum notice period of 12 months, will be applicable for either of the parties. The company has extended the said agreement for further period of 2 year till May 3, 2018. The agreement is for Applications – Implementation and support, IT infrastructure Services and Managed Hosting. The Commitment to TCS for the period from April 1, 2015 to March 31, 2016 being non-cancellable, is ₹ 36,900 thousand (Previous year ₹ 33,600 thousand).
- (b) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 3,04,851 thousand (net of advances) (Previous year ₹ 28,916 thousand (net of advances)).

Note 24 :

The Company has restricted the recognition of the deferred tax assets on unabsorbed depreciation to set off the deferred tax liability arising on accounting of timing difference arising on depreciation. No deferred tax asset has been recognized on these balance amounts of unabsorbed depreciation and the carried forward loss in the absence of virtual certainty backed by convincing evidence. The break-up of deferred tax assets and liability is as under:

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
(A) Deferred tax liability		
Depreciation on Fixed Assets	5,13,070	5,03,614
Total (A)	5,13,070	5,03,614
(B) Deferred tax asset		
Carry forward loss of Specified Business	2,90,463	2,93,951
Unabsorbed Depreciation	2,66,473	2,66,392
Carry forward of Loss	74,551	81,595
Employee Benefits	4,632	4,681
Others	2,195	1,323
Total (B)	6,38,314	6,47,942
Deferred tax asset restricted to	5,13,070	5,03,614
Net deferred tax asset/ (liability)	Nil	Nil

Note 25 :

The Company has taken long term operating leases, which are non-cancellable, for Hotel Properties. The total future minimum lease payments in respect thereof are as under:

Particulars	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Not Later than One Year	2,35,202	2,23,428
More than one year but not later than five years	10,05,321	9,57,755
More than five Years	85,95,330	88,57,564

The minimum lease rentals charged to the Statement of Profit and Loss 2,28,502 thousand (Previous Year: ₹ 1,98,108 thousand).

Apart from the above, the Company is also liable in certain cases to pay variable rent based on fulfillment of certain operational parameters. The total amount charged to the Statement of Profit and Loss in respect thereof is ₹ 5,910 thousand (Previous Year: ₹ 5,510 thousand).

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 26 :

Following expenses are disclosed in the Statement of Profit and Loss, at net of amounts capitalised for projects and recoveries made under management contract:

	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Salaries and Wages	1,78,812	1,59,290
Less : Salary Capitalised	41,222	38,663
Less : Recoveries made under Management contracts/Deputed Staff	6,001	3,351
Salaries and Wages (Net)	1,31,589	1,17,276
Passage and Travelling	13,049	11,878
Less : Passage and travelling Capitalised	1,730	3,304
Less : Recoveries made under Management contracts	535	331
Passage and travelling (Net)	10,784	8,243
Interest Expenses	82,924	75,419
Less: Interest Capitalised	43,567	56,327
Interest Expenses (Net)	39,357	19,092

Note 27 : Employee Benefits:

- a) The Company has "Gratuity" as a post retirement defined benefit plan which is unfunded. Details of the gratuity plan are as follows:

	Gratuity (Un-funded)	
	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
Expenses Recognised		
Current Service Cost	1,149	1,159
Interest Cost	479	407
Actuarial Losses / (Gains)	708	1,500
Total expenses (Refer Note 22)	2,336	1,066
Change in the obligation		
Present value of Defined Benefit Obligation at the beginning of the year	4,522	4,312
Current Service Cost	1,149	1,159
Interest Cost	479	407
Actuarial Losses / (Gains)	708	1,500
Liabilities Assumed on Acquisition/(Settled on Divesture)	(724)	(24)
Benefits Paid	(275)	(832)
Present value of Defined Benefit Obligation at the end of the year (Refer Note 7 & 11)	5,859	4,522

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Actuarial Assumptions:

	Gratuity (Un-funded)	
	Current Year	Previous Year
(i) Discount Rate	8.00%	9.05%
(ii) Expected Rate of Salary Increase	5.00%	5.00%
(iii) Attrition Rate		
Age- 21-30 years	5.00%	5.00%
Age- 31-40 years	3.00%	3.00%
Age- 41-57 years	2.00%	2.00%
(iv) Mortality Post-Retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Experience Adjustments	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation	5,859	4,522	4,312	4,162	3,124
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	5,859	(4,522)	(4,312)	(4,162)	(3,124)
Exp.Adj on Plan Liabilities-(Gain)/Loss	286	(2)	(917)	107	(196)
Exp.Adj on Plan Assets	-	-	-	-	-

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary and relied upon by the auditors. The company has recognised the following amounts in Statement of Profit and Loss in respect of defined contribution schemes:

Particulars	Current Year ₹ in '000	Previous Year ₹ in '000
Provident Fund	6,336	5,884
ESIC	1,075	999
Labour Welfare Fund	10	5

Note 28 : Related Party Disclosures:

- (a) Name of the related party where control exist:

Holding Company:

The Indian Hotels Company Limited

- (b) Company having Substantial Interest
Omega TC Holdings PTE Limited

- (c) Names of Related Parties with whom there were transactions during the year:

Fellow Subsidiaries with whom there are transactions:

1. TIFCO Holdings Limited
2. United Hotels Limited
3. PIEM Hotels Limited
4. Benares Hotels Ltd.
5. Inditravel Private Limited
6. Taj SATS Catering Ltd.

Key Management Personnel:

Key Management Personnel comprises of Managing Director who have the authority and responsibility for planning, directing and controlling the activities of the Company. Mr. P.K.Mohankumar was managing director upto 31st March 2015.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 28 : Related Party Disclosures: (Cont.)

(d) The details of transactions with related parties are as follows:

S.No.	Description	March 31, 2015 ₹ in '000	March 31, 2014 ₹ in '000
I	The Indian Hotels Company Limited		
1	Operating Fees	12,229	11,078
2	Rent Paid	376	150
3	Room Revenue	269	211
4	Balance payables	420	5,164
5	Duty free credit entitlement certificate (DFCEC) *	-	-
II	TIFCO Holdings Limited		
1	ICD's received	20,000	45,000
2	ICD's repaid	-	45,000
3	Interest Paid	-	1980
4	Interest accrued but not due	72	-
5	Balance payables	20,000	-
III	United Hotels Limited		
1	ICD's received	-	80,000
2	ICD's repaid	80,000	-
3	Interest Paid	8,905	1,963
4	Interest accrued but not due	-	1,309
5	Balance payables	-	80,000
IV	PIEM Hotels Limited		
1	ICD's received	-	2,25,000
2	ICD's repaid	2,25,000	-
3	Interest Paid	24,956	11,509
4	Interest accrued but not due	63	3,682
5	Balance payables	-	2,25,000
V	Benares Hotels Limited.		
1	ICD's received	-	55,000
2	ICD's repaid	35,000	-
3	Interest Paid	4,729	991
4	Interest accrued but not due	187	678
5	Balance payables	20,000	55,000
VI	Inditravel Pvt. Limited.		
1	ICD's received	-	1,00,000
2	ICD's repaid	-	1,00,000
3	Interest Paid	-	2,691
4	Car Hire Expenses	-	1,243
5	Rental Income	45	736
6	Balance payables	-	1,458
VII	Taj SATS Air Catering Ltd.		
1	Room Revenue	-	94
2	Balance Receivable	244	386
VIII	Mr. Prabhat Pani		
1	Managerial Remuneration	-	2,725
IX	Mr. PK Mohankumar		
1	Managerial Remuneration	10,433	7,290

* at nil consideration

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 29 : Value of imports (CIF value):

The CIF value of Capital Goods imported by the Company is ₹ 8,407 thousand (Previous Year ₹ 3,244 thousand)

Note 30 :

- (a) Earnings in Foreign Exchange from sale of rooms/food & beverages based on actual receipts amount to ₹ 19,932 thousand. (Previous Year ₹ 12,983 thousand).
- (b) Expenditure in Foreign Exchange towards Travel, Architectural services and commission amount to ₹ 4,587 thousand. (Previous Year ₹ 4,216 thousand).

Note 31 : Segmental Information:

The Company's only business being hoteliering, thus the disclosure of segment-wise information is not applicable under Accounting Standard 17 - 'Segmental Information' (AS-17) notified by the Company's (Accounting Standards) Rules, 2006 (as amended). Further there is no geographical segment to be reported since all the operations are undertaken in India.

Note 32 :

The Company had invested ₹ 80,910 thousands (written down value – ₹ 51,978 thousands as on 31st March, 2015; previous year ₹ 55,221) in its hotel located at Ludhiana. The Company had suspended its operations and further given a termination notice to end the month to month tenancy w.e.f 31st July, 2012 on the grounds that the landlord has not fulfilled his obligations to provide critical services such as Foods & Beverage, electricity, power backup, security etc. for the mall including the Hotel and not adapting good engineering practices in the construction of the Hotel Building.

The owner/landlord, the purported owner has disputed the validity of the notice of the Company and has raised a claim for ₹ 4,41,200 thousands towards arrear rentals, Common Area Maintenance charges and rental for period between August 2012 till end of lease period i.e, October, 2038. Further, owner/landlord has also sought for appointment of arbitrator before the Court as per the arbitration clause in the Agreement to Lease. The Company has contended the applicability of arbitration clause as the Agreement to Lease was not registered in accordance with the provisions of Section 107 of Transfer of Property Act, 1882 and the same did not create the valid lease and further contended that there is no brevity between the Company and the owner/landlord with regard to arbitration agreement.. The Company has already filed a reply to the petition contending maintainability of the arbitration between the Company and the owner/landlord.

Further, the Company has also filed a suit seeking interim relief to restrain the Owner from preventing the Company from removing its moveable assets from the said property. Based on the discussions and legal advice sought by the Company from senior lawyers, the Company estimates that it has a strong case to recover the investment /damages from the owner and it is also in process to file a suit for damages against the owner. In view of the above, the Company neither expects any loss on account of the amount invested in the property nor any legal liability to arise for claims raised by the owner/landlord.

Note 33 : Earnings Per Share (EPS):

Earnings per share is calculated by dividing the net profit attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as under:

	March 31, 2015	March 31, 2014
(a) Profit after Tax (₹ in '000)	14,024	9,595
(b) Profit after Tax (attributable to equity shareholders) (₹ in '000)	14,024	9,595
(c) Equity Shares at the year end (Nos. ₹ in '000)	85,967	85,967
(d) Weighted Average no. of equity shares outstanding during the year (Nos. ₹ in '000)	85,967	85,967
(e) Earning per share – Basic and Diluted (₹)	0.16	0.11
(f) Nominal Value per Share (₹)	10	10

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 34 :

The Company has reassessed the useful lives of its tangible fixed assets during the year. Based on a technical evaluation, the useful lives have been revised to match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets other than end-user Computers, Electrical Installation and Equipment, Plant and Machinery and select items of Furniture. Management believes that the revised useful lives of the assets reflect the periods over which these assets are to be used. As a result of the change, the charge on account of Depreciation for the twelve months ended March 31, 2015, is lower by 8,223 thousands as compared to the useful lives estimated in earlier periods.

Note 35 :

The Company has regrouped / reclassified the previous year figures in accordance with the requirements applicable in the current year.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

For and on behalf of the Board

Deepika Rao	CEO
Rakesh Sarna	Chairman DIN:01875340
Manish Jain	CFO
Anil P.Goel	Director DIN:00050690
Dhanraj Mulki	Company Secretary
Padmanabh Sinha	Director DIN:00101379

Mumbai, May 4, 2015

DIRECTORS AND CORPORATE INFORMATION

TIFCO HOLDINGS LIMITED

Board of Directors:

Mr. Anil P. Goel Chairman

Mr. R. H. Parekh

Mr. Rajeev Newar

Mr. Beejal Desai
(resigned w.e.f. 20 March 2015)

Ms. Farzana Sam Billimoria
(resigned w.e.f. 20 March 2015)

Audit Committee

Mr. Anil Goel Chairman

Mr. R. H. Parekh

Mr. Rajeev Newar

Ms. Farzana Sam Billimoria
(resigned w.e.f. 20 March 2015)

Company Secretary

Mr. R. H. Parekh

Manager

Mr. Zubin M. Mehta

Auditors

M/s Patel & Deodhar
Chartered Accountants

Bankers

Bank of Baroda
HDFC Bank Limited

Registered Office

Mandlik House
Mandlik Road
Mumbai 400 001
Phone: 022 66395515, Fax: 2202 7442

CIN : U65910MH1977PLC019873

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting the Thirty-Seventh Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2015:

FINANCIAL RESULTS

Particulars	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
Income	1,602.46	1,372.32
Expenditure	34.46	22.70
Profit before Tax	1,568.00	1,349.62
Less : Provision For Tax	109.11	112.25
Profit after Tax for the period	1,458.89	1,237.37
Earning per Equity share in ₹		
Basic	1.79	1.52
Diluted	1.79	1.52

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Income for the year under review increased by 17% from ₹ 1,372.32 lakhs in the previous year to ₹ 1,602.46 lakhs in the current year. No material changes and commitments have been made during the financial year to which these financial statements relate which affected the financial position of the Company.

SHARE CAPITAL

During the year under review, the issued, subscribed and paid-up share capital of your Company comprised of 8,15,00,000 Equity Shares of ₹ 10 each. The Company has not issued any further shares. The Company has neither bought back its shares, nor has it issued any Sweat Equity or Bonus Shares or provided Stock Options to its employees during the year under review.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

DIVIDEND

Your Directors declared an interim dividend of 5% (₹ 0.50 per Ordinary Share), involving an outflow of ₹ 4.07 crores including dividend distribution tax. The interim dividend was paid in April 2015. No final dividend has been recommended for the year ended March 31, 2015.

BORROWINGS

The Company remained debt-free during the entire year under review.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (the Act) are given in the notes to the Financial Statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

TIFCO Security Services Limited (TSSL) ceased to be the Wholly Owned Subsidiary of the Company during the year under review in view of the entire holding of the Company in the shares of TSSL being sold to Taida Trading and Industries Limited. The Company currently has one Associate Company i.e. Kaveri Retreats and Resorts Limited. The Company currently does not have any Subsidiary and Joint Venture Company. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's Associate company in Form AOC-1 is attached to the financial statements of the Company.

DIRECTORS

Mr. Beejal Desai and Ms. Farzana Sam Billimoria, Directors resigned from the Board with effect from March 20 2015. The Board wishes to place on record its appreciation of the services rendered by Mr. Desai and Ms. Billimoria during their respective tenures as Directors of the Company.

In accordance with the Act and the Articles of Association of the Company, one of your Director viz. Mr. Rajeev Newar, retires by rotation and is eligible for re-appointment. Your approval for the re-appointment of Mr. Rajeev Newar as Director has been sought in the Notice convening the Annual General Meeting of the Company.

Board Meetings:

A calendar of meetings is prepared and circulated in advance to the Directors. During the Financial Year 2014-15, a total of 4 Board Meetings were held on April 23, 2014, July 15, 2014, October 21, 2014 and January 16, 2015. The intervening gap between the meetings did not exceed the period prescribed under the Act.

Board Evaluation and Remuneration Policy:

The Company has put in place Governance Guidelines on Board's Effectiveness, a Remuneration Policy for Directors, Key Managerial Personnel and other employees and formulated the criteria for determining qualifications, positive attributes and independence of directors.

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

The Company takes all efforts towards conservation of energy and technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises of Mr. Anil Goel, Mr. R. H. Parekh and Mr. Rajeev Newar, Directors of the Company. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 177 of the Act, besides other terms as may be referred to by the Board of Directors of your Company.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company currently comprises of Mr. Anil Goel, Mr. R. H. Parekh and Mr. Rajeev Newar, Directors of the Company. The role of the Nomination and Remuneration Committee covers the areas mentioned under Section 178 of the Act, besides other terms as may be referred to by the Board of Directors of your Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The framework for CSR becoming applicable from 2014-15 onwards, the Company is in the process of putting together the required mechanism and reporting system for implementation of the CSR activities and appropriate amounts shall be spent in the coming years.

EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SECTION 92(3)

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure A.

AUDITORS

Statutory Auditors

The Members are requested to re-appoint M/s Patel & Deodhar, Chartered Accountants, as Auditors for a period of two years commencing from the conclusion of this Annual General Meeting upto the conclusion of the 39th Annual General Meeting, subject to ratification of the Members at every meeting and authorize the Board of Directors to fix their remuneration.

The report of the Statutory Auditors is enclosed to this report and does not contain any qualifications, reservations or adverse remarks or disclaimers.

Secretarial Auditor

Mr. Shreepad M. Korde, Company Secretary in Practice, has been appointed as the Secretarial Auditor for the F.Y. 2014-15. The secretarial audit report received by the Company is annexed herewith as Annexure B.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseen and of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all Related Party Transactions is placed before the Audit Committee for their approval on a quarterly basis.

BUSINESS RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

HUMAN RESOURCES

The Company does not have any employees drawing salary requiring disclosures in terms of Section 134 of the Act, read with the rule no. 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Act, the Board of Directors, to the best of their knowledge and ability, hereby confirms that for the financial year ended March 31, 2015:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures.

2. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2015 and of the profit of the Company for that period.
3. It has 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.
4. It has prepared the annual accounts on a going concern basis.
5. It has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items:

1. The provision relating to Vigil Mechanism is not applicable to the Company.
2. During the year under review the Company has not accepted any deposit from the public in terms of Section 73 of the Act.
3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

On behalf of the Board of Directors

Anil Goel
Chairman
DIN: 00050690

Mumbai, 21 May 2015
Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001
CIN: U65910MH1977PLC019873
Tel. No.: 022 66395515
Fax No.: 022 22027442

ANNEXURE A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U65910MH1977PLC019873
- ii) Registration Date : September 9, 1977
- iii) Name of the Company : TIFCO Holdings Limited
- iv) Category : Company Limited by Shares
- Sub-Category of the Company : Indian Non- Government Company
- v) Address of the registered office : Mandlik House, Mandlik Road
and contact details Colaba, Mumbai- 400001
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Other Financial Service activities	6499	93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Colaba, Mumbai- 400 001	L74999MH1902PLC000183	Holding	100	2 (46)
2	Kaveri Retreats and Resorts Limited Sivamegam Towers, 3rd Floor, New No. 211 Old No. 142, Valluvar Kottam High Road, Nungambam, Chennai-600034	U55101TN2005PLC057903	Associate	40.23	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01.04.2014)				No. of Shares held at the end of the year (i.e 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	60	60	0.01	-	60	60	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	8,14,99,940	8,14,99,940	99.99	-	8,14,99,940	8,14,99,940	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	8,15,00,000	8,15,00,000	100	-	8,15,00,000	8,15,00,000	100	-
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	-	8,15,00,000	8,15,00,000	100	-	8,15,00,000	8,15,00,000	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

TIFCO HOLDINGS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01.04.2014)				No. of Shares held at the end of the year (i.e 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
1) Directors and Relatives									
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	-	8,15,00,000	8,15,00,000	100	-	8,15,00,000	8,15,00,000	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	The Indian Hotels Company Limited*	8,15,00,000	100	-	8,15,00,000	100	-	-
	TOTAL	8,15,00,000	100	-	8,15,00,000	100	-	-

* 60 Shares of the above are held jointly with other Companies and individuals.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	There were no Changes during the Year			
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of the Shareholder	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		None			

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director	Shareholding at the beginning of the year (i.e 01.04.2014)		Cumulative Shareholding during the year (i.e 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		None			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NONE			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Zubin Mehta (Manager)
1)	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL
2)	Stock Option	NIL
3)	Sweat Equity	NIL
4)	Commission	NIL
	- as % of profit	
	- others, specify...	
5)	Others, please specify	NIL
	Total (A)	42,000
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013	1,45,88,937

B. Remuneration to other directors:

Non Executive Directors

Sl. no.	Particulars of Remuneration	Name of Director		Total Amount
	Fee for attending board / committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Other, please specify	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Name Of Key Managerial Personnel	Total
1)	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2)	Stock Option	NIL	NIL
	Sweat Equity	NIL	NIL
	Commission	NIL	NIL
	- as % of profit		
	- others, specify...		
	Others, please Specify	NIL	NIL
	Total	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:-

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company (Penalty/ Punishment/ Compounding)			NIL		
B. Directors (Penalty/ Punishment/ Compounding)					
C. Any other officer in Default (Penalty/ Punishment/ Compounding)					

On behalf of the Board of Directors

Anil Goel
Chairman
DIN: 00050690

ANNEXURE B

**SECRETARIAL AUDIT REPORT
For the Financial Year ended 31st March, 2015.**

To,
The Members,
TIFCO Holdings Limited,
Mumbai

I have conducted the secretarial audit of the compliance of applicable provisions and adherence to good Corporate practices by TIFCO Holdings Limited(hereinafter called the Company).The Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books. Papers ,minute books, forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March,2015,complied with the statutory provisions mentioned hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the observations reported in Annexure A hereinafter.

I have examined the books, papers, minutes books, forms and Returns filed and other records maintained by the said Company for the financial year 31st March, 2015,wherever applicable and as produced before me according to the provisions of

- i) The Companies Act, 2013.
- ii) The Securities Contracts (Regulation)Act, 1956 and the rules made thereunder.
- iii) The Depositories Act, 1996 and the regulations and Bye laws framed thereunder.
- iv) Foreign Exchange Management Act, 1979 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External commercial borrowings.
- v) Securities and Exchange Board of India Act, 1992(SEBI Act) and the following regulations and guidelines prescribed thereunder viz:
 - a) The SEBI(Substantial Acquisition of shares and Takeovers) Regulations,2011.
 - b) The SEBI (Prohibition of Insider Trading) Regulations, 1992.
 - c) The SEBI(Issue of Capital and Disclosures Requirements) Regulations,2009.
 - d) The SEBI(Employee stock options scheme and Employee Stock Purchase Scheme)Guidelines,1999
 - e) The SEBI (Issue and listing of Debt Securities) Regulations, 2008.
 - f) The SEBI (Registrar to an issue and share Transfer Agents)Regulations,1993 regarding the Companies Act,2013 and dealing with client.
 - g) The SEBI (Delisting of Equity shares) Regulations, 2009.
 - h) The SEBI(Buyback of securities)Regulations,1998.

In respect all other specifically applicable laws, I am advised by the Company that a compliance mechanism is put in place by the company in respect of such laws.

I have not examined compliance with the applicable clauses of the Listing Agreement as no such agreement has been entered into by the Company.

I have not examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India as the said standards will be effective from July 1, 2015. During the year under review the Company has complied with the provisions of the Acts, Rules, regulations Guidelines, Standards etc mentioned above subject to the observations made in Annexure A hereinafter.

I further report that the Board of Directors is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice was given to all the directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation and discussion at the meeting.

Majority decisions were carried through while dissenting directors' views were captured and recorded as part of the minutes.

I further report, that there are adequate systems and processes in the Company commensurate with the size and operations of the company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc referred to above.

Place : Mumbai

Dated : 21 May, 2015

Shreepad M. Korde

Company Secretary

A.C.S. 563 CP-1079.

ANNEXURE A to my report date.

1. The Company is in the process of appointing two persons as Independent Directors on its Board.
2. The company is in the process of recasting its earlier constituted Audit Committee and Nomination and Remuneration Committee.
3. The Related Party contracts are approved by the Board of directors/Audit Committee as per the Company's policy framework.
4. The Company had appointed Key Managerial Persons as required under the law during the year under review.
5. The present constitution of the Board of Directors is in tune with the provisions of the Articles of Association.
6. The Directors' Report and Directors' Responsibility statement cover all the aspects stipulated under the Companies Act, 2013.
7. The NBFC guidelines are applicable to the Company and it is holding a Certificate of Registration issued by Reserve bank of India in that behalf .It is following the applicable guidelines in respect of its financial transactions.
8. The Board of Directors have disclosed the disinvestment in its wholly owned subsidiary company in the Directors' report and the financial statements for the year under review.

Place : Mumbai
Dated : 21 May, 2015

Shreepad M. Korde
Company Secretary
A.C.S. 563 CP-1079.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIFCO HOLDINGS LIMITED

1. Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of TIFCO HOLDINGS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the Directors as on 31st March 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as at 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Company (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and according to the explanations given to us:
 1. a. As disclosed in Note 12 of Audited Financial Statements Company has not made a provision relating to Contingent Liability of ₹ 104.30 Lakh as the amount payable is not ascertainable as explained in the said Note 12.
b. Company has filed an appeal before CIT (Appeals) against Income Tax demand raised for AY 2012-13 of ₹ 98,01,800. Having regard to the grounds of appeal stated in appeal, no provision is made by the Company towards this amount. The Company has disclosed this as a Contingent Liability in Audited Financial Statements in Note No.12.
 2. The Company did not have any long term contracts including derivative contracts having any material foreseeable losses.
 3. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Patel and Deodhar
Chartered Accountants
Firm Registration No. 107644 W

Deepa M. Bhide
Partner
Membership No.49616

Mumbai, 21 May 2015

ANNEXURE TO AUDITOR'S REPORT OF TIFCO HOLDINGS LIMITED

(Referred to in paragraph 1 of our report of even date)

1. In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during the year are such that clauses 3(i)(b), 3(ii)(a), 3(ii)(b), 3(ii)(c), 3(iii)(b), 3(v), 3(vi), 3(viii), 3(ix), 3(x) and 3(xi) of the CARO 2015 do not apply to the Company.
2. The Company has maintained proper records showing full particulars and location of its leasehold land and buildings. [Clause 3(i)(a)]
3. The Company has granted unsecured loans to 3 Companies covered in the Register maintained under Section 189 of the Companies Act, 2013 ("Act"). The receipt of principal amount and interest is regular. [Clause 3(iii)(a)]
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the activities and functions carried out by the Company. During the course of our audit, no major weaknesses have been noticed in internal control system. [Clause 3(iv)]
5.
 - (a) The Company, to the extent applicable to it, is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year 2014-15 for a period of more than six months from the date they became payable. [Clause 3(vii)(a)]
 - (b) To the best of our knowledge and belief and according to the information and explanations given and from the records made available to us, there are no disputed amounts in case of dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or Duty of Customs or Duty of Excise, or Value Added Tax or Cess which are unpaid as of 31-Mar-2015 except income tax demand of ₹ 98.02 Lac for which Company has filed an appeal with CIT (Appeals) [Clause 3(vii)(b)]
 - (c) There are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder [Clause 3(vii)(c)]
6. To the best of our knowledge and belief and according to the information and explanations given and from records made available to us, no fraud on or by the company has been noticed or reported during the year. [Clause 3(xii)]
7. Having regard to our report on clauses under Para 3 of the Order given above, reporting under Para 4 is not applicable.

For Patel and Deodhar
Chartered Accountants
Firm Registration No. 107644 W

Deepa M. Bhide
Partner
Membership No.49616

Mumbai, 21 May 2015

TIFCO HOLDINGS LIMITED

Balance Sheet as at March 31, 2015

	Note no.	As at March 31, 2015 ₹ lakhs	As at March 31, 2014 ₹ lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	8,150.00	8,150.00
Reserves and Surplus	4	14,857.94	13,875.80
Money received against share warrants		-	-
		<u>23,007.94</u>	<u>22,025.80</u>
Share application money pending allotment		-	-
Non-current liabilities			
Long term borrowings		-	-
Deferred tax liabilities (Net)		-	-
Other long term liabilities		-	-
Long term provisions	5	15.00	15.00
		<u>15.00</u>	<u>15.00</u>
Current liabilities			
Short term borrowings		-	-
Trade payables		-	-
Other current liabilities	6	14.94	5.77
Short term provisions		-	-
		<u>14.94</u>	<u>5.77</u>
TOTAL		<u>23,037.88</u>	<u>22,046.57</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	91.67	93.33
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		<u>91.67</u>	<u>93.33</u>
Non-current investments	8	16,141.80	16,146.80
Deferred tax assets (net)		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
		<u>16,233.47</u>	<u>16,240.13</u>
Current assets			
Current investments	9	2,482.94	1,914.61
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	10	5.62	30.50
Short-term loans and advances	11	4,315.85	3,861.33
Other current assets		-	-
		<u>6,804.41</u>	<u>5,806.44</u>
TOTAL		<u>23,037.88</u>	<u>22,046.57</u>
Notes to the Financial Statements	1-18		

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
M. No. 49616

Place : Mumbai
Dated : 21 May, 2015

For and on behalf of the Board

Rajeev Newar Director (DIN: 00468125)

R. H. Parekh Director & Company Secretary (DIN: 01942405)

Zubin M. Mehta CFO & Manager

Profit and Loss Statement for the year ended March 31, 2015

	Note no.	2014-15 ₹ lakhs	2013-14 ₹ lakhs
Revenue from Operations	13	1,497.58	1,321.02
Other income	14	104.88	51.30
Total Revenue		1,602.46	1,372.32
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade progress and Stock-in-Trade		-	-
Employee benefits expense	15	0.42	0.42
Finance costs		-	-
Depreciation and amortization expense	7	2.52	2.40
Other expenses	16	31.52	19.88
Total expenses		34.46	22.70
Profit before exceptional and extraordinary items and tax		1,568.00	1,349.62
Exceptional items		-	-
Profit before extraordinary items and tax		1,568.00	1,349.62
Extraordinary Items		-	-
Profit before tax		1,568.00	1,349.62
Tax expense:			
Current Tax		110.00	110.00
Deferred Tax		-	-
Short Provision of Tax of earlier years		(0.89)	2.25
Total Tax		109.11	112.25
Profit (Loss) for the period from continuing operations		1,458.89	1,237.37
Tax expense of discontinuing operations		-	-
Profit / (Loss) from Discontinuing operations (after tax)		-	-
Profit (loss) for the period		1,458.89	1,237.37
Earnings per equity share in ₹			
Basic		1.79	1.52
Diluted		1.79	1.52
Notes to the Financial Statements	1-18		

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
M. No. 49616

Place : Mumbai
Dated : 21 May, 2015

For and on behalf of the Board

Rajeev Newar Director (DIN: 00468125)

R. H. Parekh Director & Company Secretary (DIN: 01942405)

Zubin M. Mehta CFO & Manager

Cash Flow Statement for the year ended 31 March, 2015

	2014-15 ₹ lakhs	2013-14 ₹ lakhs
A Operating activities		
1 Profit before tax	1,568.00	1,349.52
2 Add: Non-Cash items		
a) Depreciation / Amortization	2.52	2.40
b) Assets / Investments written off	-	-
c) Sundry balances written back (net)	-	-
d) Provision for doubtful debts written back (net)	-	-
e) Provision for diminution in value of investments written back (net)	(29.97)	(27.45)
3 Less: Non-operating income		
a) (Profit) / Loss on sale of investments	30.63	-
4 Add: Non-operating expenses	-	-
5 Changes in Working Capital		
a) (Increase) / Decrease in Debtors, advances and other receivables	11.71	29.91
b) Increase / (Decrease) in Sundry Creditors and other payables	9.17	20.88
6 Cash generated from Operations	1,592.06	1,378.81
7 Less: Direct taxes paid (net)	(147.35)	(116.42)
8 Net Cash from Operating activities	1,444.71	1,262.39
B Investing activities		
1 Investments made / Share application monies paid	(568.33)	-
2 Sale / (Purchase) of Fixed Assets	(0.85)	-
3 Investments sold / redeemed	4.34	(756.02)
4 (Increase) / Decrease in loans / deposits placed	(428.00)	240.40
5 Net Cash from Investing activities	(992.84)	(515.62)
C Financing activities		
1 Increase / (Decrease) in deposits / loans from:		
a) Holding Company	-	-
b) Others	-	-
2 Dividend Paid (including tax on dividend)	(476.75)	(762.80)
3 Net Cash from Financing activities	(476.75)	(762.80)
D Net increase / (decrease) in cash and cash equivalents	(24.88)	(16.03)
E Opening Cash balance as at 1 April	30.50	46.53
F Closing Cash balance as at 31 March	5.62	30.50

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
M. No. 49616

Place : Mumbai
Dated : 21 May, 2015

For and on behalf of the Board

Rajeev Newar Director (DIN: 00468125)

R. H. Parekh Director & Company Secretary (DIN: 01942405)

Zubin M. Mehta CFO & Manager

Notes to Financial Statements for year ended March 31, 2015

1. Significant Accounting Policies

a. Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable and the Directions issued by the Reserve Bank of India as applicable to Non-Banking Financial Companies. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Recognition of Income and Expenditure

All income and expenditure is accounted on accrual basis.

c. Investments

Investments are stated at cost inclusive of expenses relating to acquisition. Provision for diminution in the value of long-term investments is made to the extent that such decline, in the opinion of the Board of Directors, is considered to be other than temporary taking into account relevant factors affecting the investment.

Profit / (loss) on sale of investments is determined with reference to the average cost of the investments on the date of sale.

d. Leasehold Land and Amortization

Leasehold Land is valued at cost less amortization. The cost is proportionately amortized over the period of the lease in case of new leases whereas the cost is proportionately amortized over the balance period of the lease in other cases.

e. Other Fixed Assets and Depreciation

Fixed assets other than leasehold land are valued at cost less depreciation. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

f. Preliminary and Share Issue Expenses

Preliminary and Share Issue Expenses are written off in the year in which they are incurred.

g. Accounting for taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital

TIFCO HOLDINGS LIMITED

losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2. Figures for the previous year have been re-grouped wherever necessary to conform to current year's presentation..

3. Share Capital

Type of shares	As at March 31, 2015		As at March 31, 2014	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised:				
Equity shares of ₹ 10 each	9,00,00,000	9,000	9,00,00,000	9,000
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each	8,15,00,000	8,150	8,15,00,000	8,150

Particulars	Equity Shares	
	Number	₹ in 000'
Shares outstanding at the beginning of the year	8,15,00,000	8,150.00
Shares outstanding at the end of the year	8,15,00,000	8,150.00

All the above shares are held by The Indian Hotels Company Limited.

4. Reserves and Surplus

	As at March 31, 2015 ₹ lakhs	As at March 31, 2014 ₹ lakhs
Reserve Fund		
(In terms of Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	3,610.00	3,360.00
Add: Transfer from Profit and loss statement	300.00	250.00
Closing Balance	3,910.00	3,610.00
Surplus		
Opening Balance	10,265.80	10,044.24
Add: Net profit for the current year	1,458.89	1,237.37
Less: Interim Dividends paid for the current year	(407.50)	(652.00)
Less: Tax on Interim Dividends	(69.25)	(110.81)
Less: Contingent Provision on Standard Assets	-	(3.00)
Less: Transfer to Reserve fund	(300.00)	(250.00)
	10,947.94	10,265.80
Total	14,857.94	13,875.80

5. Long Term Provisions

	As at March 31, 2015 ₹ lakhs	As at March 31, 2014 ₹ lakhs
Others		
Contingent Provisions against Standard Assets		
[As per clause 9A of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. The new RBI Directions relating to the above provisions are not applicable to the company with effect from 27 March 2015.]	15.00	15.00
	15.00	15.00

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

6. Other Current Liabilities

	As at March 31, 2015 ₹ lakhs	As at March 31, 2014 ₹ lakhs
Income received in advance		
From Tenants	0.07	0.04
Other payables	4.51	5.73
Provision for Corporate Social Responsibility	10.36	-
Total	14.94	5.77

7. Fixed Assets

		Gross Block				Depreciation / Amortization						Net Block	
Sr	Particulars of Assets	April 1, 2014	Additions	Deductions	March 31, 2015	March 31, 2014	On Opening balance	Additions	Deductions	Charge For the year	March 31, 2015	March 31, 2015	March 31, 2014
1	Leasehold Land	6.39	0.85	-	7.24	2.80	0.28	0.07	-	0.35	3.15	4.09	3.59
		6.39	-	-	6.39	2.52	-	-	-	0.28	2.80	3.59	3.87
2	Building (See Note 2 below)	130.01	-	-	130.01	40.26	-	-	-	2.17	42.43	87.58	89.74
		130.01	-	-	130.01	38.15	-	-	-	2.12	40.27	89.74	91.86
	Totals	136.40	0.85	-	137.25	43.06	0.28	0.07	-	2.52	45.58	91.67	93.33
	Previous year	136.40	-	-	136.40	40.67	-	-	-	2.40	43.07	93.33	95.73

Notes:

- Figures in **bold** type relate to the current year, figures in *italics* relate to the previous year.
- Mutation of the title to the building in favour of the Company is pending.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

8. Non-current Investments

	Sub Note	Face Value ₹	As at March 31, 2015		As at March 31, 2014	
			Holding Nos.	Book Value ₹ lakhs ₹ in lakhs	Holding Nos.	Book Value ₹ in lakhs
A Trade Investments						
a Quoted Equity Shares						
i Associates						
1 Benaras Hotels Ltd		10	3,50,825	196.98	350,825	196.98
ii Others						
1 Oriental Hotels Ltd	(g)	1	1,72,08,360	2,163.76	1,72,08,360	2,163.76
2 Taj GVK Hotels and Resorts Ltd	(f)	2	400	0.04	400	0.04
				2,163.80		2,163.80
b Unquoted Equity Shares						
i Subsidiaries						
1 Tifco Security Services Ltd		10	-	-	50,000	500
ii Fellow Subsidiaries						
1 Ideal Ice and Cold Storage Ltd	(h)	10	-	-	32,720	3.27
2 Inditravel Pvt Ltd		10	99,005	9.90	99,005	9.90
3 Piem Hotels Ltd		10	9,78,010	2,875.05	9,78,010	2,875.05
4 Residency Food and Beverages Ltd	(h)	10	-	-	2,50,000	25.00
5 Taj Enterprises Ltd		100	15,298	23.40	15,298	23.40
6 Taj Trade and Transport Co Ltd		10	3,62,999	53.33	3,62,999	53.33
7 United Hotels Ltd		10	21,01,680	39.40	21,01,680	39.40
				3,001.08		3,029.35
iii Associates						
1 Kaveri Retreats & Resorts Pvt Ltd	(e) & (f)	10	82,35,293	2,800.00	82,35,293	2,800.00
iv Others						
1 MPower Information Systems Pvt Ltd	(h)	10	4,98,000	49.80	4,98,000	49.80
2 Taj Air Ltd		10	1,58,43,140	1,584.32	1,58,43,140	1,584.32
3 Taj Karnataka Hotels and Resorts Ltd	(f)	10	5,98,740	59.87	5,98,740	59.87
4 Tata Ceramics Ltd		2	1,54,29,480	300.75	1,54,29,480	300.75
5 Tata Industries Ltd		100	42,74,590	5,572.98	42,74,590	5,572.98
6 Tata International Ltd		1,000	8,000	462.00	8,000	462.00
				8,029.72		8,029.72
c Unquoted Preference Shares						
Fellow Subsidiaries						
1 Ideal Ice and Cold Storage Ltd - 8% Non- Cumulative Redeemable Preference Shares		100	-	-	1,500	1.50
Total Trade Investments				16,191.58		16,226.35

Notes to the Financial Statements year ended 31 March 2014 (contd)

8. Non-current Investments

	Sub Note	Face Value ₹	As at March 31, 2015			As at March 31, 2014		
			Holding Nos.	Book Value		Holding Nos.	Book Value	
				₹ lakhs	₹ in lakhs		₹ lakhs	₹ in lakhs
B Other Investments								
a Quoted Equity Shares								
i Others								
1 Asian Hotels (North) Ltd	(d)	10	2	*		2	*	
2 Asian Hotels (East) Ltd	(d)	10	2	*		2	*	
3 Asian Hotels (West) Ltd	(d)	10	2	*		2	*	
4 EIH Ltd		2	37	0.01		37	0.01	
5 Hotel Leela Venture Ltd		2	25	0.01		25	0.01	
					0.02			0.02
(b) Unquoted Equity Shares								
i Others								
Hindusthan Engineering & Industries Ltd	(d)	10	7	*		7	*	
Total Other Investments					0.02			0.02
C Total Investments (A + B)					16,191.60			16,226.37
D Less: Provision for diminution in value of investments					49.80			79.57
E Total					16,141.80			16,146.80

F SUB-NOTES:

(a) Aggregate of Quoted Investments:								
Cost					2,360.80			2,360.80
Market Value					7,885.37			5,027.71
(b) Aggregate of Unquoted Investments:								
Cost					13,830.80			13,865.57
(c) All Investments are stated at cost and are fully paid-up unless otherwise indicated.								
(d) * Amount below ₹ 500/-								
(e) These investments are direct Associates of the Company.								
(f) These investments are in entities jointly controlled by the Holding Company.								
(g) These investments are Associates of the Holding Company.								

9. Current Investments

	Units nos.	As at March 31, 2015	As at March 31, 2014
		₹ lakhs	₹ lakhs
Investments in Mutual Funds at cost			
1 Unquoted			
(a) JM High Liquidity Fund - Dividend Option	99,79,571	1,040.89	-
(b) Franklin India Treasury Mgt Account - Super IP - DDR	1,44,102	1,442.05	-
(c) JP Morgan India Liquid Fund - Super IP - DDR	-	-	508.44
(d) ICICI Prudential Liquid Fund - Regular Plan - DDR	-	-	142.40
(e) Reliance Liquid Fund - Treasury Plan - DDR	-	-	467.32
(f) Taurus Liquid Fund - Existing Plan - Super IP - DDR	-	-	796.45
Total		2,482.94	1,914.61

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

10. Cash and Cash equivalents

	As at March 31, 2015 ₹ lakhs	As at March 31, 2014 ₹ lakhs
1 Balance with banks in current accounts	5.62	22.98
2 Cheques, Drafts on hand	-	7.49
3 Cash on hand	*	0.03
Total	5.62	30.50

(* Amounts below ₹ 500/-)

11. Short term Loans and Advances

	As at March 31, 2015 ₹ lakhs	As at March 31, 2014 ₹ lakhs
1 Loans and advances to related parties		
(a) Unsecured, considered good	1,535.00	1,335.00
2 Other Loans and advances		
(a) Unsecured, considered good	2,679.00	2,451.00
(b) Interest due from related parties	0.65	22.18
(c) Interest due from other companies	31.52	20.19
(d) Other Advances	0.06	1.58
Total '2'	2,711.23	2,494.95
3 Advance payment of taxes (Net of Provisions)	69.62	31.38
Total	4,315.85	3,861.33

12. Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2015 ₹ lakhs	As at March 31, 2014 ₹ lakhs
1 Contingent Liabilities		
(a) Claims against the company not acknowledged as debt. (No provision has been made for the premium / penalty, if any, payable to the lessor for transfer of leasehold land rights in a building in the name of the Company as the quantum thereof has not yet been determined. The amount when quantified, admitted and paid by the Company is expected to be capitalized.)	104.30	104.30
(b) On account of Income Tax matters pending appeal.	98.02	-
Total	202.32	104.30

13. Revenue from Operations

	2014-15 ₹ lakhs	2013-14 ₹ lakhs
1 Dividend income from Long-term Investments	920.90	770.39
2 Dividend income from other Current Investments	120.61	51.69
3 Interest received on Inter-corporate deposits	456.07	485.94
4 Interest received on deposits with banks	-	13.00
Total	1,497.58	1,321.02

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

14. Other Income

	2014-15 ₹ lakhs	2013-14 ₹ lakhs
1 Rent and related income	45.15	39.80
2 Profit on sale of current investments (Net)	-	0.32
3 Interest received on Income tax refunds.	59.73	11.18
Total	104.88	51.30

15. Employee Benefits Expense

	2014-15 ₹ lakhs	2013-14 ₹ lakhs
1 Remuneration to Manager	0.42	0.42

16. Other Expenses

	2014-15 ₹ lakhs	2013-14 ₹ lakhs
1 Payments to auditor :		
(a) as auditor	2.81	2.25
(b) for taxation matters	0.84	0.56
(c) for other services	0.48	0.35
(d) for reimbursement of expenses	-	0.04
	4.13	3.20
2 Professional fees and charges	9.47	10.77
3 Loss on sale of investments (net)	0.67	-
4 Lease rent	5.90	5.56
5 Expenditure on Corporate Social Responsibility	10.36	-
6 Other expenses	0.99	0.35
Total	31.52	19.88

17. Minimum Alternate Tax

Credit for minimum Alternate Tax available to the Company as at the Balance sheet date amounts to ₹ 0.76 crore (Previous year ₹ 1.43 crore).

18. Additional Information to the Financial Statements

The Company revised the estimated useful life of some of its assets to align the useful life with that specified in Schedule II to the Companies Act, 2013 with effect from 1 April 2014. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate / useful life based on SLM	Revised useful life based on SLM
Buildings	1.63% / ~28 years	30 years
Leasehold land	23 years	23 years

The depreciation expense in the statement of profit & loss for the year is higher by ₹ 5,200/- consequent to be alone change in the method of depreciation.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

18. Related party disclosures:

(a) Related parties and their relationship

Holding Company

The Indian Hotels Company Limited

Subsidiaries

Tifco Security Services Limited

(ceased to be a Subsidiary w.e.f. 30 March 2015)

Fellow Subsidiaries

Apex Hotel Management Services (Pte) Limited

Apex Hotel Management Services (Australia) Pty Limited

BAHC 5 Pte Ltd

Benares Hotels Limited

Chieftain Corporation NV

Ideal Ice & Cold Storage Company Limited

(ceased to be a Fellow Subsidiary w.e.f. 30 March 2015)

IHMS (Australia) Pty Limited

(ceased to be a Fellow Subsidiary w.e.f. 31 October 2014)

Ihoco BV

Inditravel Limited

International Hotel Management Services Inc.

KTC Hotels Limited

Northern India Hotels Limited

Piem Hotels Limited

Piem International (H.K.) Limited

Premium Aircraft Leasing Corporation Limited

Residency Food and Beverages Limited

(ceased to be a Fellow Subsidiary w.e.f. 30 March 2015)

Roots Corporation Limited

Samsara Properties Limited

St. James Court Hotel Limited

Taj Enterprises Limited

Taj International Hotels (H.K.) Limited

Taj International Hotels Limited

Taj Rhein Shoes Limited

(ceased to be a Fellow Subsidiary w.e.f. 30 March 2015)

Taj SATS Air Catering Limited

Taj Trade and Transport Company Limited

United Hotels Limited

Key Management Personnel

Board of Directors

CFO & Manager

Associates / Other Related parties

Kaveri Retreats & Resorts Ltd

[For the purpose of this disclosure, an associate or other related party is a company, not being a subsidiary, in which the Company's interest is not less than 20% of the equity share capital or equity voting rights of such investee company and in which the Company has significant influence.]

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

(b) Transactions with related parties :

₹ lakhs

Particulars of transactions	Holding Company		Fellow Subsidiaries		Associates / Others	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Current Year						
ICDs placed (Net of amount received back)	-	-	200.00	-	-	1,335.00
Interest received on ICDs placed	-	-	0.72	0.65	147.00	-
Rent received	48.00	-	-	-	-	-
Dividend paid	407.50	-	-	-	-	-
Manager's remuneration	-	-	-	-	0.42	-
Previous Year						
ICDs placed (Net of amount received back)	-	-	-	-	(490.00)	1,335.00
Interest received on ICDs placed	32.72	-	19.80	-	201.37	22.18
Rent received	43.56	-	-	-	-	-
Dividend paid	652.00	-	-	-	-	-
Manager's remuneration	-	-	-	-	0.42	-

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
M. No. 49616

Place : Mumbai
Dated : 21 May, 2015

For and on behalf of the Board

Rajeev Newar Director (DIN: 00468125)

R. H. Parekh Director & Company Secretary (DIN: 01942405)

Zubin M. Mehta CFO & Manager

Form AOC-I
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries														
(Information in respect of each subsidiary to be presented with amounts in ₹)														
Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
														None

Notes:
Names of subsidiaries which are yet to commence operations. - Nil
Names of subsidiaries which have been liquidated or sold during the year. - Nil

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	KRRL	Name 2	Name 3
1. Latest audited Balance Sheet Date	3/31/2015		
2. Shares of Associate/Joint Ventures held by the company on the year end No. Amount of Investment in Associates/Joint Venture Extend of Holding %	82,35,293 27,99,99,962 40.23%		
3. Description of how there is significant influence	Co. holds more than 20%		
4. Reason why the associate/joint venture is not consolidated	Tifco is exempted from consolidating its books.		
5. Networth attributable to Shareholding as per latest audited Balance Sheet	28,69,14,190		
6. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	(2,92,27,437)		

Notes:

Names of associates or joint ventures which are yet to commence operations. - NIL

Names of associates or joint ventures which have been liquidated or sold during the year. - NIL

For and on behalf of the Board

Rajeev Newar Director

R. H. Parekh
Director & Company Secretary

Zubin M. Mehta
CFO & Manager

TAJ SATS AIR CATERING LIMITED

DIRECTORS AND CORPORATE INFORMATION

TAJ SATS AIR CATERING LIMITED

Board of Directors

Mr. Rakesh Sarna (appointed w.e.f. October 29, 2014)	Chairman
Mr. Raymond N. Bickson (resigned w.e.f. September 1, 2014)	
Mr. Mehernosh S. Kapadia	Vice Chairman
Mr. Anil P. Goel	Director
Mr. Prabhat Pani	Executive Director
Mr. Wong Hong	Director
Mr. Chang Seow Kuay	Director
Mr. Ferry Chung	Director
Mr. D. K. Beri (resigned w.e.f. April 1, 2015)	Director

Management

Mr. Sagar Dighe	Chief Operating Officer
Mr. Sudeep Pal	Chief Financial Officer
Mr. Avinash Kinhikar (resigned w.e.f. March 31, 2015)	Company Secretary

Bankers

State Bank of Patiala
Hongkong & Shanghai Banking Corporation Limited
HDFC Bank Ltd.
Standard Chartered Bank
IDBI Bank
AXIS Bank
Canara Bank
State Bank of India

Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants

Registered Office

Mandlik House, Mandlik Road, Mumbai 400 001
CIN : U55204MH2001PLC133177

Corporate Office

International Airport Approach Road,
Sahar, Andheri (East), Mumbai - 400099

DIRECTORS REPORT

TO THE MEMBERS,

The Directors are pleased to present the Fourteenth Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2015.

FINANCIAL RESULTS:

	₹ lakhs	
Particulars	2014-15	2013-14
Income	26,696.18	24,509.98
Less: Operating costs	24,864.31	23,444.74
Gross Operating Profit	1,831.87	1,065.24
Less: Depreciation and amortization expense	1,083.75	1,249.75
Less: Finance costs	19.33	10.87
Profit before tax / (Loss) before exceptional items	728.79	(195.38)
Exceptional Items	-	(488.31)
Profit before tax / (Loss)	728.79	(683.69)
Tax expense / (benefit)		
Current tax expense	124.05	-
MAT credit	(124.05)	-
Short / (Excess) provision for tax relating to prior years	(189.72)	(2,008.06)
Net current tax expense / (credit)	(189.72)	(2,008.06)
Deferred tax expense/(credit)	5.22	2,355.21
Net tax expense / (credit)	(184.50)	347.15
Profit after tax / (Loss)	913.29	(1,030.84)
Basic & Diluted Earnings Per Share (₹)	5.25	(5.92)
(Face Value = ₹ 10/-)		

OPERATING RESULTS

The business climate in FY 14/15 remained challenging with no scheduled international airlines operating into India accompanied with intense competition amongst the flight caterers vying for each other's' customers. As a result the airline customers refused to entertain rate increases in tandem with Consumer Price Index increase in many cases. At the same time rising costs in the areas of employee expenses, raw materials and utilities cost continue to erode operating margins. The high dependency on domestic carriers resulted in volatile operating environment with the airline customers shifting their business between carriers from time to time.

However during the latter part of the year under review the Company was able to improve performance and add to revenues with some carriers converting their Low Cost Operating Flights to Full Service Flights (Jet Airways) and new airlines commencing operations (Vistara).

TAJ SATS AIR CATERING LIMITED

RESERVES:

The Company proposes to carry ₹ 913.29 lakhs to reserves.

INCOME:

Income for the year was ₹ 26,696.18 lakhs which was more than the previous year by ₹ 2,186.20 lakhs leading to an increase of 8.92%. The increase in flight catering income was on account of increased business from domestic airlines especially Jet Airways, SpiceJet and Vistara. The Company was also in receipt of one-time non-recurring finance income of ₹ 470 lakhs which boosted the total income for the year in comparison to the previous year.

PROFIT / (LOSS):

The Profit before Tax of the Company for the year ended March 31, 2015 was ₹ 728.79 lakhs as against a Loss of ₹ (683.69) lakhs recorded during the previous year. The increase in finance income along with increased business from flight catering operations and change in depreciation policy for change in estimated useful lives as prescribed in Schedule II to the Companies Act, 2013 were amongst the major contributors for the improvement in the performance.

DIVIDEND:

In view of the past losses and the uncertain business environment, the Board of Directors do not recommend dividend for the year ended March 31, 2015.

SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2015 was ₹ 1,740 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2015, none of the Directors of the Company hold shares of the Company.

FINANCE:

During the year under review, the Company had utilized Cash Credit / short term overdraft facility of ₹ 161.53 lakhs from State Bank of Patiala, HDFC Bank and others. Cash and cash equivalent as at March 31, 2015 was ₹ 339.22 lakhs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

FIXED DEPOSIT:

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

DIRECTORS:

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Mehernosh S. Kapadia, Mr. Wong Hong and Mr. Ferry Chung, Directors of the Company retire by rotation and are eligible for re-appointment. Your approval for their re-appointment as Directors has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Rakesh Sarna was appointed as an Additional Director of the Company with effect from October 29, 2014. He holds office up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment. Taking into consideration his knowledge and experience, the Board commends his appointment as Director of the Company to its Members. The Members' approval for his appointment as Director of the Company has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Raymond N. Bickson, Director of the Company had resigned w.e.f. September 1, 2014. The Board places on record its appreciation for the valuable services rendered and enormous contribution made by Mr. Raymond N. Bickson to the Company during his tenure as Director.

Mr. D K Beri, Director of the Company had resigned due to retirement, w.e.f. April 1, 2015. The Board places on record its appreciation of the services rendered and enormous contribution made by Mr. D K Beri to the Company during his tenure as Director.

KEY MANAGERIAL PERSONNEL:

Mr. Prabhat Pani, Executive Director, Mr. Atul Bhargava, Chief Financial Officer and Mr. Avinash Kinhikar, Company Secretary had been appointed as Key Managerial Personnel w.e.f. July 16, 2014.

Mr. Atul Bhargava resigned as Chief Financial Officer w.e.f. December 31, 2014 and Mr. Sudeep Pal was appointed in his place as Chief Financial Officer and as Key Managerial Officer w.e.f. January 21, 2015.

Mr. Avinash Kinhikar, Company Secretary had resigned w.e.f. March 31, 2015.

BOARD MEETINGS:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, six Board Meetings were held and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Board Meetings were held on: May 9, 2014, July 16, 2014, July 28, 2014, October 29, 2014, January 21, 2015 and March 2, 2015.

AUDIT COMMITTEE:

The Audit Committee currently comprises of, Mr. Rakesh Sarna, Mr. Anil P. Goel, Mr. Prabhat Pani, Mr. Wong Hong and Mr. Chang Seow Kuay as its members. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 177 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of your Company.

The Board has accepted all the recommendations of the Audit Committee of the Company.

During the year, four Audit Committee Meetings were held on May 9, 2014, July 28, 2014, October 29, 2014 and January 21, 2015

AUDITORS:

At the Annual General Meeting, the Members will be requested to re-appoint M/s Deloitte Haskins & Sells LLP, (DHS LLP) Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company for the current year and authorise the Board of Directors to fix their remuneration.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company currently comprises of Mr. Mehernosh Kapadia, Mr. Anil P. Goel, Mr. Chang Seow Kuay and Mr. Ferry Chung, Directors of the Company. The role of the Nomination and Remuneration Committee covers the areas mentioned under Section 178 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of your Company.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Shreepad M. Korde, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as Annexure A

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

The Company takes all efforts towards conservation of energy and technology absorption. The details of Foreign Exchange earnings and outgo are furnished in Notes to Accounts (Refer Item No 32 and 33).

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure B.

HUMAN RESOURCES:

The Board wishes to record its sincere appreciation to the employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve recognitions. To retain leadership position in hospitality industry, the Company continuously innovates and customizes its human resource (HR) strategy to meet changing employee needs.

WOMEN EMPOWERMENT AND ANTI SEXUAL HARASSMENT INITIATIVE

The Company has adopted a Policy for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Internal Committee looks into all complaints of sexual harassment and facilitates free and fair enquiry process with clear timelines. The Company has not received any complaint on sexual harassment during the year under review.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a Certificate from the ED, COO and the CFO. The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management and their Remuneration along with the criteria for determining qualifications, positive attributes and independence of a Director.

RISK MANAGEMENT:

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013 (the Act) and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of Internal Audit is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 the Company has constituted a Corporate Social Responsibility Committee comprising of Mr. Rakesh Sarna, Mr. Chang Seow Kuay and Mr. Prabhat Pani, Directors of the Company and has developed a Corporate Social Responsibility Policy of the Company. The Board reviews the same periodically.

In view of the losses in the previous two financial years, the Company was unable to spend any amounts towards Corporate Social Responsibility activities.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013 :

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at March 31, 2015 and of the profit of the company for the year ended March 31, 2015
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year under review, there are no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

ACKNOWLEDGEMENT

Your Directors place their sincere gratitude to the Company's employees, clientele, vendors and bankers for their continued support during the year.

On behalf of the Board of Directors

Mumbai, April 27, 2015

Prabhat Pani

Executive Director

(DIN: 01215627)

Anil P. Goel

Director

(DIN: 00050690)

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2015.

To,
The Members,
Taj SATS Air Catering Limited,
Mandlik House, Mandlik Road,
Mumbai 400001.

I have conducted the secretarial audit of the compliance of applicable provisions and adherence to good Corporate practices by Taj SATS Air Catering Limited (hereinafter called the 'Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March 2015, complied with the statutory provisions mentioned hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the observations reported in Annexure A hereinafter.

I have examined the books, papers, minutes books, forms, returns filed and other records maintained by the said Company for the financial year 31st March 2015, wherever applicable and as produced before me, according to the provisions of:

- i) The Companies Act, 2013
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder
- iii) The Depositories Act, 1996 and the regulations and Bye laws framed thereunder
- iv) Foreign Exchange Management Act, 1979 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- v) Securities and Exchange Board of India Act, 1992 (SEBI Act) and the following regulations and guidelines prescribed thereunder viz:
 - a) The SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011.
 - b) The SEBI (Prohibition of Insider Trading) Regulations, 1992.
 - c) The SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2009.
 - d) The SEBI (Employee stock options scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - e) The SEBI (Issue and listing of Debt Securities) Regulations, 2008.
 - f) The SEBI (Registrar to an issue and share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
 - g) The SEBI (Delisting of Equity shares) Regulations, 2009.
 - h) The SEBI (Buyback of securities) Regulations, 1998.

In respect all other specifically applicable laws, I am advised by the Company that a compliance mechanism is put in place by the Company in respect of such laws.

I have not examined compliance with the applicable clauses of the Listing Agreement as no such agreement has been entered into by the Company.

I have not examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India as the said standards will be effective from July 1, 2015.

During the year under review the Company has complied with the provisions of the Acts, Rules, Regulations Guidelines, Standards etc mentioned above subject to the observations made in Annexure A hereinafter.

I further report that the Board of Directors is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice was given to all the Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation and discussion at the meeting.

Majority decisions were carried through while dissenting Directors' views were captured and recorded as part of the minutes.

I further report, that there are adequate systems and processes in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc referred to above.

Place: Mumbai
Dated: April 27, 2015

Shreepad M. Korde
Company Secretary
A.C.S. 563 CP-1079.

ANNEXURE A to my Report of even date.

1. The Company is in the process of appointing two persons as Independent Directors on its Board.
2. The Company has completed the process of recasting its earlier constituted Audit Committee and Nomination and Remuneration Committee.
3. The Related Party contracts are approved by the Board of directors/Audit Committee as per the Company's policy framework.
4. The Company has appointed Key Managerial Persons as required under the law during the year under review.
5. The present constitution of the Board of Directors is in tune with the provisions of the Articles of Association.
6. The Company has devised an adequate system for compliances under the various laws applicable to it.
7. The Directors' Report and Directors' Responsibility statement cover all the aspects stipulated under the Companies Act, 2013
8. The NBFC guidelines are not applicable to the Company as it has not accepted deposits from the Public.

Place: Mumbai
Dated: April 27, 2015

Shreepad M. Korde
Company Secretary
A.C.S. 563 CP-1079.

Annexure B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as at the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN: **U55204MH2001PLC133177**
- ii) Registration Date: **28 August 2001**
- iii) Name of the Company: **Taj SATS Air Catering Limited**
- iv) Category / Sub-Category of the Company: **Indian Non-Government Company Limited by Shares**
- v) Address of the Registered office and contact details: **Mandlik House, Mandlik Road, Mumbai- 400 001.**
- vi) Whether listed company: **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: **Nil**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Airline Catering	562 - Event catering and other food service activities	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400 001.	L74999MH1902PLC000183	Holding	51%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	Nil	88,74,000	88,74,000	51.00	Nil	88,74,000	88,74,000	51.00	Nil
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	Nil	88,74,000	88,74,000	51.00	Nil	88,74,000	88,74,000	51.00	Nil
(2) Foreign									
a) NRIs -Individuals									
b) Other – Individuals	Nil	85,26,000	85,26,000	49.00	Nil	85,26,000	85,26,000	49.00	Nil
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	Nil	85,26,000	85,26,000	49.00	Nil	85,26,000	85,26,000	49.00	Nil
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	Nil	1,74,00,000	1,74,00,000	100.00	Nil	1,74,00,000	1,74,00,000	100.00	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	1,74,00,000	1,74,00,000	100.00	Nil	1,74,00,000	1,74,00,000	100.00	Nil

TAJ SATS AIR CATERING LIMITED

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share Holding during The year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	88,74,000	51.00	Nil	88,74,000	51.00	Nil	Nil
2	SATS Limited	85,26,000	49.00	Nil	85,26,000	49.00	Nil	Nil
TOTAL		1,74,00,000	100.00	Nil	1,74,00,000	100.00	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
3	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.24	439.47	46.38	486.09
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0.24	439.47	46.38	486.09
Change in Indebtedness during the financial year				
i) Addition	1.52		3.05	4.57
ii) Reduction		(279.69)		(279.69)
Net Change	1.52	(279.69)	3.05	275.12
Indebtedness at the end of the financial year				
i) Principal Amount	1.76	159.78	49.43	210.97
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1.76	159.78	49.43	210.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. no.	Particulars of Remuneration	Mr. Prabhat Kumar Pani	Total Amount
1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99,23,699	99,23,699
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,01,084	2,01,084
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2)	Stock Option	Nil	Nil
3)	Sweat Equity	Nil	Nil
4)	Commission	Nil	Nil
	- as % of profit		
	- others, specify		
5)	Others, please specify		
	Total (A)	1,01,24,783	1,01,24,783
	Overall Ceiling as per the Act		

TAJ SATS AIR CATERING LIMITED

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors i) Fee for attending board / committee meetings ii) Commission iii) Others, please specify					
	4. Other Non-Executive Directors i) Fee for attending board / committee meetings ii) Commission iii) Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Atul Bhargava, CFO (resigned)	Mr. Sudeep Pal, CFO	Mr. Avinash Kinhikar, Company Secretary	Total
1)	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	27,98,776 4,19,817 Nil	10,46,368 Nil Nil	12,63,516 Nil Nil	51,08,660 4,19,817 Nil
2)	Stock Option	Nil	Nil	Nil	Nil
3)	Sweat Equity	Nil	Nil	Nil	Nil
4)	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5)	Others, please Specify	Nil	Nil	Nil	Nil
6)	Total	32,18,593	10,46,368	12,63,516	55,28,477

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

On behalf of the Board of Directors

Mumbai, April 27, 2015

Prabhat Pani

Executive Director

(DIN: 01215627)

Anil P. Goel

Director

(DIN: 00050690)

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

TAJ SATS AIR CATERING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of TAJ SATS AIR CATERING LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on the Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of CARO.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Registration No.117366W/W-100018)

Mohammed Bengali

Partner

(Membership No. 105828)

MUMBAI, April 27, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from public.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of the services rendered by the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Excise, Value Added Tax and Cess and other material statutory dues applicable to it with the appropriate authorities and the Company was not required to pay any dues in respect of Investor Education and Protection Fund, Duty of Customs and Wealth Tax during the year. Dues related to service tax have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Excise, Value Added Tax and Cess and other material statutory dues applicable to it which were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) There were no dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, and Cess which have not been deposited as on March 31, 2015 on account of disputes except dues tabulated below:

Name of Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Commercial Tax	42.04	2005-06	Additional Commissioner of Commercial & Sales Tax of West Bengal
West Bengal Sales Tax Act, 1994	Commercial Tax	82.52	2006-07	The West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Sales Tax Act, 1994	Commercial Tax	3.92	2008-09	The West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Sales Tax Act, 1994	Commercial Tax	14.60	2010-11	The West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Sales Tax Act, 1994	Commercial Tax	101.06	2011-12	Additional Commissioner, Commercial Taxes, W.B. & Member of Appellate Forum – 01
Central Excise Act, 1944	Duty of Excise	821.46	2004 -05 to 2006 - 07	Custom Excise and Service Tax Appellate Tribunal, Mumbai.
Central Excise Act, 1944	Duty of Excise	541.22	2004 -05 to 2006 - 07	Custom Excise and Service Tax Appellate Tribunal, Delhi.
Central Excise Act, 1944	Service Tax	301.23	2004-05 to 2011-12	The Commissioner of Service Tax. New Delhi
Central Excise Act, 1944	Service Tax	180.58	2011-12	The Commissioner of Service Tax. New Delhi
Maharashtra Value Added Tax Act, 2002	Value Added Tax	146.01	2004-05	The Joint Commissioner of Sales Tax
	TOTAL	2,234.64		

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) In our opinion, the Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of paragraph 3 (x) of CARO are not applicable to the Company.
- (xi) According to the information and explanations given to us, the Company has not availed any term loan during the year. Therefore, the provisions of paragraph 3 (xi) of CARO are not applicable to the Company.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Registration No.117366W/W-100018)
Mohammed Bengali
Partner
(Membership No. 105828)

MUMBAI, April 27, 2015

TAJ SATS AIR CATERING LIMITED

Balance Sheet as at March 31, 2015

	Notes	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,740.00	1,740.00
Reserves and Surplus	4	19,893.40	18,980.11
		<u>21,633.40</u>	<u>20,720.11</u>
Non-current liabilities			
Deferred Tax Liabilities (Net)	5	2,701.95	2,696.73
Other long term Liabilities	6	-	7.67
Long term provisions	7	354.69	233.31
		<u>3,056.64</u>	<u>2,937.71</u>
Current liabilities			
Short-term borrowings	8	161.53	439.71
Trade payables	9	3,611.56	3,006.82
Other current liabilities	10	1,251.37	1,097.05
Short-term provisions	11	859.02	735.60
		<u>5,883.48</u>	<u>5,279.18</u>
		<u>30,573.52</u>	<u>28,937.00</u>
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		9,291.52	9,709.90
Intangible assets		7,911.65	7,396.76
Capital work-in-progress		133.84	12.68
Intangible assets under development		-	189.79
		<u>17,337.01</u>	<u>17,309.13</u>
Non-current investments	13	-	0.50
Long-term loans and advances	14	2,640.63	3,454.16
		<u>19,977.64</u>	<u>20,763.79</u>
Current assets			
Current investments	15	2,524.76	-
Inventories	16	428.31	328.33
Trade receivables	17	6,845.83	6,375.24
Cash and bank balances	18	339.22	1,220.34
Short-term loans and advances	19	451.74	243.69
Other current assets	20	6.02	5.61
		<u>10,595.88</u>	<u>8,173.21</u>
		<u>30,573.52</u>	<u>28,937.00</u>
See the accompanying notes forming part of the financial statements	1-39		

In terms of our report attached.

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Registration No.117366W/W-100018)

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Prabhat Pani
Executive Director
DIN :01215627

Anil P. Goel
Director
DIN :00050690

Mohammed Bengali
Partner
(Membership No. 105828)
Mumbai, April 27, 2015

Sudeep Pal
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2015

	Notes	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Revenue from operations (gross)	21	25,845.18	24,267.26
Less. Excise Duty		87.47	89.17
Revenue from operations (net)		25,757.71	24,178.09
Other Income	22	938.47	331.89
Total Revenue		26,696.18	24,509.98
Expenses			
Food & beverages consumed	23	8,366.33	7,721.11
Employee benefits expense	24	9,797.06	9,436.96
Finance costs	25	19.33	10.87
Depreciation and amortisation	12	1,083.75	1,249.75
Other operating and general expenses	26	6,700.92	6,286.67
Total expenses		25,967.39	24,705.36
Profit /(Loss) Before Exceptional Items and Tax		728.79	(195.38)
Exceptional Items	27	-	(488.31)
Profit /(Loss) Before Tax		728.79	(683.69)
Tax expense / (benefit)			
(a) Current tax expenses		124.05	-
(b) MAT credit		(124.05)	-
(c) Short / (Excess) provision for tax relating to prior years		(189.72)	(2,008.06)
(d) Net current tax expense / (credit)		(189.72)	(2,008.06)
(e) Deferred tax expense / (credit)	5	5.22	2,355.21
Net tax expense / (credit)		(184.50)	347.15
Profit / (Loss) for the year		913.29	(1,030.84)
Earnings per share -			
Basic and Diluted - (₹)	37	5.25	(5.92)
Face Value per Ordinary share - (₹)		10.00	10.00
See the accompanying notes forming part of the financial statements	1-39		

In terms of our report attached.

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**
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Mumbai, April 27, 2015

Sudeep Pal
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2015

	Notes	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before tax		728.79	(683.69)
Adjustments for :			
Depreciation and amortisation expenses		1,083.75	1,249.75
Loss/(Profit) on sale / disposal of fixed assets (net)		13.18	(18.95)
Liabilities / provisions no longer required written back		(320.22)	(132.82)
Provision for doubtful debts / advances		19.66	47.67
Provision for Employee Benefits		244.78	(36.08)
Provision for slow / non moving items written back		-	0.61
Dividend income from current investments		(124.26)	(14.18)
Interest income		(483.76)	(22.78)
Interest expense		19.33	10.87
Operating Profit before Working Capital changes		1,181.25	400.40
<i>(Increase) / Decrease in :</i>			
Trade receivables		(490.25)	434.58
Long term loans & advances		15.45	(55.30)
Short term loans & advances		(208.46)	159.00
Inventories		(99.99)	(51.27)
<i>(Decrease) / Increase in :</i>			
Trade payables		604.72	(216.83)
Other current liabilities		365.70	(123.35)
Other long term liabilities		(7.67)	(17.71)
		179.50	129.12
Cash Generated from Operations		1,360.75	529.52
Direct taxes paid (net)		974.07	(319.96)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)		2,334.82	209.56
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of fixed assets (including advances for capital expenditure)		(1,056.38)	(554.85)
Proceeds on sale/disposal of fixed assets		54.17	53.67
Purchase of current investments in Mutual funds		(3,424.26)	(500.00)
Sale proceed of current investments in Mutual funds		900.00	500.00
Restricted bank balances paid		-	-
Restricted bank balances matured		(3.87)	34.69
Dividend received		124.26	14.18
Interest received		483.76	23.41
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)		(2,922.32)	(428.89)

Cash Flow Statement for the year ended March 31, 2015

	Notes	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Long term loan repaid			-
Short term loans availed / (repaid) (net)		(278.17)	438.58
Interest paid		(19.33)	(10.87)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)		(297.50)	427.71
 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		 (884.99)	 208.38
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		 1,167.57	 959.20
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		282.58	1,167.57
 Reconciliation of Cash and Cash Equivalents with the Balance Sheet			
Cash and bank balances as per Note 18		339.22	1,220.34
Less:- Restricted bank balances		<u>56.64</u>	<u>52.77</u>
Cash and cash equivalents at the end of the year		<u>282.58</u>	<u>1,167.57</u>

See the accompanying notes forming part of the financial statements 1-39

In terms of our report attached.

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Registration No.117366W/W-100018)

Mehernosh Kapadia
Vice Chairman
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Director
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Mohammed Bengali
Partner
(Membership No. 105828)
Mumbai, April 27, 2015

Sudeep Pal
Chief Financial Officer

Notes forming part of the Financial Statements

Note: 1 Corporate Background:

Taj SATS Air Catering Limited (the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is jointly promoted by The Indian Hotels Company Ltd. ("IHCL") and SATS Ltd. The Company provides in-flight catering services, institutional catering of food and beverages and other allied services to airlines and various other institutions, corporate houses, hospitals, cafeterias, etc. The Company has manufacturing/production facilities at various locations including Mumbai, Delhi, Kolkata, Bangalore, Amritsar and Goa.

Note: 2 Significant Accounting Policies:

a) Basis of preparation:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 (the 2013 Act) / Companies Act, 1956 (the 1956 Act), as applicable.

Assets and liabilities have been classified as Current or Non-Current on the basis of the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 Act. Current assets do not include elements which are not expected to be realised within 1 year and current liabilities do not include items which are due after 1 year.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialise.

c) Tangible Fixed Assets:

Tangible fixed assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits/ functional capability from / of the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other / General Expenses", as the case may be, in the Statement of Profit and Loss in the year of disposal or retirement.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Equipment – 15 to 20 years

Furniture and Fixtures - 15 years

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Data processing equipment - 6 years

Vehicles (Hi Loaders) – 16 Years

All Tangible Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

In respect of Leasehold land, depreciation is provided from the date, the land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of improvements to buildings, depreciation is provided based on estimated useful life.

Depreciation methods and useful lives are reviewed at each financial year end and adjusted if appropriate.

d) Intangible Assets:

Intangible assets, comprising software licenses are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Any expenses on software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits / functioning capabilities from / of the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year-end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The capitalised cost of SAP software (including licenses) is amortised over 10 years from the date of capitalization (10 years remaining as on Balance Sheet date) on a straight-line basis considering its estimated useful life and the cost of other software licenses is amortised over 6 years from the date of capitalization (3 to 4 years remaining as on Balance Sheet date) on a straight-line basis considering its estimated useful life.

Business rights which represent the rights to construct, manage and operate flight catering kitchen in accordance with the agreement entered with airport authority, are stated at cost of acquisition, less accumulated amortisation. The cost of business rights is amortised over the period of 15 years (8 years remaining as on Balance Sheet date) during which period the benefits are expected to accrue to the Company as per agreement.

Goodwill represents the difference between the purchase consideration and the fair market value of assets and liabilities acquired on formation of the Company. The Company reviews goodwill for impairment whenever any change in the business circumstances is indicated. The carrying amount in such situations is appropriately adjusted to reflect the realisable value of such assets.

All Intangible Assets costing less than ₹ 5,000 are fully amortised in the year of acquisition.

e) Capital Work-in-Progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

f) Impairment of assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

g) Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Cost of investments includes acquisition charges such as brokerage, fees and duties.

h) Inventories:

Inventories of food & beverages and maintenance stores are valued at the lower of cost and net realisable value. Costs which are determined using the continuous weighted average method, include purchase price and non-refundable taxes. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

i) Revenue Recognition:

Revenue comprises in-flight catering and institutional catering of food and beverages and other allied services rendered to airlines and other institutions.

Revenue from sale of food and beverages is recognised, net of trade discounts, deductions and cost reimbursements, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of food and beverages to airlines and other customers. Sales include excise duty but exclude sales tax and value added tax.

Revenue from allied services and fees for operations management is recognised when services are rendered.

Revenue is recognised provided no significant uncertainty as to its determination or realisation exists.

Other Income -

Dividend income is accounted when the right to receive the same is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

j) Employee Benefits:

(i) Short term

Short term employee benefits include salaries and performance incentives. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or informal obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(ii) Long term

The Company offers its employees long term benefits by way of defined-contribution and defined-benefit plans, some of which have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined-benefit plans

Expenses for defined-benefit gratuity plan and "top-up" superannuation plan (unfunded plan for certain grade employees) are calculated as at the balance sheet date by an independent actuary in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. The fair values of the plan assets with respect to gratuity plan are deducted in determining the net liability. When the fair value of plan assets exceed the commitments computed as aforesaid, the recognised asset is limited to the net total of any cumulative past service costs and the present value of any economic benefits available in the form of any refunds from the plan or reductions in future contributions to the plan.

Actuarial losses or gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iii) Other employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

Where there are restrictions on availment of such accrued benefit or where the availment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

k) Current and deferred tax:

Tax expense for the period, comprising current tax, adjustment attributable to earlier periods and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustments to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Deferred tax is recognised for all the timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such losses and are reviewed for appropriateness of their respective carrying values at each Balance Sheet date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current and deferred taxes relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

l) Lease:

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Company's Balance Sheet. Lease expenses on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

m) Export Benefits Entitlement:

Benefits arising out of duty credit scrips utilised for the acquisition of assets are being adjusted against the cost of the related assets.

n) Borrowing costs:

Borrowing costs attributable to the acquisition of a qualifying asset, as defined in Accounting Standard 16 – Borrowing costs are capitalised as part of cost of acquisition. Other borrowing costs are charged to the statement of Profit and Loss over the tenure of the loan.

o) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

p) Cash & cash equivalents (for the purpose of Cash Flow Statement):

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits and short term deposits with banks with an original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

q) Foreign Currency transactions:

Transactions in foreign currency are recorded at the rates of exchange prevailing at the time of occurrence of the transactions. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expenses, as the case may be.

Monetary items denominated in foreign currency as at the reporting date are stated at the rates of exchange prevailing at the reporting date and the resultant gain / loss is adjusted in the Statement of Profit and Loss.

r) Provisions and contingent liabilities:

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

s) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 3 : Share capital

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Authorised		
Equity Shares		
2,50,00,000 equity shares of ₹ 10/- each with voting rights	2,500.00	2,500.00
Issued		
1,74,00,000 (Previous Year - 1,74,00,000) equity shares of ₹ 10 /- each with voting rights	1,740.00	1,740.00
Subscribed and fully paid up		
1,74,00,000 (previous year - 1,74,00,000) equity shares of ₹ 10 /- each fully paid up with voting rights	1,740.00	1,740.00

Footnotes:
(a) Reconciliation of number of equity shares

	As at March 31, 2015		As at March 31, 2014	
Particulars	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Balance at the beginning of the year	1,74,00,000	1,740	1,74,00,000	1,740
Add : Shares issued during the year	-	-	-	-
Balance at the end of the year	1,74,00,000	1,740	1,74,00,000	1,740

(b) Rights, preferences and restrictions attaching to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholder in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(c) Shares held by Holding Company

	As at March 31, 2015		As at March 31, 2014	
Particulars	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Indian Hotels Company Ltd. ("IHCL") (includes 3 (as at March 31, 2014 - 3) equity shares held by IHCL as beneficiary owner)	88,74,000	887.40	88,74,000	887.40

Out of the above, 76,00,000 and 12,24,000 equity shares of ₹ 10 each fully paid up have been allotted to the holding company for consideration other than cash during the financial year ended March 31, 2002 and March 31, 2003 respectively.

(d) Details of shares held by other shareholder holding more than 5% of the aggregate equity shares in the Company

	As at March 31, 2015		As at March 31, 2014	
Name of Shareholder	No. of shares	% of Holding	No. of shares	% of Holding
SATS Ltd. (includes 2 (as at March 31, 2014 - 2) equity shares held by SATS Ltd. as beneficiary owner)	85,26,000	49.00	85,26,000	49.00

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 4 : Reserves and Surplus

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Securities Premium Account		
Balance as at the beginning and end of the year (A)	10,388.23	10,388.23
General Reserve		
Balance as at the beginning and end of the year (B)	1,559.95	1,559.95
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	7,031.93	8,062.77
Add : Net Profit/(Loss) for the year	913.29	(1,030.84)
Closing balance as at the end of the year (C)	7,945.22	7,031.93
Total (A+B+C)	19,893.40	18,980.11

Note 5 : Deferred Tax Liabilities

Deferred Tax Liability (net) comprises of the following :

Particulars	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Deferred tax liability:		
Depreciation on tangible fixed assets and amortisation on intangible assets.	3,121.68	3,091.99
Total (A)	3,121.68	3,091.99
Deferred tax assets:		
Provision for doubtful debts and advances	57.31	50.93
Provision for employee benefits	354.71	336.62
Other timing differences	7.71	7.71
Total (B)	419.73	395.26
Net Deferred Tax Liability (A-B)	2,701.95	2,696.73

Deferred tax asset and deferred tax liability have been offset as they relate to same governing taxation laws.

Note 6 : Other Long Term Liabilities

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Compensation against Voluntary Retirement Scheme	-	7.67
Total	-	7.67

Footnote:

Compensation against Voluntary Retirement Scheme is payable to employees, who had opted for voluntary separation under the Scheme in monthly instalments over a period of 15 years from the date of such separations. Out of the outstanding dues of ₹ 7.54 lakhs (March 31, 2014 ₹ 25.32 lakhs), current maturities is aggregating to ₹ 7.54 lakhs (March 31, 2014 ₹ 17.65 lakhs) have been disclosed under Other Current Liabilities (Note No. 10)

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 7 : Long Term Provisions

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Gratuity	316.81	193.27
Superannuation	37.88	40.04
Total	354.69	233.31

Note 8 : Short Term Borrowings

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Loans repayable on demand		
From banks		
Secured -Working capital loans (Refer footnote below)	1.76	0.24
Unsecured	159.78	439.47
Total	161.53	439.71

Footnote:

Working Capital loan represents cash credit facility secured by mortgage of land and building at Mumbai and Goa and hypothecation of goods and assets.

Note 9 : Trade payables

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Trade payables		
Dues to micro and small enterprises (Refer footnote 1)	17.46	19.33
Dues to others (Refer footnote 2)	3,594.10	2,987.49
Total	3,611.56	3,006.82

Footnotes:

- The amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act") has been determined to the extent such parties have been identified on the basis of information available with the Company.

The disclosures pursuant to the MSMED Act are as under:

Particulars	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
(a) Principal amount due to supplier, registered under the MSMED Act, as at the end of the year	17.46	19.33
(b) Interest due thereon remaining unpaid as at the end of the year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	-	-
2. Included in Trade Payables (Dues to others) are Accrued Payroll ₹ 898.53 lakhs (March 31, 2014 ₹ 937.03 lakhs) and Accrued Expenses ₹ 557.11 lakhs (March 31, 2014 ₹ 597.82 lakhs)		

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 10 : Other current liabilities

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Other Liabilities		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	345.12	286.04
(ii) Advances from customers	266.56	349.13
(iii) Creditors for capital goods and services	108.86	-
(iv) Trade / security deposits received	49.43	46.38
(v) Airport Authority of India (AAI) Levy	409.63	224.42
(vi) Others (includes Inter company balances towards reimbursement of expenses)	71.77	191.08
Total	1,251.37	1,097.05

Note 11 : Short Term Provisions

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Provision for employee benefits		
Compensated Absences	844.14	735.60
Superannuation	14.88	-
Total	859.02	735.60

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 12 : Fixed Assets

₹ in lakhs

	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Opening as at 01.04.2014	Additions	Disposals	Closing as at 31.03.2015	Upto 31.03.2014	for the Year	on Disposals	Upto 31.03.2015	
TANGIBLE ASSETS									
Land - (See foot note 4 below)-									
- Freehold	350.89	-	-	350.89	-	-	-	-	350.89
	350.89	-	-	350.89	-	-	-	-	350.89
- Leasehold	158.02	-	-	158.02	24.30	3.16	-	27.46	130.55
	158.02	-	-	158.02	21.17	3.13	-	24.30	133.72
Buildings (own use)									
- On Leasehold land	3,501.90	10.11	2.27	3,509.74	1,618.55	200.88	1.12	1,818.31	1,691.43
	3,496.98	4.92	-	3,501.90	1,407.51	211.04	-	1,618.55	1,883.35
- On Freehold land	3,860.92	3.47	-	3,864.39	1,426.77	114.95	-	1,541.72	2,322.67
	3,829.93	30.99	-	3,860.92	1,297.70	129.07	-	1,426.77	2,434.15
Plant and Equipment	10,110.82	159.66	129.16	10,141.32	6,341.79	604.98	64.87	6,881.90	3,259.42
	9,967.55	241.13	97.86	10,110.82	5,833.05	598.78	90.04	6,341.79	3,769.03
Data processing equipment	286.47	29.71	3.79	312.39	226.45	20.77	3.79	243.43	68.96
	280.07	28.79	22.39	286.47	213.61	20.21	7.37	226.45	60.02
Furniture and Fixtures	368.20	10.90	3.92	375.18	246.21	14.79	3.21	257.79	117.39
	383.00	15.00	22.57	375.43	236.88	23.96	12.23	248.61	126.82
Office equipment	54.11	2.96	1.26	55.81	30.75	2.15	0.56	32.34	23.47
	42.19	5.91	1.22	46.88	26.68	2.41	0.74	28.35	18.53
Vehicles	2,852.51	491.40	87.20	3,256.71	1,919.12	97.63	86.77	1,929.98	1,326.73
	2,790.08	143.99	81.56	2,852.51	1,758.88	241.60	81.36	1,919.12	933.39
	21,543.84	708.21	227.60	22,024.45	11,833.94	1,059.31	160.32	12,732.93	9,291.52
	21,298.71	470.73	225.60	21,543.84	10,795.48	1,230.20	191.74	11,833.94	9,709.90
INTANGIBLE ASSETS									
Goodwill (See foot note 2 below)	7,347.91	-	-	7,347.91	-	-	-	-	7,347.91
	7,347.91	-	-	7,347.91	-	-	-	-	7,347.91
Computer Software Licenses	114.06	539.33	-	653.39	92.41	21.46	-	113.87	539.52
	116.26	0.36	2.56	114.06	77.54	16.57	1.70	92.41	21.65
Business Rights	44.90	-	-	44.90	17.70	2.98	-	20.68	24.22
	44.90	-	-	44.90	14.72	2.98	-	17.70	27.20
	7,506.87	539.33	-	8,046.20	110.11	24.44	-	134.55	7,911.65
	7,509.07	0.36	2.56	7,506.87	92.26	19.55	1.70	110.11	7,396.76
Total	29,050.71	1,247.54	227.60	30,070.65	11,944.05	1,083.75	160.32	12,867.48	17,203.17
	28,807.78	471.09	228.16	29,050.71	10,887.74	1,249.75	193.44	11,944.05	17,106.66
	-	-	-	-	-	-	-	-	-

Footnotes :

- (1) The Air Catering business was acquired on a slump sale basis from IHCL and its Affiliates on October 1, 2001. As a result, the fixed assets were recorded as per the values assigned by the independent valuers.
- (2) Goodwill recorded at the time of acquisition of the Air Catering business represents excess over the recorded value of the net assets acquired.
- (3) Figures in italics are in respect of the previous year.
- (4) Opening gross block and opening accumulated depreciation as at April 1, 2011 have been regrouped based on the classification of the current period.
- (5) In accordance with the Business Transfer Agreement entered with IHCL, the land located at Mumbai is to be conveyed in favour of the Company. However, the same is pending completion of certain legal formalities.
- (6) The Company has reassessed the useful lives of its tangible fixed assets on and from April 1, 2014, and based on a technical evaluation, revised the useful lives to match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets, other than plant and equipment, data processing equipment, furniture and fixtures and vehicles (Hi Loaders). Management believes that the revised useful lives of the assets reflect the periods over which these assets are to be used. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted the charge of ₹ 53.30 lakhs in the current year charge of depreciation in the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 191.45 lakhs consequent to the change in the useful life of the assets.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 13 : Non-Current Investments

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Non Trade Investments (At cost)		
Unquoted -		
Investments in Government Securities		
Government Securities - 6 Year National Savings Certificates	-	0.50
(Deposited as security with Kerala VAT Authority) Cost of ₹ 0.50 lakhs		
(Refer footnote)		
Total	-	0.50

Footnote:

- The above investments are "Long term investments" as defined in the Accounting Standard (AS) 13 - Accounting for Investment.

Note 14 : Long Term Loans and Advances

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
Capital Advances	23.27	37.00
Security Deposits : Considered Good	359.96	372.70
: Considered Doubtful	1.16	1.16
Less : Provision for doubtful advances	(1.16)	(1.16)
	359.96	372.70
Advance Income Tax (Net of Provision ₹ 2,008.25 lakhs) (March 31, 2014 ₹ 4,426.80 lakhs)	2,115.14	3,023.54
MAT credit Entitlement	124.05	-
Fringe Benefit Tax (Net of Provision ₹ 94.13 lakhs) (March 31, 2014 ₹ 94.13 lakhs)	4.68	4.68
Prepaid Expenses	13.53	16.24
Total	2,640.63	3,454.16

Note 15 : Current Investments

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Non Trade Investments (lower of Cost and Fair value)		
Units (Unquoted) Fully Paid up		
TATA Liquid Fund Plan A - Daily Dividend - 75,236.144 units (March 31, 2014 Nil) of face value ₹ 1000.	838.52	-
TATA Money Market Fund Plan A - Daily Dividend - 83,498.668 units (March 31, 2014 Nil) of face value ₹ 1000.	836.25	-
BSL Floating rate Fund - STP - Daily Dividend - Reinvestment - 4,29,523.621 units (March 31, 2014 Nil) of face value ₹ 100.	429.61	-
BSL Cash Plus - Daily Dividend - Regular Plan - Reinvestment - 4,19,059.244 units (March 31, 2014 Nil) of face value ₹ 100.	419.88	-
Investments in Government Securities		
Government Securities - 6 Year National Savings Certificates		
(Deposited as security with Kerala VAT Authority) Cost of ₹ 0.50 lakhs	0.50	-
Total	2,524.76	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 16 : Inventories

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Food and beverages	234.60	164.90
Stores and operating supplies	193.71	163.43
Total	428.31	328.33

Inventories are valued at the lower of cost and net realizable value. Costs are determined using the weighted average method and includes purchase price and non-refundable taxes.

Note 17 : Trade Receivables

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment :		
Considered good	268.31	168.99
Considered doubtful	170.91	151.25
	439.22	320.24
Others :		
Considered good	6,577.52	6,206.25
	6,577.52	6,206.25
	7,016.74	6,526.49
Less : Provision for Doubtful Debts	(170.91)	(151.25)
Total	6,845.83	6,375.24

Note 18 : Cash and bank balances

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Cash and Cash equivalents as defined in Accounting Standard (AS-3) on Cash Flow Statements		
Cash on Hand	13.03	10.09
Cheques, drafts on hands	202.14	988.64
Bank Balances:		
- Current Accounts	67.41	33.84
- Call and Short Term Deposit Accounts (with original maturity upto 3 months)	-	135.00
	282.58	1,167.57
Other Balances with Banks :		
Call and Short Term Deposit Accounts with original maturity period of more than 3 months {includes deposits with remaining maturity of more than 12 months from the balance sheet date of ₹ 29.93 lakhs (As at March 31, 2014 : ₹ 19.54 lakhs)}	56.64	52.77
The Deposits include ₹ 42.47 lakhs (As at March 31, 2014: ₹ 38.60 lakhs) placed with various banks for issuance of bank guarantees and ₹ 14.17 lakhs (As at March 31, 2014: ₹ 14.17 lakhs) pledged with the Airport Authority of India.		
	56.64	52.77
Total	339.22	1,220.34

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 19 : Short Term Loans and Advances

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
Prepaid Expenses	114.68	103.01
Deposit with public bodies and others	12.66	10.84
Other advances		
Considered good	324.40	129.84
Considered doubtful	4.57	4.57
	328.97	134.41
Less: Provision for doubtful advances	(4.57)	(4.57)
	324.40	129.84
Total	451.74	243.69

Note 20 : Other current assets

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Interest accrued on bank deposits	6.02	5.61
Total	6.02	5.61

Note 21 : Revenue from Operations

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Sale of food and beverages	20,764.06	19,570.80
Sale of air catering and allied services	4,946.77	4,531.89
Other operating income		
- Sale of Empties & Others	134.35	164.57
Total	25,845.18	24,267.26

Note 22 : Other Income

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Interest Income (includes ₹ 469.89 lakhs (Previous Year ₹ 141.56 lakhs) towards interest on income tax refund)	483.76	164.34
Dividend income from current investments	124.26	14.18
Profit on sale of fixed assets	10.22	20.19
Gain on foreign currency transactions (net)	-	0.36
Miscellaneous Income (includes provisions/liabilities written back for earlier years)	320.23	132.82
Total	938.47	331.89

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 23 : Food & Beverages Consumed

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Opening stock	164.90	153.54
Add: Purchases	8,436.03	7,732.47
Less: Closing stock	234.60	164.90
Food & Beverages consumed	8,366.33	7,721.11

Particulars	March 31, 2015	%	March 31, 2014	₹ in lakhs	%
Imported	-	0.00%	-		0.00%
Indigenous Raw Material Consumed	8,366.33	100.00%	7,721.11		100.00%
Total	8,366.33	100.00%	7,721.11		100.00%

Note 24 : Employee Benefits Expenses

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Salaries, Wages, Bonus etc.	5,776.28	5,859.22
Company's contribution to provident and other funds (Refer footnote i.)	388.56	300.35
Reimbursement of expenses on personnel deputed to the Company	188.86	171.61
Payment to contractors	2,302.39	1,961.48
Gratuity & other Retirement benefits	138.01	193.27
Compensated Absences	148.93	72.10
Staff welfare expenses	854.03	878.93
Total	9,797.06	9,436.96

- i. The Company has recognised the following amounts under the head "Company's Contribution to Provident Fund and Other Funds":

Particulars	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Provident Fund	172.30	206.29
Company's Contribution to Family Pension Scheme	129.56	91.86
Employee Deposit Linked Insurance	5.15	3.45
Superannuation Fund	81.55	(1.25)
Total	388.56	300.35

- ii. Consequent to the acquisition of the Air Catering business from IHCL and its affiliates, the employees attached to the respective Air Catering Divisions of IHCL were transferred to the Company. Since a formal approval to establish the Provident Fund trust is still awaited from the PF commissioner, the Fund continues to be administered by IHCL.

Note 25 : Finance Costs

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Interest expense - on working capital loan and Inter Corporate Deposit	19.33	10.87
Total	19.33	10.87

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 26 : Operating and General Expenses

i. Operating Expenses consists of the following :

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Catering Supplies	983.88	798.97
Other Supplies	263.09	235.42
Fuel, Power & Light	2,574.65	2,436.66
Repairs to Buildings	125.67	107.32
Repairs to Machinery	205.66	238.08
Repairs to Others	382.87	323.05
Linen & Uniform Washing and Laundry Expenses	163.65	142.87
Commission to agents	81.67	49.24
Other Operating Expenses	412.93	385.76
Total	5,194.07	4,717.38

ii. General Expenses consists of the following :

	March 31, 2015	March 31, 2014
	₹ in lakhs	₹ in lakhs
Rent	218.18	187.44
Licence Fees	29.37	72.29
Rates & Taxes	305.12	374.80
Insurance	89.54	89.71
Advertising & Publicity	5.65	3.72
Printing & Stationery	70.71	65.58
Passage & Travelling	72.10	77.31
Provision for Doubtful debts and advances	19.66	47.67
Bad Debts	-	756.39
Provision for Doubtful debts and advances w/back (net)	-	(756.39)
Professional Fees	471.62	369.16
Donation	-	-
Loss on Sale of Fixed Assets (Net)	19.98	0.71
Fixed Assets written off	3.42	1.24
Payment to Auditors :		
i. As Auditors	20.22	20.22
ii. As Tax Auditors	6.18	6.18
iii. For Taxation matters	-	-
iv. For Management Services	-	-
v. For Other Services	22.19	23.53
vi. For Reimbursement of expenses	0.56	0.56
vii. Miscellaneous Expenses	152.35	229.17
Total	1,506.85	1,569.29
Total	6,700.92	6,286.67

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 27 : Exceptional Items

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Advances written off (consist of Bid Security Deposit)	-	(160.96)
Voluntary Retirement Scheme Expenditure	-	(327.35)
Total	-	(488.31)

Note 28 : Contingent Liabilities:

The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate.

Tax contingencies

Amounts in respect of claimed asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of tax	Amounts claimed		Total	₹ in lakhs
	Taxes	Interest and penalty		Paid under protest
Service tax	463.31 (282.73)	- -	463.31 (282.73)	- -
Excise Duty	681.34 (681.34)	681.34 (681.34)	1,362.68 (1,362.68)	- -
Sales tax and State value added taxes	263.11 (352.42)	131.98 (185.24)	395.09 (537.66)	4.94 (4.94)
Profession Tax	3.92 (3.92)	1.67 (1.67)	5.59 (5.59)	1.60 (1.60)

Figures in brackets relate to the previous year

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of these matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

Others

- The license fees for permission for water pipeline over the land belonging to International Airport Private Limited has been enhanced by ₹ 9.17 lakhs (As at March 31, 2014: ₹ 9.17 lakhs) during the financial year 2008-09 which has been contested by the Company.
- Management is generally unable to reasonably estimate a range of possible loss for proceedings related to labour disputes, including where:
 - plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
 - the proceedings are in early stages;
 - there is uncertainty as to the outcome of pending appeals or motions or negotiations;

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

- iv) there are significant factual issues to be resolved; and/or
- v) there are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

Note 29. Commitments:

Estimated amount of contracts (net of advances) remaining to be executed on capital account ₹ 211.47 lakhs (As at March 31, 2014: ₹ 179.28 lakhs).

Note 30. Operating Leases:

The Company has no lease arrangements (other than lease agreements to use lands) which are non cancellable in nature.

Note 31. Value of imports on CIF Basis:

	March 31, 2015	March 31, 2014
Raw Materials	Nil	Nil
Capital Goods	60.84	126.50
Components & spare parts	14.80	46.31

Note 32. Earnings in Foreign Exchange :

	March 31, 2015	March 31, 2014
Earnings in Foreign Exchange: (On accrual basis)	7,429.86	8,015.03

Earnings in foreign exchange represent amounts received/receivable by the Company from International Airlines, charters, diplomatic missions etc. in Indian Rupees out of their repatriable funds and include settlements made in foreign currency by the customers.

Note 33. Expenditure in Foreign Currency:

	March 31, 2015	March 31, 2014
Passage and Travelling	6.33	3.86

Note 34. The Company operates in one business segment, which is Airline and Allied Catering and on geographical segment i.e. within India. Hence, no segment wise information is required to be disclosed as per AS-17 on "Segment Reporting" as notified under The Companies (Accounting Standards) Rules, 2006.

Note 35. Employee Benefits

A) Defined Benefit Plans- As per Actuarial Valuation on 31st March, 2015

- Details of Employees Superannuation Scheme (Un-funded) - The Company has for employees above certain grade, a non-funded defined benefit scheme. The Company accounts for such liability based on an independent actuarial valuation, using the projected unit credit method carried out annually as at the Balance Sheet date, which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight-line basis over the average period until the amended benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

i. Amount to be recognised in Balance Sheet and Movement in net liability :

Particulars	March 31, 2015	March 31, 2014
Present Value of Unfunded Obligation	52.76	40.04

₹ in lakhs

ii. Expenses recognised in the Statement of Profit and Loss :

Particulars	March 31, 2015	March 31, 2014
Current Service Cost	2.39	3.40
Interest on Defined Benefit Obligation	3.90	4.61
Net Actuarial Losses/(Gains) recognised during the year	6.43	(38.34)
Net expenses/(income) included in employee benefit expenses	12.72	(30.32)

₹ in lakhs

iii. Reconciliation of Benefit Obligation :

Particulars	March 31, 2015	March 31, 2014
Opening Defined Benefit Obligation	40.04	70.36
Current Service Cost	2.39	3.40
Interest Cost	3.90	4.61
Actuarial (Gain)/Loss	6.43	(38.34)
Benefits Paid	-	-
Closing Defined Benefit Obligation	52.76	40.04

₹ in lakhs

iv. Experience Adjustments :

	31 Mar 15	31 Mar 14	31 Mar 13	31 Mar 12	31 Mar 11
Defined Benefit Obligation	52.76	40.04	70.36	64.00	41.51
Deficit	(52.76)	(40.04)	(70.36)	(64.00)	(41.51)
Experience adjustment on Plan Liabilities	(1.39)	(34.29)	(8.55)	22.12	3.39

₹ in lakhs

v. Summary of Actuarial Assumptions :

Particulars	March 31, 2015 (%)	March 31, 2014 (%)
Discount Rate	7.95	9.20
Salary Escalation Rate	5	5
Attrition Rate Age (Years):		
21-44 Years	2	2
45 & Above	1	1
Mortality in service	Published rates under the Indian Assured Lives Mortality (2006-08) Ult table	
Mortality in retirement	UK published PA (90) annuity rates down by 4 years	
Retirement Age	Varies between 58 to 60	Varies between 55 to 60

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

2. Details of Gratuity Plans are as follows

The Company has a funded scheme and is investing the Gratuity liability into a Gratuity Trust, which is being managed by Tata AIA Life Insurance Company Limited. The Company accounts for gratuity benefit liability based on an independent actuarial valuation, using the projected unit credit method carried out annually as at the Balance Sheet date, which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight-line basis over the average period until the amended benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense.

i. Amount to be recognised in Balance Sheet and Movement in net liability :

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Present Value of Funded Obligation	2,691.14	2,391.18
Fair value of Plan Assets	(2,374.33)	(2,197.91)
Net (Asset)/Liability recognised in the Balance Sheet	316.81	193.27

ii. Expenses recognised in the Statement of Profit and Loss :

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Current Service Cost	121.14	127.12
Interest on Defined Benefit Obligation	213.86	187.98
Expected Return on Plan Assets	(154.51)	(155.34)
Net Actuarial Losses/(Gains) recognised during the year	(42.48)	33.51
Net expenses included in payments to and provision of employees	138.01	193.27

iii. Reconciliation of Benefit Obligation :

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Opening Defined Benefit Obligation	2,391.18	2,391.75
Current Service Cost	121.14	127.12
Interest Cost	213.86	187.98
Actuarial (Gain) / Loss	188.11	(8.00)
Liability transferred in	-	9.83
Benefits Paid	(223.15)	(317.50)
Closing Defined Benefit Obligation	2,691.14	2,391.18

iv. Reconciliation of Fair Value of Plan Assets :

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Opening Fair Value of Plan Assets	2,197.91	2,150.55
Expected Return on Plan Assets	154.51	155.34
Actuarial Gain / (Loss)	230.59	(41.51)
Contributions by Employer	14.47	241.20
Assets transferred in	-	9.83
Benefits Paid	(223.15)	(317.50)
Closing Fair Value of Plan Assets	2,374.33	2,197.91

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

v. Actual Return of Plan Assets :

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Expected Return on plan assets	154.51	155.34
Actuarial gain / (loss) on plan assets	230.59	(41.51)
Actual return on plan assets	385.10	113.83

vi. Description of Plan Assets (Managed by an Insurance Company) :

	March 31, 2015 (%)	March 31, 2014 (%)
Government of India Securities	47	39
Corporate / Infrastructure Bonds	32	28
Equity	14	13
Others	7	20
Grand Total	100	100

vii. Experience Adjustments :

	Year Ended					₹ in lakhs
	31 Mar 15	31 Mar 14	31 Mar 13	31 Mar 12	31 Mar 11	
Defined Benefit Obligation	2,691.14	2,391.18	2,391.75	2,014.27	1,970.53	
Plan Assets	2,374.33	2,197.91	2,150.55	1,872.78	1,917.58	
(Deficit) / Surplus	(316.81)	(193.27)	(241.20)	(141.49)	(52.95)	
Experience Adjustment on Plan Liabilities	(47.59)	199.33	52.04	1.73	115.94	
Experience Adjustment on Plan Assets	230.59	(41.51)	65.25	(22.52)	30.75	

viii. Summary of Actuarial Assumptions :

	March 31, 2015 (%)	March 31, 2014 (%)
Discount Rate	7.95	9.20
Expected Rate of Return on Assets	7.50	7.50
Salary Escalation Rate	5	5
Attrition Rate Age (Years):		
21-44 Years	2	2
45 & Above	1	1
Mortality	Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.	
Retirement age	Varies between 58 to 60	Varies between 55 to 60

The estimates of future salary increase considered in actuarial valuation after taking into account of inflation, seniority, promotion and other relevant factors.

Expected rate of return on plan assets is taken on the basis of the average long term rate of return expected on investments of the Gratuity Fund during the estimated term of the obligation.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

ix. Expected Contribution :

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Contribution expected to be paid to the plan during the next financial year	100.00	100.00

- B) Provident Fund – Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund set up through a trust by the Holding Company or to the provident and family pension funds under the scheme set up under the Provident fund and Miscellaneous Provisions Act, by the Central Government which are managed through Regional Provident Fund Commissioners. The Company is generally liable for any shortfall in the fund assets based on the government specified minimum rates of return on the provident fund balances managed by the trust set up by the Holding Company and recognises such shortfall, if any, as an expense, in the year incurred.

Superannuation Fund - The Company makes annual contribution to a fund administered by trustees based on eligibility of each employee.

The Company has recognised the following amounts in the Statement of Profit and Loss under Company's contribution to Provident Fund and other funds:

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Provident Fund	172.30	206.29
Company's contribution to Family Pension Scheme	129.56	91.86
Employee Deposit Linked Insurance	5.15	3.45
Superannuation Fund	81.55	(1.25)
Total	388.56	300.35

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 36. Related Party Transactions:

List of Related Parties

Holding Company	The Indian Hotels Company Limited (IHCL)
Fellow Subsidiaries (with whom transactions have taken place during the year)	United Hotels Limited (UHL) Roots Corporation Ltd. Taj Trade & Transport Ltd.
Entity having substantial interest	SATS Ltd.
Key Management Personnel	Mr. Prabhat Pani (Executive Director)

Transactions with Related Parties:

a. Holding Company – IHCL

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Purchase of Goods	2.46	Nil
Sale of Services	30.32	15.89
Purchase of Services	229.40	276.15
Sale of Goods	94.93	121.11
Purchase of Fixed Assets	25.05	Nil
Sale of Fixed Assets	27.51	Nil
Balance Payable	23.55	20.35

b. Fellow Subsidiaries

Particulars	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Sale of Services	5.07	12.45
Purchase of Services	1.76	10.14
Sale of Goods	1.34	0.61
Purchase of Fixed Assets	36.21	Nil
Balance (Receivable)/Payable	1.72	3.63

Transactions included in (b) above which are in excess of 10% of the total related party transactions of the same type are given below:

	Taj Trade & Transport Ltd.	Roots Corporation Ltd.	United Hotels Ltd.
Sale of services	5.07	Nil	Nil
	4.72	Nil	7.73
Purchase of Services	Nil	0.95	0.81
	Nil	8.76	1.04
Sale of Goods	Nil	Nil	1.34
	Nil	Nil	Nil
Purchase of Fixed Assets	Nil	36.21	Nil
	Nil	Nil	Nil

Figures in italics relate to the previous year.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

c. Entity having substantial interest– SATS Ltd.

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Balance (Receivable) / Payable	2.95	13.14

d. Key Managerial Personnel

Particulars

	March 31, 2015 ₹ in lakhs	March 31, 2014 ₹ in lakhs
Managerial Remuneration to Mr. Prabhat Pani	104.22	98.31

Note: 37 Earnings Per Share:

	March 31, 2015	March 31, 2014
Profit after tax / (Loss) as per Statement of profit and Loss (₹ in lakhs)	913.29	(1,030.84)
Weighted Average No. of Equity Shares	1,74,00,000	1,74,00,000
Basic and Diluted Earnings Per Share (EPS) (₹) (Face Value per share ₹ 10/-)	5.25	(5.92)

Note: 38 The Company did not have any long term contracts including derivative contracts as at 31st March 2015 for which there were any material foreseeable losses.

Note: 39 The Company has regrouped / reclassified the previous year figures to conform to the current year's presentation.

For and behalf of the Board of Directors

Mehernosh Kapadia
Vice Chairman
(DIN: 00050530)

Prabhat Pani
Executive Director
(DIN: 01215627)

Anil P. Goel
Director
(DIN: 00050690)

Sudeep Pal
Chief Financial Officer

Mumbai, April 27, 2015

DIRECTORS AND CORPORATE INFORMATION

TAJ ENTERPRISES LIMITED

Board of Directors

Mr. P.K. Bhatia

Mr. S Chakravarty

Mr. Ashok Binani

Auditors

M/s Sahni Natarajan & Bahl

Chartered Accountants

New Delhi

Banker

Central Bank of India

Registered Office

Taj Palace Hotel

Sardar Patel Marg

New Delhi

Board's Report

TO THE MEMBERS

Your Directors hereby present the Thirty Sixth Annual Report of the Company, together with the Audited Statements of Account for the year ended 31st March, 2015.

Financial Results

The operations of the Company for the period under report reflect a profit of ₹ 51,24,204 /- (previous year Profit ₹ 39,98,772/-). An amount of ₹ 2,61,44,869/- inclusive of ₹ 2,10,20,665/- brought forward from earlier years has been transferred to the Balance Sheet.

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

No material changes and commitments have occurred between the end of the financial year to which these financial statements relate and the date of this Report, which affect the financial position of the Company.

HOLDING COMPANY

The Indian Hotels Company Limited is the Ultimate Holding Company.

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

The Company has no activity relating to conservation of energy or technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

RISK MANAGEMENT

The operations of the Company are at a very small scale which are constantly reviewed and monitored from the risk management perspective.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system, commensurate with the size and scale of its operations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

The Company has not given any guarantees nor made any investments under Section 186 of the Act during the year under review. The particulars of Inter-Corporate Loans/Short Term Inter Corporate Deposits made by the Company are furnished in Note No. 9 of the Notes to Accounts.

BORROWINGS

The Company does not have any borrowings.

DIRECTORS

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. P.K. Bhatia, Director of the Company, retires by rotation and being eligible, seek re-election.

BOARD MEETINGS

The Company had convened 4 (four) Board Meetings during the financial year under report.

AUDITORS

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

M/s. Sahni Natarajan & Bahl, Chartered Accountants have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT 9 pursuant to Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules 2014, is annexed herewith.

STAFF

The Company does not have any employee drawing salary in terms of the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board wishes to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) & 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, hereby confirms that, for the financial year ended March 31, 2015:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that period;
- (iii) the Directors had 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;
- (iv) it has prepared the annual accounts on a going concern basis; and
- (v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items:

- 1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
- 2. The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility, Vigil Mechanism, are not applicable to the Company.
- 3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

for and on behalf of the Board of Directors

Place : New Delhi
Dated : 27th April, 2015

Regd. Office :
Taj Palace Hotel
Sardar Patel Marg
New Delhi 110 021
CIN: U55101DL1979PLC009746

P K Bhatia
Director
(DIN: 00080285)

S Chakravarty
Director
(DIN:05250602)

Annexure to Board's Report
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
(As on financial year ended on 31.03.2015)

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	U55101DL1979PLC009746
2. Registration Date	18/07/1979
3. Name of the Company	Taj Enterprises Limited
4. Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5. Address of the Registered office & contact details	Taj Palace Hotel Sardar Patel Marg, New Delhi – 110 021
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Nil Transfer Agent, if any.	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
--------	--	---------------------------------	------------------------------------

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	The Indian Hotels Company Limited, Mandlik House, Mandlik Road, Mumbai - 400 001	L74999MH1902PLC000183	Ultimate Holding	93.19% (together with Subsidiaries)	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	Nil	46,596	46,596	93.19	Nil	46,596	46,596	93.19	Nil
e) Banks / FI									
f) Any other									
Sub-total (A)(1):-	Nil	46,596	46,596	93.19	Nil	46,596	46,596	93.19	Nil
(2) Foreign									
a) NRIs- Individuals									
b) Other-Individuals									
c) Bodies Corporate									
d) Banks/FI									
e) Any Other									
Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

TAJ ENTERPRISES LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	Nil	46,596	46,596	93.19	Nil	46,596	46,596	93.19	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	3,404	3,404	6.81	Nil	3,404	3,404	6.81	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	Nil	3,404	3,404	6.81	Nil	3,404	3,404	6.81	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	50,000	50,000	100	Nil	50,000	50,000	100	Nil

(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	7,000	14.00	Nil	7,000	14.00	Nil	Nil
2	Tifco Holdings Limited	15,298	30.60	Nil	15,298	30.60	Nil	Nil
3	Piem Hotels Limited	10,548	21.10	Nil	10,548	21.10	Nil	Nil
4	Inditravel Limited	12,450	24.90	Nil	12,450	24.90	Nil	Nil
5	Taida Trading and Industries Limited	1,300	2.60	Nil	1,300	2.60	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	46,596	93.19	46,596	93.19
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	46,596	93.19	46,596	93.19

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jagat Singh				
	At the beginning of the year	3,000	6.00	3,000	6.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	3,000	6.00	3,000	6.00
2	Dev Raj Jt. With Lalitya Kumari				
	At the beginning of the year	100	0.20	100	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	100	0.20	100	0.20

TAJ ENTERPRISES LIMITED

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Jai Singh				
	At the beginning of the year	100	0.20	100	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	100	0.20	100	0.20
4	Maharaj Dev Raj				
	At the beginning of the year	99	0.20	99	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	99	0.20	99	0.20
5	Rajkumari Lalitya				
	At the beginning of the year	99	0.20	99	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	99	0.20	99	0.20
6	Pratap Singh				
	At the beginning of the year	2	0.00	2	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	2	0.00	2	0.00
7	Hari Singh				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00
8	Sumer Singh				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00
9	K.C Tholia				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00
10	Ram Chandra				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2014-15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. **Remuneration to Managing Director, Whole-time Directors and / or Manager:** The Company is a Board managed Company and does not have any Managing Director, Whole time Directors and / or Manager

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: NOT APPLICABLE

VII. **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** There were no penalties/ public punishments/ compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other Officers in default, if any, during the year

for and on behalf of the Board of Directors

Place : New Delhi
Dated : 27th April, 2015

Regd. Office :
Taj Palace Hotel
Sardar Patel Marg
New Delhi 110 021
CIN: U55101DL1979PLC009746

P K Bhatia
Director
(DIN: 00080285)

S Chakravarty
Director
(DIN:05250602)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAJ ENTERPRISES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of TAJ ENTERPRISES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) 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.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

(Sudhir Chhabra)
Partner
Membership No. 083762

Place: New Delhi
Date: 27 April, 2015

ANNEXURE TO THE AUDITOR'S REPORT

(This is the annexure referred to in Para 1 of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

1. In respect of the fixed assets:
 - a. The Company has maintained proper records showing the full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
2. In our opinion and according to the information and explanations given to us, the Company does not have any inventory. Accordingly the provisions of clause 3(ii) of the Order are not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. The Company's activities did not involve purchase of inventory and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as defined under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
6. As explained to us, maintenance of the cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. In respect of the statutory and other dues:
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts accrued in the books of account in respect of undisputed statutory dues including Income Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, disputed demand for Income Tax which have not been deposited with relevant authorities given as under:-

S. No.	Name of Statute	Nature of Dues	Amount due (net of deposit)(₹) *	Year to which amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Tax and penalties	-	1996-97	Income Tax Appellate Tribunal

*Total amount deposited in respect of above mentioned demand is Rs 19,63,153/- which is appearing under the head 'Short Term Loans and Advances'.

- c. Investor Education and Protection Fund:

According to the information and explanations given to us, there were no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

8. In our opinion and according to the information and explanations given to us, the Company does not have any accumulated losses and has not incurred cash losses either during the current financial year or in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not borrowed either from financial institution/banks or by way of debentures during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.
11. In our opinion and according to the information and explanations given to us, no term loans were availed by the Company. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

(Sudhir Chhabra)
Partner
Membership No. 083762

Place: New Delhi
Date : 27 April, 2015

TAJ ENTERPRISES LIMITED

Balance Sheet as at March 31, 2015

	Note No.	March 31, 2015 ₹	March 31, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	50,00,000	50,00,000
Reserves and Surplus	3	2,61,44,869	2,10,20,665
Current Liabilities			
Other Current Liabilities	4	1,01,865	1,11,000
TOTAL		3,12,46,734	2,61,31,665
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	5	18,21,227	18,45,304
Non Current Investments	6	7,20,000	7,20,000
Long Term Loans and Advances	7	1,74,161	5,52,957
Current Assets			
Cash and Bank Balances	8	2,00,74,139	1,53,28,245
Short Term Loans and Advances	9	80,01,753	70,00,949
Other Current Assets	10	4,55,454	6,84,210
TOTAL		3,12,46,734	2,61,31,665
Significant Accounting Policies	1		
The accompanying Notes form an integral part of the Financial Statements			

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: 27 April, 2015

For and on behalf of the Board

Subhrangsu Chakravarty
(DIN:05250602) Director

PK Bhatia
(DIN: 00080285) Director

Profit and Loss Statement for year the year ended March 31, 2015

	Note No.	March 31, 2015 ₹	March 31, 2014 ₹
Income			
Other Income	11	64,88,938	54,16,757
Total Revenue		64,88,938	54,16,757
Expenses			
Depreciation	5	24,077	8,076
Other Expenses	12	6,68,549	7,61,205
Total Expenses		6,92,626	7,69,281
Profit Before Tax		57,96,312	46,47,476
Tax Expense			
Current Tax		6,70,202	5,59,549
Mat Credit Entitlement		-	(9,13,169)
Taxes for Earlier Years		1,906	10,02,324
Profit After Tax		51,24,204	39,98,772
Significant Accounting Policies	1		
Earning Per Share:			
Basic & Diluted		102.48	79.98
(On face value of equity share of ₹ 100 each)			

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: 27 April, 2015

For and on behalf of the Board

Subhrangsu Chakravarty
(DIN:05250602) Director

PK Bhatia
(DIN: 00080285) Director

Cash Flow for the year ended March 31, 2015

	March 31, 2015 ₹	March 31, 2014 ₹
A. Cash Flow from Operating Activities		
Net Profit Before Tax	57,96,312	46,47,476
Adjustment for:		
Depreciation	24,077	8,076
Dividend Income	(43,20,000)	(36,00,000)
Interest Income	(21,68,938)	(18,16,757)
Finance Cost	-	-
Operating Profit before Working Capital Changes (1)	(6,68,549)	(7,61,205)
(Increase)/Decrease in Trade and Other Receivables	-	-
Increase/(Decrease) in Trade and Other Payables	(9,135)	10,539
Changes in Working Capital (2)	(9,135)	10,539
Cash generated/(used in) Operations (1+2)	(6,77,684)	(7,50,666)
Direct Tax Paid	(2,94,117)	(12,39,457)
Net Cash Flow from/(used in) Operating Activities (A)	(9,71,801)	(19,90,123)
B. Cash Flow from Investing Activities		
Interest Received	23,97,695	13,32,535
Fixed Deposit made	(49,19,970)	(37,84,321)
Dividend Received	43,20,000	36,00,000
Inter Corporate Deposits Made	(10,00,000)	10,00,000
Net Cash Flow from/(used in) Investing Activities (B)	7,97,725	21,48,214
C. Cash Flow from Financing Activities		
Interest Paid	-	-
Net Cash Flow from/(used in) Financing Activities (C)	-	-
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(1,74,076)	1,58,091
Cash & Cash Equivalents as at the beginning of the year	2,55,772	97,681
Cash & Cash Equivalents as at the end of the year (Refer Note No. 8)	81,696	2,55,772

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statement".
2. The previous year figures have been regrouped / rearranged wherever considered necessary.
3. Figures in bracket represents cash outflow.

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: 27 April, 2015

For and on behalf of the Board

Subhrangsu Chakravarty
(DIN:05250602) Director

PK Bhatia
(DIN: 00080285) Director

Notes to Financial Statements for year ended March 31, 2015

Note : 1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention, in accordance with the requirements of the applicable Accounting Standards and provisions of the Companies Act, 2013, as adopted consistently by the Company. All income & expenditure having a material bearing on the financial statement is accounted for on accrual basis and provision is made for all known losses and liabilities.

b) Revenue Recognition

Dividend income is recognized as and when the owner's right to receive payment is established.

Interest income is recognized on a time proportion basis taken into account the amount outstanding and the rate applicable.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Adjustments arising from exchange rate variations relating to borrowing attributable to the fixed assets are charged to revenue.

Depreciation is provided on the basis of written down value method as per their useful life as prescribed in Schedule II of the Companies Act, 2013.

d) Income Tax

Current tax is the tax payable for the period determined in accordance with the provisions of Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, provision is made when the said liabilities are accepted by the Company.

In accordance with Accounting Standard 22- 'Accounting for Taxes on income', the deferred tax for timing difference between the book and tax profit for the year is accounted for using the tax rate and the tax laws that have been enacted or substantiated as of the Balance Sheet date.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred Tax Assets are recognized only to the extent there is a reasonable certainty of realization in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets.

e) Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

f) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources required to settle the obligation in the respect of which a reliable estimate can be made.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, but their existence or otherwise would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, is neither recognized nor disclosed in the financial statements.

g) Investments

Investments are classified into long-term and current investments. Long-term investments are stated at cost, and provision for diminution in value if any, is made as per the opinion of management, if such decline is other than temporary. Current investments are stated at lower of cost or fair value.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)**Note 2 : SHARE CAPITAL**

	March 31, 2015	March 31, 2014
	₹	₹
Authorised Capital		
1,00,000 (previous year 1,00,000) equity shares of ₹ 100 each	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, Subscribed & Fully Paid Up Capital		
50,000 (previous year 50,000) equity shares of ₹ 100 each, fully paid up	50,00,000	50,00,000
TOTAL	<u>50,00,000</u>	<u>50,00,000</u>

Rights and Restrictions of Share:

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 100/-. Each holder of equity shares is entitled to one vote per share. In the event of Liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

a) Details of shareholders holding more than 5 percent shares of the total number of shares

Name of the Shareholders	March 31, 2015		March 31, 2014	
	No. of Shares	%	No. of Shares	%
The Indian Hotels Company Limited	7,000	14.0%	7,000	14.0%
TIFCO Holdings Limited	15,298	30.6%	15,298	30.6%
Piem Hotels Limited	10,548	21.1%	10,548	21.1%
Inditravel Limited	12,450	24.9%	12,450	24.9%
Mr. Jagat Singh	3,000	6.0%	3,000	6.0%

b) Shares held by the Holding Company and by Subsidiaries of the Holding Company

	March 31, 2015	March 31, 2014
	No. of Shares	No. of Shares
The Indian Hotels Company Limited (Holding Company)	7,000	7,000
TIFCO Holdings Limited (Fellow Subsidiary Company)	15,298	15,298
Piem Hotels Limited (Fellow Subsidiary Company)	10,548	10,548
Inditravel Limited (Fellow Subsidiary Company)	12,450	12,450
TOTAL	<u>45,296</u>	<u>45,296</u>

c) Reconciliation of Issued, Subscribed and Fully Paid up Share Capital

	March 31, 2015	March 31, 2014
	No. of Shares	No. of Shares
Number of Equity Shares at the beginning of the year	50,000	50,000
Number of Equity Shares at the end of the year	50,000	50,000

Note 3 : RESERVES AND SURPLUS

	March 31, 2015	March 31, 2014
	₹	₹
Statement of Profit and Loss		
Balance brought forward from previous year	2,10,20,665	1,70,21,893
Add:- Profit for the year	51,24,204	39,98,772
TOTAL	<u>2,61,44,869</u>	<u>2,10,20,665</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 4 : OTHER CURRENT LIABILITIES

	March 31, 2015	March 31, 2014
	₹	₹
Other Payables		
Auditors' Remuneration Payable	39,330	22,476
Professional Fee Payable	22,476	22,472
Security Expense Payable	40,059	66,052
TOTAL	1,01,865	1,11,000

NOTE 5 : FIXED ASSETS

Particulars	Gross Block			Depreciation				Net Block		
	As at 01.4.14	Additions During the Year	Deletions During the Year	As at 31.03.15	As at 01.4.14	For the Year	On Deletions	As at 31.03.15	As at 31.03.15	As at 31.03.14
Land (Freehold)	16,91,916	-	-	16,91,916	-	-	-	-	16,91,916	16,91,916
Building	3,10,372	-	-	3,10,372	1,56,984	24,077	-	1,81,061	1,29,311	1,53,388
Total	20,02,288	-	-	20,02,288	1,56,984	24,077	-	1,81,061	18,21,227	18,45,304
Previous year figures	20,02,288	-	-	20,02,288	1,48,908	8,076	-	1,56,984	18,45,304	18,53,380

Note 6 : NON-CURRENT INVESTMENTS

	March 31, 2015	March 31, 2014
	₹	₹
Long Term Trade Investments (at cost)		
Investment in Equity Instruments		
Unquoted		
Inditravel Limited (Fellow Subsidiary Company)	7,20,000	7,20,000
72,000 (previous year 72,000) equity shares of ₹ 10/- each fully paid up		
TOTAL	7,20,000	7,20,000

Note 7 : LONG TERM LOANS AND ADVANCES

	March 31, 2015	March 31, 2014
	₹	₹
Other Advances		
(Unsecured and considered Doubtful)		
Private Club Consultants	10,00,000	10,00,000
Less: Provision for doubtful advances	10,00,000	10,00,000
	-	-
MAT Credit Entitlement	1,74,161	5,52,957
TOTAL	1,74,161	5,52,957

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 8 : CASH AND BANK BALANCES

	March 31, 2015	March 31, 2014
	₹	₹
(a) Cash and Cash Equivalents		
- Balances with Banks		
- In Current Account	81,696	2,55,772
(b) Other Bank Deposits		
- Fixed Deposit having maturity period more than 3 months but less than 12 months	1,99,92,443	1,50,72,473
TOTAL	2,00,74,139	1,53,28,245

Note 9 : SHORT TERM LOANS AND ADVANCES

	March 31, 2015	March 31, 2014
	₹	₹
Other Advances (Unsecured and considered good)		
Taj Air Limited	60,00,000	50,00,000
Deposit-Appeals	19,63,153	19,63,153
	79,63,153	69,63,153
Income Tax Refundable	38,600	37,796
TOTAL	80,01,753	70,00,949

Note 10 : OTHER CURRENT ASSETS

	March 31, 2015	March 31, 2014
	₹	₹
Interest Accrued on Deposits	4,55,454	6,84,210
TOTAL	4,55,454	6,84,210

Note 11 : OTHER INCOME

	March 31, 2015	March 31, 2014
	₹	₹
Interest		
- Inter Corporate Deposits	5,81,356	6,05,257
- Fixed Deposits with Banks	15,87,582	12,11,500
Dividend		
- Long Term Trade Investments	43,20,000	36,00,000
TOTAL	64,88,938	54,16,757

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 12 : OTHER EXPENSES

	March 31, 2015	March 31, 2014
	₹	₹
Security Services	5,65,081	6,59,172
Bank Charges	1,685	1,113
Travelling & Conveyance	-	1,444
Auditors' Remuneration		
a) Statutory Audit	22,468	22,476
b) Tax Matters	33,708	16,854
Electrical Charges	536	1,921
Electrical Repairs	-	1,550
Printing & Stationery	3,607	2,701
Legal & Professional	36,464	50,954
Filing Fee	5,000	3,020
TOTAL	6,68,549	7,61,205

Note 13 :

The accounts have been prepared on the basis that the Company will continue as a going concern despite the fact that the Company has not been into operations for the last fifteen years.

Note 14 :

Pursuant to the Companies Act, 2013 ("the Act") being effective from 1st April, 2014, the Company has revised depreciation rates on certain fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act or as per the management's estimate based on internal evaluation. There is no material impact on the depreciation charge for the year ended 31st March, 2015.

Note 15 :

In respect of Income Tax Assessment Year 1997-98 for which the assessment was done in favour of the Company, the Income Tax Department had re-opened the case in 2002-03 and raised a demand for ₹ 28,51,479/- u/s 147/143(3) of the Income Tax Act, 1961 (the Act) including interest of ₹ 8,88,326 u/s 220 of the Act and interest of ₹ 9,70,179/- u/s 234B. An appeal was preferred with the CIT (Appeals) challenging the assessment and CIT (Appeals) vide his order dated 30/08/04 had partly allowed the appeal and granted relief on charging of interest of ₹ 8,88,326/- u/s 220. However, they had directed the Company to pay balance amount of demand amounting to ₹ 19,63,153/- which the Company paid in full and the same is reflected as deposit under 'Short Term Loans and Advances' in the Balance Sheet. The Company had gone into further appeal before the Income Tax Appellate Tribunal (the ITAT).

The Department, in March 2006, levied penalty of ₹ 9,92,974/- relating to assessment year 1997-98 u/s 271(1)(c) of the Act. The Company filed an appeal against the same before the Commissioner of Income Tax (Appeals). The CIT (Appeals) vide his order dated 09/10/2007 dismissed the appeal and confirmed penalty of ₹ 9,92,974/-. The Company had gone into appeals before the ITAT.

The ITAT vide its order dated 5th August, 2008 set aside both the demands of ₹ 28,51,479/- u/s 147/148 of the Act (including interest of ₹ 8,88,326/- u/s 220 and interest of ₹ 9,70,179/- u/s 234B) and penalty of ₹ 9,92,974/- u/s 271 (1) (c) of the Act and restored the matter to Assessing Officer to start with fresh proceedings.

The Assessing Officer assessed the case afresh and ruled against the Company vide his order u/s 254/143(3)/147 of the Act dated 08/10/2009 and raised further demand u/s 156 dated 07/10/2009, of ₹ "Nil", (after adjusting the demand already paid ₹ 19,63,153/-). The Company filed an appeal before CIT (Appeals) challenging the fresh assessment order, which was decided by the CIT in favour of the Revenue and demand, was confirmed. The Company preferred an appeal in the ITAT against the order of the CIT (Appeals). The case has not been heard in the ITAT till date.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 16 : Contingent Liabilities

Claims against the Company, not acknowledged as debt:

	March 31, 2015	March 31, 2014
	₹	₹
Income Tax, Assessment year 1997-98	19,63,153	19,63,153
(Amount Paid ₹ 19,63,153 as detailed in 15 above)		

Note 17 :

As the Company is not carrying any operations, there are no reportable segments, as required by AS- 17 'Segment Reporting'.

Note 18 :

The Company does not have any employee on its payroll during the period under report.

Note 19 : FOREIGN CURRENCY TRANSACTIONS

	March 31, 2015	March 31, 2014
	₹	₹
Expenditure in foreign currency for imports, royalty, know-how, professional consultation fee, interest and other matters.	NIL	NIL
Earnings in foreign currency on account of exports, Royalty, know-how, interest, dividend or otherwise.	NIL	NIL

Note 20 :

The investments of the Company have been valued at cost price and are in the nature of long-term investments.

Note 21 : EARNING PER SHARE (EPS)

		March 31, 2015	March 31, 2014
		₹	₹
Number of Ordinary Shares at the beginning of the year		50,000	50,000
Number of Ordinary Shares at the end of the year		50,000	50,000
Weighted average number of Ordinary Shares outstanding during the year	A	50,000	50,000
Nominal Value of Each Ordinary Share (₹)		100	100
Profit After Tax attributable to Equity Shareholders (₹)	B	51,24,204	39,98,772
Earning Per Share (Basic and Diluted) (₹)	B/A	102.48	79.98

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 22 : Related Party Disclosures:

- a. The names of the related parties of the Company are as under:

Holding Company

1. The Indian Hotels Company Limited

Fellow Subsidiary Company

- i. Inditravel Limited
- ii. TIFCO Holdings Limited
- iii. PIEM Hotels Limited

- b. The details of transactions with related parties are as follows:

	March 31, 2015	March 31, 2014
	₹	₹
The Indian Hotels Company Limited		
Dividend received	Nil	1,06,383
Reimbursement of expenses	15,85,445	18,08,544
Inditravel Limited		
Dividend received	43,20,000	36,00,000

Note 23 :

There was no balance due to Micro and Small Enterprises as defined under the MSMED Act, 2006. Further no interest during the year has been paid or payable under the terms of MSMED Act, 2006.

Note 24 :

Previous Year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: 27 April, 2015

For and on behalf of the Board

Subhrangsu Chakravarty
(DIN:05250602) Director

PK Bhatia
(DIN: 00080285) Director

DIRECTORS AND CORPORATE INFORMATION

**TAJ TRADE AND TRANSPORT COMPANY LIMITED
THIRTY-EIGHTH ANNUAL REPORT 2014-2015**

Board of Directors

Raymond N. Bickson
(resigned w.e.f. September 1, 2014)

Faisal Momen

Rajeev Newar

Sudhir Nagpal

Jyoti Narang
(resigned w.e.f. April 6, 2015)

Veer Vijay Singh
(resigned w.e.f. April 8, 2015)

Registered Office & Share Department

Mandlik House,

Mandlik Road,

Mumbai 400 001.

CIN : U60300MH1977PLC019952

Tel : 022 6639 5515

Fax : 022 2202 7442

Email : investorrelations@tajhotels.com

Auditors

M/s. SNB Associates

Chartered Accountants, Chennai

Bankers

HDFC Bank Limited

State Bank of India

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting the Thirty-Eighth Annual Report together with the Audited Financial Statements for the year ended March 31, 2015:

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2015 is summarized below:

Particulars	2014-15 (₹)	2013-14 (₹)
Total Income	28,19,91,479	28,06,53,594
Operating Profit/(Loss) for the year	3,08,32,710	2,82,25,926
Depreciation	(79,74,488)	(1,03,15,324)
Provision for Impairment Loss	-	(17,90,171)
Assets Written Off	-	(29,35,457)
Profit / (Loss) Before Tax	2,28,58,222	1,31,84,974
Provision for Current Tax	(55,00,000)	(53,04,536)
Provision for Deferred Tax	6,14,442	24,85,343
Minimum alternative tax credit	28,88,475	-
Excess / (Short) Provision for Taxation relating to earlier years	-	-
Profit After Tax	2,08,61,139	1,03,65,781
Balance brought forward from previous year	4,66,83,701	4,54,69,798
Profit available for appropriation	<u>6,75,44,840</u>	<u>5,58,35,579</u>

APPROPRIATIONS :

Dividend		
- Proposed Dividend	86,70,563	69,36,450
- Tax on Dividend	17,65,153	11,78,850
Transfer to General Reserve	-	10,36,578
Profit & Loss Account Balance	<u>5,71,09,124</u>	<u>4,66,83,701</u>
	<u>6,75,44,840</u>	<u>5,58,35,579</u>

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Total Income of the Company for the year was ₹ 2,820 Lakhs. Profit before Tax was ₹ 229 lakhs and Profit after Tax was ₹ 209 lakhs.

The Company has commenced Taj Khazana operations at Taj Mahal Hotel, Mumbai and due to unviable commercials it has discontinued its operations of Taj Khazana at Taj Krishna, Hyderabad, Vivanta by Taj - ITPL, Bengaluru and Vivanta by Taj - Panaji.

No material changes and commitments have occurred between the end of the Financial Year to which these financial statements relate and the date of this Report, which effect the financial position of the Company.

TAJ TRADE AND TRANSPORT COMPANY LIMITED

DIVIDEND

Taking into account the profit for the year, your Directors declared a Dividend of 25% i.e. ₹ 2.50/- per equity share (Previous Year ₹ 2/- per Equity Share on 34,68,225 Equity Shares.) The dividend payment shall be subject to approval of the Members at the ensuing Annual General Meeting.

SHARE CAPITAL

As on March 31, 2015 the issued, subscribed and paid-up share capital of your Company comprised of 34,68,225 Equity Shares of ₹ 10 each aggregating ₹ 3,46,82,250. The Company has not issued any shares during the year under review. The Company has neither bought back its shares, nor has it issued any Sweat Equity or Bonus Shares or provided Stock Option to its employees during the year under review. None of the Directors of the Company hold shares of the Company as on March 31, 2015.

BORROWINGS

The Company does not have any borrowings.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 pursuant to Section 92(3) of the Companies Act, 2013 (the Act) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure I.

DIRECTORS

During the year under review, Mr. Raymond N. Bickson, Mr. Veer Vijay Singh and Ms. Jyoti Narang resigned as Directors of the Company with effect from September 1, 2014, April 8, 2015 and April 6, 2015. The Board wishes to place on record, its appreciation of the valuable services rendered by them during their respective tenures as Directors of the Company.

In accordance with the Act and the Articles of Association of the Company, one of your Director viz. Mr. Rajeev Newar retires by rotation and is eligible for re-appointment.

Your approval for his appointment as a Director has been sought in the Notice convening the Annual General Meeting of the Company.

BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were convened and held viz. on May 5, 2014; July 17, 2014; October 17, 2014 and January 16, 2015 respectively. The intervening gap between the meetings did not exceed the period prescribed under the Act.

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

The Company takes all efforts towards conservation of energy and technology absorption. The information relating to foreign exchange earnings and outgo is furnished in Note no. 28 of notes to the Accounts.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit Team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

PARTICULARS OF EMPLOYEES

The Company does not have any employee drawing salary in terms of the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board wishes to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

WOMEN EMPOWERMENT AND ANTI SEXUAL HARASSMENT INITIATIVE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the year under review.

AUDITORS

At the Annual General Meeting, the Members will be requested to re-appoint M/s. SNB Associates, Chartered Accountants, Chennai (Firm Registration No. 015682N) as the Statutory Auditors for the financial years 2015-16 and 2016-17 to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Fortieth Annual General Meeting, subject to ratification by the Members at each Annual General Meeting and authorise the Board of Directors to fix their remuneration.

M/s. SNB Associates have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act and Rule 4 of the Companies (Audit and Auditors) Rules, 2014

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) & 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, hereby confirms that, for the financial year ended March 31, 2015:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that period;

TAJ TRADE AND TRANSPORT COMPANY LIMITED

- (iii) it has 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;
- (iv) it has prepared the annual accounts on a going concern basis; and
- (v) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
2. The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Vigil Mechanism are not applicable to the Company.
3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.
4. The Company does not have any Subsidiaries, Associates or Joint Ventures

On behalf of the Board of Directors

Faisal Momen
Director
(DIN: 00064878)

Rajeev Newar
Director
(DIN: 00468125)

Mumbai, April 29, 2015

Registered Office :

Mandlik House,
Mandlik Road,
Mumbai 400 001
Tel: 6639 5515
Fax: 2202 7442

CIN : U60300MH1977PLC019952

Annexure 1
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN:	U60300MH1977PLC019952
ii) Registration Date:	02/11/1977
iii) Name of the Company:	Taj Trade and Transport Company Limited
iv) Category / Sub-Category of the Company:	Indian Non- Government Company Limited by Shares
v) Address of the registered office and contact details:	Mandlik House, Mandlik Road.Colaba, Mumbai- 400001
vi) Whether listed company:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Khazana Shops	477	54%
2	Beauty Salons	9602	43%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. No	Name and Address of The company	CIN/GLN	Holding/subsidiary/ associate	% of shares Held along with subsidiaries	Applicable section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai- 400 001	L74999MH1902PLC000183	Ultimate Holding Company	89.51	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	32,04,763	32,04,763	92.40	-	32,04,763	32,04,763	92.40	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	32,04,763	32,04,763	92.40	-	32,04,763	32,04,763	92.40	-

TAJ TRADE AND TRANSPORT COMPANY LIMITED

(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter/ Promoter Group (A)=(A)(1)+(A)(2)	-	32,04,763	32,04,763	92.40	-	32,04,763	32,04,763	92.40	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	12,499	12,499	0.36	-	12,499	12,499	0.36	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	2,50,963	2,50,963	7.24	-	2,50,963	2,50,963	7.24	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	2,63,462	2,63,462	7.60	-	2,63,462	2,63,462	7.60	-
Total Public Shareholding (B)=(B) (1)+(B)(2)	-	2,63,462	2,63,462	7.60	-	2,63,462	2,63,462	7.60	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	34,68,225	34,68,225	100	-	34,68,225	34,68,225	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	12,54,000	36.16	-	12,54,000	36.16	-	-
2	TIFCO Holdings Limited	3,62,999	10.47	-	3,62,999	10.47	-	-
3	Piem Hotels Limited	8,86,500	25.56	-	8,86,500	25.56	-	-
4	Northern India Hotels Limited	49,998	1.44	-	49,998	1.44	-	-
5	Inditravel Limited	5,50,766	15.88	-	5,50,766	15.88	-	-
6	Oriental Hotels Limited	1,00,500	2.90	-	1,00,500	2.90	-	-
TOTAL		32,04,763	92.40	-	32,04,763	92.40	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	32,04,763	92.40	32,04,763	92.40
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Changes			
	At the End of the year	32,04,763	92.40	32,04,763	92.40

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Indra Kumar Bagri	10,867	0.31	10,867	0.31
2	D Shriya Reddy	9,375	0.27	9,375	0.27
3	D Divya Reddy	9,375	0.27	9,375	0.27
4	Phiroze Dinshaw Lam jointly Mrs. Khursheed Lam	7,502	0.22	7,502	0.22
5	Phiroze D. Lam jointly Mrs. Khursheed Lam	7,500	0.22	7,500	0.22
6	B. Arvind Kumar	6,750	0.19	6,750	0.19

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Keith Michael Louis jointly Mrs. C. M. Louis	6,000	0.17	6,000	0.17
8	Arvind Suri	4,999	0.14	4,999	0.14
9	Khushroo Sarosh Dastur jointly Ms. Prabha Dastur	3,750	0.11	3,750	0.11
10	Lakshmi Mehta jointly Ms. Ranjana Mehta	3,600	0.10	3,600	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors hold shares of the Company and the Company does not have any Key Managerial Personnel			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):				
	At the End of the year				

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL as the Company is debt free			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount
1)	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Not applicable as the Company has no Managing Director, Whole-time Directors and/or Manager	
2)	Stock Option		
3)	Sweat Equity		
4)	Commission - as % of profit - others, specify...		
5)	Others, please specify		
	Total (A)		

B. Remuneration to other directors:
Independent Directors & Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount
1)	Fee for attending board / committee meetings	Not Applicable as the Company does not pay any remuneration to the Non-Executive Directors	
2)	Commission		
3)	Other, please specify		
	Total (B)		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTM

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel	Total
1)	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Not Applicable as the Company does not have any Key Managerial Personnel	
2)	Stock Option		
3)	Sweat Equity		
4)	Commission - as % of profit - others, specify...		
5)	Others, please Specify		
	Total (C)		

TAJ TRADE AND TRANSPORT COMPANY LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty / Punishment /Compounding)			NIL		
B. DIRECTORS (Penalty / Punishment /Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment / Compounding)					

On behalf of the Board of Directors

Faisal Momen
Director
(DIN: 00064878)

Rajeev Newar
Director
(DIN: 00468125)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAJ TRADE AND TRANSPORT COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of TAJ TRADE AND TRANSPORT COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2015 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) 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.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company .

For SNB ASSOCIATES
Chartered Accountants

(S. LAKSHMANAN)
Partner

Membership No.20045
Firm Registration No. 015682N

Place : Mumbai

Date : April 29, 2015

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 3 of our Report of even date)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. During the year the Company had physically verified the assets once and the material discrepancies had been suitably dealt with in the accounts. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are 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 the book records have been adequately provided for in the books of accounts.
3. a. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) and (b) of the clause (iii) of paragraph 3 of the said order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.
7. a. The Company is regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax , customs duty, excise duty were outstanding, as at March 31, 2015 for a period of more than six months from the date they became payable.
- b. According to the records of the Company, except for disputed sales tax liability (Kolkata) amounting to ₹ 5,37,108/- for the year, 1994-95 year pending before West Bengal Appellate Authority, zLease Tax liability of ₹ 35,42,060/- (on account of demand raised by Maharashtra Sales Tax Authorities) for the years 1998-1999 to 2000-01, pending before Sales Tax Appellate Tribunal (Mumbai) , and income tax liability of ₹ 11,07,750/- for AY 2012-13 pending before Commissioner of Income Tax (Appeals), Mumbai there are no dues of sales tax, income-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- c. According to the records of the Company, there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act , 1956 (1 of 1956) and rules made there under.
8. The Company does not have accumulated losses. The Company has not incurred cash loss during the year covered by our audit nor in the immediately preceding financial year.

TAJ TRADE AND TRANSPORT COMPANY LIMITED

9. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders and accordingly paragraph 3(ix) of the said Order relating to default to such parties is not applicable.
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions and accordingly paragraph 3(x) of the said Order is not applicable.
11. According to the information and explanations given to us, the company has not raised any term loans and therefore paragraph 3(xi) of the said Order relating to application of term loan for the purpose for which it was obtained is not applicable.
12. According to the information and explanations given to us , no material fraud on or by the company has been noticed or reported during the course of our audit.

For SNB ASSOCIATES
Chartered Accountants

(S. LAKSHMANAN)
Partner

Membership No.20045
Firm Registration No. 015682N

Place : Mumbai

Date : April 29, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Notes	March 31, 2015 ₹	March 31, 2014 ₹
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	2	3,46,82,250	3,46,82,250
(b) Reserves and surplus	3	13,49,18,397	12,44,92,974
		<u>16,96,00,647</u>	<u>15,91,75,224</u>
2) Non-current liabilities			
(a) Long-term provisions	4	15,66,942	9,84,548
		<u>15,66,942</u>	<u>9,84,548</u>
3) Current liabilities			
(a) Trade payables	5	7,52,74,060	10,34,41,435
(b) Other current liabilities	6	2,27,07,638	2,22,36,048
(c) Short-term provisions	7	1,28,46,327	99,39,974
		<u>11,08,28,025</u>	<u>13,56,17,457</u>
TOTAL		<u><u>28,19,95,614</u></u>	<u><u>29,57,77,229</u></u>
II. ASSETS			
1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		3,44,51,584	3,76,08,077
(ii) Intangible assets		7,70,814	8,80,629
		<u>3,52,22,398</u>	<u>3,84,88,706</u>
(b) Non-current investments	9	1,94,44,221	1,94,44,223
(c) Deferred tax assets (net)		1,27,60,628	1,21,46,186
(d) Long-term loans and advances	10	1,77,06,445	1,84,55,989
(e) Other non-current assets	11	20,40,570	19,79,177
		<u>8,71,74,262</u>	<u>9,05,14,281</u>
2) Current assets			
(a) Current investments	12	5,34,17,773	5,02,32,461
(b) Inventories	13	8,49,67,118	10,44,60,151
(c) Trade receivables	14	68,29,665	52,69,627
(d) Cash and bank balances	15	4,13,82,999	3,55,36,051
(e) Short-term loans and advances	16	82,23,797	97,64,658
		<u>19,48,21,352</u>	<u>20,52,62,948</u>
TOTAL		<u><u>28,19,95,614</u></u>	<u><u>29,57,77,229</u></u>
Notes Forming Part of the Financial Statements	1-35		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

S. Lakshmanan
Partner
Membership No. 20045
Firm's Registration No. 015682N

Place : Mumbai
Date : April 29, 2015

For and on behalf of the Board

Faisal Momen
DIN:00064878

Rajeev Newar
DIN:00468125

} Directors

TAJ TRADE AND TRANSPORT COMPANY LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Notes	March 31, 2015 ₹	March 31, 2014 ₹
IV INCOME :			
I. Revenue from operations	17	26,90,38,218	26,30,82,370
II. Other income	18	1,29,53,261	1,75,71,224
III. Total Revenue (I + II)		28,19,91,479	28,06,53,594
V EXPENSES :	19		
Material Purchased		8,33,24,315	9,81,92,202
Changes in Inventories		1,82,36,868	69,14,493
Employee Benefits Expenses		8,24,24,265	7,77,20,642
Finance Costs		16,116	7,98,011
Depreciation and amortization expense		79,74,488	1,03,15,324
Provision for Impairment on Assets		-	17,90,171
Other expenses		6,71,57,205	7,17,37,777
Total Expenses		25,91,33,257	26,74,68,620
VI PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (IV-V)		2,28,58,222	1,31,84,974
VII Exceptional Item		-	-
VIII Profit / (Loss) before extraordinary items and tax (VI + VII)		2,28,58,222	1,31,84,974
IX Extraordinary Items Income / (Expenses)		-	-
X Profit / (Loss) before tax (VIII- IX)		2,28,58,222	1,31,84,974
XI Tax expense:			
(1) Current tax		55,00,000	53,04,536
(2) MAT Credit utilised		(28,88,475)	-
(3) Deferred tax		(6,14,442)	(24,85,343)
Total Taxes		19,97,083	28,19,193
XII Profit / (Loss) for the year from continuing operations (X-XI)		2,08,61,139	1,03,65,781
XIII Profit / (Loss) for the year (X-XI)		2,08,61,139	1,03,65,781
XIV Earnings per equity share:			
Basic & Diluted		6.01	2.99
Notes Forming Part of the Financial Statements	1-35		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

S. Lakshmanan
Partner
Membership No. 20045
Firm's Registration No. 015682N

Place : Mumbai
Date : April 29, 2015

For and on behalf of the Board

Faisal Momen
DIN:00064878

Rajeev Newar
DIN:00468125

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Notes	March 31, 2015	March 31, 2014
	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	2,28,58,222	1,31,84,974
Adjustments For:		
Depreciation/amortisation	79,74,488	1,03,15,324
Provision for impairment loss	-	17,90,171
Loss/(Profit) on sale of Fixed Assets	(6,164)	(1,05,007)
Assets written off	-	29,35,457
Dividend Income	(84,21,623)	(47,48,762)
Interest (Net)	(25,49,215)	(56,14,254)
Provision for devaluation of stock	12,56,166	14,54,583
Provision for Employee Benefits	11,68,331	17,31,090
	(5,78,017)	77,58,602
CASH FLOW FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES	2,22,80,205	2,09,43,576
Adjustments for:		
Decrease / (Increase) in Trade receivables	(15,60,038)	29,38,038
Decrease / (Increase) in Inventories	1,82,36,867	69,14,492
Decrease / (Increase) in long term loans and advances	30,25,458	(1,03,71,615)
Decrease / (Increase) in short term loans and advances	15,42,792	8,82,235
Decrease / (Increase) in other non-current assets	(61,393)	47,52,211
(Decrease) / Increase in Trade Payables	(2,81,67,375)	(67,09,696)
(Decrease) / Increase in long term provisions	5,82,394	-
(Decrease) / Increase in short term provisions	(5,82,394)	(15,37,660)
(Decrease) / Increase in other current liabilities	4,71,590	(47,04,620)
	(65,12,099)	(78,36,615)
Cash flow from operating activities	1,57,68,106	1,31,06,961
Direct Taxes Paid (net of refund)	(49,48,832)	1,16,75,370
Net cash flow from Operating activities	1,08,19,274	2,47,82,331
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(47,46,153)	(50,59,227)
Sale of Fixed Assets	44,137	1,68,359
Sale of Non-current Investments	2	-
Interest received	26,24,793	64,12,265
Dividend Received	84,21,623	47,48,762
Long/ Short Term Deposits Refunded by companies/ Banks	-	6,00,00,000
Long/ Short Term Deposits placed with companies/ Banks	-	(2,00,00,000)
Net Cash Used in Investing Activities	63,44,402	4,62,70,159
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(16,116)	(7,98,011)
Dividend Paid (Including tax on dividend)	(81,15,300)	(1,20,92,573)
Net Cash Used In Financing Activities	(81,31,416)	(1,28,90,584)
Net Increase / (Decrease) in cash and cash equivalents	90,32,260	5,81,61,906
Cash and Cash Equivalents as at 1st April 2014	8,57,68,512	2,76,06,606
Cash and Cash Equivalents as at 31st March 2015	9,48,00,772	8,57,68,512

TAJ TRADE AND TRANSPORT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015 (Contd.)

Notes	March 31, 2015 ₹	March 31, 2014 ₹
Components of Cash and Cash equivalents as at 1st April 2014		
Cash and bank Balance	3,55,36,051	2,76,06,606
Current Investments	5,02,32,461	-
Total	8,57,68,512	2,76,06,606
Components of Cash and Cash equivalents as at 31st March 2015		
Cash and bank Balance	4,13,82,999	3,55,36,051
Current Investments	5,34,17,773	5,02,32,461
Total	9,48,00,772	8,57,68,512

Notes Forming Part of the Financial Statements

1-35

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

For and on behalf of the Board

S. Lakshmanan
Partner
Membership No. 20045
Firm's Registration No. 015682N

Faisal Momen
DIN:00064878

Rajeev Newar
DIN:00468125

} Directors

Place : Mumbai
Date : April 29, 2015

Notes to Financial Statements for year ended March 31, 2015

NOTE 1 : NOTES TO ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting:

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Accounting Standards referred to in section 133 and other applicable provisions of the Companies Act, 2013. The significant accounting policies are as follows:-

a) Revenue recognition:

Revenue and cost is recognised and accounted on accrual basis. Sale of goods is net of sales tax, returns and trade discounts. Service Income is net of service tax.

b) Fixed assets and depreciation:

i. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

Cost includes all expenditure incidental to acquisition and installation.

ii. Depreciation

Pursuant to enactment of the Companies Act 2013, the Company has adopted the option given under the Companies Act and accordingly provided depreciation based on useful life as determined by technical evaluation. The useful lives adopted are different from the useful life given under Schedule II as disclosed below:

Nature of Assets	Useful life as per Schedule II	Useful life adopted
Leasehold Improvements	-	05 years
Plant & Machinery / Office Equipment	15 years	15 years
Furniture & Fixtures	10 years	15 years
Electrical fittings	10 years	10 years
Computers	3 years	6 years

c) Investments:

Long-term investments are carried at cost. However, provision is made for diminution in value, if any, other than temporary, on an individual basis.

d) Inventories:

Traded goods and consumables are valued at lower of cost and net realisable value. Cost of traded goods is arrived on the basis of specific identification method. In the case of stocks of beauty salons, the same is valued under FIFO method.

e) Provision for retirement benefits:

Contribution required for Post retirement benefits like Provident Fund & Defined Contribution to Superannuation schemes in the nature of defined contribution plans are recognized in the Profit & Loss Account on accrual basis. Liabilities under the defined benefit schemes are determined through independent actuarial valuation at the year end & charge recognized in the books. For schemes where recognized funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains & losses are recognized in the Profit & Loss Account.

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge recognized in the profit and loss account.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

f) Foreign currency transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Foreign currency assets and liabilities, if any, are restated at the rates ruling at the year end. Resultant exchange differences are dealt with in the Profit and Loss Account.

g) Accounting for taxes on income:

Provision for current tax (if any) is made, based on the tax payable under the Income Tax Act, 1961. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation.

h) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

i) Cash and cash equivalents:

The Company, consider all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

j) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset ₹ net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discontinued to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 2 : SHARE CAPITAL

The Authorised, issued, Subscribed and fully paid up share capital comprises of equity shares.

	March 31, 2015	March 31, 2014
SHARE CAPITAL	₹	₹
1. Authorised Share capital		
Equity Shares		
40,00,000 (Previous Year 40,00,000) Equity Shares of ₹ 10 each	4,00,00,000	4,00,00,000
	<u>4,00,00,000</u>	<u>4,00,00,000</u>
2. Issued, Subscribed and Paid up		
Equity Shares		
34,68,225 (Previous Year 34,68,225) Equity Shares of ₹ 10 each fully paid.	3,46,82,250	3,46,82,250
	<u>3,46,82,250</u>	<u>3,46,82,250</u>

a. Shareholders holding more than 5% shares in the Company

Name of the Company	March 31, 2015		March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity share of ₹ 10/- each fully paid				
The Indian Hotels Company Limited	12,54,000	36.16	12,54,000	36.16
TIFCO Holdings Limited	3,62,999	10.47	3,62,999	10.47
Inditravel Limited	5,50,766	15.88	5,50,766	15.88
Piem Hotels Limited	8,86,500	25.56	8,86,500	25.56

b. Reconciliation of the shares outstanding at the beginning and at the end of reporting period

	March 31, 2015		March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
Opening Balance	34,68,225	3,46,82,250	34,68,225	3,46,82,250
Add : Issued during the year	-	-	-	-
Less : Redeemed / Bought Back	-	-	-	-
Closing Balance	<u>34,68,225</u>	<u>3,46,82,250</u>	<u>34,68,225</u>	<u>3,46,82,250</u>

c. Shares in the Company held by its ultimate holding company including shares held by subsidiaries or associates of ultimate holding company

Name of the Company	March 31, 2015		March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
<u>Shares held by Ultimate Holding Company</u>				
The Indian Hotels Company Limited	12,54,000	36.16	12,54,000	36.16
	<u>12,54,000</u>	<u>36.16</u>	<u>12,54,000</u>	<u>36.16</u>
<u>Shares held by Subsidiary of Ultimate Holding Company</u>				
TIFCO Holdings Limited	3,62,999	10.47	3,62,999	10.47
Inditravel Limited	5,50,766	15.88	5,50,766	15.88
Piem Hotels Limited	8,86,500	25.56	8,86,500	25.56
Northern India Hotels Limited	49,998	1.44	49,998	1.44
	<u>18,50,263</u>	<u>53.35</u>	<u>18,50,263</u>	<u>53.35</u>
<u>Shares held by Associates of Ultimate Holding Company</u>				
Oriental Hotels Limited	1,00,500	2.90	1,00,500	2.90
	<u>1,00,500</u>	<u>2.90</u>	<u>1,00,500</u>	<u>2.90</u>

- d. The company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 3 : RESERVES AND SURPLUS

	March 31, 2015 ₹	March 31, 2014 ₹
Capital Redemption Reserve *		
Opening Balance	28,17,750	28,17,750
Closing Balance	28,17,750	28,17,750
Securities Premium Reserve		
Opening Balance	2,81,25,000	2,81,25,000
Closing Balance	2,81,25,000	2,81,25,000
General Reserve		
Opening Balance	4,68,66,523	4,58,29,945
Add : Current Year Transfer	-	10,36,578
Closing Balance	4,68,66,523	4,68,66,523
Surplus in Profit and Loss account		
Opening Balance	4,66,83,701	4,54,69,798
Add : Net Profit / (Net Loss) For the current year	2,08,61,139	1,03,65,781
Less : Proposed Dividend	86,70,563	69,36,450
Less : Tax on Proposed Dividend	17,65,153	11,78,850
Less : Transfer to General Reserves	-	10,36,578
Closing Balance	5,71,09,124	4,66,83,701
Grand Total	13,49,18,397	12,44,92,974

Notes:

- * Consequent to the buy-back of 2,81,775 Equity Shares, an amount of ₹ 28,17,750/- being nominal value of the shares so bought back has been transferred from General Reserve to Capital Redemption Reserve in accordance with the provisions of Section 69 of the Companies Act, 2013.

NOTE 4 : LONG TERM PROVISIONS

	March 31, 2015 ₹	March 31, 2014 ₹
Provision for employee benefits		
Leave Encashment	15,66,942	9,84,548
Total	15,66,942	9,84,548

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 5 : TRADE PAYABLES

	March 31, 2015	March 31, 2014
	₹	₹
Trade payables consist of the following :		
(a) Micro and small enterprises (refer note no. 31)	15,600	-
(b) Others	7,52,58,460	10,34,41,435
Total	7,52,74,060	10,34,41,435

NOTE 6 : OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
(a) Unpaid dividends	-	83
(b) Provision for tax (Net of advance tax)	-	7,88,372
(c) Other Payables		
(i) Statutory Liabilities	1,13,16,671	1,03,92,263
(ii) Capital Creditors	-	2,99,688
(iii) Related Parties	2,89,392	6,81,162
(iv) Others	1,11,01,575	1,00,74,480
Total	2,27,07,638	2,22,36,048

NOTE 7 : SHORT TERM PROVISIONS

Short term provisions consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
(a) Provision for employee benefits		
Leave Encashment	1,72,496	1,58,591
Gratuity	22,38,115	16,66,083
(b) Proposed Dividend	86,70,563	69,36,450
(c) Tax on Dividend	17,65,153	11,78,850
Total	1,28,46,327	99,39,974

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 8 : FIXED ASSETS

Fixed assets consist of the following :

	Gross Block			Accumulated Depreciation			Impairment Loss	Net Block	
	1.4.2014	Additions	Deductions	31.3.2015	1.4.2014	Charge for the year		31.3.2015	31.3.2014
A. TANGIBLE ASSETS									
1. Buildings									
Improvements to leasehold buildings	5,18,08,205	20,07,042	43,65,537	4,94,49,710	4,24,83,691	42,08,424		55,95,976	77,97,357
Previous Year	5,20,70,453	14,38,527	17,00,775	5,18,08,205	3,80,03,426	61,80,271	15,27,157	77,97,357	1,40,67,027
2. Plant & Equipment									
Previous Year	2,84,32,064	6,76,664	4,50,676	2,86,58,052	1,70,20,247	17,14,298		1,01,20,716	1,11,48,803
	2,66,97,313	29,21,547	11,86,796	2,84,32,064	1,60,03,243	17,22,499	2,63,014	1,11,48,803	1,06,94,070
3. Furniture & Fixtures									
Previous Year	3,45,52,324	20,62,447	1,36,664	3,64,78,107	1,59,26,257	19,12,031		1,87,28,962	1,86,26,067
	3,85,83,504	2,01,902	42,33,082	3,45,52,324	1,54,01,536	22,41,534		1,86,26,067	2,31,81,968
4. Office Equipments									
Previous Year	53,069	-	-	53,069	18,419	29,920		4,730	34,650
	1,23,243	-	70,174	53,069	86,517	2,075		34,650	36,726
5 . Vehicles *									
Previous Year	49,39,770	-	-	49,39,770	49,38,570	-		1,200	1,200
	49,40,770	-	1,000	49,39,770	49,38,570	-		1,200	2,200
Total (A)	11,97,85,432	47,46,153	49,52,877	11,95,78,708	8,03,87,184	78,64,673		3,44,51,584	3,76,08,077
Previous Year	12,24,15,283	45,61,976	71,91,827	11,97,85,432	7,44,33,292	1,01,46,379	17,90,171	3,76,08,077	4,79,81,991
B. INTANGIBLE ASSETS									
6. Goodwill									
Previous Year	1,05,74,151	-	-	1,05,74,151	1,05,74,151	-		-	-
	1,05,74,151	-	-	1,05,74,151	1,05,74,151	-		-	-
7. Software									
Previous Year	20,93,419	-	-	20,93,419	12,12,790	1,09,815		7,70,814	8,80,629
	15,96,168	4,97,251	-	20,93,419	10,43,845	1,68,945		8,80,629	5,52,323
Total (B)	1,26,67,570	-	-	1,26,67,570	1,17,86,941	1,09,815		7,70,814	8,80,629
Previous Year	1,21,70,319	4,97,251	-	1,26,67,570	1,16,17,996	1,68,945		8,80,629	5,52,323
Grand Total (A + B)	13,24,53,002	47,46,153	49,52,877	13,22,46,278	9,21,74,125	79,74,488		3,52,22,398	3,84,88,706
Previous Year	13,45,85,602	50,59,227	71,91,827	13,24,53,002	8,60,51,288	1,03,15,324	17,90,171	3,84,88,706	4,85,34,314

Note:-

* Cars & Vehicles including Leased Cars upto March 31, 2003 costing ₹ 49,39,770/- (Previous Year ₹ 49,40,770/-). WDV ₹ 1,200/- (Previous Year ₹ 1,200/-) have been held for disposal and valued at WDV or Net Realisable Value whichever is lower. Refer to note number 25 to notes to accounts.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 9 : NON-CURRENT INVESTMENTS

Non current investments consist of the following :

	Holding as at March 31, 2015		Holding as at March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
TRADE INVESTMENT AT COST				
A. Investment in Equity Instruments				
i. Quoted				
a. Investment in Associate of Holding Company :				
Oriental Hotels Limited shares of ₹ 1 each fully paid	16,64,090	1,86,08,480	16,64,090	1,86,08,480
		<u>1,86,08,480</u>		<u>1,86,08,480</u>
NON - TRADE INVESTMENT AT COST				
ii. Unquoted				
Inditravel Limited shares of ₹ 10 each fully paid	72,001	7,20,750	72,001	7,20,750
Ideal Ice & Cold Storage Company Limited shares of ₹ 10 each full paid©	-	-	39,984	3,99,840
Taj Rhein Shoes Company Limited shares of ₹ 100 each fully paid©	-	-	10,486	10,48,600
Taida Trading and Industries Limited shares of ₹ 100 each fully paid	680	68,000	680	68,000
Bombay Mercantile Co-op Bank Ltd	333	9,990	333	9,990
Saraswat Co-op Bank Ltd	1,000	10,000	1,000	10,000
		<u>8,08,740</u>		<u>22,57,180</u>
B. Investment - Government Securities				
National Saving Certificate *		95,000		95,000
		<u>95,000</u>		<u>95,000</u>
		1,95,12,220		2,09,60,660
Less :Provision for Diminution in value of investments **		(67,999)		(15,16,437)
Total Long Term Investments - Net		<u>1,94,44,221</u>		<u>1,94,44,223</u>

Notes :

	₹	₹
1) Aggregate value of Cost of quoted Investments	1,86,08,480	1,86,08,480
2) Aggregate market value of quoted Investments	3,31,15,391	2,91,21,575
3) Aggregate value of unquoted Investments	9,03,740	23,52,180
4) Aggregate provision for diminution in value of investment	(67,999)	(15,16,437)
5) *Security Deposit for VAT		
6) ** Provision for diminution in value has been made on the basis of book value of the shares of the respective companies as per last audited Balance sheet		
7) ©Investments sold during the year.		

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 10 : LONG TERM LOANS & ADVANCES

Long term loans and advances consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
(Unsecured, considered good)		
Capital Advances	22,49,379	31,89,335
Security Deposit to related parties	26,14,950	36,70,950
Loans and advances to Employees	2,52,990	2,77,613
<u>Other loans and advances</u>		
Advance income tax paid (net of provision for tax)	1,22,77,831	81,18,321
MAT Credit entitlement	31,99,770	
Less : MAT Credit utilised	28,88,475	31,99,770
Total	1,77,06,445	1,84,55,989

NOTE 11 : OTHER NON CURRENT ASSETS

Other non-current assets consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
1. Interest Receivable	96,480	35,087
2. Long term bank deposit with bank for more than 12 months :		
a. Long Term Bank Deposit held as security against Bank guarantee transferred from other bank balances refer to note no. 15	19,44,090	19,44,090
Total	20,40,570	19,79,177

NOTE 12 : CURRENT INVESTMENTS

Current consist of the following:

	March 31, 2015		March 31, 2014	
	Holdings as at	Amount	Holdings as at	Amount
		₹		₹
(A) Investment - Others (Non - trade) - Quoted				
Non-Trade Investment, Quoted				
Icici Prudential Mutual Fund	3,19,806	3,20,21,975	3,00,839	3,01,22,821
Birla Sun Life Cash Plus	1,07,170	1,07,22,356	1,00,705	1,00,72,472
JPMorgan India	10,64,375	1,06,73,442	10,00,924	1,00,37,168
	14,91,351	5,34,17,773	14,02,468	5,02,32,461
1. Aggregate cost of quoted Investments		5,34,17,773		5,02,32,461
2. Aggregate market value of quoted Investments		5,34,17,773		5,02,32,461

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 13 : INVENTORIES

Inventories consist of the following :

(As taken, valued and certified by the management)

	March 31, 2015	March 31, 2014
	₹	₹
Stock in Trade *	9,18,39,843	11,00,76,710
Less: Provision for Devaluation of Stock	68,72,725	56,16,559
Total	8,49,67,118	10,44,60,151

* Stock in Trade is valued at lower of Cost and Market Value

NOTE 14 : TRADE RECEIVABLES

Trade receivables consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
Exceeding six months:		
Unsecured, considered good	6,58,123	78,780
Total (1)	6,58,123	78,780
Others:		
Unsecured, considered good	61,71,542	51,90,847
Total (2)	61,71,542	51,90,847
Total (1 + 2)	68,29,665	52,69,627

NOTE 15 : CASH AND BANK BALANCES

Cash and bank balances consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
(1) Cash and Cash equivalents		
(i) Cash on Hand	4,54,865	7,22,507
(ii) Cheques, Drafts on hands	27,72,579	4,85,005
(iii) Balance with Banks		
a) In current Accounts	1,39,93,595	77,10,367
b) Call and Short Term Deposit Accounts (less than 3 months)	1,63,27,776	72,21,074
Total (1)	3,35,48,815	1,61,38,953
(2) Other Bank Balances :		
(i) Call and Short Term Deposit Accounts more than 3 months and less than 12 months held security against bank overdraft	78,34,184	1,93,97,015
(ii) Earmarked balances with banks for unpaid dividend	-	83
(iii) Long Term Bank Deposit held as security against Bank guarantee	19,44,090	19,44,090
	97,78,274	2,13,41,188
Less : Long term bank deposit with bank for more than 12 months transferred to other non current assets refer to note no. 11	19,44,090	19,44,090
Total (2)	78,34,184	1,93,97,098
Total (1 + 2)	4,13,82,999	3,55,36,051

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 16 : SHORT TERM LOANS & ADVANCES

Short - term loans and advances consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
(Unsecured, considered good)		
Loans and Advances to Employees	41,333	69,262
Loans and Advances to related parties	2,02,900	735
Loans and Advances to Others	68,86,455	85,99,621
Interest Receivable	10,93,109	10,95,040
Total	82,23,797	97,64,658

NOTE 17 : REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from :

	March 31, 2015	March 31, 2014
	₹	₹
Sale of Goods	15,67,38,650	16,66,43,461
Sale of Services	11,22,99,568	9,64,38,909
Total	26,90,38,218	26,30,82,370

NOTE 18 : OTHER INCOME

Other income consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
Interest Income	25,65,331	64,12,265
{Tax deducted at source : ₹ 2,56,533/- (Previous Year 6,41,227/-)}		
Interest on IT Refund	-	32,17,232
Dividend Income - Non-Current (Trade)	9,15,250	9,15,250
Dividend Income - Non-Current (Non Trade)	22,70,063	36,01,051
Dividend Income - Current Investment	52,36,310	2,32,461
Profit and loss on sale of Fixed Assets	6,164	1,05,007
Miscellaneous Income	18,07,613	29,14,679
Exchange gain (Net)	1,52,530	1,73,279
Total	1,29,53,261	1,75,71,224

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 19 : EXPENSES

Expenses consist of the following :

	March 31, 2015	March 31, 2014
	₹	₹
1. Operating Expenses :		
Material purchased		
Purchase of stock in trade - Trading	6,24,98,683	7,90,82,009
Purchase of stock in trade - Salon	2,08,25,632	1,91,10,193
Total Material purchased	8,33,24,315	9,81,92,202
Changes in Inventories		
(i) Trading		
Opening Stock	10,13,71,700	11,08,06,569
Closing Stock	8,12,19,238	10,13,71,699
Total (i)	2,01,52,462	94,34,870
(ii) Salon		
Opening Stock	87,05,010	61,84,633
Closing Stock	1,06,20,604	87,05,010
Total (ii)	(19,15,594)	(25,20,377)
Total (i + ii)	1,82,36,868	69,14,493
Employees benefit expenses		
(i) Salaries, Wages, Bonus etc.	5,52,46,442	5,22,24,972
(ii) Company's Contribution to Retirement Funds & Other Funds	54,13,993	46,99,426
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	1,22,75,291	1,28,73,308
(iv) Workmen / Staff Welfare Expenses	94,88,539	78,03,820
(v) Staff Training	-	1,19,116
Total	8,24,24,265	7,77,20,642
2. Finance costs		
Interest on Bank Overdraft	16,116	7,98,011
Total	16,116	7,98,011
3. Other expenses		
Electricity Expenses	53,87,538	50,16,176
Rent	4,09,54,622	4,17,35,048
Repair to Machinery	75,639	86,463
Repair Others	22,20,158	28,05,970
Insurance	16,19,330	14,90,452
Rates & Taxes	4,21,421	92,251
Travelling & Conveyance Expenses	15,63,141	27,32,505
Credit Cards Charges	31,66,472	28,82,737
Legal & Professional Charges	49,83,649	23,82,912
Business Promotion Expenses	20,35,770	24,13,757
Miscellaneous Expenses	40,45,675	64,39,127
Auditors' Remuneration		
As Auditors	4,84,500	4,77,530
For Taxation matters	1,14,000	1,12,360
For Reimbursement of expenses	85,290	1,35,032
Sub -total	6,83,790	7,24,922
Assets Written Off	-	29,35,457
Total	6,71,57,205	7,17,37,777
TOTAL	25,11,58,769	25,53,63,125

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 20 : CONTINGENT LIABILITIES:

Contingent liabilities and commitments (to the extent not provided for)

	March 31, 2015	March 31, 2014
	₹	₹
Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Lease tax demand under appeal net of provisions	-	27,03,388
(ii) Sales tax demand under appeal	5,37,108	5,37,108
(iii) Income tax demand under appeal	11,07,750	-
	16,44,858	32,40,496
(b) Other money for which the company is contingently liable Employee Related Matters	80,17,888	1,03,37,673
(c) Guarantees given by banks on behalf of the company	5,44,090	5,44,090
	1,02,06,836	1,41,22,259
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	13,06,462	2,99,688
	13,06,462	2,99,688
	115,13,298	1,44,21,947

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation

NOTE 21 :

The Company is carrying slow-moving/non-moving inventory of ₹ 68,72,725 (P.Y. ₹ 56,16,559) which is more than one year old in its books. An amount of ₹ 68,72,725 (P.Y. ₹ 56,16,559) is being carried forward as provision for obsolescence against this stock.

NOTE 22 :

The Company is carrying forward a provision of ₹ 7,50,450 (P.Y ₹ 7,50,450) on account of shortages/damages in the consignment stocks.

NOTE 23 :

The Company has Consignment stock arrangement with suppliers in ordinary course of business. The value of such stock, at cost, which has been excluded from the Balance sheet amounts to ₹ 5,64,66,736 (P.Y. ₹ 4,44,32,732).

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 24 : a) The Company has adopted the option given under the Companies Act and accordingly provided depreciation based on useful life as determined by technical evaluation. The useful lives adopted are different from the useful life given under Schedule II as disclosed below:

Nature of Assets	Useful life as per Schedule II	Useful life adopted
Leasehold Improvements	-	05 years
Plant & Machinery / Office Equipment	15 years	15 years
Furniture & Fixtures	10 years	15 years
Electrical fittings	10 years	10 years
Computers	3 year	6 years

b) The above option given under Schedule II has resulted in depreciation for the year as compared to deprecation provided during the previous year based on schedule XIV of the Companies Act 1956, being lower by ₹ 62,895/-

NOTE 25 : ASSETS HELD FOR DISPOSAL:

	Original Cost (₹)	Book Value (₹)	Book Value of Previous Year (₹)
Cars & Vehicles	49,39,770 (P.Y. 49,39,770)	1,200	1,200

The estimated realisation value of the above assets is higher than the present book value.

NOTE 26 : EMPLOYEE BENEFITS

Applicable Disclosures as per AS-15(Revised):

The Company has calculated the various benefits to employees as under:

(A) Defined contribution plans

The company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and other funds(net of recoveries)

	March 31, 2015 ₹	March 31, 2014 ₹
Provident fund	23,77,707	25,11,045

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Funded

(C) Defined benefit plans – as per actuarial valuation on March 31, 2015.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Principal Actuarial Assumptions as at 31st March 2015.

	March 31, 2015 ₹	March 31, 2014 ₹
Assumptions :		
Discount rate	7.95%	9.36%
Salary escalation rate -	7%	7%
Employee Turnover rate	12%	12%
Expected future working life		

Data Summary :

No. of Employees	83	86
Total Salary	6,80,436	6,66,810
Value of liability	1,22,69,928	1,12,48,115

Disclosure as per Revised AS15 : Reconciliation of PBO

Projected Benefit Obligation at Beginning of year	1,12,48,115	1,06,35,362
Current Service Cost	5,03,295	4,91,764
Interest Cost	10,52,824	8,50,829
Actuarial (Gain) / Loss due to change in assumptions	10,30,404	6,42,358
Benefits Paid	(15,64,710)	(13,72,198)
Projected Benefit Obligation at End of year	1,22,69,928	1,12,48,115

Plan Asset at Fair Value

Plan Asset at beginning of year	95,82,032	92,62,385
Asset Gain / (Loss)	(4,85,229)	(4,86,959)
Expected Return on Plan Asset	8,33,637	8,05,827
Benefit Payments	(15,64,710)	(13,72,198)
Contribution / Settlements	16,66,083	13,72,977
Ending Asset at Fair Value	1,00,31,813	95,82,032
Total actuarial gain/(loss) to be recognised immediately (included in Statement of Profit and Loss)	-	11,29,317

Amounts recognised in the balance sheet

Projected Benefit Obligation at End of year	(1,22,69,928)	(1,12,48,115)
Ending Asset at Fair Value	1,00,31,813	95,82,032
Funded Status asset / (liability)	(22,38,115)	(16,66,083)
Pre-Paid(+)/Accrued Liability(-) recognized in Balance Sheet	(22,38,115)	(16,66,083)

Statement of Profit and Loss

Current Service Cost	5,03,295	4,91,764
Interest Cost	2,19,187	8,50,829
Expected return on plan asset	-	(8,05,827)
Net actuarial (gain)/loss to be recognised in year	15,15,633	11,29,317
Expense recognised in the statement of Profit and Loss	22,38,115	16,66,083

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

As per para 132 of AS 15 (revised) no specific disclosure is required in respect of compensated absence hence no details of the same have been given.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

NOTE 27 : Following are the Major component of Deferred tax (asset)/Liability:

	March 31, 2015	March 31, 2014
	₹	₹
Deferred tax Assets:		
Depreciation on Fixed assets	1,00,12,670	1,00,58,623
Provision for diminution of inventory	22,29,856	18,22,293
Business Loss	-	-
Others	5,18,102	2,65,270
Total of Deferred tax assets (A)	1,27,60,628	1,21,46,186
Deferred tax liabilities (B)	-	-
Deferred tax Assets (Net)	1,27,60,628	1,21,46,186

Deferred tax asset has been created on account of reasonable certainty of the losses being absorbed based on estimated future profitability & also considering the past profitability records of the company.

NOTE 28 : Additional information

	March 31, 2015	March 31, 2014
	₹	₹
(i) Value of imports on CIF basis :- Trading Goods	Nil	Nil
(ii) Expenditure in Foreign Currency –		
- Passage and Travelling	38,038	74,659
- Professional Fees	3,12,100	9,28,000
(iii) Earnings in foreign exchange		
(a) Value of sales at shops including value of goods sold on consignment basis and settled in foreign currency or through foreign based credit card agencies (As certified by the management and not verified by the auditors)	6,68,78,269	7,68,71,605
(b) Export – F.O.B. value	16,87,269	36,43,466

NOTE 29 : Details of opening stock, purchases, sales and closing stock of traded items for the year ended March 31, 2015

	Opening Stock	Purchase	Sale	Closing Stock
	₹	₹	₹	₹
Crafts and wall coverings	2,06,74,077	94,54,775	2,50,11,972	1,64,22,517
Previous year	3,25,35,276	19,68,792	2,59,35,144	2,06,74,077
Costume Jewellery	87,07,145	11,84,545	1,28,65,695	39,96,161
Previous year	70,42,387	1,59,52,550	2,22,39,793	87,07,145
Fabric/ Garments/ Leather	1,24,65,218	1,26,14,187	2,50,24,562	1,04,08,349
Previous year	91,00,651	1,63,44,246	2,30,70,972	1,24,65,218
Saree and stoles	4,29,74,847	2,53,12,921	5,54,23,419	3,73,22,615
Previous year	4,53,85,075	2,90,92,917	5,78,52,881	4,29,74,847
Assorted	1,65,50,412	1,39,32,255	3,84,13,002	1,30,69,596
Previous year	1,67,43,180	1,57,23,504	3,75,44,671	1,65,50,412
Total	10,13,71,699	6,24,98,683	15,67,38,650	8,12,19,238
Previous year	11,08,06,569	7,90,82,009	16,66,43,461	10,13,71,699

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note:

The particulars of sales, purchase, opening and closing stock given above represent broad categories, consisting of individual items that vary in nature and price and quantity. Current year's figures are therefore not comparable with those of the previous year.

NOTE 30 : Earnings per share

	March 31, 2015 ₹	March 31, 2014 ₹
A. Numerator used for calculating basic and diluted Earnings per share		
- Profit after taxation	2,08,61,139	1,03,65,781
B. Weighted average number of shares used as denominator for calculating basic and diluted Earnings per share	34,68,225	34,68,225
C. Nominal value per share (₹)	10	10
D. Basic and diluted earnings per share (₹)	6.01	2.99

Note 31 : The details of provisions as required by the provisions of Accounting Standard 29 "Provision, Contingent Liabilities and Contingent Assets are as under;

Nature of Provision	Leave Encashment and Gratuity
Opening Balance	28,09,222
Additional provisioning	28,82,783
Benefits paid during the year	(17,14,452)
Closing Balance	39,77,553

NOTE 32 : AMOUNTS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES:

- (i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.
- (ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2015 ₹	March 31, 2014 ₹
(a) Principal amount remaining unpaid to supplier as at end of the accounting year.	15,600	-
(b) Interest due there on remaining unpaid to supplier as at end of the accounting year.	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
(f) The amount further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 33 :

The company has identified the following business segments (industry practice) as its primary Segment and there are no geographic segments.

Business segments are primarily Retail outlets(Khazana) and Beauty Salons.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been shown as unallocated expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

There are no geographical segments.

	Business Segments		Total
	Khazana	Salon	
Revenue	14,90,84,509	11,99,53,709	26,90,38,218
Previous Year	15,88,41,216	10,42,41,154	26,30,82,370
Segment Result	(1,19,85,256)	2,70,48,777	1,50,63,521
Previous Year	(1,79,87,667)	2,14,00,000	34,12,333
Unallocable Expenses			31,12,232
Previous Year			66,87,343
Other Income			1,09,06,933
Previous Year			1,64,59,984
Profit / (Loss) before Tax			2,28,58,222
Previous Year			1,31,84,974
Tax Expenses			19,97,083
Previous Year			28,19,193
Net Profit / (Loss) for the period			2,08,61,139
Previous Year			1,03,65,781

	Business Segments		Total
	Khazana	Salon	
Segment Assets	11,18,10,663	2,65,46,843	13,83,57,506
Previous Year	13,99,62,715	1,54,00,241	15,53,62,956
Unallocable Assets			14,36,38,108
Previous Year			14,04,14,273
Total Assets			28,19,95,614
Previous Year			29,57,77,229
Segment Liabilities	8,46,24,713	19,66,018	8,65,90,731
Previous Year	15,79,50,911	31,29,917	16,10,80,828
Unallocable Liabilities			2,58,04,236
Previous Year			(2,44,78,823)
Total Liabilities			11,23,94,967
Previous Year			13,66,02,005

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 34 : Related party disclosure under AS – 18, issued by the Institute of Chartered Accounts of India

a) Names of Related Parties are as under:

A. Holding Company	The Indian Hotels Company Limited
B. Subsidiaries of Holding Company	TIFCO Holdings Limited
	KTC Hotels Limited
	United Hotels Limited
	Roots Corporation Limited
	Taj Sats Air Catering Limited
	Piem Hotels Limited
	Inditravel Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Taj International Hotels (HK) Limited
	Cheiftain Corporation NV
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited
	International Hotel Management Services Inc.
	Samsara Properties Limited
	IHMS (Australia) Pty Limited
	Apex Hotel MGMT Services Pte Ltd
	PIEM International Hotels (HK) Limited
	Premium Aircraft Leasing Corporation, Ireland
	BAHC 5 Pte. Limited
C. Associates of Holding Company	Oriental Hotels Limited
	Taj Madurai Limited
D. Joint Venture of Holding Company	Kaveri Retreat & Resorts Limited
	Taj GVK Hotels & Resorts Limited

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

- b) The details of related parties transactions during the year and outstanding balances as at 31st March 2015 are as follows:

	Holding Company		Subsidiaries of Holding Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
Deputed Staff cost	75,46,858	17,63,881	17,38,264	9,63,752
Operating / Licence fees paid	3,18,72,659	3,07,97,953	31,40,068	29,22,143
Dividend received	-	-	43,20,000	36,00,050
Dividend Paid	25,08,000	37,62,000	37,00,526	55,50,789
Reimbursement of Fees	-	80,000	-	-
Security Deposit with Related Party	25,00,000	25,00,000	-	-
Purchase of services	62,44,544	58,14,925	15,54,711	12,69,969
Balance outstanding at the end of the year				
Due from Current Account(Debit)	8,20,209	20,46,064	10,05,669	6,61,724

	Associates of Holding Company		Joint Ventures	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
Operating / Licence fees paid	11,91,750	15,62,321	7,74,750	28,66,500
Interest received on ICD	-	-	-	6,165
Dividend received	9,15,250	9,15,250	-	-
Dividend Paid	2,01,000	3,01,500	-	-
ICD Given	-	-	-	2,00,00,000
ICD refunded back	-	-	-	2,00,00,000
Purchase of services	1,51,713	2,36,881	51,180	2,02,876
Balance outstanding at the end of the year				
Due from Current Account (Debit)	(85,996)	(2,362)	1,57,006	4,20,745

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

c) Statement of material transactions:

Company name	March 31, 2015 ₹	March 31, 2014 ₹
Holding Company		
The Indian Hotels Company Limited		
Dividend paid	25,08,000	37,62,000
Lease Rentals for Hotel/Factory Premises	3,18,72,659	3,07,97,953
Deposit with Related Party	25,00,000	25,00,000
Reimbursement of Deputed Staff Salary & Wages	75,46,858	17,63,881
Reimbursement of Fees	-	80,000
Reimbursement of Fuel, Power, Light Etc	29,80,622	25,25,926
Reimbursement of Laundry expenses	9,28,171	9,20,677
Reimbursement of Other expenses	23,35,751	23,68,322
Closing balance(net balance)	8,20,209	20,46,064
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	17,73,000	26,59,500
Lease Rentals for Hotel/Factory Premises	31,40,068	29,22,143
Reimbursement of Deputed Staff Salary & Wages	12,31,309	4,33,463
Reimbursement of Fuel, Power, Light Etc	10,60,038	8,60,887
Reimbursement of Laundry expenses	41,548	30,887
Reimbursement of Other expenses	4,03,125	2,34,576
Closing balance(debit)	11,00,423	5,67,657
Inditravel Limited		
Dividend Income - Non-Current Investment	43,20,000	36,00,050
Dividend paid	11,01,532	16,52,298
Reimbursement of Other expenses	50,000	1,43,619
Closing balance(debit)	2,01,639	(3,34,446)
St. James Courts Hotels Limited		
Closing balance(debit)	(2,96,393)	3,82,652
Taj Sats Air Catering Limited		
Reimbursement of Deputed Staff Salary & Wages	5,06,955	5,30,289
Closing balance(debit)	-	45,861
TIFCO Holdings Limited		
Dividend paid	7,25,998	10,88,997
Northern India Hotels Limited		
Dividend paid	99,996	1,49,994

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

c) Statement of material transactions: (contd.)

Associates of Holding Company

Oriental Hotels Limited

Lease Rentals for Hotel/Factory Premises	11,91,750	15,62,321
Dividend Income - Non-Current Investment	9,15,250	9,15,250
Dividend paid	2,01,000	3,01,500
Reimbursement of Laundry expenses	49,091	39,281
Reimbursement of Other expenses	1,02,622	1,97,600
Closing balance(debit)	(85,996)	(2,362)

Joint Ventures

Kaveri Retreat & Resorts Limited- Corporate

Interest Received on ICD	-	6,165
ICD Given	-	2,00,00,000
ICD Received back	-	2,00,00,000
Lease Rentals for Hotel/Factory Premises	24,000	-
Closing balance(debit)	1,57,006	4,20,745

Taj GVK Hotels & Resorts Limited

Lease Rentals for Hotel/Factory Premises	7,50,750	28,66,500
Reimbursement of Other expenses	51,180	2,02,876

NOTE 35 : Figures of the previous year have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current year.

Signatures to schedules 1 to 35

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

For and on behalf of the Board

S. Lakshmanan
Partner
Membership No. 20045
Firm's Registration No. 015682N

Place : Mumbai
Date : April 29, 2015

Faisal Momen
DIN:00064878

Rajeev Newar
DIN:00468125

Directors

DIRECTORS AND CORPORATE INFORMATION

United Hotels Limited

Board of Directors

Rohit Khosla (appointed w.e.f. 4 th May, 2015)	Chairman
Rajinder Kumar	Working Director
Virinder Kumar	Working Director
Narinder Kumar	Working Director
Rajeev Newar (appointed w.e.f. 4 th May, 2015)	Director
Gaurav Pokhariyal (appointed w.e.f. 4 th May, 2015)	Director

Audit Committee

Rohit Khosla
Rajinder Kumar
Rajeev Newar

Corporate Social Responsibility Committee

Rohit Khosla
Rajinder Kumar
Gaurav Pokhariyal

Company Secretary

Vanika Mahajan

Auditors

M/s. R. K. Khanna & Co.
Chartered Accountants

Bankers

Central Bank of India
Standard Chartered
HDFC Bank

Registered Office

United Hotels Limited
CIN – U74899DL1950PLC001861
Vivanta by TAJ - Ambassador New Delhi
Sujan Singh Park
New Delhi – 110 003

Sixty fourth Annual General Meeting at Vivanta by TAJ - Ambassador New Delhi on Thursday, August 13, 2015 at 11:00 a.m.

DIRECTORS' REPORT

The Directors hereby present the Sixty Fourth Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 2015.

Financial Results	March 31, 2015 ₹	March 31, 2014 ₹
Total Income	35,69,36,439	34,74,53,034
Total Expenditure	30,94,77,177	26,80,18,400
Profit before Interest & Depreciation	4,74,59,262	7,94,34,634
Depreciation provided for the year	(3,37,66,900)	1,32,94,007
Profit before Tax and Extraordinary Items	8,12,26,162	6,61,40,627
Tax Expense :		
Current year	2,00,00,000	2,40,00,000
Deferred Tax	78,09,928	(9,61,690)
Net Profit after Tax	5,34,16,234	4,31,02,317
Profit brought forward from Previous Year	1,42,79,792	2,04,01,585
Balance available for appropriation	6,76,96,026	6,35,03,902
Appropriation:		
i. Dividend @ 45% i.e. ₹ 378.0 lacs, {Previous year dividend @ 45% on 84,00,000 Equity Shares, which, if approved, by the shareholders at the Annual General Meeting to be held on Thursday, 13 th August, 2015 will be paid out of the provision for Dividend	3,78,00,000	3,78,00,000
ii. Tax on Dividend	76,95,191	64,24,110
iii. General Reserves	-	50,00,000
iv. Balance carried forward	2,22,00,835	1,42,79,792

OPERATIONS

The Company achieved a Total Income of ₹ 35.69 crores during 2014-15 as against the Total Income of ₹ 34.74 crores in the previous year. The Profit before Tax for the current year was ₹ 8.12 crores as against ₹ 6.61 crores in the previous year. The Profit after Tax was ₹ 5.34 crores as against ₹ 4.31 crores in the previous year.

DIVIDEND

In view of the performance of the Company, your Directors recommend the payment of a dividend @ 45% i.e. ₹ 4.50 per share on 84,00,000 Equity Shares of ₹ 10/- each amounting to ₹ 3.78 crores.

PARTICULARS OF EMPLOYEES

The Company had no employees during the year who were in receipt of remuneration aggregating to:

- (a) Not less than ₹ 60.00 lacs for the year, if employed throughout the financial year,
or
- (b) Not less than ₹ 5.00 lacs per month, if employed for part of the financial year.

DIRECTORS

During the year under report, Mr. Raymond N Bickson resigned from the Directorship of the Company w.e.f. 1st September, 2014. Mr. Veer Vijay Singh, Mr. Abhijit Mukerji and Mr. D.K. Beri resigned from the Directorship of the Company with effect from 8th April, 2015, 13th April, 2015 and 28th April, 2015 respectively. The Directors place on record its appreciation of the services rendered by Mr. Bickson, Mr. Singh, Mr. Mukerji and Mr. Beri during their tenure as Director of the Company.

Mr. Rohit Khosla, Mr. Rajeev Newar and Mr. Gaurav Pokhariyal were appointed as Additional Directors of the Company effective May 7, 2015 and hold office up to the date of the forthcoming Annual General Meeting.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajinder Kumar, Mr. Narinder Kumar, Directors of the Company are liable to retire by rotation and being eligible seek reappointment.

HOLDING, SUBSIDIARY COMPANIES

The Indian Hotels Company Limited (IHCL) is the ultimate Holding Company. The Company does not have any subsidiary company.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

The Company had convened 4 (four) Board meetings during the financial year under report.

AUDIT COMMITTEE

Your Directors has an Audit Committee with Mr. Rohit Khosla, Mr. Rajinder Kumar and Mr. Rajeev Newar as its members.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013 (the Act), your Directors have constituted the Corporate Social Responsibility Committee (CSR Committee) of the Board with Mr. Rohit Khosla, Mr. Rajinder Kumar and Mr. Gaurav Pokhariyal as the members of the Committee. The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act read with rules thereunder. Your Company has adopted the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company and the monitoring thereof as recommended by the CSR Committee. The details as required under Section 135 of the Companies Act, 2013 read with rule 8 of (Corporate Social Responsibility Policy) Rules, 2014, are given in Annexure – 1 to this Report.

INTERNAL COMPLAINTS COMMITTEE

The Company has an 'Internal Complaints Committee' under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the prevention and redressal of complaints of sexual harassment and for the matters Concerned connected or incidental thereto.

The Company has not received any complaint on sexual harassment during the financial year 2014-15.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

During the year under report, the Company has placed a sum of ₹ 1.75 crores as short term Inter Corporate Deposits with bodies corporate within the limits prescribed under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All Related Party Transactions that were entered into during the Financial Year were at Arms Length Basis and in the Ordinary Course of Business.

The Company has developed a Related Party Transactions framework for the purpose of identification and monitoring of such transactions. Period omnibus approval of the Audit Committee and Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving effect details of all related party transaction is placed before the Audit Committee for there approval on quarterly basis.

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 186 is furnished in Annexure – 2 and is attached to this report.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure – 2 and is attached to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(C) & 134(5) of the Companies Act, 2013, the Board of Directors, based on the representations received from the Operating Management, hereby confirms that -

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that period;
- c) The Directors has 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;
- d) The Directors had prepared the annual accounts on a going concern basis; and

- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Company has no activity relating to energy conservation or technology absorption as it is a service industry. The details of Foreign Exchange earnings and outgo are furnished in Notes to Accounts (Refer Item No 26 to 28).

RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013 ("the Act") and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Significant and material orders passed by the regulators

During the year under review, there are no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

Internal financial controls and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee.

Deposits

Your Company has not accepted any deposits from public covered under chapter 5 of the Act.

Borrowings

The Company does not have any borrowings.

AUDITORS

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors Report. At the Annual General Meeting the Members will be required to appoint the Auditors for the current year and fix their remuneration.

ACKNOWLEDGMENTS

The Directors record their grateful appreciation of the devoted services rendered by all the employees, which made possible the results achieved by the Company.

On behalf of the Board of Directors

Rohit Kosala
Chairman
(DIN : 07163135)

Place : Mumbai

Date : May 4, 2015

Regd. Office: Vivanta by TAJ - Ambassador
Sujan Singh Park, New Delhi – 110 003

Annexure 1

Annual Report on Corporate Social Responsibility Activities

[Pursuant to (Companies Corporate Social Responsibility Policy) Rules, 2014]

1. A Brief Outline of the Policy

The CSR theme of the Company is "Building Livelihoods" and improving the quality of the life of the communities we serve through long term stakeholder value creation. The CSR activities were designed to:

Serve and be seen to serve society and community and create significant and sustained impact in their lives and provide opportunities for Tata employees to contribute to these efforts through volunteering.

The programmes/projects were undertaken in line and as specified in Schedule VII of the Act.

2. The composition of the CSR Committee :-

Chairman: Mr. Rohit Khosla

Member: Mr. Rajinder Kumar

Member: Mr. Gaurav Pokhariyal

3. Average Net Profit of the company for last three financial years :- ₹ 744 lacs

4. Prescribed CSR expenditure :- ₹ 15 lacs

5. Details of CSR spent for the financial year is :- ₹ 15.03 lacs

A) Manner in which the amount spent during financial year, is detailed below :-

Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes	Amount outlay (budget) project/ programme wise (₹ In lacs)	Amount spent on the project/ programme (₹ In lacs)	Cumulative expenditure upto 31st March, 2015 (₹ In lacs)	Amount spent: Direct/ through implementing agency
1	Employment opportunities to the differently abled people in various departments of our Hotels through NGO's	Employment Enhancing Vocational Skills/ Promotion of Education	Local area/ others	7.70	7.10	7.10	Direct
2	Contribution to Sai Milan NGO for Mid Day Meal Programme (AAP KI RASOI)	Eradicating Extreme Hunger & Poverty	Local area/ others	2.81	2.81	2.81	through implementing agency
3	Green patch work adopted for Subramanian Bharti Marg (Outside area of the hotel premises)	Environment Sustainability & Upkeep of Public Facilities & Properties	Local area/ others	1.72	1.63	1.63	Direct

Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes	Amount outlay (budget) project/ programme wise (₹ In lacs)	Amount spent on the project/ programme (₹ In lacs)	Cumulative expenditure upto 31st March, 2015 (₹ In lacs)	Amount spent: Direct/ through implementing agency
4	Contribution to Swachh Bharat Kosh	SWACHH BHARAT KOSH set up by the Central government to improve cleanliness levels in rural and urban areas, including Schools.	Local area/ others	1.50	1.5	1.5	through implementing agency
5	Contribution to 'AADI' NGO for providing Education and medical support to the differently abled children.	Employment Enhancing Vocational Skills/ Promotion of Education	Local area/ others	0.63	1.00	1.00	through implementing agency
6	Contribution to 'Jan Madhyam' NGO to support poor and disabled children for life skills as well as technical training.	Employment Enhancing Vocational Skills/ Promotion of Education	Local area/ others	0.64	1.00	1.00	through implementing agency
			TOTAL	15.00	15.03	15.03	

6. The CSR Committee Responsibility Statement.

The activities of the Company are in compliances with the CSR objectives and CSR policy of the Company.

On behalf of the Board of Directors

Rajinder Kumar
Director
(DIN: 00053878)

Rohit Khosla
Chairman, CSR Committee
(DIN: 07163135)

Place : Mumbai
Date : 4th May, 2015

UNITED HOTELS LIMITED

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015
of
United Hotels Limited

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U74899DL1950PLC001861
ii)	Registration Date	07/11/1950
iii)	Name of the Company	United Hotels Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/Indian Non Government company
v)	Address of the Registered Office and contact details	Vivanta by Taj – Ambassador Sujan Singh park New Delhi – 110 003 011 – 6626 1000
vi)	Whether listed company	No
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hoteliering	55101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai-400 001	L74999MH1902PLC000183	Ultimate Holding	55% (together with subsidiaries)	2(87) (ii)

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	Nil	33,93,600	33,93,600	40.40	Nil	33,93,600	33,93,600	40.40	Nil
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	Nil	49,22,400	49,22,400	58.60	Nil	49,22,400	49,22,400	58.60	Nil
e) Banks / FI									
f) Any other									
Sub-total (A)(1):-	Nil	83,16,000	83,16,000	99.00	Nil	83,16,000	83,16,000	99.00	Nil
(2) Foreign									
(a) NRIs- Individuals									
(b) Other- Individuals									
(c) Bodies Corporate									
(d) Banks/FI									
(e) Any Other									
Sub-total (A)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	Nil	83,16,000	83,16,000	99.00	Nil	83,16,000	83,16,000	99.00	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others(specify)									
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									

UNITED HOTELS LIMITED

i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	84,000	84,000	1.00	Nil	84,000	84,000	1.00	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	Nil	84,000	84,000	1.00	Nil	84,000	84,000	1.00	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	84,000	84,000	1.00	Nil	84,000	84,000	1.00	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	84,00,000	84,00,000	100	Nil	84,00,000	84,00,000	100	Nil

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	The Indian Hotels Company Limited	25,18,320	29.98	Nil	25,18,320	29.98	Nil	Nil
2	TIFCO Holdings Limited	21,01,680	25.02	Nil	21,01,680	25.02	Nil	Nil
3	New Delhi Hotels Limited	3,02,400	3.60	Nil	3,02,400	3.60	Nil	Nil
4	Narindra Kumar	6,72,000	8.00	Nil	6,72,000	8.00	Nil	Nil
5	Bimla Devi	5,71,200	6.80	Nil	5,71,200	6.80	Nil	Nil
6	Veena Khanna	5,37,600	6.40	Nil	5,37,600	6.40	Nil	Nil
7	Pawan Prashad	5,37,600	6.40	Nil	5,37,600	6.40	Nil	Nil
8	Rajinder Kumar	5,37,600	6.40	Nil	5,37,600	6.40	Nil	Nil
9	Virinder Kumar	5,37,600	6.40	Nil	5,37,600	6.40	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	83,16,000	99	83,16,000	99
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	83,16,000	99	83,16,000	99

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Maharwal Mahipal Singh Ji				
	At the beginning of the year	84,000	1.00	84,000	1.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if Separated during the year)	84,000	1.00	84,000	1.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Rajinder Kumar (Working Director)				
	At the beginning of the year	5,37,600	6.40	5,37,600	6.40
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	5,37,600	6.40	5,37,600	6.40
2	Mr. Narinder Kumar (Working Director)				
	At the beginning of the year	6,72,000	8.00	6,72,000	8.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	6,72,000	8.00	6,72,000	8.00
3	Mr. Virinder Kumar (Working Director)				
	At the beginning of the year	5,37,600	6.40	5,37,600	6.40
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	5,37,600	6.40	5,37,600	6.40

V. INDEBTEDNESS

The Company has no indebtedness with respect to secured or unsecured loan or deposits during the financial year 2014-15

UNITED HOTELS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager (Working Directors)				Total Amount (₹ In Lacs)
		Mr. Rajinder Kumar	Mr. Virinder Kumar	Mr. Narinder Kumar		
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.70	28.63	28.05		86.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.29	0.29		0.87
	(c) Profits in lieu of salary under Section 17 (I) of the Income Tax Act, 1961					
2.	Stock Option	Nil	Nil	Nil		Nil
3.	Sweat Equity	Nil	Nil	Nil		Nil
4.	Commission - as % of profit - others, specify...	-	-	-		-
5.	Others, please specify					
	Total (A)	29.99	28.92	28.34		87.25
	Ceiling as per the Act					89.68

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ In Lacs)
1.	Independent Directors	NA	NA	NA	NA	NA
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)					
2.	Other Non-Executive Directors	Mr. D.K. Beri	Mr. Veer Vijay Singh	Mr. Abhijit Mukerji	Mr. Raymond N Bickson	
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)					87.25
	Total Managerial Remuneration					87.25
	Overall Ceiling as per the Act	1% of the neat profit of the Company.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total	NA	NA	NA	NA

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

For and on behalf of the Board

Rohit Khosla
Chairman
(DIN 07163135)

Place : Mumbai

Date : 4th May, 2015

Regd. office: Vivanta by TAJ - Ambassador
Sujan Singh Park, New Delhi - 110003

AUDITOR'S REPORT

To the Members of United Hotels Limited

1. Report on the financial statements

We have audited the accompanying financial statements of United Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2015;
- (b) in the case of the Statement Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2015, (the Order) issued by the Central Government of India in terms of section 143(11) of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit draft.
 - b) in our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of these books.
 - c) the Company's Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by the report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on 31st March 2015 and taken on record by Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the company does not have any pending litigations which would materially impact its financial position; at Note 31 to the financial statements the amounts involved in disputes regarding statutory dues have been disclosed;
 - ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Place: New Delhi
Date: 4 May, 2015

Vipin Bali
Partner
M.No. 083436

Annexure referred to in paragraph 5.1 of our report of even date to the members on the financial statements as of and for the year ended 31st March 2015

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) A substantial part of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. a) Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory.
3. During the year the Company had granted an unsecured loan of Rs.800 lac to company covered in the register maintained u/s 189 of the Act. In accordance with the information and explanations given to us, the said deposits are prima facie not prejudicial to the interest of the Company. The above mentioned loan was refunded back to the company before 31st March, 2015.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of inventories and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposits that are covered by paragraph 3(v) of the Order.
6. As explained to us, the company is not required to maintain cost records under section 148(1) of the Companies Act, 2013 as prescribed by the Central Government.
7. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable.
- b) As per the information and explanations furnished to us and on verification of records produced before us, we report that the company has no pending demands against it in respect of disputed statutory liabilities; however in respect of Income Tax matters an appeal has been filed by the income tax department against an order in favour of the Company:

Assessment Year	Amount involved – ₹	Forum where dispute is pending
1998-99	99,18,571	Hon'ble High Court of Delhi- appeal filed by the department against order in favour of the company

- c) According to the information and explanations given to us and the records of the company examined by us, the Company is not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
8. The Company has no accumulated losses at the year end. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
9. As per information and explanations furnished to us and on verification of records produced, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debentures.
10. As per information and explanations given to us, the Company has not given any guarantee for loans taken by others.
11. As per information and explanations given to us and as per verification of records produced before us, the Company does not have any term loans, hence para 3 (xi) of the Order is not applicable.
12. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Place: New Delhi
Date: 4 May, 2015

Vipin Bali
Partner
M.No. 083436

UNITED HOTELS LIMITED

Balance Sheet as at March 31, 2015

	Note	March 31, 2015 ₹	March 31, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	8,40,00,000	8,40,00,000
Reserves and surplus	3	17,85,16,209	17,05,95,165
		<u>26,25,16,209</u>	<u>25,45,95,165</u>
Non-current Liabilities			
Long-term provisions	4	22,92,015	22,35,095
		<u>22,92,015</u>	<u>22,35,095</u>
Current Liabilities			
Trade payables	5	2,26,37,852	1,70,44,526
Other Current Liabilities	6	3,28,33,153	3,94,97,096
Short-term provisions	7	6,82,71,359	4,43,79,024
		<u>12,37,42,363</u>	<u>10,09,20,646</u>
Total		<u><u>38,85,50,587</u></u>	<u><u>35,77,50,907</u></u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	8	9,16,41,936	4,39,10,748
Intangible Assets	9	14,27,588	17,33,578
Capital work-in-progress		8,61,454	13,93,695
Non-current investments	10	6,25,04,500	6,25,04,500
Deferred Tax Assets	11	24,57,164	1,02,67,092
Long-term Loans and Advances	12	1,66,90,211	1,36,85,378
		<u>17,55,82,853</u>	<u>13,34,94,991</u>
Current Assets			
Inventories	13	39,26,439	44,56,745
Trade receivables	14	1,24,36,964	99,13,991
Cash and Cash equivalents	15	15,41,14,415	8,62,74,083
Short-term Loans and Advances	16	2,75,15,244	11,35,43,852
Other Current Assets	17	1,49,74,672	1,00,67,245
		<u>21,29,67,734</u>	<u>22,42,55,916</u>
Total		<u><u>38,85,50,587</u></u>	<u><u>35,77,50,907</u></u>
Summary of significant Accounting Policies	1		
The accompanying notes form an integral part of the Financial Statements	1-34		

As per our report of even date attached

For R K KHANNA & CO.

FRN 000033N

Vipin Bali

Partner

M.NO.083436

Place : New Delhi

Date: 4 May, 2015

For and on behalf of the Board

Rohit Khosla

Rajinder Kumar

Rajeev Newar

Vanika Mahajan

Director

Director

Director

Company Secretary

DIN 07163135

DIN 00053878

DIN00468125

Statement of Profit and Loss for the year ended March 31, 2015

	Note	March 31, 2015 ₹	March 31, 2014 ₹
Revenue			
Room, Restaurants, Banquets and Other Operating Income	18	33,81,43,517	32,93,35,029
Other income	19	1,87,92,922	1,81,18,005
Total Revenue		35,69,36,439	34,74,53,034
Expenses			
Food and Beverages Consumed	20	3,47,61,741	3,28,71,380
Employee Benefits Expense and Payment to Contractors	21	8,53,22,431	8,70,51,968
Depreciation		(3,37,66,900)	1,32,94,007
Other Operating and General Expenses	22	18,93,93,005	14,80,95,051
Total		27,57,10,277	28,13,12,407
Profit Before Tax		8,12,26,162	6,61,40,627
Tax Expenses:			
Current Tax		2,00,00,000	2,40,00,000
Deferred Tax(Asset)/Liability		78,09,928	(9,61,690)
Total Taxes		2,78,09,928	2,30,38,310
Profit After Tax For the year		5,34,16,234	4,31,02,316
Earnings per equity share:			
Basic and Diluted	23	6.36	5.13
Summary of significant Accounting Policies	1		
The accompanying notes form an integral part of the Financial Statements	1-34		

* Refer Note No. 8 ,9 & 33.

As per our report of even date attached

For R K KHANNA & CO.
FRN 000033N

Vipin Bali
Partner
M.NO.083436

Place : New Delhi
Date : 04.05.2015

For and on behalf of the Board

Rohit Khosla	Director	DIN 07163135
Rajinder Kumar	Director	DIN 00053878
Rajeev Newar	Director	DIN00468125
Vanika Mahajan	Company Secretary	

Cash Flow Statement for the year ended March 31,2015

	March 31, 2015 ₹	March 31, 2014 ₹
Cash Flow From Operating Activities		
Net Profit Before Tax	8,12,26,162	6,61,40,627
Adjustments For:		
Depreciation	(3,37,66,900)	1,32,94,007
Loss/(Profit) on sale of Assets	(1,24,596)	1,82,759
Provision for Doubtful Debts	(2,10,706)	(61,266)
Interest	(1,48,51,108)	(1,54,05,252)
Provision for Employee Benefits	1,78,174	64,115
	(4,87,75,135)	(19,25,637)
Cash flow from operations before working capital changes	3,24,51,027	6,42,14,989
Adjustments For:		
Trade and Other Receivables	(61,95,920)	52,35,748
Inventories	5,30,306	(22,10,711)
Trade and Other Payables	2,14,29,382	1,16,64,614
	1,57,63,768	1,46,89,651
Cash Flow From Operating Activities	4,82,14,795	7,89,04,641
Income Tax Refunds	-	66,70,267.00
Direct Taxes Paid	(1,80,00,000)	(2,25,00,000)
Net Cash From Operating Activities	3,02,14,795	6,30,74,908
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1,31,50,795)	(73,43,438)
Sale of Fixed Assets	1,49,334	3,70,847
Interest Received	1,48,51,108	1,54,05,252
Long Term Deposits Placed with companies	8,00,00,000	-
Net Cash Used in Investing Activities	8,18,49,647	84,32,661
Cash Flow from Financing Activities		
Dividend Paid (Including tax on dividend)	(4,42,24,110)	(4,91,37,900)
Net Cash Used In Financing Activities	(4,42,24,110)	(4,91,37,900)
Net Increase / (Decrease) in cash and cash equivalents	6,78,40,332	2,23,69,668
Cash and Cash Equivalents as at April,2014	8,62,74,083	6,39,04,415
Cash and Cash Equivalents as at March-2015	15,41,14,415	8,62,74,083

As per our report of even date attached

For R K KHANNA & CO.

FRN 000033N

Vipin Bali

Partner

M.NO.083436

Place : New Delhi

Date : 04.05.2015

For and on behalf of the Board

Rohit Khosla

Rajinder Kumar

Rajeev Newar

Vanika Mahajan

Director

Director

Director

Company Secretary

DIN 07163135

DIN 00053878

DIN00468125

Notes to Financial Statements for year ended March 31, 2015

Note 1 : Significant Accounting Policies

ACCOUNTING POLICIES :

The Financial Statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) specified under Section 133 of Companies Act, 2013, read with the Rule 7 of Companies (Accounts) Rules, 2014. The preparation of financial statements requires the Management to make the estimates and assumptions considered in the reported amounts of Assets and Liabilities (including contingent liabilities) as of the date of the financial statements and reported Income and Expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under :-

a. Revenue Recognition:

Revenue comprises room sales, food and beverages, allied services relating to hotel operations, including income from telecommunication services. Revenue is recognised upon rendering of the services.

b. Export Benefits Entitlement:

Benefits arising in the nature of Duty Free Scrips are recognised upon the actual utilisation of Duty Credit Scrips for the purchase of Fixed Assets and Inventories and are adjusted against the cost of the related assets.

c. Employee Benefits(other than person engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the period. The contributions as specified under the law are paid to the provident fund authorities.

ii. Gratuity Fund

The company has defined benefit plan for post retirement benefit in the form Gratuity which is administered through LIC for all its employees. The company has no further obligation beyond making the contributions. The company's contribution to Defined Contribution Plan are charged to the statement of profit and loss as paid.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

iv. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowance, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

d. Fixed Assets

All fixed assets are valued at cost less depreciation/amortisation and impairment losses, if any. Cost includes expenses incidental to installation of assets and attributable borrowing cost.

e. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per Schedule II of the Companies Act, 2013 on the basis of estimated useful life, in whose case the life of the assets has been assessed; based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. (Refer Note No. 33(a) & (b))

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

f. Inventories

Stock of food and beverages and operating supplies are carried at cost (computed on weighted average basis) or net realisable value, whichever is lower.

g. Investments

Long term Investments are carried at cost. However, provision is made for diminution in the value, other than temporary, on an individual basis.

h. Transactions in Foreign Exchange

- i. Transactions in foreign currencies are recorded at rates of exchange prevailing on the date of transactions. Monetary items denominated in foreign currency and outstanding at the Balance sheet date are converted at exchange rate prevailing at the year end.
- ii. Non-monetary items denominated in a foreign currency are carried at the exchange rate in force at the date of the transaction. Exchange differences arising on foreign currency transactions are recognised as income or expenses in the period in which they arise.

i. Taxes on Income

- i. Provision for current income tax is made for the tax liability payable on income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax and rates and provisions of Income Tax Act, 1961 and other applicable tax laws. The difference between the taxable income and the net profit & loss for the year as per financial statements are identified. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on effective tax rates substantively enacted by the balance sheet date
- ii. Tax expenses is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income' (AS- 22), notified by the Companies (Accounts) Rules, 2014. Tax Expense are accounted in the same period to which the revenue and expense relate.
- iii. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the company has unabsorbed depreciation and carried forward losses and items relating to capital loss, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.
- iv. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing to the effect that the Company will pay normal income tax during the specified period.

j. Assets taken on lease :

Operating Lease payments are recognised as expenditure in the Profit and Loss Account on written down basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

k. Accounting for Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised in terms of Accounting Standard 29-'Provisions, Contingent Liabilities and Contingent Assets'(AS-29), notified by the Companies (Accounting Standards) Rules, 2006, when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities are recognised only when there is a possible obligation arising from the past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 2 : Share Capital

	March 31, 2015 ₹	March 31, 2014 ₹
Authorised Share capital		
Equity Shares		
1,00,00,000 Equity Shares (Previous Year 1,00,00,000 equity shares of ₹ 10/- each)	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued, Subscribed and Paid up		
Equity Shares		
84,00,000 Fully Paid-Up Equity Shares (Previous Year 84,00,000 Fully Paid Equity Shares of ₹ 10/- each)	8,40,00,000	8,40,00,000
	<u>8,40,00,000</u>	<u>8,40,00,000</u>

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the year.

	March 31, 2015		March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
As at the beginning of the Year	84,00,000	8,40,00,000	84,00,000	8,40,00,000
Add:- Shares Issued during the year	-	-	-	-
As at the end of the year	<u>84,00,000</u>	<u>8,40,00,000</u>	<u>84,00,000</u>	<u>8,40,00,000</u>

b. Shareholders holding more than 25% Equity Shares in the Company

Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
The Indian Hotels Co. Ltd.(Holding Company)	25,18,320	29.98%	25,18,320	29.98%
TIFCO Holdings Ltd.-a subsidiary of The Indian Hotels Co. Ltd.	21,01,680	25.02%	21,01,680	25.02%
TOTAL	<u>46,20,000</u>	<u>55.00%</u>	<u>46,20,000</u>	<u>55.00%</u>

c. Shareholders holding more than 5% Equity Shares in the Company

Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Rajinder Kumar	5,37,600	6.40%	5,37,600	6.40%
Mr.Narinder Kumar	6,72,000	8.00%	6,72,000	8.00%
Mrs.Veena Khanna	5,37,600	6.40%	5,37,600	6.40%
Mr. Pawan Pershad	5,37,600	6.40%	5,37,600	6.40%
Mr. Virender Kumar	5,37,600	6.40%	5,37,600	6.40%
Mrs. Bimla Devi	5,71,200	6.80%	5,71,200	6.80%
TOTAL	<u>33,93,600</u>	<u>40.40%</u>	<u>33,93,600</u>	<u>40.40%</u>

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2015, the amount of per share dividend recognised as distribution to equity shareholder was ₹ 4.50/- (Previous year ₹ 4.50/-)

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 3 Reserves and Surplus

	March 31, 2015 ₹	March 31, 2014 ₹
Capital Reserve		
Opening and Closing Balance	11,40,845	11,40,845
General Reserve		
Opening Balance	15,51,74,528	15,01,74,528
Add: Transferred from Surplus in Statement of Profit and Loss	-	50,00,000
Closing Balance	15,51,74,528	15,51,74,528
Surplus in Statement of Profit and Loss		
Opening Balance	1,42,79,792	2,04,01,585
Add:-Net Profit for the current year	5,34,16,234	4,31,02,317
Less:-Proposed Dividend	3,78,00,000	3,78,00,000
Less:-Tax on Dividend	76,95,191	64,24,110
Less:-Transfer to General Reserves	-	50,00,000
Closing Balance	2,22,00,835	1,42,79,792
Total	17,85,16,209	17,05,95,165

Note 4 : Long-term Provisions

	March 31, 2015 ₹	March 31, 2014 ₹
Provision For Employee Benefits		
Compensated absences	22,92,015	22,35,095
Total	22,92,015	22,35,095

Note 5 : Trade Payables

	March 31, 2014 ₹	March 31, 2013 ₹
Total outstanding dues of Micro and Small Enterprises	1,42,358	2,03,134
Total outstanding dues Creditors other than Micro and Small Enterprises	2,24,95,494	1,68,41,393
Total	2,26,37,852	1,70,44,526

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected. Disclosure are relating to Micro and Small Enterprises are as under:-

	March 31, 2014 ₹	March 31, 2013 ₹
The principal amount remaining unpaid to suppliers as at the end of year accounting year	1,42,358	2,03,134
Total	1,42,358	2,03,134

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 6 : Other Current Liabilities

	March 31, 2015 ₹	March 31, 2014 ₹
Creditors of Capital expenditure	4,52,267	5,54,017
Advance collected from Customers	24,23,023	47,48,214
Other Liabilities	2,09,77,414	2,66,46,926
Deposit others	10,60,057	11,93,000
Statutory Dues	79,20,392	63,54,939
Total	3,28,33,153	3,94,97,096

Note 7 : Short-term Provisions

	March 31, 2015 ₹	March 31, 2014 ₹
Compensated absences	2,76,168	1,54,914
Proposed Dividend	3,78,00,000	3,78,00,000
Tax on Dividend	76,95,191	64,24,110
Provision for Contingencies	2,25,00,000	-
Total	6,82,71,359	4,43,79,024

Note 8 : Fixed Assets-Tangible Assets

₹

Particulars	Airconditioning and Refrigerators	Plant and Machinery	Solar Water Heater	Furniture and Fixtures	Office Equipments	Vehicles	Total Tangible Assets
Gross Block at Cost							
At April 1, 2013	3,07,93,140	9,97,96,552	18,29,757	2,99,40,797	1,52,87,984	7,81,092	17,84,29,322
Additions	31,29,452	21,85,760	-	3,11,104	6,43,825	-	62,70,142
Disposals	10,98,534	50,64,415	-	2,34,114	11,09,702	7,81,092	82,87,857
Adjustments							-
At March 31, 2014	3,28,24,058	9,69,17,898	18,29,757	3,00,17,787	1,48,22,107	-	17,64,11,607
At April 1, 2014	3,28,24,058	9,69,17,898	18,29,757	3,00,17,787	1,48,22,108	-	17,64,11,608
Additions	17,41,035	65,86,266	-	45,49,686	8,06,049	-	1,36,83,036
Disposals	-	71,807	-	5,33,350	-	-	6,05,157
Adjustments							-
At March 31, 2015	3,45,65,093	10,34,32,357	18,29,757	3,40,34,123	1,56,28,156	-	18,94,89,487
Depreciation							
At April 1, 2013	1,74,21,637	7,43,74,963	14,87,888	1,96,93,108	1,34,08,169	6,57,268	12,70,43,033
Charge for the Year	22,12,953	74,01,089	95,108	27,25,612	7,35,877	21,372	1,31,92,011
Disposals	8,70,010	48,65,597	-	2,28,422	10,91,515	6,78,640	77,34,183
At March 31, 2014	1,87,64,580	7,69,10,455	15,82,996	2,21,90,298	1,30,52,531	-	13,25,00,860
At April 1, 2014	1,87,64,580	7,69,10,455	15,82,996	2,21,90,298	1,30,52,531	-	13,25,00,860
Charge for the year	15,66,034	91,33,130	64,704	29,31,963	15,46,033	-	1,52,41,865
Adjustment	87,23,564	3,27,95,446	4,16,282	60,59,483	13,19,979	-	4,93,14,756
Disposals		1,14,749		4,65,670			5,80,419
At March 31, 2015	1,16,07,051	5,31,33,389	12,31,418	1,85,97,108	1,32,78,585	-	9,78,47,550
Net Block							
At March 31, 2014	1,40,59,478	2,00,07,443	2,46,761	78,27,490	17,69,576	-	4,39,10,748
At March 31, 2015	2,29,58,043	5,02,98,968	5,98,339	1,54,37,015	23,49,571	-	9,16,41,936

Notes to Financial Statements for year ended March 31, 2015 (Contd.)**Note 9 : Fixed Assets- Intangible Assets**

Particulars	₹	
	Intangible Assets	Total Inangible Assets
Gross Block at Cost		
At April 1, 2013	-	-
Additons	18,35,575	18,35,575
Disposals	-	-
Adjustments	-	-
At March 31, 2014	18,35,575	18,35,575
At April 1, 2014	18,35,575	18,35,575
Additions	-	-
Disposals	-	-
Adjustments	-	-
At March 31, 2015	18,35,575	18,35,575
Depreciation		
At April 1, 2013	-	-
Charge for the Year	1,01,997	1,01,997
Disposals	-	-
At March 31, 2014	1,01,997	1,01,997
At April 1, 2014	1,01,997	1,01,997
Charge for the year	3,05,990	3,05,990
Adjustment	-	-
At March 31, 2015	4,07,987	4,07,987
Net Block		
At March 31, 2014	17,33,578	17,33,578
At March 31, 2015	14,27,588	14,27,588

Note 10 : Non- Current Investments (at Cost)

	Face Value	March 31, 2015		March 31, 2014	
		Holding (nos.)	₹	Holding (nos.)	₹
Trade Investment, Unquoted					
Taj Air Limited	₹ 10	62,50,000	6,25,00,000	62,50,000	6,25,00,000
Non-trade Investment, Quoted					
Graviss Hospitality Limited	₹ 2	4,500	4,500	4,500	4,500
Total			6,25,04,500		6,25,04,500
Notes:-					
Aggregate of Unquoted Investments	Cost		6,25,00,000		6,25,00,000

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 11 : Deferred Tax

	March 31, 2015 ₹	March 31, 2014 ₹
Deferred Tax Assets:		
Depreciation on Fixed Assets	-	88,53,236
Provision for doubtful debts	5,15,444.29	6,01,492
Provision for Employee Benefits	8,49,118.35	8,12,364
Provision for Contingencies	74,39,175.00	-
	<u>88,03,737.64</u>	<u>1,02,67,092</u>
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	63,46,573.79	-
Total	<u>24,57,164</u>	<u>1,02,67,092</u>

Note 12 :Long-term Loans and Advances

	March 31, 2015 ₹	March 31, 2014 ₹
Capital advances	<u>19,37,280</u>	<u>6,92,335</u>
Security Deposits:		
Deposit with public bodies & others	15,93,907	18,72,157
Advance Income Tax Paid (net)	<u>1,31,59,025</u>	<u>1,11,20,887</u>
Total	<u>1,66,90,211</u>	<u>1,36,85,378</u>

Note : 13 Inventories

	March 31, 2015 ₹	March 31, 2014 ₹
Stores and Operating Supplies	5,78,391	6,10,044
Food and Beverages	33,48,048	38,46,701
Total	<u>39,26,439</u>	<u>44,56,745</u>

Note :14 Trade Receivables

	March 31, 2015 ₹	March 31, 2014 ₹
Outstanding over six months from the due date:		
Secured, considered good		
Unsecured, considered good	4,95,859	4,04,337
Considered doubtful	15,58,976	17,69,682
	<u>20,54,835</u>	<u>21,74,019</u>
Less: Provision for doubtful debts	15,58,976	17,69,682
	<u>4,95,859</u>	<u>4,04,337</u>
Others:		
Secured, considered good		-
Unsecured, considered good	1,19,41,105	95,09,654
	<u>1,19,41,105</u>	<u>95,09,654</u>
Total	<u>1,24,36,964</u>	<u>99,13,991</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note :14 Trade Receivables (Contd.)

Provision for Doubtful Debts	March 31, 2015 ₹	March 31, 2014 ₹
Opening Balance	17,69,682	18,31,016
Add:- Provision during the year	2,62,792	2,02,829
	20,32,474	20,33,845
Less:- Bad Debts written off	(4,49,261)	-
Less:- Provision no longer required	(24,237)	(2,64,163)
Total	15,58,976	17,69,682

Debtors include amounts aggregating to ₹ 15,58,976 (Previous Year ₹ 17,69,682) which are doubtful in nature. Out of the same ₹ 9,46,971 (Previous Year ₹ 9,01,831) are sub-judice, for which the Company has filed suits/taken legal steps for recovery.

Sundry Debtors include debts due from directors ₹ NIL (Previous Year ₹ NIL) maximum amount outstanding during the year is ₹ 12,268 (Previous Year ₹ 15,244)

Debtors considered good in respect of which the Company is fully secured ₹ NIL (Previous Year ₹ NIL)

Note : 15 Cash and Cash equivalents

	March 31, 2015 ₹	March 31, 2014 ₹
Cash on Hand	2,50,000	2,50,000
Cheques, Drafts on hands	-	-
Balance with bank in current account	1,38,64,415	3,60,24,083
Short-term deposit accounts (original maturity less than 3 months)	14,00,00,000	5,00,00,000
TOTAL	15,41,14,415	8,62,74,083

Note : 16 Short-term Loans and Advances

	March 31, 2015 ₹	March 31, 2014 ₹
(Unsecured, considered good unless stated otherwise)		
Short-term Loans and Advances		
Related Parties		
Fellow Subsidiaries		
Inter Corporate Deposits	-	8,00,00,000
	-	8,00,00,000
Others		
Inter Corporate Deposits	1,75,00,000	1,75,00,000
	1,75,00,000	9,75,00,000
Deposit-Other	3,03,600	2,06,000
Other Advances	97,11,644	1,58,37,852
	1,00,15,244	1,60,43,852
Total	2,75,15,244	11,35,43,852

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note : 17 Other Current Assets

	March 31, 2015 ₹	March 31, 2014 ₹
Interest Receivable		
Related parties	-	19,63,356
Others	11,48,612	10,19,762
	<u>11,48,612</u>	<u>29,83,118</u>
On Current Account dues :		
Holding Company	-	67,63,843
Fellow Subsidiaries	5,33,354	2,13,757
Others	1,32,92,706	1,06,527
	<u>1,38,26,060</u>	<u>70,84,127</u>
Total	<u>1,49,74,672</u>	<u>1,00,67,245</u>

Note :18 Rooms, Restaurants, Banquets and Other Operating Income

	March 31, 2015 ₹	March 31, 2014 ₹
Rooms Income	17,21,56,499	17,31,77,104
Food, Restaurants and Banquet Income	15,68,21,637	14,51,75,403
Others	91,65,382	1,09,82,522
TOTAL	<u>33,81,43,517</u>	<u>32,93,35,029</u>

Note :19 Other Income

	March 31, 2015 ₹	March 31, 2014 ₹
Interest Income		
Inter-corporate deposits	1,08,48,630	77,55,751
Deposits with banks	40,02,478	61,64,423
Interest on Income Tax Refunds	-	14,85,078
	<u>1,48,51,108</u>	<u>1,54,05,252</u>
Exchange gain (Net)	-	25,554
Profit on Sale of Fixed Assets	1,24,596	-
Others	38,17,218	26,87,198
TOTAL	<u>1,87,92,922</u>	<u>1,81,18,005</u>

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note : 20 Food and Beverages Consumed

	March 31, 2015 ₹	March 31, 2014 ₹
Food and Beverages Consumed		
Opening Stock	38,46,701	22,43,903
Add:- Purchases *	3,42,63,088	3,44,74,178
	3,81,09,789	3,67,18,081
Less:- Closing Stock	33,48,048	38,46,701
Food and Beverages Consumed	3,47,61,741	3,28,71,380

Particulars	March 31, 2015	%	March 31, 2014	%
Imported	NIL	NIL	NIL	NIL
Indigenous	3,47,61,741	100	3,28,71,380	100
Total				

* Purchase cost of Food and Beverages is after adjusting Sale of Empties

	March 31, 2015 ₹	March 31, 2014 ₹
Sale of Empties	2,23,251	2,71,308

Note : 21 Employee Benefits Expense and Payment to Contractors

	March 31, 2015 ₹	March 31, 2014 ₹
Salaries, Wages, Bonus etc.	5,04,48,437	5,19,15,799
Company's Contribution to Provident and Other Funds	32,03,305	31,04,237
Reimbursement of Expenses on Personnel Deputed to the Company	1,38,94,245	1,40,42,786
Payment to Contractors	57,32,735	48,61,737
Staff Welfare Expenses	1,20,43,709	1,31,27,409
Total	8,53,22,431	8,70,51,968

i. The Company has recognised the following amount under the head "Company's Contribution to Provident Fund and Other Funds"

	March 31, 2015 ₹	March 31, 2014 ₹
Provident Fund	24,95,168	23,87,405
Gratuity Fund	7,08,136	7,16,832
Total	32,03,305	31,04,237

ii. Managerial remuneration

	March 31, 2015 ₹	March 31, 2014 ₹
Salaries, HRA, LTA, Medical & others	82,15,441	79,93,193
Contribution of Provident Fund and Other Funds	5,08,163	4,78,688
Commission	-	57,48,764
Total	87,23,604	1,42,20,645

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note : 22 Other Operating and General Expenses

i Operating Expenses consist of the following

	March 31, 2015 ₹	March 31, 2014 ₹
Linen and Room Supplies	45,38,107	52,63,507
Catering Supplies	27,33,139	24,86,880
Other Supplies	1,46,627	1,86,596
Fuel, Power & Light	2,72,85,788	2,33,41,832
Repairs to Buildings	1,44,29,907	54,70,846
Repairs to Machinery	57,74,951	48,40,258
Repairs to Others	18,99,265	26,85,517
Linen and Uniform Washing and Laundry Expenses	37,51,652	37,34,789
Payment to Orchestra Staff and Artistes and Others	11,32,921	9,08,630
Guest Transportation	7,04,068	14,33,456
Travel Agent's Commission	36,67,539	32,33,339
Credit/Debit Card Commission	28,77,006	26,71,392
Other Operating Expenses	53,39,641	54,41,564
Total	7,42,80,611	6,16,98,605

ii General Expenses consist of the following:

Rent	38,24,354	36,48,403
License Fees	1,79,42,890	1,74,41,395
Rates & Taxes	2,88,20,609	63,09,613
Insurance	9,48,188	9,55,354
Expenditure on Corporate Social Responsibility*	15,03,325	-
Advertising & Publicity	1,11,51,537	1,25,30,210
Printing & Stationery	14,02,749	19,10,265
Passage & Traveling	9,01,770	8,29,582
Bad Debts Written off	4,49,261	2,64,163
Professional Fees	32,40,817	25,80,247
Support Services	14,65,770	11,49,980
Foreign Exchange Loss (Net)	2,03,094	-
Loss on Sale of Fixed Assets	-	1,82,759
Central Reseveration System/Cutomer Information System	71,79,410	69,76,557
Security Charges	64,62,488	56,11,314
Compensation to SSPL	1,26,00,000	1,26,00,000
Annual Entitlement Fee	1,41,66,207	97,15,475
Other Expenses	26,71,160	27,40,730
Auditors Remuneration		
i. As Auditors	92,697	92,697
ii. For Taxation matters	19,663	27,302
Directors Commission	66,407	8,30,402
Total	11,51,12,394	8,63,96,446

GRAND TOTAL (i+ii)

18,93,93,005	14,80,95,051
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Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Expenses recovered from other parties :-

	March 31, 2015 ₹	March 31, 2014 ₹
Fuel, Power and Light	4,16,549	79,942
Rent	1,03,073	92,337
Total	5,19,622	1,72,279

* During the year an amount of ₹ 15.03 lac (based on 2% of Average net profit of the company during the three immediately preceding financial year, computed as per section 198) was earmarked for expenditure on Corporate Social Responsibility. An amount of ₹ 15.03 lac has been expended on the following activities:-

- 1 - Contribution to Sai Milan NGO for Aap Ki Rasoi program.
- 2 - Stipend to Deaf and Dumb trainees
- 3 - Green Patch work adopted for Subramaniam Bharti Marg.
- 4 - Contribution to Swatch Bharat Kosh
- 5 - Other Activities

Note 23 Earning Per Equity share

	March 31, 2015 ₹	March 31, 2014 ₹
Profit after Tax	5,34,16,234	4,31,02,317
No. of Equity Shares	84,00,000	84,00,000
Basic and Diluted	6.36	5.13

Note 24 Employee Benefits

The company has taken group gratuity scheme with Life Insurance Corporation (LIC Ultimate (94-96)) and annual contributions are made to the fund administrated by Life Insurance Corporation. Every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service or retirement , whichever is earlier. The benefit vests after five years of continuous service.

Relevant information is disclosed below :-

	March 31, 2015 ₹	March 31, 2014 ₹
Reconciliation of opening and closing balances on the present value of the defined benefit obligation		
Obligation at period beginning	82,34,791	79,66,781
Current service cost	4,92,642	4,62,106
Interest cost	6,58,783	6,37,342
Actuarial (gain)/loss due to change in assumptions	4,69,544	(1,76,912)
Benefits paid	(11,25,175)	(6,54,526)
Obligation at period end	87,30,585	82,34,791
Change in plan assets		
Plan Assets at period beginning, at fair value	1,03,32,586	94,20,532
Expected return on plan assets	9,29,933	8,24,297
Actuarial gain/(loss)	(66,553)	(7,763)
Contribution by Employer	-	7,50,046
Benefit paid	(11,25,175)	(6,54,526)
Plan Assets at period end, at fair value	1,00,70,791	1,03,32,586

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

	March 31, 2015 ₹	March 31, 2014 ₹
Table showing fair value of plan assets		
Fair value of plan assets at the beginning of year	1,03,32,586	94,20,532
Actual return on plan assets	8,63,380	8,16,534
Contributions	-	7,50,046
Benefit Paid	(11,25,175)	(6,54,526)
Fair value of plan assets at the end of year	1,00,70,791	1,03,32,586
 Funded status	 13,40,206	 20,97,795
Excess of Actual over estimated return on plan assets	(66,553)	(7,763)
(Actual rate of return = Estimate rate of return as ARD falls on 31st March)		
Expense for the year		
Current service cost	4,92,642	4,62,106
Interest cost	6,58,783	6,37,342
Expected return on plan assets	(9,29,933)	(8,24,297)
Net Actuarial (gain)/Loss recognized in the year	5,36,097	(1,69,149)
Net cost	7,57,589	1,06,002
Assumptions		
Discount rate	7.75%	8%
Salary Escalation	3.00%	3%

Note 25 The Company has taken certain vehicles on operating lease. The total lease rent paid(net of service tax cenvat) of amounting to ₹ 1,762,640 (Previous year ₹ 1,568,898) is included under other expenses. The minimum future lease rentals payable in respect thereof are as follows:

	March 31, 2015 ₹	March 31, 2014 ₹
Not Later than one year	17,36,054	18,21,768
Later than one year but not later than five years	4,76,673	22,12,727
Later than Five years	-	-
Total	22,12,727	40,34,495

Note 26 C.I.F. Value of Imports

	March 31, 2015 ₹	March 31, 2014 ₹
Stores, Supplies and Spare Parts for Machinery	-	-
Capital Goods	12,36,553	17,40,281

Note 27 Expenses in Foreign Exchange

	March 31, 2015 ₹	March 31, 2014 ₹
Travelling	-	-
Others	-	-

Note 28 Earnings in foreign Exchange

	March 31, 2015 ₹	March 31, 2014 ₹
Rooms, Restaurants, Banquets and Other operating Income	11,62,94,840	10,61,05,753
The Earnings in foreign exchange, as reported above, are on the basis of actual receipts during the year, as certified by the Management		

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 29 Capital Commitments

	March 31, 2015 ₹	March 31, 2014 ₹
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for.	37,13,608	46,90,795

Note 30 Under schedule III of Companies Act, 2013 quantitatives details are not required to disclose.

Note 31 Contingent Liabilities

	March 31, 2015 ₹	March 31, 2014 ₹
Claim against company not acknowledged as debts:-		
Property Tax	6,61,06,744	6,90,91,344
Income Tax*	99,18,571	99,18,571

*Income Tax Department filed the appeal against the order of ITAT which was decided in favour of company and amount of tax disputed is covered from refund dues for various assessment years.

Note 32 Related Party disclosures

a) The names of Related Parties of the Company are as under

(i) Holding Company

The Indian Hotels Company Ltd.

(ii) Fellow Subsidiaries Company

Domestic :-

TIFCO Holdings Limited
KTC Hotels Limited
Roots Corporation Limited
Taj SATS Air Catering Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Taj Enterprises Limited
Benaras Hotels Limited

International :-

Taj International Hotels (H.K.) Limited
Cheiftain Corporation NV
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
IHMS Inc.
Samsara Properties Limited
IHMS (Australia) Pty Limited
Apex Hotel Management Services (Australia)Pty Ltd.
PIEM International Hotels (H.K.) Limited
Premium Aircraft Leasing Corporation, Ireland
BAHC 5

(iii) Key Management Perosnnel

Mr. Rajinder Kumar
Mr. Virinder Kumar
Mr. Narinder Kumar

(vi) Firms / companies in which key Management Personnel are Interested

New Delhi Hotels Limited
Digvijay Finances Pvt. Ltd.
United Finances & Agencies Pvt. Ltd.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

(b) Details of related party transaction during the year ended March 31, 2015 and outstanding balances as at March 31, 2015.

	Holding Company	Key Management Personnel	Fellow Subsidiaries	Key Management Personnel interested
Interest Received / Accrued on ICD	-	-	89,05,411	-
Dividend Paid	1,13,32,440	78,62,400	94,57,560	13,60,800
Operating Fees Paid / Provided	1,75,71,463	-	-	-
Advertisement/CRS & CIS Paid / Provided	1,40,57,172	-	-	-
Purchase of goods & Services	12,28,666	-	1,62,950	-
Sale of goods & Services	-	-	-	82,023
Directors Remuneration	-	87,23,605	-	-
Directors Commission	-	-	-	-
Trade Receivables	-	-	-	-
Trade Payables	-	-	-	-
Receivable Due on Current A/c	-	-	5,33,354	-
Payable Due on Current A/c	1,84,363	-	-	-
Interest Receivables	-	-	-	-
ICD Placed	-	-	-	-
ICD Refunded	-	-	8,00,00,000	-

Notes to Financial Statements for year ended March 31, 2015 (Contd.)
Note 32 (c) Statement of Material Transactions

	March 31, 2015 ₹	March 31, 2014 ₹
Holding Company		
The Indian Hotels Company Limited		
Operating/Licence Fee Paid	1,75,71,463	1,71,23,710
Advertisement/Brand Cost/CRS/CIS Paid	1,40,57,172	1,36,98,966
Purchase of goods & services	12,28,666	11,29,061
Sale of goods & services	-	-
Receivable due on current account		67,63,843
Payable due on current account	1,84,363	-
Dividend Paid	1,13,32,440	1,25,91,600
ICD Placed	-	8,00,00,000
ICD Refunded	-	8,00,00,000
ICD Interest	-	16,94,959
Remuneration to Key Management Personnel		
Mr. Rajinder Kumar		
Remuneration	29,97,493	32,57,248
Commission	-	10,50,000
Dividend Paid	24,19,200	26,88,000
Mr. Virinder Kumar		
Remuneration	28,91,818	29,83,044
Commission	-	9,80,000
Dividend Paid	24,19,200	26,88,000
Mr. Narinder Kumar		
Remuneration	28,34,294	22,31,590
Commission	-	9,10,000
Dividend Paid	30,24,000	33,60,000
Fellow Subsidiaries		
TIFCO Holdings Ltd		
Dividend Paid	94,57,560	1,05,08,400
PIEM Hotels Limited		
Sale of goods & services		
Receivable due on current account	5,16,250	1,11,694
Payable due on current account	-	-
Inditravel Limited		
Purchase of goods & services	-	-
Roots Corporation Limited		
ICD Placed	-	8,00,00,000
ICD Refunded	8,00,00,000	
ICD Interest	89,05,411	4,35,305
Interest Recoverable	-	19,63,356
Taj Sats Air Catering Limited		
Purchase of goods & services	1,62,950	72,550
Receivable due on current account	17,104	43,352
Beneras Hotels Limited		
Receivable due on current account	-	3,200

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 32 (c) Statement of Material Transactions (contd.)

	March 31, 2015 ₹	March 31, 2014 ₹
Key Management Personnel interested		
New Delhi Hotels Ltd.		
Sale of goods & Services	82,023	82,023
Dividend Paid	13,60,800	15,12,000

Note 33 (a) Impact in Depreciation due to change in method and useful life of Fixed Assets :

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company changed its method of depreciation for certain categories of fixed assets from written down value (WDV) method to straight line method (SLM). Consequent to this change, all assets are now being depreciated under SLM. On account of this the Company has recognized a credit of ₹ 493.15 lacs during the current period pertaining to previous years. The Company also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate as per WDV	Depreciation rate as per SLM	Revised useful life based on SLM
AC and Refrigerators	WDV	13.91%	4.75%	20 years
Plant & Machinery	WDV	13.91% to 27.82%	4.75% to 10.34%	4 years to 20 years
Solar Water Heater	WDV	27.82%	10.34%	15 years
Furniture, Fixtures	WDV	25.88%	9.50%	8 years to 15 years
Office Equipments	WDV	25.88% to 40%	4.75% to 16.21%	4 years to 6 years
Intangible Assets	WDV	16.67%	16.67%	16.67%

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and charged to Profit and Loss account by amount of ₹ 18.39 lacs during the financial Year.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 2.9 lacs consequent to the above change in the method of depreciation from WDV to SLM basis.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 21.3 lacs consequent to the change in the useful life of the assets.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 33 (b) Statement showing changes in estimates for the useful life of the Assets:

Sr. No	Tangible Assets	Useful Life (years)- Existing	Useful Life (years)- Sch II - prescribed	Useful Life (years)- Reassessed	Justification for higher useful life
1	Boilers	10	7.5	15	Service life for boilers varies for a number of reasons, Water quality, manufacturer, periodic water treatment, oil or natural gas, lpg fired, etc. Annual suveys are carried out on the boilers from independent authorised bodies as well as a 10 year survey for the shell status as well. Based on our assessment the average life is between 15-20 years based on past replacement pattern .
2	Elevators	10	7.5	20	As per the recommendations of OEM's in the elevator industry, the normal life is 20 years and would need replacement after 20 to 25 years of service. Post this, replacement can be carried out. In the interim if required modernisation can be done for effective controls.
3	Fire Fighting	10	7.5	10	The Fire Fighting equipments are equipments which only come in working or operating conditions under accidents/emergencies. The life expectancies can be increased upto 20 years if the Preventive Maintenance is carried out periodically.
4	Generators	21	15	20	The life span of generators cannot be calculated from its age, but the number of hours used is the real criteria for life of unit. Not many high speed engines (1500 rpm) generators used past about 20-25,000 hours (can be about 3 Years if continuous base load) or 20-25 years if standby power only. In our hotels, generators are mainly on standby mode
5	Heat Machines	21	7.5	10	The exact lifespan of most heat pumps last between 14 and 16 years when they receive maintenance regularly. According to the Air Conditioning, Heating & Refrigeration Institute (AHRI), the average lifespan of a heat pump is approximately 14-15 years, the newer heat pumps will often last beyond the 15-year mark, while older systems manufactured before the '80s last for about 15 years. On a conservation basis, we are assuming the useful life to be 10 years
6	Heat Vent and AC	21	7.5	20	The life of central air conditioning units (eg chillers, and related etc) on an average will vary from about 18 years up to about 20 years. After that time, parts begin to wear out. The technology used to build the unit also becomes outdated. The air conditioning unit will not be as efficient as it was when it was new, and is not nearly as efficient as a new unit. Poor maintenance and improper installation can significantly shorten the life of an air conditioning unit. Room airconditioners on the other hand would have a maximum life of 8 years
7	Housekeeping Equipments	10	7.5	10	Most of the housekeeping equipments, Vacuum cleaners, water filters, room heaters, dehumidifiers etc have a life close to 10 years

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 33 (b) Statement showing changes in estimates for the useful life of the Assets:

Sr. No	Tangible Assets	Useful Life (years)- Existing	Useful Life (years)- Sch II - prescribed	Useful Life (years)- Reassessed	Justification for higher useful life
8	Kitchen Equipment	13	10	15	Most appliances (cooking ranges, king size ovens,grills,etc)have fairly predictable life expectancies. Depending on the original cost, manufacturing quality, and how heavily it's used, an appliance may last between 14-15 years.
9	Laundry Equipments	10	10	15	The average lifespan of a laundry equipments is about 14 years. This can be determined by calculating seven loads of washing per week, or doing one load per day. Equipments are rated by how many cycles they can perform before they break. Each load is considered one cycle, so for a washer to last 14 years, it must be able to handle about 5,100 cycles.
10	Refrigeration	21	7.5	15	The average life expectancy for a properly maintained refrigeration equipment(Deep freezers,refrigerators and related) is 15 years, depending on model and size. Also Compact refrigerators typically run for 14 years on average, while a standard refrigerator will run up to 15 years. The life expectancy of your refrigerator is affected by how well it is cared for and its construction. Some models may last only about 10 years, while others may run for up to 19 years.Proper care and maintenance can extend the life expectancy of the refrigerator.
11	Sanitary & Plumbing	10	7.5	15	The average lifespan of sanitary fixtures is between 13 - 15 years, provided perishable items such as gaskets, cartridges or seals are replaced periodically.These are normally replaced alongwith the renovation cycle which is 15 years
12	Water Systems	21	7.5	15	The water systems driven by Hydropneumatic systems can have a life span between 15-20 years. The Preventive Maintenance is to be carried out periodically.
13	Electrical Equipments	21	10	20	The life expectancy of a transformer is proportional to its average operating temperature. A transformer operated well within the capabilities of its insulation system over its entire life and not subjected to any significant overvoltage conditions, it is expected to have a useful life between twenty and thirty years. Other electrical equipments are expected to have a useful life of 20 years
14	Electrical Installation	21	10	20	A period testing of the insulation (i.e. Merger) and not over loading the current cables with new loads. Testing the of insulation periodically by measuring its resistance to current flow across it. HT and LT panels if maintained regularly have a high life span of around 20 years
15	Furniture and Fixture-Wooden Items in hotel	11	8	15	Renovation cycle is 15 years. Replacement of these items happens during the renovation cycle
16	Enduser devices-Computers,Laptops,etc	6	3	6	Company normally conducts a asset refresh after 6 years for this item. As per SOW signed with TCS, the support/maintenance for this item is 6 years.

Notes to Financial Statements for year ended March 31, 2015 (Contd.)

Note 34 Figures of the previous year have been regrouped / recast wherever necessary.

As per our report of even date attached

For and on behalf of the Board

For R K KHANNA & CO.
FRN 000033N

Vipin Bali
Partner
M.NO.083436

Rohit Khosla
Rajinder Kumar
Rajeev Newar

Director DIN 07163135
Director DIN 00053878
Director DIN00468125

Vanika Mahajan

Company Secretary

Place : New Delhi
Date : 04.05.2015

DIRECTORS AND CORPORATE INFORMATION

APEX HOTEL MANAGEMENT SERVICES PTE LTD

Directors

Rajeshkumar Harshadrai Parekh

Ong Tong Wang

Secretary

Kong Yuh Ling Doreen

Registered Office

78 Shenton Way #26-02A

Singapore 079210

Auditors

Rohan Mah & Partners LLP

Banker

DBS Bank Ltd

Hong Kong & Shanghai Banking Corporation Limited

Report of the Directors

The directors are pleased to present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2015.

1. DIRECTORS

The directors of the Company in office at the date of this report are:

Rajeshkumar Harshadrai Parekh

Ong Tong Wang

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

None of the directors holding office at the end of the financial year had any interests in the shares of the Company and related corporations as recorded in the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (except as disclosed in the financial statements and in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5. SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. AUDITORS

The auditors, Messrs. Rohan Mah & Partners LLP, Chartered Accountants Singapore, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

Rajeshkumar Harshadrai Parekh

Director

Ong Tong Wang

Director

Singapore,
27 April, 2015

Statement by Directors

In the opinion of the directors, the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results of the business, changes in equity and cash flows of the Company for the year ended on that date, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Rajeshkumar Harshadrai Parekh

Director

Ong Tong Wang

Director

Singapore,
27 April, 2015

Independent Auditors' Report to the Members of APEX Hotel Management Services Pte Ltd

(Incorporated in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of Apex Hotel Management Services Pte Ltd ("the Company"), which comprise the balance sheet as at 31 March 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore,
27 April, 2015

Balance Sheet as at 31 March 2015

	Note	2015 S\$	2014 S\$
ASSETS LESS LIABILITIES			
Non-Current Assets			
Plant and equipment	3	3,024	4,518
Current Assets			
Other receivables, deposits	4	9,525	8,755
Cash and cash equivalents	5	12,438	5,451
		<u>21,963</u>	<u>14,206</u>
Current Liabilities			
Other payables and accruals	6	23,902	17,823
Current tax liabilities		1,083	899
		<u>24,985</u>	<u>18,722</u>
Net Current Liabilities		<u>(3,022)</u>	<u>(4,516)</u>
Net Assets		<u>2</u>	<u>2</u>
Capital and reserves attributable to equity holders of the Company:			
Share capital	7	2	2
Retained profits		-	-
		<u>2</u>	<u>2</u>

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended 31 March 2015

	Note	2015 S\$	2014 S\$
Continuing operations			
Revenue	8	464,527	403,009
Other income	9	717	(34)
		<u>465,244</u>	<u>402,975</u>
Finance costs	10	(856)	(516)
Staff costs	11	(336,876)	(247,504)
Administration expenses	12	(22,222)	(40,625)
Other operating expenses	13	(104,207)	(114,233)
Profit before taxation		<u>1,083</u>	<u>97</u>
Taxation	14	(1,083)	(97)
Profit from continuing operations		<u>-</u>	<u>-</u>
Profit for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u>-</u>	<u>-</u>
Income attributable to			
Equity holders of the company		<u>-</u>	<u>-</u>
Total comprehensive income attributable to:			
Equity holders of the company		<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2015

	Share Capital	Retained Profits	Total
	S\$	S\$	S\$
As at 1 April 2013	2	-	2
Total comprehensive income for the year	-	-	-
As at 31 March 2014	2	-	2
Total comprehensive income for the year	-	-	-
As at 31 March 2015	2	-	2

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2015

	2015	2014
	S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,083	97
Adjustments for:		
Depreciation of plant and equipment	1,494	1,326
Operating profit before working capital changes	2,577	1,423
Other receivables and deposits	(770)	
Other payables and accruals	9,606	(10,472)
Cash generated from / (used in) operations	11,413	(9,049)
Tax paid	(899)	(48)
Net cash generated from / (used in) operating activities	10,514	(9,097)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	-	(4,003)
Net cash used in generated from investing activities	-	(4,003)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due to ultimate holding company – non-trade	(3,527)	1,991
Amount due to staff		(1,267)
Net cash (used in) / generated from financing activities	(3,527)	724
Net increase / (decrease) in cash and cash equivalents	6,987	(12,376)
Cash and cash equivalents at beginning of year	5,451	17,827
Cash and cash equivalents at end of year (Note 5)	12,438	5,451

The accompanying notes form an integral part of these financial statements.

Notes to Financial Statements - 31 March, 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Apex Hotel Management Services Pte Ltd is a limited liability company incorporated in Singapore with its registered office at 78 Shenton Way, #26-02A, Singapore 079120 and the principal place of business at Three Temasek Avenue # 03-06 Centennial Tower Singapore 039190.

The principal activity of the Company in the course of the financial year are those of providing marketing support and hotel industry-related services, which include hotel management consultant, rendering hotel management and reservation services and to provide professional training for hotel personnel. There have been no significant changes in the nature of these activities during the financial year.

The Company is a wholly-owned subsidiary of Taj International Hotels (H.K) Limited, a company incorporated in Hong Kong. The ultimate holding corporation is The Indian Hotels Company Limited, a company incorporated in India.

The financial statements of the Company for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Directors on 27 April, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis Of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements expressed in Singapore Dollar (SGD or S\$) are prepared on the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity to be disclosed except as disclosed.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual years beginning on or after 1 April 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The Company has not applied any new standard or interpretation that has been issued but is not yet effective. The new standards that have been issued and not yet effective do not have any impact on the result of current or prior years.

2.2 Plant and Equipment

2.2.1 Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.2.2 Components Of Costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.2.3 Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of plant and equipment over their estimated useful lives as follows:

	Years
Computer	3
Office equipment	5
Furniture and fittings	5

The useful lives of plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Notes to Financial Statements - 31 March, 2015

2.2.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the statement of comprehensive income during the financial year in which it is incurred.

2.2.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.3 Impairment of Non-Financial Assets

2.3.1 Plant and Equipment

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.4 Financial Assets

2.4.1 Initial Recognition and Measurement

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured as fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2.4.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Notes to Financial Statements - 31 March, 2015

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Available for-sale financial assets include equity and debts securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2.4.3 Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention.

Notes to Financial Statements - 31 March, 2015

2.5 Impairment of Financial Assets

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

2.5.1 Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.5.2 Financial Assets Carried at Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.5.3 Available-For-Sale Financial Assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include

- (i) significant financial difficulty of the issuer or obligor,
- (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and
- (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

Notes to Financial Statements - 31 March, 2015

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.6 Financial Liabilities

2.6.1 Initial Recognition and Measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

2.6.2 Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortization process.

2.6.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.7 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values

Notes to Financial Statements - 31 March, 2015

of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Company for similar financial instruments.

2.8 Foreign Currency

2.8.1 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

2.8.2 Foreign Currencies Transactions

Foreign currency transactions during the year are translated into recording currencies at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Singapore Dollar at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the statement of comprehensive income.

2.9 Related Parties

A related party is defined as follows:

1 (a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.10 Cash And Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

2.11 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.12 Provisions

Notes to Financial Statements - 31 March, 2015

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.13 Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.14 Revenue Recognition

Revenue for the Company comprises the fair value of the consideration received or receivable for the rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Company.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

2.14.1 Revenue from Services

Rendering of services is recognised as revenue when services are provided and invoiced.

2.15 Employee Benefits

2.15.1 Defined Contribution Pension Costs

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contribution to defined contribution plans are recognised in the financial year to which they relate.

2.15.2 Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

2.16 Income Taxes

Current income tax liabilities (and assets) for the current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Notes to Financial Statements - 31 March, 2015

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available-for-sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to Financial Statements - 31 March, 2015

3. PLANT AND EQUIPMENT

2015	Computer	Furniture and Fittings	Office Equipment	Total
Cost	S\$	S\$	S\$	S\$
At beginning of year	21,585	12,741	7,432	41,758
Disposals	(18,210)	(6,527)	(6,111)	(30,848)
At end of year	3,375	6,214	1,321	10,910
Accumulated Depreciation				
At beginning of year	20,599	9,272	7,369	37,240
Depreciation	692	782	20	1,494
Disposals	(18,210)	(6,527)	(6,111)	(30,848)
At end of year	3,081	3,527	1,278	7,886
Carrying Amount				
At end of year	294	2,687	43	3,024
2014	Computer	Furniture and Fittings	Office Equipment	Total
Cost	S\$	S\$	S\$	S\$
At beginning of year	21,495	8,828	7,432	37,755
Additions	90	3,913	-	4,003
At end of year	21,585	12,741	7,432	41,758
Accumulated Depreciation				
At beginning of year	19,737	8,828	7,349	35,914
Depreciation	862	444	20	1,326
At end of year	20,599	9,272	7,369	37,240
Carrying Amount				
At end of year	986	3,469	63	4,518

4. OTHER RECEIVABLES AND DEPOSITS

	2015	2014
	S\$	S\$
Deposits	8,755	8,755
Prepayment	770	-
	9,525	8,755

The carrying amounts of other receivables, deposits approximate their fair values and are denominated in Singapore Dollar.

5. CASH AND CASH EQUIVALENTS

	2015	2014
	S\$	S\$
Cash at bank	12,438	5,451

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2015	2014
	S\$	S\$
Hong Kong Dollar	354	-
Singapore Dollar	11,685	5,451
United States Dollar	399	-
	12,438	5,451

Notes to Financial Statements - 31 March, 2015

6. OTHER PAYABLES AND ACCRUALS

	2015	2014
	S\$	S\$
Accruals	-	4,700
Amount due to CPF	11,081	-
Amount due to ultimate holding company - non-trade	7,578	11,105
Other creditors	5,243	2,018
	<u>23,902</u>	<u>17,823</u>

Amount due to ultimate holding company and amount due to staff are unsecured, interest-free and repayable on demand. The carrying amounts of other payables and accruals approximate their fair values and denominated in Singapore dollars.

7. SHARE CAPITAL

	2015		2014	
	No of shares	S\$	No of shares	S\$
Ordinary shares issued and fully paid				
At beginning and end of the year	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

8. REVENUE

Revenue represents reimbursement of expenses by the ultimate holding company.

9. Other Income

	2015	2014
	S\$	S\$
Foreign exchange gain/(loss)	333	(34)
Wage credit scheme	384	-
	<u>717</u>	<u>(34)</u>

10. Finance Costs

	2015	2014
	S\$	S\$
Bank charges	<u>856</u>	<u>516</u>

11. STAFF COSTS

	2015	2014
	S\$	S\$
Defined contributed pension costs	30,803	19,377
Salaries and related costs	261,605	228,127
Bonus	44,468	-
	<u>336,876</u>	<u>247,504</u>

Notes to Financial Statements - 31 March, 2015

12. ADMINISTRATION EXPENSES

Administration expenses include:

	2015	2014
	S\$	S\$
Conveyance	3,580	2,789
Insurance	4,650	5,012

13. OTHER OPERATING EXPENSES

	2015	2014
	S\$	S\$
Other Operating expenses include:		
Entertainment	13,153	15,315
Motor vehicle expenses	8,689	6,314
Sales Promotion	21,582	28,056
Telephone/fax charges	8,550	29,531
Travelling expenses	21,786	21,223

14. TAXATION

Major components of income tax expense are as follows:

	2015	2014
	S\$	S\$
Current year tax	1,081	899
Under/(Over) provision of prior year tax	2	(802)
	1,083	97

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

	2015	2014
	S\$	S\$
Profit before taxation	1,083	97
Income tax using Singapore tax rate of 17%	184	16
Taxable income	1,065	3,402
Tax exemption	(168)	(2,519)
Under/(Over) provision for prior year tax	2	(802)
Tax expense	1,083	97

15. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	2015	2014
	S\$	S\$
Ultimate holding company		
Reimbursement of expenses	464,527	403,009

Balances with related parties at the balance sheet date are set out in Note 4 and 6.

Notes to Financial Statements - 31 March, 2015

16 OPERATING LEASE COMMITMENTS

Rental expenses (principally for offices) for the year ended 31 March 20085 were S\$ 24,639 (2014: S\$25,836). Future minimum rental under non-cancellable leases are as follows as at 31 March 2015:

	2015	2014
	S\$	S\$
Payable:		
Within 1 year	24,630	11,047
After 1 year but within 5 years	14,367	-
	<u>38,997</u>	<u>11,047</u>

The leases are generally run for 2 to 3 years.

17. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the balance sheet relate to the following categories of financial assets and financial liabilities:

	2015	2014
	S\$	S\$
Financial assets		
Loans and receivables:		
Other receivables	8,755	8,755
Cash and cash equivalents	12,438	5,451
	<u>21,193</u>	<u>14,206</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables and accruals	<u>23,902</u>	<u>17,823</u>

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, interest rate and liquidity risks. The policies of managing each of these risks are summarised below:

Credit Risk

Credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. As there are no trade receivable and cash and bank balances are placed with reputable local financial institutions, the Company has no exposure to credit risk.

Notes to Financial Statements - 31 March, 2015

Foreign Currency Risk

Foreign currency risk arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in the future years. The Company is dormant and has no exposure to foreign currency risk.

Foreign exchange risks arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in future years. The Company's exposure to foreign currency risk is minimal as all transactions are dealt with in local currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Liquidity Risk

Liquidity risk refers to the risk that the branch is unable to meet its obligations when all fall due. The Company is financially supported by head office.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

2015	Within 1 year	Within 2 to 5 years	More than 5 years	Total
	S\$	S\$	S\$	S\$
The Group				
Financial Assets				
Other receivables and deposits	8,755	-	-	8,755
Cash and cash equivalents	12,438	-	-	12,438
Total undiscounted financial assets	<u>21,193</u>	<u>-</u>	<u>-</u>	<u>21,193</u>
Financial liabilities				
Other payables and accruals	23,902	-	-	23,902
Total undiscounted financial liabilities	<u>23,902</u>	<u>-</u>	<u>-</u>	<u>23,902</u>
Total net undiscounted financial assets	<u>(2,709)</u>	<u>-</u>	<u>-</u>	<u>(2,709)</u>

Notes to Financial Statements - 31 March, 2015

2014	Within 1 year	Within 2 to 5 years	More than 5 years	Total
	S\$	S\$	S\$	S\$
The Group				
Financial Assets				
Other receivables and deposits	8,755	-	-	8,755
Cash and cash equivalents	5,451	-	-	5,451
Total undiscounted financial assets	<u>14,206</u>	<u>-</u>	<u>-</u>	<u>14,206</u>
Financial liabilities				
Other payables and accruals	17,823	-	-	17,823
Total undiscounted financial liabilities	<u>17,823</u>	<u>-</u>	<u>-</u>	<u>17,823</u>
Total net undiscounted financial assets	<u>(3,617)</u>	<u>-</u>	<u>-</u>	<u>(3,617)</u>

Fair Value of Financial Instruments

There are no other differences between the book value and the fair value of the Company's financial assets and liabilities. The Company does not engage in transactions involving financial derivatives.

18. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximize shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 31 March 2014.

The Company will continue to be guided by prudent financial policies of which gearing is an important aspects. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2015	2014
	S\$	S\$
Net debts	11,464	12,372
Total equity	2	2
Total capital	<u>11,466</u>	<u>12,374</u>
Gearing ratio	<u>1</u>	<u>1</u>

Notes to Financial Statements - 31 March, 2015

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	2015
	S\$
Revenue	464,527
Other income	
Wage credit scheme	384
Foreign exchange	333
	717
Total income	465,244
Less:	
Finance charges	
Bank charges	856
Staff costs	
Central Provident Fund contributions	30,803
Staff salaries	261,605
Bonus	44,468
	336,876
Administration expenses	
Audit fee	5,709
Conveyance	3,580
Late payment fee	803
Insurance	4,650
Medical expenses	742
Professional Fees	984
Secretarial fee	2,101
Nominee Director	3,210
Subscription fee	441
Tax	2
	22,222
Other operating expenses	
Depreciation of plant and equipment	1,494
Entertainment	13,153
Motor car expenses	8,689
Office rental	24,639
Postages and courier services	627
Printing and stationery	3,687
Sales Promotion	21,582
Telephone/fax charges	8,550
Travelling expenses	21,786
	104,207
Total operating expenses	464,161
Profit before tax	1,083

This schedule does not form part of the statutory audited financial statements

APEX HOTEL MANAGEMENT SERVICES (AUSTRALIA) PTY LTD

DIRECTORS AND CORPORATE INFORMATION

APEX HOTEL MANAGEMENT SERVICES (AUSTRALIA) PTY LTD

Directors

Mr. Rajeshkumar Parekh (appointed 17 October 2014)

Ms. Thushara Liyanarachchi (appointed 2 October 2014)

Mr. Rajeev Newar (appointed 17 October 2014)

Secretary

Crown Corporate Services

Registered Office

Suite 701, Level 7, 12 O Connell Street

Sydney, NSW 2000

Auditors

ESV Accounting and Business Advisors

Banker

Commonwealth Bank of Australia

Directors' Report

The Directors present their report on Apex Hotel Management Services (Australia) Pty Ltd for the financial period ended 31 March 2015.

1. General information

Information on directors

The names of each person who has been a director during the period and to the date of this report are:

Mr. Rajeshkumar Parekh (appointed 17 October 2014)

Ms. Thushara Liyanarachchi (appointed 2 October 2014)

Mr. Rajeev Newar (appointed 17 October 2014)

Directors have been in office since appointment date as shown above, to the date of this report unless otherwise stated.

Principal activities

The principal activity of Apex Hotel Management Services (Australia) Pty Ltd during the financial period was to engage in the business of promoting various brands and hotels of the Taj Group.

No significant changes in the nature of the Company's activity occurred during the financial period.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ 38,617.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the period.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of Apex Hotel Management Services (Australia) Pty Ltd.

Signed in accordance with a resolution of the Board of Directors:

Ms. Thushara Liyanarachchi
Director

Date : 4th May 2015

APEX HOTEL MANAGEMENT SERVICES (AUSTRALIA) PTY LTD

Independent Audit Report to the Members of Apex Hotel Management Services (Australia) Pty Ltd

Report on the Financial Statements

We have audited the accompanying financial report, being a special purpose financial report of Apex Hotel Management Services (Australia) Pty Ltd ("the company"), which comprises the statement of financial position as at 31 March 2015, the statement of profit and loss and other comprehensive income and statement of changes in equity for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The director of the company is responsible for the preparation of the financial report and its fair presentation and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial report of Apex Hotel Management Services (Australia) Pty Ltd:

- (a) presents fairly the company's financial position as at 31 March 2015 and of its performance for the period ended on that date; and
- (b) is in compliance with Australian Accounting Standards to the extent described in Note 1 .

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Apex Hotel Management Services (Australia) Pty Ltd to present its financial position and financial performance to Taj International Hotels (H.K.) Limited ("the parent entity"). As a result, the financial report may not be suitable for another purpose.

Our report is intended solely for the parent entity and should not be distributed to or used by parties other than the parent entity.

Dated at Sydney the 4th day of May 2015

ESV Accounting and Business Advisors

Tim Valtwies
Partner

Statement of Profit or Loss and Other Comprehensive Income

For the Period Ended 31 March 2015

	Note	2015 A\$
Service fees		209,595
Marketing expenses		(30,942)
Occupancy costs		(4,795)
Administrative expenses		(28,933)
Employee costs		(157,412)
Other expenses		(25,415)
Finance costs		(715)
Loss before income tax		(38,617)
Income tax benefit/(expense)		-
Loss for the year		(38,617)
Total comprehensive loss for the year		(38,617)

Statement of Financial Position as at 31 March 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents		2,942
Trade and other receivables	5	209,595
TOTAL CURRENT ASSETS		212,537

NON-CURRENT ASSETS

Other assets	6	10,468
TOTAL NON-CURRENT ASSETS		10,468
TOTAL ASSETS		223,005

LIABILITIES

CURRENT LIABILITIES

Trade and other payables	7	197,327
Employee benefits	8	33,351
TOTAL CURRENT LIABILITIES		230,678

NON-CURRENT LIABILITIES

Employee benefits	8	30,844
TOTAL NON-CURRENT LIABILITIES		30,844
TOTAL LIABILITIES		261,522
NET ASSETS		(38,517)

EQUITY

Issued capital		100
Retained earnings		(38,617)
TOTAL EQUITY		(38,517)

APEX HOTEL MANAGEMENT SERVICES (AUSTRALIA) PTY LTD

Statement of Changes in Equity

For the Period from 2 October 2014 to 31 March 2015

	Ordinary Shares A\$	Retained Earnings A\$	Total A\$
Balance at 2 October 2014	-	-	-
Shares issued during the period	100	-	100
Loss attributable to members of the entity	-	(38,617)	(38,617)
Balance at 31 March 2015	<u>100</u>	<u>(38,617)</u>	<u>(38,517)</u>

The accompanying notes form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2015

The financial report covers Apex Hotel Management Services (Australia) Pty Ltd as an individual entity. Apex Hotel Management Services (Australia) Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Apex Hotel Management Services (Australia) Pty Ltd is Australian dollars.

1. Basis of Preparation

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of financial Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1048 'Interpretation and Application of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities. These financial statements do not conform to International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on an accruals basis and are based on historical costs.

The company was established on 2 October 2014. Accordingly, this financial report contains no comparative figures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents includes cash on hand with financial institution.

(b) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(c) Trade receivables

Trade receivables balance represents balance receivable from the parent entity for the services provided.

(d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Deferred tax assets and liabilities are always classified as non-current.

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of payables in the statement of financial position.

Notes to Financial Statements for the year ended March 31, 2015

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

The liability for annual leave that is expected to be wholly settled within one year has been measured at the amounts expected to be paid when the liability is settled.

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(i) Going concern

Notwithstanding the Company's deficiency in net assets, the financial report has been prepared on the going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from Taj International Hotels (H.K.) Limited to allow the Company to meet its liabilities and it is the belief of the directors that such financial support will continue to be made available.

(j) Adoption of new and revised accounting standards

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

(k) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the period ended 31 March 2015.

Notes to Financial Statements for the year ended March 31, 2015

3. Result for the Year

The result for the period includes the following specific items:

	2015
Marketing expenses:	A\$
Participation at trade shows and events	28,284
Administrative expenses:	
Accounting fees	11,324
Audit fees	5,500
Other expenses:	
Entertainment	5,829
Travel	15,852

4. Income Tax Expense

Apex Hotel Management Services (Australia) Pty Ltd has a net deferred tax liability (DTL) of \$38,508 after off-setting it with deferred tax asset (DTA) balance of \$24,371. The company also has future income tax benefit (FITB) of \$49,219 relating to tax losses which it can claim against future taxable income. The company has decided not to record for DTA or DTL and FITB balances in its accounts.

5. Trade and other receivables

	2015
	A\$
CURRENT	
Service fees	209,595
Total current trade and other receivables	<u>209,595</u>

6. Other assets

	2015
	A\$
CBA Deposit - Lease	10,268
Deposit - Cabcharge	200
Total financial assets	<u>10,468</u>

7. Trade and other payables

	2015
	A\$
CURRENT	
Trade payables	3,360
Other payables	38,406
Accrued expense	17,765
Loan from parent entity - Taj International Hotels (H.K.) Limited	137,796
Total current trade and other payables	<u>197,327</u>

Notes to Financial Statements for the year ended March 31, 2015

8. Employee Benefits

(a) Employee benefits - current liabilities table

	2015 A\$
Current liabilities	
Annual Leave	33,351
Total employee benefits - current	<u>33,351</u>

(b) Employee benefits - non-current liabilities table

	2015 A\$
Non-current liabilities	
Long service leave	30,844
Total employee benefits - non-current	<u>30,844</u>

9. Auditors' Remuneration

	2015 A\$
Audit of the financial report	
- ESV Accounting and Business Advisors	5,500
Remuneration of other auditors of subsidiaries for:	
- auditing or reviewing the financial statements of subsidiaries	5,500
Total auditor's remuneration	<u>11,000</u>

10. Company Details

The registered office of the company is:
Suite 701, Level 7, 12 O Connell Street
Sydney, NSW 2000

The principal place of business is:
Suite 701, Level 7, 12 O Connell Street
Sydney, NSW 2000

Directors' Declaration

As described in the basis of preparation accounting policy included in note 1 to the financial statements, the company is not a reporting entity and these are special purpose financial statements.

The directors of the Company declare that the financial statements and notes:

- (a) comply with the accounting policies as detailed in note 1 to the financial statements; and
- (b) presents fairly the company's financial position as at 31 March 2015 and its performance for the year ended on that date.

In the directors opinion:

- (c) the financial statements and notes are in accordance with the company's constitution; and
- (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they come due and payable.

Signed on behalf of the directors

Ms. Thushara Liyanarachchi Director

Dated this 4th day of May 2015

DIRECTORS AND CORPORATE INFORMATION

CHIEFTAIN CORPORATION NV

Directors

Mr N Chandrasekhar

Mr R H Parekh

Orangefield (Caribbean) NV

Registered Office

Kaya W.F.G. Mensing 14

PO Box 3192, Willemstad

Curaçao

Auditors

BDO LLP

55 Baker Street

London

W1U 7EU

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 March 2015.

RESULT FOR THE YEAR

During the year under review, the company made a profit of £59,811 (2014 - £3,760).

ACTIVITIES AND REVIEW OF BUSINESS

The company is an investment company and holds 100% of the issued share capital of Ihoco BV.

DIRECTORS

The directors of the company during the year were:

N Chandrasekhar
R H Parekh
Orangefield (Caribbean) NV

The directors hold no shares in the company

Directors' responsibilities

The directors are responsible for preparing the financial statements and have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and other accounting principles generally accepted in the United Kingdom) in order to give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping records that are sufficient to show and explain the company's transactions and will, at any time, enable the financial position of the company to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, BDO LLP, will be proposed for reappointment at the Annual General Meeting.

The report was approved by the board and signed on its behalf.

ON BEHALF OF THE BOARD

N Chandrasekhar
Director
27 April 2015

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CHIEFTAIN CORPORATION NV

We have audited the financial statements of Chieftain Corporation NV for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

BDO LLP

Chartered Accountants
London
United Kingdom

Date 27 April 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PROFIT AND LOSS ACCOUNT year ended 31 March 2015

	Notes	2015 £	2014 £
Administrative credits	2	59,811	3,760
Profit for the year		59,811	3,760
Accumulated losses brought forward		(661,136)	(664,896)
Accumulated losses carried forward		(601,325)	(661,136)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

BALANCE SHEET at 31 March 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Investment in Ihoco BV	4		12,249,710		12,249,710
			-		
CREDITORS					
Amounts falling due within one year:					
Amounts due to parent undertaking		93,739		87,976	
Amounts due to subsidiary undertakings		503,278		568,530	
Other creditors and accruals		2,785		3,107	
		599,802		659,613	
NET CURRENT LIABILITIES			(599,802)		(659,613)
TOTAL ASSETS LESS CURRENT LIABILITIES			11,649,908		11,590,097
CAPITAL AND RESERVES					
Called up share capital	5		9,923		9,923
Revaluation reserve	6		12,241,310		12,241,310
Profit and loss account			(601,325)		(661,136)
EQUITY SHAREHOLDERS' FUNDS	7		11,649,908		11,590,097

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2015

N Chandrasekhar

R H Parekh

Orangefield Trust (Caribbean) NV

}

Directors

The notes on pages 448 and 449 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared under the United Kingdom Generally Accepted Accounting Principles and under the historical cost convention, except for investments which were revalued in March 2000 as described in note 4.

The following principal accounting policies have been applied:

Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing on the date of the transaction. Foreign currency assets and liabilities are restated at the balance sheet date and any profits or losses arising are taken to the profit and loss account.

Group accounts

These financial statements are those of the entity and not of the group. Group accounts are not prepared as these are prepared by the ultimate parent company.

2. ADMINISTRATIVE CREDITS

	2015 £	2014 £
Administrative credits include the following:		
Auditors remuneration - audit	1,600	1,600
Exchange (gains)	(65,253)	(11,780)

3. TAXATION

The company is exempt from taxation in Curaçao (former Netherlands Antilles) as it is not resident for tax purposes.

No provision for taxation is necessary.

4. FIXED ASSET INVESTMENTS

Investment in Ihoco BV

The company holds 41,000 fully paid Dfl 100 shares in Ihoco BV which were valued in March 2000 at the company's proportionate indirect interest (21.23%) of the directors' estimate of the value of the issued ordinary shares of St James Court Hotel Limited held by Ihoco BV. The directors are confident the current value of this investment is not less than this amount.

5. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Authorised:		
30,000 Ordinary shares of £1 each	30,000	30,000
Issued and fully paid:		
9,923 Ordinary shares of £1 each	9,923	9,923

6. REVALUATION RESERVE

	£
At 1 April 2014 and 31 March 2015	12,241,310

The revaluation reserve represents the difference between cost of the investments at acquisition and the estimated value as determined by the directors in March 2000.

Notes to Financial Statements for the year ended March 31, 2015

7. EQUITY SHAREHOLDERS' FUNDS

	2015	2014
	£	£
The reconciliation of movements in shareholders' funds is as follows:		
Profit for the year	59,812	3,760
At 1 April 2014	11,590,097	11,586,337
At 31 March 2015	11,649,909	11,590,097

8. ULTIMATE PARENT UNDERTAKING, CONTROLLING AND RELATED PARTIES

The directors regard The Indian Hotels Company Limited, a company incorporated in India, as the ultimate parent undertaking and controlling party.

St James Court Hotel Limited, a subsidiary undertaking incorporated in the United Kingdom, paid £5,763 (2014 - £7,022) of expenses on the company's behalf.

During the year, Taj International Hotels (HK) Limited, the immediate parent undertaking, repaid £5,763 (2014 - £7,022) of the loan due to St James Court Hotel Limited on the company's behalf.

The company has the following balances with related parties at the year end::

	2015	2014
	£	£
Amounts due to:		
Ihoco B.V. - subsidiary undertaking	503,278	568,530
Taj International Hotels (HK) Limited – immediate parent undertaking	93,739	87,976

DIRECTORS AND CORPORATE INFORMATION

IHOCO B.V.

Board of Directors:

Mr N Chandrasekhar

Mr R H Parekh

Registered Office

Teleportboulevard 140

1043 EJ Amsterdam

Auditors

BDO LLP

55 Baker Street

London

W1U 7EU

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 March 2015.

RESULT FOR THE YEAR

During the year under review, the company made a loss of €12,501 (2014 - €93,072) after taxation.

ACTIVITIES AND REVIEW OF BUSINESS

The company is an investment company and holds 21.23% of the issued share capital of St James Court Hotel Limited, London.

DIRECTORS

The directors of the company during the year were:

N Chandrasekhar
R H Parekh

The directors hold no shares in the company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements and have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and other accounting principles generally accepted in the United Kingdom) in order to give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping records that are sufficient to show and explain the company's transactions and will, at any time, enable the financial position of the company to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, BDO LLP, will be proposed for reappointment at the Annual General Meeting.

This report was approved by the board and signed on its behalf.

N Chandrasekhar
Director
Date: 27 April 2015

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF IHOCO B.V.

We have audited the financial statements of Ihoco BV for the year ended 31 March 2015 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended; and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

BDO LLP

Chartered Accountants
London
United Kingdom

Date 28 April 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account for the year ended 31 March 2015

	Notes	2015 €	2014 €
Administrative expenses	2	(15,339)	(85,214)
Loss before taxation		(15,339)	(85,214)
Taxation	3	2,838	(7,858)
Loss after taxation		(12,501)	(93,072)
Accumulated profit brought forward		9,873,575	9,966,647
Accumulated profit carried forward		9,861,074	9,873,575

All amounts relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2015 €	2014 €
Loss after taxation for the year	(12,501)	(93,072)
Unrealised gain on revaluation of investments	1,918,060	311,143
Total recognised gain	1,905,559	218,071

The notes on pages 455 to 456 form part of these financial statements.

Balance Sheet as at 31 March 2015

		2015		2014	
	Notes	€	€	€	€
FIXED ASSETS					
Investment in St James Court Hotel Limited	4		16,745,109		14,827,050
CURRENT ASSETS					
Amounts due from group undertakings		688,158		688,158	
Other debtors and prepayments		-		944	
Cash at bank		3,549		37	
		<u>691,707</u>		<u>689,139</u>	
CREDITORS					
Amounts falling due within one year:					
Amounts due to group undertakings		462,884		441,032	
Other creditors and accruals		6,337		13,119	
		<u>469,221</u>		<u>454,151</u>	
NET CURRENT ASSETS			<u>222,486</u>		<u>234,987</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,967,595</u>		<u>15,062,037</u>
Capital and reserves					
Called up share capital	5		1,860,507		1,860,507
Revaluation reserve	6		5,246,014		3,327,955
Profit and loss account			9,861,074		9,873,575
EQUITY SHAREHOLDERS' FUNDS	7		<u>16,967,595</u>		<u>15,062,037</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2015

N Chandrasekhar
R H Parekh } Directors

The notes on pages 455 to 456 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2015

Note 1 : ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under United Kingdom Generally Accepted Accounting Principles and under the historical cost convention, except for investments which were revalued in March 2000 as described in note 4 and are adjusted each year for the impact of foreign currency movements.

The following principal accounting policies have been applied:

(b) Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing on the date of the transaction. Foreign currency assets and liabilities are restated at the balance sheet date and any profits or losses arising are recognised in the profit and loss account, except to the extent that they relate to the restatement of the fixed asset investments at the balance sheet date and any unrealised gains or losses, being transferred directly to reserves.

(c) Group accounts

These financial statements are those of the entity and not of the group. Group accounts are not prepared as these are prepared by the ultimate parent company.

Note 2 : ADMINISTRATIVE EXPENSES

	2015 €	2014 €
Administrative expenses include the following:		
Auditors remuneration - audit	2,601	2,239
Exchange loss	-	65,854
	<u>2,601</u>	<u>65,854</u>

Note 3 : TAXATION

	2015 €	2014 €
(Over)/under provision in prior years	(7,630)	3,628
Charge for year	4,792	4,230
	<u>(2,838)</u>	<u>7,858</u>

The company is an investment company and does not normally receive trading income. The company pays Dutch tax on the deemed interest on net amounts due from related parties.

Note 4 : FIXED ASSET INVESTMENTS

	St James Court Hotel Limited €
At 1 April 2014	14,827,050
Exchange gain arising on retranslation	1,918,059
At 31 March 2015	<u>16,745,109</u>

Investment in St James Court Hotel Limited

At 1 April 2014 and 31 March 2015 the company held 21.23% of the issued share capital of St James Court Hotel Limited. The investment was revalued in March 2000 at the directors' estimate of the value of the shares of St James Court Hotel Limited which was £12.25m. Since that time the investment has been retranslated into the Euro equivalent of this amount at each year end. The directors are confident the current value of the investment is not less than this amount.

Notes to Financial Statements for the year ended March 31, 2015

Note 5 : CALLED UP SHARE CAPITAL

	2015 €	2014 €
Authorised:		
100,000 ordinary shares of Dfl 100 each	<u>4,537,823</u>	<u>4,537,823</u>
Issued and fully paid:		
41,000 ordinary shares of Dfl 100 each	<u>1,860,507</u>	<u>1,860,507</u>

Note 6 : REVALUATION RESERVE

	Revaluation reserve €
At 1 April 2014	<u>3,327,955</u>
Gain arising in year	<u>1,918,059</u>
At 31 March 2015	<u>5,246,014</u>

The revaluation reserve represents the difference between cost of the investments at acquisition and the estimated value as determined by the directors in March 2000 and subsequently including the effect of movements in foreign currency rates of exchange.

Note 7 : EQUITY SHAREHOLDERS' FUNDS

The reconciliation of movements in shareholders' funds is as follows:

	2015 €	2014 €
Loss for the year	(12,501)	(93,072)
Retranslation gain arising in the year	1,918,059	311,143
Balance at the start of the year	<u>15,062,037</u>	<u>14,843,966</u>
Balance at the end of the year	<u>16,967,595</u>	<u>15,062,037</u>

Note 8 : ULTIMATE PARENT UNDERTAKING, CONTROLLING AND RELATED PARTIES

The directors regard The Indian Hotels Company Limited, a company incorporated in India, as the ultimate parent undertaking and controlling party.

St James Court Hotel Limited, a fellow subsidiary undertaking incorporated in the United Kingdom, paid €21,851 (2014 - €18,196) of legal and administrative fees on the company's behalf.

During the year, Taj International Hotels (HK) Limited, the parent undertaking, repaid €79,490 (2014 - €18,196) of the loan due to St James Court Hotel Limited on the company's behalf.

The balances with related parties at the year end are as follows:

	2015 €	2014 €
Amounts due to/(from):		
Chieftain Corporation NV - immediate parent undertaking	(688,158)	(688,158)
Taj International Hotels (HK) Limited - parent undertaking	462,884	383,393
St James' Court Hotel Limited - fellow subsidiary undertaking	<u>-</u>	<u>57,639</u>

DIRECTORS AND CORPORATE INFORMATION

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC. (A Delaware Corporation)

Board of Directors:

Mr. Anil P. Goel

Mr. N. Chandrasekhar

Mr. R. H. Parekh

Mr. Sanjay Jain

Ms. Jodi Dell Leblanc

Registered Office:

13-34, 139th Street Flushing

New York-11357

USA

Auditors:

PKF O'CONNOR DAVIES

Certified Public Accountants

Bankers:

HSBC, USA

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.
(A Delaware Corporation)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of

International Hotel Management Services, Inc.

We have audited the accompanying consolidated financial statements of International Hotel Management Services, Inc. which comprise the consolidated balance sheet as of 2015 and 2014 and the related consolidated statements of operations, stockholder's equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Hotel Management Services, Inc. as of 2015 and 2014, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'CONNOR DAVIES, a division of O'CONNOR DAVIES, LLP

May 5, 2015

Consolidated Balance Sheet

	March 31, 2015	March 31, 2014
	\$	\$
ASSETS		
Current Assets		
Cash	2,631,243	1,600,662
Cash in escrow	-	1,195,952
Accounts Receivable		
Guest ledger	1,123,336	1,014,687
City ledger	3,674,247	3,530,163
Other	146,362	74,386
	<u>4,943,945</u>	<u>4,619,236</u>
Inventories	1,100,770	1,145,553
Prepaid expenses	1,566,922	1,749,118
Total Current Assets	<u>10,242,880</u>	<u>10,310,521</u>
Property and Equipment		
Investment in cooperative apartments	1,500,000	1,500,000
Land	54,000,000	54,000,000
Building and improvements	270,467,551	270,397,267
Furniture, fixtures and equipment	35,774,494	33,308,759
	<u>361,742,045</u>	<u>359,206,026</u>
Accumulated depreciation	75,557,740	65,622,507
	<u>286,184,305</u>	<u>293,583,519</u>
Construction in progress	825,818	554,882
	<u>287,010,123</u>	<u>294,138,401</u>
Other Assets		
Deferred costs	3,343,275	2,358,746
Security deposits	217,102	165,075
	<u>3,560,377</u>	<u>2,523,821</u>
Total Assets	<u><u>300,813,380</u></u>	<u><u>306,972,743</u></u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Accounts payable		
Trade	4,628,987	4,411,357
Other	255,168	33,520
	<u>4,884,155</u>	<u>4,444,877</u>
Taxes payable, other than income	717,842	752,517
State income taxes payable	100,000	-
Accrued expenses		
Payroll and related	2,462,263	2,344,031
Vacation, gratuities and incentives	4,677,680	4,121,005
Interest	235,791	102,135
Utilities	319,141	309,122
Other	1,517,148	1,418,930
	<u>9,212,023</u>	<u>8,295,223</u>
Tenants' security deposits	79,200	79,200
Advance deposits and other credit balances	7,978,809	7,448,374
Current portion of mortgage loans and term loan	15,000,000	67,200,000
Line of credit	2,200,000	5,700,000
Total Current Liabilities	<u>40,172,029</u>	<u>93,920,191</u>
Due to related parties, net	832,496	1,133,342
Long term portion of mortgage loan and notes	108,000,000	31,180,000
Total Liabilities	<u>149,004,525</u>	<u>126,233,533</u>
Commitments and contingencies		
Stockholder's Equity		
Common stock	100	100
Additional paid-in capital	425,499,901	425,499,901
Accumulated deficit	(273,691,146)	(244,760,791)
Total Stockholder's Equity	<u>151,808,855</u>	<u>180,739,210</u>
Total Liabilities and Stockholder's Equity	<u><u>300,813,380</u></u>	<u><u>306,972,743</u></u>

See notes to consolidated financial statements

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.
(A Delaware Corporation)

Consolidated Statement of Operations

	For Year Ended March 31, 2015	For Year Ended March 31, 2014
	\$	\$
REVENUES		
Rooms	64,533,112	63,144,422
Food and beverage	49,232,621	50,254,176
Other	7,754,191	7,871,788
Total Revenues	<u>121,519,924</u>	<u>121,270,386</u>
DEPARTMENTAL EXPENSES		
Rooms	30,617,551	30,259,281
Food and beverage	52,070,195	52,171,053
Other	2,366,704	2,504,585
Total Departmental Expenses	<u>85,054,450</u>	<u>84,934,919</u>
UNALLOCATED OPERATING EXPENSES		
Administrative and general	17,634,974	15,935,187
Sales and marketing	9,994,891	8,937,861
Repair and maintenance	7,847,505	7,626,914
Utilities	5,962,012	6,043,610
Total Unallocated Operating Expenses	<u>41,439,382</u>	<u>38,543,572</u>
(Loss) Before Fixed Charges, Other Income (Expenses) and Income Tax (Provision)	<u>(4,973,908)</u>	<u>(2,208,105)</u>
FIXED CHARGES		
Real estate taxes	2,092,103	2,459,466
Insurance	792,391	808,913
Rent and franchise fees	7,146,806	6,860,623
Depreciation	9,935,233	10,340,699
Amortization	800,479	652,951
Interest	4,584,360	3,596,897
Total Fixed Charges	<u>25,351,372</u>	<u>24,719,549</u>
(Loss) Before Other Income (Expenses) and Income Tax (Provision)	<u>(30,325,280)</u>	<u>(26,927,654)</u>
OTHER INCOME (EXPENSES)		
Sales and marketing fees	1,683,246	1,584,356
Loss on disposal of assets	-	(67,561)
Total Other Income (Expenses)	<u>1,683,246</u>	<u>1,516,795</u>
(Loss) Before Income Tax (Provision)	<u>(28,642,034)</u>	<u>(25,410,859)</u>
Income tax (provision)	<u>(288,321)</u>	<u>(248,987)</u>
Net (Loss)	<u>(28,930,355)</u>	<u>(25,659,846)</u>

See notes to consolidated financial statements

Consolidated Statements of Stockholder's Equity for the years ended March 31, 2015 & 2014

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in	Deficit	
	\$	\$	Capital	\$	\$
Balance at March 31, 2013	100	100	414,999,901	(219,100,945)	195,899,056
Conversion of note payable into paid-in capital	-	-	10,500,000	-	10,500,000
Net (loss)	-	-	-	(25,659,846)	(25,659,846)
Balance at March 31, 2014	100	100	425,499,901	(244,760,791)	180,739,210
Net (loss)	-	-	-	(28,930,355)	(28,930,355)
Balance at March 31, 2015	100	100	425,499,901	(273,691,146)	151,808,855

See notes to consolidated financial statements

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.
(A Delaware Corporation)

Consolidated Statements of Cash Flows

	For Year Ended March 31	
	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)	(28,930,355)	(25,659,846)
Adjustments to reconcile net (loss) to net		
Cash (used) by operating activities		
Depreciation and amortization	10,735,712	10,993,650
Loss on disposal of assets	-	67,561
Changes in Certain Other Accounts		
Accounts receivable	(324,709)	(6,367)
Inventories	44,783	(60,805)
Prepaid expenses	182,196	(41,547)
Security deposits	(52,027)	4,753
Accounts payable	439,277	(763,185)
Taxes payable, other than income	(34,675)	133,092
State income taxes payable	100,000	(11,000)
Accrued expenses	916,800	671,646
Advance deposits and other credit balances	530,435	655,769
Due to/from related parties	(300,846)	(879,604)
Total Adjustments	12,236,946	10,763,963
Net Cash by Operating Activities	(16,693,409)	(14,895,883)
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in cash in escrow	1,195,952	(358)
Proceeds from Sale of Assets	-	13,202
Capital expenditures	(2,806,955)	(2,193,930)
Net Cash by Investing Activities	(1,611,003)	(2,181,086)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in cash overdraft	-	(44,187)
Payments on loan refinancing and extension costs	(1,785,007)	(169,167)
Advances from share holder	-	10,500,000
Proceeds from notes payable	108,000,000	15,000,000
Withdrawals (payments) on line - of - credit, net	(3,500,000)	(2,300,000)
Principal payments on mortgage loans	(57,380,000)	(1,090,000)
Principal payments on term loans	(26,000,000)	(4,042,343)
Net Cash Provided by Financing Activities	19,334,993	17,854,303
Net Change in Cash	1,030,581	777,334
Cash, beginning of year	1,600,662	823,328
Cash, end of year	2,631,243	1,600,662
Supplemental Disclosure of Cash Flow Information		
Cash paid for capital taxes	167,321	280,987
Cash paid for interest (net of amount capitalized)	4,450,704	3,515,888
Supplemental Disclosure of Non-Cash Flow Information		
Certain payables to IHCL were converted into member's equity	-	10,500,000
See notes to consolidated financial statements		

Notes to Financial Statements for the year ended March 31, 2015

1. Organization

International Hotel Management Services, Inc. (the "Company") was incorporated in September 1986 under the laws of the State of Delaware and is wholly-owned by Indian Hotels Company Limited ("IHCL"), a company based in Mumbai, India.

In June 2005, the Company organized IHMS, LLC (the "New York LLC") under the laws of the State of Delaware. The New York LLC was formed to acquire the lease with 795 Fifth Avenue Corporation ("795 Corp."), its affiliate 795 Fifth Avenue Limited Partnership ("795 Partnership"), Barney's New York ("Barney's"), and individual apartment owners (collectively "the Lessors"), which encompass the facilities of the Hotel Pierre located in New York, New York. In July 2005, the New York LLC acquired the lease from affiliates of Four Seasons Hotel Limited.

In September 2006, the Company organized IHMS (Boston) LLC (the "Boston LLC") under the laws of the State of Delaware. In January 2007, the Boston LLC acquired the Ritz Carlton Boston Hotel (the "Boston Hotel") located in Boston, Massachusetts from an unrelated third party. The Boston LLC has since re-branded and renamed the Boston Hotel to the Taj Boston.

In December 2006, the Company organized IHMS (USA) LLC (the "Manager"). The Manager held the name and trademark through a license agreement dated January 3, 2007 with IHCL, to use the "Taj" name brand in the United States of America territory. The license agreement had an initial term of ten years, which is automatically renewed for successive terms of five years, and is subject to termination provisions. Aside from its management agreement with the Boston LLC, the Manager had remained inactive since its formation date. The Manager has not assigned any value to the name and trademark licensed. Effective April 1, 2014, the license agreement was terminated. Also effective April 1, 2014, the management agreement between the Boston LLC and the Manager was also terminated.

In March 2007, the Company organized IHMS (SF) LLC (the "San Francisco LLC") under the laws of the State of Delaware. In April 2007, the San Francisco LLC acquired the Campton Place Hotel (the "San Francisco Hotel") located in San Francisco, California from an unrelated third party.

The Hotel Pierre, Boston Hotel, and San Francisco Hotel are collectively referred to herein as the Hotel Properties or the Subsidiaries.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

At March 31, 2015, the Company has approximately \$24.8 million in available financing on the unused credit facilities (see notes 3 and 4).

IHCL has also agreed to provide financial support to the Company for working capital deficits.

2. Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the collectability of accounts receivable and the useful lives and recoverability of costs of property and equipment. Management believes that as of 2015 and 2014, the estimates used were adequate based on the information currently available.

Reclassifications

Certain accounts in 2014 have been reclassified to conform with the 2015 financial statement presentation.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.

(A Delaware Corporation)

Notes to Financial Statements for the year ended March 31, 2015

Fair Value of Financial Instruments

US GAAP requires the Company to disclose, when reasonably attainable, the fair values of its assets and liabilities which are deemed to be financial instruments. The carrying amounts of the Company's financial instruments, including cash and cash in escrow, approximate fair values due to the short-term nature of these accounts. The carrying value of the long-term debt approximates fair value since the current interest rate approximates market rates.

It was not practicable for management to estimate the fair value of the amounts due to/from related parties due to the nature of the related party transactions and the fact that no similar markets exists for these instruments.

Significant Concentrations

The Company maintains cash balances in financial institutions in excess of federally insured limits. The Company has not experienced any losses on its deposits.

Approximately 80% and 76% of the Boston LLC's and the New York LLC's workforce is covered by collective bargaining agreements, respectively, which expire February 28, 2018 and June 30, 2019, respectively.

Accounts Receivable

Accounts receivable primarily represents receivables from the Hotel Properties' guests who occupy rooms and utilize the Hotel Properties' amenities. An allowance for doubtful accounts is provided (based on management's evaluation) when it is determined that it is more likely than not a specific account will not be collected. As of March 31 2015 and 2014, management has determined that an allowance for doubtful accounts was not required.

Inventories

Inventories which consist of food, beverage, china, glass, silverware and retail and guest supplies are valued at the lower of cost or market on a first-in, first-out basis.

Property and Equipment

Property and equipment is stated at cost. Investment in cooperative apartments represents the four cooperative apartment units acquired by the New York LLC at lease acquisition.

Depreciation is computed using a straight-line method over estimated lives of 30 years for investment in cooperative apartments, 40 years for the building and improvements (for the New York LLC, over the term of the lease with 795 Corp. and 795 Partnership (see note 6)) and 5 to 10 years for furniture, fixtures and equipment. Maintenance and repair expenditures are charged to expense when incurred. Expenditures for improvements and renewals are capitalized. Fully depreciated assets amounting to approximately \$12,131,000 are still in use as of 2015. During fiscal 2015, the Company wrote off approximately \$160,000 of capital expenditures previously capitalized under construction in progress as the related projects were abandoned.

Long-Lived Assets

US GAAP requires that property and equipment held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis. If such review indicates that the asset is impaired, the asset's carrying amount would be written down to fair value. Additionally, US GAAP requires that long-lived assets to be disposed of be reported at the lower of carrying amount or fair value, less cost to sell. Management has determined that no adjustment was required for the years ended 2015 and 2014.

Deferred Costs

Deferred costs include the lease acquisition costs expended by the New York LLC to acquire the lease of the Hotel Pierre and secure the extension of the lease agreement with Barney's.

Amortization of the Hotel Pierre lease acquisition costs is computed using a method which approximates the interest method over the term of the related lease agreements. Accumulated amortization of the lease acquisition costs amounted to \$1,648,832 and \$1,479,721 at 2015 and 2014, respectively.

Notes to Financial Statements for the year ended March 31, 2015

Also included in deferred costs are the financing costs incurred by the Boston LLC in connection with the mortgage loan payable (see note 5). Amortization of the deferred financing costs was computed using a method which approximated the interest method over the term of the related mortgage loan payable. Deferred financing costs were written off upon the repayment of the mortgage loan (see note 5). Accumulated amortization of the financing costs amounted to \$2,059,941 at March 31, 2014.

Also included in deferred costs are the financing costs incurred by the San Francisco LLC in connection with the acquisition of the mortgage loan payable (see note 5) and the costs incurred to obtain a liquor license. Amortization of the financing costs is computed using a method which approximates the interest method over the term of the related mortgage loan payable. Deferred financing costs were written off upon the repayment of the mortgage loan (see note 5). Accumulated amortization of the deferred costs amounted to \$351,421 at March 31, 2014.

Additionally, financing costs incurred by the Company are included in deferred costs in connection with the acquisition of two term loans (note 3). Amortization of the financing costs is computed using a method which approximates the interest method over the term of the related term loan. Accumulated amortization of the financing costs amounted to \$203,195 and \$7,049 at 2015 and 2014, respectively.

Income Taxes

The Company files income tax returns on a consolidated basis. The Company records income tax expense, if any, on an individual company basis in order to properly reflect its portion of consolidated income tax expense.

The Company recognizes deferred tax assets and liabilities based on the differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. The Company's temporary differences giving rise to deferred taxes result primarily from net loss carry-forwards, employee related benefits and depreciation and amortization. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which the temporary differences are expected to be recovered or settled.

The Company is also subject to various other taxation requirements imposed by the State and City of New York. Provision for such taxes amounted to \$288,321 and \$248,987 for the years ended 2015 and 2014, respectively.

Uncertainty in Income Taxes

US GAAP requires evaluation of tax positions taken by the Company and recognition of a liability in the consolidated financial statements if the Company has taken uncertain tax positions that more likely-than-not would not be sustained upon examination by the taxing authorities. As of March 31, 2015 management has determined that it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

As of March 31, 2015 tax years since fiscal 2012 remain open to examination by most taxing authorities. There are currently no tax examinations in progress.

Revenue Recognition

Revenue is recognized as earned at the time of sale or rendering of service. Revenue is presented net of taxes collected from the Hotel Properties' guests. Cash received in advance of the sale or rendering of services is recorded as advance deposits in the accompanying balance sheet. Base rental income is recognized in accordance with the lease terms. Additional rents are recognized when earned, as defined in the lease agreement. US GAAP requires rental income to be recognized on a straight-line basis. Management has determined that the difference between recognizing rental income on a straight-line basis and in accordance with the terms of the lease is not material.

Advertising and Business Promotion

Advertising costs are expensed as incurred and amounted to \$3,118,586 and \$2,839,506 for the years ended 2015 and 2014, respectively.

Retirement Plan Costs

Payments to retirement plans are charged to expense as they are incurred.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.
(A Delaware Corporation)

Notes to Financial Statements for the year ended March 31, 2015

3. Term Loans

In September 2014, the Company entered into a term loan facility agreement (the "Term Loan Facility") in the amount of \$120 million, of which \$108 million was utilized and outstanding at March 31, 2015. The Term Loan Facility matures on September 15, 2022, and requires monthly interest only payments computed at 3.81% plus LIBOR, as defined (4.14% at March 31, 2015) through March 15, 2017. Thereafter, principal payments are due every six months, as defined. All principal payments are the responsibility of the Company and interest costs have been allocated to each of the Hotel Properties based upon factors determined by the Company's management to be appropriate.

The Term Loan Facility is guaranteed by IHCL, the Company, the Boston LLC and the San Francisco LLC. The Term Loan Facility is secured, by amongst other things, the Boston LLC's and the San Francisco LLC's hotel property. The Term Loan Facility contains covenants that the Company must adhere to which includes, amongst other things, the maintenance of financial ratios. At March 31, 2015, the Company was in compliance with all term loan covenants.

Minimum future principal payments to be made through the term of the Term Loan Facility are as follows:

March 31	\$
2017	1,080,000
2018	4,320,000
2019	9,720,000
2020	16,740,000
Thereafter	76,140,000
Total	<u>108,000,000</u>

In March 2012, the Company entered into a \$30 million term loan with HSBC Bank N.A. ("HSBC Term Loan") which was originally scheduled to mature on March 15, 2015. The HSBC Term Loan required scheduled principal payments and monthly interest payments at the Prime Rate, as defined plus 280 basis points (approximately 3.00% at March 31, 2014). The proceeds from the Term Loan Facility were partly used to repay the HSBC Term Loan in September 2014.

In February 2014, the Company entered into a \$15 million term loan with ICICI Bank Limited ("ICICI Term Loan"), which is scheduled to mature on February 26, 2016. The ICICI Term Loan requires the full principal amount to be repaid at maturity and monthly interest payments at the LIBOR rate, as defined plus 390 basis points (approximately 4.16% and 4.20% at 2015 and 2014, respectively).

4. Line-of-Credit

The Company had a \$15 million credit facility which was originally scheduled to expire on March 15, 2015. As of March 31, 2014, the Company had withdrawn \$5,700,000. Interest payments required on the credit facility were based on LIBOR, as defined plus 200 basis points (approximately 2.20% at March 31, 2014). The proceeds from the Term Loan Facility were partly used to repay this credit facility in September 2014.

The New York LLC has a \$15 million credit facility which expires on May 29, 2015. As of March 31, 2015 the Company has withdrawn \$2,200,000. Interest payments required on the credit facility are based on LIBOR, as defined, plus 200 basis points (approximately 2.17% at March 31, 2015). This credit facility is fully guaranteed by IHCL.

5. Mortgage Loans Payable

The Boston LLC previously had a \$40,000,000 mortgage loan which required monthly interest only payments determined to be the higher of 3.80% plus LIBOR, as defined, or 2.00% plus the Index Rate, as defined (approximately 3.95% at March 31, 2014). The mortgage loan was scheduled to mature on January 31, 2015.

The San Francisco LLC previously had a \$20,000,000 mortgage loan which required monthly interest only payments at the floating 30-day LIBOR rate plus 280 basis points (approximately 2.95% at March 31, 2014). The mortgage loan was scheduled to mature on May 30, 2015.

Notes to Financial Statements for the year ended March 31, 2015

The proceeds from the Term Loan Facility were partly used to repay the Boston LLC and the San Francisco LLC mortgage loans in September 2014. The funds received by the Boston LLC and the San Francisco LLC from the Company, that were used towards the repayment of the mortgage loans, were recorded as due to related parties.

6. Operating Leases

As Lessors

The San Francisco LLC, the Boston LLC and the New York LLC, as lessors under various operating leases, will receive base rents over the next five years and in the aggregate over the remaining terms of the leases as follows:

	San Francisco LLC \$	Boston LLC \$	New York \$	Total \$
March 31				
2016	38,616	435,000	342,830	816,446
2017	5,404	435,000	356,094	796,498
2018	-	651,667	353,585	1,005,252
2019	-	712,375	344,131	1,056,506
2020	-	733,746	355,290	1,089,036
Thereafter	-	3,023,501	251,970	3,275,471
	<u>44,020</u>	<u>5,991,289</u>	<u>2,003,900</u>	<u>8,039,209</u>

Certain leases contain provisions for additional rents and extension options. The following is the summary of rental income for the years ended March 31:

	2015 \$	2014 \$
San Francisco LLC	<u>81,903</u>	73,657
Boston LLC	<u>536,595</u>	795,850
New York LLC	<u>350,225</u>	346,258

As Lessees

Lease Agreement with 795 Corp. and 795 Partnership

The New York LLC's lease agreements with 795 Corp. and 795 Partnership are for certain facilities of the Hotel Pierre for the purpose of operating a hotel business. Both leases were originally scheduled to terminate on June 30, 2015 and may be extended for two additional ten-year terms.

The New York LLC has provided to 795 Corp. and 795 Partnership an irrevocable unconditional letter of credit in the amount of \$5,000,000 as further security for all of its obligations under the leases and management agreement. The letter of credit is required to be renewed annually until expiration of the lease on June 30, 2015. Also, as stated in the lease agreements, the New York LLC was originally required to expend no less than \$35,000,000 on renovations.

In November 2007, the New York LLC entered into a lease modification with 795 Corp. The principal modification extended the lease term for an additional 10 years, to June 30, 2025, and increased the New York LLC's renovation commitment to \$80 million. The New York LLC spent approximately \$104,642,000 towards the renovation project and substantially completed the renovation project on June 30, 2010.

The lease agreements provide for 795 Corp. and 795 Partnership to receive rental payments with respect to the Hotel Pierre's facilities. Rental payments consist of minimum rentals, and additional rentals measured by a formula based upon 795 Corp.'s and 795 Partnership's costs. Future fixed minimum rentals, exclusive of formula or percentage rentals, for the years ending March 31 are as follows:

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March 31	795 Corp \$	795 Partnership \$	Total \$
2016	954,996	1,014,000	1,968,996
2017	954,996	1,014,000	1,968,996
2018	954,996	1,014,000	1,968,996
2019	954,996	1,014,000	1,968,996
2020	954,996	1,014,000	1,968,996
Thereafter	5,013,729	5,323,500	10,337,229
	<u>9,788,709</u>	<u>10,393,500</u>	<u>20,182,209</u>

Lease on Cooperative Apartments and Ballroom

The New York LLC assumed a lease agreement with Barney's, which was originally scheduled to expire August 2013, for the use of the Hotel Pierre's ballroom, and with some other individuals for the use of their cooperative apartments as hotel rooms and suites. Such leases require the New York LLC to pay minimum rentals which increase annually by the change in the Consumer Price Index and to reimburse the owners for their actual cooperative maintenance charges. On March 12, 2012, the lease agreement with Barney's was amended wherein, among other things, the scheduled expiration was extended to December 31, 2018 and the annual fixed rent was increased to \$1,700,000 ("Amended Lease Agreement"). In addition, the Amended Lease Agreement required a one-time rent adjustment fee of \$1,000,000 ("Rent Adjustment"). The Rent Adjustment is included in deferred costs and will be amortized over the term of the Amended Lease Agreement. Accumulated amortization of the Rent Adjustment amounted to \$457,826 and \$313,250 at 2015 and 2014, respectively.

Future fixed minimum rentals, exclusive of formula or percentage rentals for the years ending March 31 are approximately as follows:

	\$
2016	1,830,865
2017	1,830,865
2018	1,700,004
2019	1,275,003
	<u>6,636,737</u>

7. Related Parties

Due to/from Related Parties

Due to/from related parties are non-interest bearing and have no specified date of repayment.

The Company has received deposits from IHCL to fund the working capital needs of the Subsidiaries. For the year ended March 31, 2014, such deposits amounted to \$10,500,000. These advances were non-interest bearing and had no specified date of maturity.

During fiscal 2014, IHCL converted \$10,500,000 of the outstanding note balance into additional paid-in-capital.

Sales and Marketing Agreement

The Company has a sales and marketing agreement with IHCL, which can be terminated by the Company or IHCL upon notice. The Company is required to perform sales and marketing functions for IHCL. The agreement states that the Company shall receive sales and marketing fees of no less than \$400,000 each year. For the years ended 2015 and 2014, the Company received \$1,683,246 and \$1,584,356, respectively, of sales and marketing fees under the terms of the agreement.

Notes to Financial Statements for the year ended March 31, 2015

8. Income Taxes

(Provision) for income taxes consists of the following:

	Year ended March 31	
	2015	2014
Current		
Federal	\$ -	\$ -
State and local	-	-
	(288,321)	(248,987)
Current	(288,321)	(248,987)
Federal	-	-
State and local	-	-
	-	-
Total Income Tax (Provision)	(288,321)	(248,987)

The deferred tax asset consists of, and the related deferred income taxes resulted from the following temporary differences at March 31:

	2015	2014
	\$	\$
Valuation allowance	(118,862,298)	(105,736,650)
Net operating loss carryforward	116,984,997	104,547,185
Depreciation and amortization	(147,472)	(565,567)
Employee related benefits	2,024,773	1,755,032
	-	-

As of March 31, 2015, the Company has available approximately \$267 million in net operating loss carryforwards which expire through 2035.

The components of the net deferred tax provision (benefit) consists of the following for the years ended March 31:

	2015	2014
	\$	\$
Valuation allowance	(13,125,648)	(12,722,729)
Net operating loss carryforward	12,437,812	11,509,557
Depreciation and amortization	418,095	(327,698)
Employee related benefits	269,741	1,540,870
Total Deferred Tax Asset	-	-

9. Employee Benefit Plans

Multi-Employer Benefit Plans

The New York LLC is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. The Boston LLC, along with certain other hotel operators and owners in Boston, Massachusetts, is a party to the Collective Bargaining Agreement with UNITE HERE Local 26 ("Boston Union"). The respective collective bargaining agreements provide for Union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC and the Boston LLC make contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC and the Boston LLC have not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC and the Boston LLC have not undertaken to terminate, withdraw or partially withdraw from the Plans. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

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- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's and the Boston LLC's participation in the Plans for the years ended December 31, 2015 and 2014 and March 31, 2015 and 2014, respectively, is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plans' year-end at December 31, 2015. The zone status is based on information that the New York LLC and the Boston LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded.

The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's and the Boston LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers.

The following is a summary of the Plans to which the New York LLC and the Boston LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

Plans	EIN Number	Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions by the Company	
			2014	2013		For the Year Ended December 2014	2013
<u>New York LLC</u>							
Pension Fund (1)	13-1764242	001	Green	Yellow	Yes	\$ 2,477,600	\$ 2,962,91
Health Benefits Fund (2)	13-6126923	501	N/A	N/A	Yes	6,218,758	6,143,21
Prepaid Legal Services Fund (3)	13-3418414	508	N/A	N/A	Yes	130,400	117,11
Total - New York LLC						8,826,758	9,223,31
<u>Boston LLC</u>							
						For the Year Ended March 31 2015	2014
Pension Fund (4)	45-4227067	001	Green	Yellow	Yes	\$ 363,312	\$ 303,31
Health Benefits Fund (5)	04-6048964	501	N/A	N/A	Yes	3,050,416	2,925,31
Other funds						131,311	131,41
Total - Boston LLC						3,545,039	3,360,11
						\$ 12,371,797	\$ 12,583,51

(1) - New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

(2) - New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(3) - New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

(4) - UNITE Here Local 26 Workers & Hospitality Employers VDB Pension Trust

Notes to Financial Statements for the year ended March 31, 2015

Defined Contribution 401(k) Plans

The Company and the Subsidiaries have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined.

The employer contributions charged to the Company's and the Subsidiaries' operations for the years ended March 31 are as follows:

	2015 \$	2014 \$
San Francisco LLC	117,484	113,738
Boston LLC	233,864	220,253
New York LLC	162,412	176,729
Company	39,396	48,794
Total Employer Contributions	553,156	559,514

10. Commitments and Contingencies

Claims and Legal Actions

The Company is a party to claims that arose in the normal course of business. Management of the Company believes that the ultimate outcome of these claims will not have a material effect on the financial statements.

Condominium Association Maintenance Charges

The Boston LLC is a member of The Carlton House of Boston Condominium Association ("Condominium Association") as part of its purchase of the Boston Hotel and is required to make payments towards its allocable share of the Condominium Association's maintenance charges. Such maintenance charges amounted to \$180,207 and \$177,984 for the years ended 2015 and 2014, respectively.

Management Agreement with Landlord

On July 1, 2005, 795 Corp. entered into a management agreement (the "Management Agreement") with the New York LLC. Under the Management Agreement, the New York LLC agreed to manage the Hotel Pierre as agent for 795 Corp. and provide the shareholders of 795 Corp. with certain services.

Under the Management Agreement, 795 Corp. is to pay a base annual management fee of \$3,907,362. This fee, subject to annual adjustments, reflects increases in costs of management over the prior year. Management fees of \$4,911,878 and \$4,847,578 were charged to 795 Corp. for the years ended 2015 and 2014, respectively. 795 Corp. has the option to cancel the Management Agreement if the leases are cancelled (see note 6). The agreement expires June 30, 2025 or sooner as provided in the Management Agreement.

Franchise Agreement

On February 2, 2012, the Company entered into a restaurant licensing agreement ("License Agreement") with LC International LLC ("LC"). The License Agreement provides for the Company to have exclusive authority throughout New York City to use the name Sirio Ristorante ("Sirio"). The License Agreement expires on September 1, 2027, and is subject to certain termination and extension provisions, as defined. The License Agreement requires the Company to pay LC a license fee, based on Sirio's gross receipts, as defined. The Company is required to pay LC, irrespective of the minimum license fees earned in any agreement year, a minimum annual \$200,000 license fee. In addition, LC is entitled to an incentive fee, as defined equal to 10% of net income, as defined. Incentive fees were not earned for the year ended March 31, 2015.

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11. Subsequent Events

The Company has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date the consolidated financial statements were available to be issued, which date is May 5, 2015, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements..

Independent Auditors' Report on Supplementary Information

To the Board of Directors and Stockholder of
International Hotel Management Services, Inc.

We have audited the consolidated financial statements of 2015 as of and for the years ended 2015 and 2014, and our report thereon dated May 5, 2015, which expressed an unmodified opinion on those consolidated financial statements, appears on page 458. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statements of operations and cash flows are presented for purposes of additional analysis of the consolidated financial statements and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'CONNOR DAVIES, a division of O'CONNOR DAVIES, LLP

May 5, 2015

Notes to Financial Statements for the year ended March 31, 2015

Consolidating Balance Sheet March 31, 2015

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash	508,212	800,064	1,210,463	112,504	-	2,631,243
Accounts Receivable						
Guest ledger	81,269	315,961	726,106	-	-	1,123,336
City ledger	226,926	1,703,180	1,744,141	-	-	3,674,247
Other	116,872	8,490	-	21,000	-	146,362
	<u>425,067</u>	<u>2,027,631</u>	<u>2,470,247</u>	<u>21,000</u>	<u>-</u>	<u>4,943,945</u>
Inventories	297,966	290,508	512,296	-	-	1,100,770
Prepaid expenses	203,665	385,406	977,851	-	-	1,566,922
Total Current Assets	<u>1,434,910</u>	<u>3,503,609</u>	<u>5,170,857</u>	<u>133,504</u>	<u>-</u>	<u>10,242,880</u>
Property and Equipment						
Investment in cooperative apartments	-	-	1,500,000	-	-	1,500,000
Land	14,000,000	40,000,000	-	-	-	54,000,000
Building and improvements	45,771,617	129,182,030	95,513,904	-	-	270,467,551
Furniture, fixtures and equipment	<u>2,109,467</u>	<u>8,200,418</u>	<u>25,399,087</u>	<u>65,522</u>	<u>-</u>	<u>35,774,494</u>
	<u>61,881,084</u>	<u>177,382,448</u>	<u>122,412,991</u>	<u>65,522</u>	<u>-</u>	<u>361,742,045</u>
Accumulated depreciation	<u>10,174,476</u>	<u>32,579,143</u>	<u>32,776,535</u>	<u>27,586</u>	<u>-</u>	<u>75,557,740</u>
	<u>51,706,608</u>	<u>144,803,305</u>	<u>89,636,456</u>	<u>37,936</u>	<u>-</u>	<u>286,184,305</u>
Construction in progress	<u>235,170</u>	<u>188,259</u>	<u>402,389</u>	<u>-</u>	<u>-</u>	<u>825,818</u>
	<u>51,941,778</u>	<u>144,991,564</u>	<u>90,038,845</u>	<u>37,936</u>	<u>-</u>	<u>287,010,123</u>
Other Assets						
Deferred costs	60,000	-	1,532,296	1,750,979	-	3,343,275
Security deposits	69,748	51,747	95,607	-	-	217,102
Investment in subsidiaries	-	-	-	425,499,901	(425,499,901)	-
	<u>129,748</u>	<u>51,747</u>	<u>1,627,903</u>	<u>427,250,880</u>	<u>(425,499,901)</u>	<u>3,560,377</u>
Total Assets	<u>53,506,436</u>	<u>148,546,920</u>	<u>96,837,605</u>	<u>427,422,320</u>	<u>(425,499,901)</u>	<u>300,813,380</u>

See independent auditors' report on supplementary information.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.
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Notes to Financial Statements for the year ended March 31, 2015
Consolidating Balance Sheet March 31, 2015 (Contd.)

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts Payable						
Trade	327,088	1,183,869	3,118,030	-	-	4,628,987
Other	-	130,867	124,301	-	-	255,168
	<u>327,088</u>	<u>1,314,736</u>	<u>3,242,331</u>	<u>-</u>	<u>-</u>	<u>4,884,155</u>
Taxes payable, other than income	153,077	253,944	310,821	-	-	717,842
State income taxes payable	-	-	100,000	-	-	100,000
Accrued Expenses						
Payroll and related	185,652	822,864	1,453,747	-	-	2,462,263
Vacation, gratuities and incentives	714,342	919,510	2,637,228	406,600	-	4,677,680
Interest	37,625	113,416	84,750	-	-	235,791
Utilities	17,223	70,040	231,878	-	-	319,141
Other	682,736	111,892	676,000	46,520	-	1,517,148
	<u>1,637,578</u>	<u>2,037,722</u>	<u>5,083,603</u>	<u>453,120</u>	<u>-</u>	<u>9,212,023</u>
Tenants' security deposits	-	2,200	77,000	-	-	79,200
Advance deposits and other credit balances	236,158	1,087,040	6,655,611	-	-	7,978,809
Current portion of mortgage loan and term loan	-	-	-	15,000,000	-	15,000,000
Line of credit	-	-	2,200,000	-	-	2,200,000
Total Current Liabilities	<u>2,353,901</u>	<u>4,695,642</u>	<u>17,669,366</u>	<u>15,453,120</u>	<u>-</u>	<u>40,172,029</u>
Due to related parties, net	19,658,578	58,156,829	33,034,501	(110,017,412)	-	832,496
Long term portion of mortgage loan and term loan	-	-	-	108,000,000	-	108,000,000
Total Liabilities	<u>22,012,479</u>	<u>62,852,471</u>	<u>50,703,867</u>	<u>13,435,708</u>	<u>-</u>	<u>149,004,525</u>
Stockholder's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	50,941,941	176,954,451	197,603,509	425,499,901	(425,499,901)	425,499,901
Accumulated deficit	(19,447,984)	(91,260,002)	(151,469,771)	(11,513,389)	-	(273,691,146)
Total Stockholder's Equity	<u>31,493,957</u>	<u>85,694,449</u>	<u>46,133,738</u>	<u>413,986,612</u>	<u>(425,499,901)</u>	<u>151,808,855</u>
Total Liabilities and Stockholder's Equity	<u>53,506,436</u>	<u>148,546,920</u>	<u>96,837,605</u>	<u>427,422,320</u>	<u>(425,499,901)</u>	<u>300,813,380</u>

See independent auditors' report on supplementary information.

Notes to Financial Statements for the year ended March 31, 2015

Consolidating Balance Sheet March 31, 2014

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash	35,501	630,684	763,833	170,644	-	1,600,662
Cash in escrow	1,195,952	-	-	-	-	1,195,952
Accounts Receivable						
Guest ledger	57,431	196,760	760,496	-	-	1,014,687
City ledger	279,949	1,054,445	2,195,769	-	-	3,530,163
Other	-	21,017	-	53,369	-	74,386
	<u>337,380</u>	<u>1,272,222</u>	<u>2,956,265</u>	<u>53,369</u>	<u>-</u>	<u>4,619,236</u>
Inventories	278,561	321,577	545,415	-	-	1,145,553
Prepaid expenses	224,167	394,212	1,130,739	-	-	1,749,118
Total Current Assets	<u>2,071,561</u>	<u>2,618,695</u>	<u>5,396,252</u>	<u>224,013</u>	<u>-</u>	<u>10,310,521</u>
Property and Equipment						
Investment in cooperative apartments	-	-	1,500,000	-	-	1,500,000
Land	14,000,000	40,000,000	-	-	-	54,000,000
Building and improvements	45,771,617	129,182,030	95,443,620	-	-	270,397,267
Furniture, fixtures and equipment	1,888,958	7,197,456	24,158,521	63,824	-	33,308,759
	<u>61,660,575</u>	<u>176,379,486</u>	<u>121,102,141</u>	<u>63,824</u>	<u>-</u>	<u>359,206,026</u>
Accumulated depreciation	8,799,377	28,883,862	27,920,820	18,448	-	65,622,507
	<u>52,861,198</u>	<u>147,495,624</u>	<u>93,181,321</u>	<u>45,376</u>	<u>-</u>	<u>293,583,519</u>
Construction in progress	70,846	247,318	236,718	-	-	554,882
	<u>52,932,044</u>	<u>147,742,942</u>	<u>93,418,039</u>	<u>45,376</u>	<u>-</u>	<u>294,138,401</u>
Other Assets						
Deferred costs, net	108,553	170,000	1,918,075	162,118	-	2,358,746
Security deposits	44,052	50,216	70,807	-	-	165,075
Investment in subsidiaries	-	-	-	425,499,901	(425,499,901)	-
Due from related parties	-	-	-	38,825,093	(38,825,093)	-
	<u>152,605</u>	<u>220,216</u>	<u>1,988,882</u>	<u>464,487,112</u>	<u>(464,324,994)</u>	<u>2,523,821</u>
Total Assets	<u>55,156,210</u>	<u>150,581,853</u>	<u>100,803,173</u>	<u>464,756,501</u>	<u>(464,324,994)</u>	<u>306,972,743</u>

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Notes to Financial Statements for the year ended March 31, 2015
Consolidating Balance Sheet March 31, 2014 (Contd.)

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts payable						
Trade	414,540	1,188,229	2,808,588	-	-	4,411,357
Other	-	10,479	23,041	-	-	33,520
	<u>414,540</u>	<u>1,198,708</u>	<u>2,831,629</u>	<u>-</u>	<u>-</u>	<u>4,444,877</u>
Taxes payable, other than income	157,063	285,858	309,596	-	-	752,517
State income taxes payable	-	-	-	-	-	-
Accrued Expenses						
Payroll and related	170,594	865,604	1,307,833	-	-	2,344,031
Vacation, gratuities and incentives	710,919	964,257	2,352,864	92,965	-	4,121,005
Interest	46,849	23,786	31,500	-	-	102,135
Utilities	16,373	67,455	225,294	-	-	309,122
Other	571,519	183,622	532,949	130,840	-	1,418,930
	<u>1,516,254</u>	<u>2,104,724</u>	<u>4,450,440</u>	<u>223,805</u>	<u>-</u>	<u>8,295,223</u>
Tenants' security deposits	-	2,200	77,000	-	-	79,200
Advance deposits and other credit balances	197,148	1,045,246	6,205,980	-	-	7,448,374
Current portion of mortgage loan and term loan	1,200,000	40,000,000	-	26,000,000	-	67,200,000
Line of credit	-	-	-	5,700,000	-	5,700,000
Total Current Liabilities	<u>3,485,005</u>	<u>44,636,736</u>	<u>13,874,645</u>	<u>31,923,805</u>	<u>-</u>	<u>93,920,191</u>
Due to related parties, net	3,337,735	13,550,560	23,070,140	-	(38,825,093)	1,133,342
Notes payable to related parties	-	-	-	-	-	-
Long term portion of mortgage loan and term loan	16,180,000	-	-	15,000,000	-	31,180,000
Total Liabilities	<u>23,002,740</u>	<u>58,187,296</u>	<u>36,944,785</u>	<u>46,923,805</u>	<u>(38,825,093)</u>	<u>126,233,533</u>
Stockholder's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	50,941,941	176,954,451	197,603,509	425,499,901	(425,499,901)	425,499,901
Accumulated deficit	(18,788,471)	(84,559,894)	(133,745,121)	(7,667,305)	-	(244,760,791)
Total Stockholder's Equity	<u>32,153,470</u>	<u>92,394,557</u>	<u>63,858,388</u>	<u>417,832,696</u>	<u>(425,499,901)</u>	<u>180,739,210</u>
Total Liabilities and Stockholder's Equity	<u>55,156,210</u>	<u>150,581,853</u>	<u>100,803,173</u>	<u>464,756,501</u>	<u>(464,324,994)</u>	<u>306,972,743</u>

See independent auditors' report on supplementary information.

Notes to Financial Statements for the year ended March 31, 2015

Consolidating Statement of Operations March 31, 2015

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
REVENUES						
Rooms	10,723,224	21,926,832	31,883,056	-	-	64,533,112
Food and beverage	4,830,755	11,429,407	32,972,459	-	-	49,232,621
Other	608,359	1,134,684	6,011,148	-	-	7,754,191
Total Revenues	16,162,338	34,490,923	70,866,663	-	-	121,519,924
DEPARTMENTAL EXPENSES						
Rooms	3,621,908	9,453,082	17,542,561	-	-	30,617,551
Food and beverage	4,977,350	12,057,395	35,035,450	-	-	52,070,195
Other	419,304	452,342	1,495,058	-	-	2,366,704
Total Departmental Expenses	9,018,562	21,962,819	54,073,069	-	-	85,054,450
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,562,260	5,009,176	8,734,263	1,329,275	-	17,634,974
Sales and marketing	1,022,499	2,068,923	2,908,698	3,994,771	-	9,994,891
Repair and maintenance	994,324	1,960,734	4,892,447	-	-	7,847,505
Utilities	534,471	1,623,872	3,803,669	-	-	5,962,012
Total Unallocated Operating Expenses	5,113,554	10,662,705	20,339,077	5,324,046	-	41,439,382
Income (Loss) Before Fixed Charges, Other Income (Expenses) and Income Tax (Provision)	2,030,222	1,865,399	(3,545,483)	(5,324,046)	-	(4,973,908)
FIXED CHARGES						
Real estate taxes	246,256	1,845,847	-	-	-	2,092,103
Insurance	278,610	263,356	250,425	-	-	792,391
Rent and franchise fees	27,900	22,642	7,096,264	-	-	7,146,806
Depreciation	1,375,099	3,695,281	4,855,715	9,138	-	9,935,233
Amortization	48,553	170,000	385,780	196,146	-	800,479
Interest	713,317	2,568,381	1,302,662	-	-	4,584,360
Total Fixed Charges	2,689,735	8,565,507	13,890,846	205,284	-	25,351,372
(Loss) Before Other Income (Expenses) and Income Tax (Provision)	(659,513)	(6,700,108)	(17,436,329)	(5,529,330)	-	(30,325,280)
OTHER INCOME (EXPENSES)						
Sales and marketing fees	-	-	-	1,683,246	-	1,683,246
(Loss) Before Income Tax (Provision)	(659,513)	(6,700,108)	(17,436,329)	(3,846,084)	-	(28,642,034)
Income tax (provision)	-	-	(288,321)	-	-	(288,321)
Net (Loss)	(659,513)	(6,700,108)	(17,724,650)	(3,846,084)	-	(28,930,355)

See independent auditors' report on supplementary information.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.
(A Delaware Corporation)

Notes to Financial Statements for the year ended March 31, 2015
Consolidating Statement of Operations March 31, 2014

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
REVENUES						
Rooms	9,837,010	20,350,496	32,956,916	-	-	63,144,422
Food and beverage	4,485,580	11,350,201	34,418,395	-	-	50,254,176
Other	496,701	1,141,754	6,233,333	-	-	7,871,788
Total Revenues	14,819,291	32,842,451	73,608,644	-	-	121,270,386
DEPARTMENTAL EXPENSES						
Rooms	3,516,162	9,313,238	17,429,881	-	-	30,259,281
Food and beverage	4,656,846	11,703,354	35,810,853	-	-	52,171,053
Other	465,512	470,729	1,568,344	-	-	2,504,585
Total Departmental Expenses	8,638,520	21,487,321	54,809,078	-	-	84,934,919
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,367,970	4,712,389	8,446,782	408,046	-	15,935,187
Sales and marketing	1,004,823	2,078,375	2,470,532	3,384,131	-	8,937,861
Repair and maintenance	960,385	1,935,619	4,730,910	-	-	7,626,914
Utilities	526,441	1,731,906	3,785,263	-	-	6,043,610
Total Unallocated Operating Expenses	4,859,619	10,458,289	19,433,487	3,792,177	-	38,543,572
Income (Loss) Before Fixed Charges, Other Income (Expenses) and Income Tax (Provision)	1,321,152	896,841	(633,921)	(3,792,177)	-	(2,208,105)
FIXED CHARGES						
Real estate taxes	660,562	1,798,904	-	-	-	2,459,466
Insurance	278,386	273,665	256,862	-	-	808,913
Rent and franchise fees	27,600	14,910	6,818,113	-	-	6,860,623
Depreciation	1,385,895	4,075,849	4,871,503	7,452	-	10,340,699
Amortization	51,943	204,000	389,959	7,049	-	652,951
Interest	587,594	2,295,488	713,815	-	-	3,596,897
Total Fixed Charges	2,991,980	8,662,816	13,050,252	14,501	-	24,719,549
(Loss) Before Other Income (Expenses) and Income Tax (Provision)	(1,670,828)	(7,765,975)	(13,684,173)	(3,806,678)	-	(26,927,654)
OTHER INCOME (EXPENSES)						
Sales and marketing fees	-	-	-	1,584,356	-	1,584,356
Loss on disposal of assets	(6,325)	(61,236)	-	-	-	(67,561)
Total Other Income (Expenses)	(6,325)	(61,236)	-	1,584,356	-	1,516,795
(Loss) Before Income Tax (Provision)	(1,677,153)	(7,827,211)	(13,684,173)	(2,222,322)	-	(25,410,859)
Income tax (provision)	-	-	(248,987)	-	-	(248,987)
Net (Loss)	(1,677,153)	(7,827,211)	(13,933,160)	(2,222,322)	-	(25,659,846)

See independent auditors' report on supplementary information.

Notes to Financial Statements for the year ended March 31, 2015

Consolidating Statement of Cash Flows March 31, 2015

	IHMS (SF) LLC \$	IHMS (Boston) LLC \$	IHMS, LLC \$	International Hotel Management Services, Inc \$	Eliminations \$	Consolidated Total \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (Loss)	(659,513)	(6,700,108)	(17,724,650)	(3,846,084)	-	(28,930,355)
Adjustments to reconcile net (loss) to net cash provided (used) by operating activities						
Depreciation and amortization	1,423,652	3,865,281	5,241,495	205,284	-	10,735,712
Changes in Certain Other Accounts						
Accounts receivable	(87,687)	(755,409)	486,018	32,369	-	(324,709)
Inventories	(19,405)	31,069	33,119	-	-	44,783
Prepaid expenses	20,502	8,806	152,888	-	-	182,196
Security deposits	(25,696)	(1,531)	(24,800)	-	-	(52,027)
Accounts payable	(87,452)	116,028	410,701	-	-	439,277
Taxes payable, other than income	(3,986)	(31,914)	1,225	-	-	(34,675)
State income taxes payable	-	-	100,000	-	-	100,000
Accrued expenses	121,324	(67,002)	633,163	229,315	-	916,800
Advance deposits and other credit balances	39,010	41,794	449,631	-	-	530,435
Due to/from related parties	772,496	715,614	(1,803,388)	(71,192,319)	71,206,751	(300,846)
Total Adjustments	2,152,758	3,922,736	5,680,052	(70,725,351)	71,206,751	12,236,946
Net Cash from Operating Activities	1,493,245	(2,777,372)	(12,044,598)	(74,571,435)	71,206,751	(16,693,409)
CASH FLOWS FROM INVESTING ACTIVITIES						
Changes in cash in escrow	1,195,952	-	-	-	-	1,195,952
Capital expenditures	(384,833)	(943,903)	(1,476,521)	(1,698)	-	(2,806,955)
Net Cash (Used) by Investing Activities	811,119	(943,903)	(1,476,521)	(1,698)	-	(1,611,003)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments of financing costs	-	-	-	(1,785,007)	-	(1,785,007)
Advances from member/shareholder	15,548,347	43,890,655	11,767,749	-	(71,206,751)	-
Proceeds from term loan	-	-	-	108,000,000	-	108,000,000
Withdrawals (payments) on line-of-credit, net	-	-	2,200,000	(5,700,000)	-	(3,500,000)
Repayment of mortgage loans payable	(17,380,000)	(40,000,000)	-	-	-	(57,380,000)
Principal payments on term loan	-	-	-	(26,000,000)	-	(26,000,000)
Net Cash from Financing Activities	(1,831,653)	3,890,655	13,967,749	74,514,993	(71,206,751)	19,334,993
Net Change in Cash	472,711	169,380	446,630	(58,140)	-	1,030,581
Cash, beginning of year	35,501	630,684	763,833	170,644	-	1,600,662
Cash, end of year	508,212	800,064	1,210,463	112,504	-	2,631,243
Supplemental Disclosure of Cash Flow Information						
Cash paid for capital taxes	-	-	167,321	-	-	167,321
Cash paid for interest	722,541	2,478,751	1,249,412	-	-	4,450,704

INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC.
(A Delaware Corporation)

Notes to Financial Statements for the year ended March 31, 2015

Consolidating Statement of Cash Flows March 31, 2014

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (Loss)	(1,677,153)	(7,827,211)	(13,933,160)	(2,222,322)	-	(25,659,846)
Adjustments to reconcile net (loss) to net cash provided (used) by operating activities						
Depreciation and amortization	1,437,838	4,279,849	5,261,462	14,501	-	10,993,650
Loss on disposal of assets	6,325	61,236	-	-	-	67,561
Changes in Certain Other Accounts						
Accounts receivable	107,136	(379,964)	274,830	(8,369)	-	(6,367)
Inventories	(4,319)	(29,986)	(26,500)	-	-	(60,805)
Prepaid expenses	(8,713)	(78,156)	36,249	9,073	-	(41,547)
Security deposits	(54)	(2,416)	7,223	-	-	4,753
Accounts payable	53,255	(48,720)	(767,720)	-	-	(763,185)
Taxes payable, other than income	14,315	47,568	71,209	-	-	133,092
State income taxes payable	-	-	(11,000)	-	-	(11,000)
Accrued expenses	222,558	272,126	350,677	(173,715)	-	671,646
Advance deposits and other credit balances	(12,176)	(171,912)	839,857	-	-	655,769
Due to/from related parties	971,810	856,184	(1,810,755)	(5,988,843)	5,092,000	(879,604)
Total Adjustments	2,787,975	4,805,809	4,225,530	(6,147,353)	5,092,000	10,763,960
Net Cash from Operating Activities	1,110,822	(3,021,402)	(9,707,630)	(8,369,675)	5,092,000	(14,895,885)
CASH FLOWS FROM INVESTING ACTIVITIES						
Change in cash in escrow	(358)	-	-	-	-	(358)
Investment in subsidiaries	-	-	-	(10,500,000)	10,500,000	-
Proceeds from sale of assets	-	13,202	-	-	-	13,202
Capital expenditures	(475,776)	(709,267)	(1,007,020)	(1,867)	-	(2,193,930)
Net Cash (Used) by Investing Activities	(476,134)	(696,065)	(1,007,020)	(10,501,867)	10,500,000	(2,181,086)
CASH FLOWS FROM FINANCING ACTIVITIES						
Change in cash overdraft	(44,187)	-	-	-	-	(44,187)
Payments of financing costs	-	-	-	(169,167)	-	(169,167)
Advances from member/shareholder	535,000	3,800,000	11,257,000	10,500,000	(15,592,000)	10,500,000
Proceeds from term loan	-	-	-	15,000,000	-	15,000,000
Payments on line-of-credit, net	-	-	-	(2,300,000)	-	(2,300,000)
Repayment of mortgage loans payable	(1,090,000)	-	-	-	-	(1,090,000)
Principal payments on term loan	-	-	(42,343)	(4,000,000)	-	(4,042,343)
Net Cash Provided by Financing Activities	(599,187)	3,800,000	11,214,657	19,030,833	(15,592,000)	17,854,303
Net Change in Cash	35,501	82,533	500,009	159,291	-	777,330
Cash, beginning of year	-	548,151	263,824	11,353	-	823,330
Cash, end of year	35,501	630,684	763,833	170,644	-	1,600,662
Supplemental Disclosure of Non-Cash Flow Information						
Cash paid for capital taxes	-	-	2,80,987	-	-	2,80,987
Cash paid for interest	5,42,624	22,90,949	6,82,315	-	-	35,15,888
Supplemental Disclosure of Non-Cash Flow Information						
Certain advances from member/shareholder were converted into equity	735,000	3,465,000	6,300,000	-	-	10,500,000

DIRECTORS AND CORPORATE INFORMATION

PIEM INTERNATIONAL (H.K.) LIMITED

Board of Directors

Mr. Anil P. Goel

Mr. R. M. Nagpal

Mr. Rajesh R. Nagpal

Mr. Sudhir L. Nagpal

Mr. R. H. Parekh

Ms. Deepa Misra Harris (Resigned on 13 March, 2015)

Mr. N. Chandrasekhar (Appointed on 23 March, 2015)

Auditors

Mazars CPA Limited

Certified Public Accountants

Bankers

Hong Kong & Shanghai Banking Corporation Ltd.

Schroders & Co. Banque SA.

Registered Office

42/F, Central Plaza,

18 Harbour Road,

Wanchai,

Hong Kong.

DIRECTORS' REPORT

The directors have pleasure in submitting their report and audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services

Results and dividends

The results of the Company for the year ended 31 March 2015 are set out in the statement of comprehensive income on page 484.

The directors do not recommend the payment of a final dividend.

Reserves

Movements in the reserves of the Company during the year are set out in statement of changes in equity on page 486.

Directors

The directors who held office during the year and up to the date of this report were:

A. P. Goel

R. M. Nagpal

R. H. Parekh

S. L. Nagpal

R. R. Nagpal

D. M. Harris (Resigned on 13 March 2015)

N Chandrasekhar (Appointed on 23 March 2015)

In accordance with the Company's Articles of Association, R. R. Nagpal will retire by rotation and, being eligible, will offer himself for re-election

Directors' interests

No contracts of significance to which the Company, its holding companies or fellow subsidiaries, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, its holding companies or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Mazars CPA Limited, Certified Public Accountants, as auditor of the Company.

On behalf of the Board

Anil P. Goel

Director

23 April 2015

INDEPENDENT AUDITOR'S REPORT

**To the member of PIEM International (H.K.) Limited
(incorporated in Hong Kong with limited liability)**

We have audited the financial statements of PIEM International (H.K.) Limited (the "Company") set out on pages 484 to 489, which comprise the Company's statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong,

Chan Wai Man

Practising Certificate number: P02487

PIEM INTERNATIONAL (H.K.) LIMITED

Statement of Comprehensive Income year ended March 31, 2015

	Note	2015 US\$	2014 US\$
Revenue	2	698,796	707,156
Exchange (loss) gain		(400,380)	243,770
Operating expenses		(12,086)	(14,508)
Share of results of an associate		709,740	252,363
Profit before tax	3	996,070	1,188,781
Income tax expense	5	-	-
Profit for the year		996,070	1,188,781
Other comprehensive loss for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange (loss) gain arising from translation of interest in an associate		(3,526,521)	2,728,948
Total comprehensive (loss) income for the year		<u>(2,530,451)</u>	<u>3,917,729</u>

Statement of Financial Position at March 31, 2015

	Note	2015 US\$	2014 US\$
Non-current assets			
Interest in an associate	6	28,523,188	31,339,969
Available-for-sale financial assets	7	541,375	541,375
		<u>29,064,563</u>	<u>31,881,344</u>
Assets classified as held for sale	8	<u>11</u>	<u>11</u>
Current assets			
Other receivables		3,535	17,908
Due from a fellow subsidiary	9	3,432,733	3,160,354
Due from ultimate holding company	10	413	-
Bank balances		<u>2,100,589</u>	<u>2,072,675</u>
		<u>5,537,270</u>	<u>5,250,937</u>
Current liabilities			
Accrued charges		<u>7,104</u>	<u>7,101</u>
Net current assets		<u>5,530,166</u>	<u>5,243,836</u>
NET ASSETS		<u>34,594,740</u>	<u>37,125,191</u>
Capital and Reserves			
Share capital	11	8,000,000	8,000,000
Exchange reserve		(93,905)	3,432,616
Accumulated profits		<u>26,688,645</u>	<u>25,692,575</u>
TOTAL EQUITY		<u>34,594,740</u>	<u>37,125,191</u>

Approved and authorised for issue by the Board of Directors on 23 April 2015

Anil P. Goel
Director

R. H. Parekh
Director

PIEM INTERNATIONAL (H.K.) LIMITED

Statement of Changes in Equity year ended March 31, 2015

	Share capital US\$	Exchange reserve (Note) US\$	Accumulated profits US\$	Total US\$
At 1 April 2013	8,000,000	703,668	27,103,794	35,807,462
Profit for the year	-	-	1,188,781	1,188,781
Other comprehensive loss				
Exchange gain arising from translation of interest in an associate	-	2,728,948	-	2,728,948
Total comprehensive income for the year	-	2,728,948	1,188,781	3,917,729
Distribution				
Dividend to owners (Note 12)	-	-	(2,600,000)	(2,600,000)
	-	-	(2,600,000)	(2,600,000)
At 31 March 2014	8,000,000	3,432,616	25,692,575	37,125,191
At 1 April 2014	8,000,000	3,432,616	25,692,575	37,125,191
Profit for the year	-	-	996,070	996,070
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(3,526,521)	-	(3,526,521)
Total comprehensive loss for the year	-	(3,526,521)	996,070	(2,530,451)
At 31 March 2015	8,000,000	(93,905)	26,688,645	34,594,740

Note :

The exchange reserve comprises exchange differences arising from translation of financial statements of the Company's foreign associate. The reserve is dealt with in accordance with the accounting policy on foreign currency translation as stated in note 1 to the financial statements.

Statement of Cash Flows year ended March 31, 2015

	Note	2015 US\$	2014 US\$
OPERATING ACTIVITIES			
Cash used in operations	13	(12,522)	(14,580)
INVESTING ACTIVITIES			
Interest received		36,097	215,924
Loan advance to a fellow subsidiary		(500,000)	-
Repayment of loan received		500,000	-
Dividend received from available-for-sale financial assets		4,339	4,046
Net cash generated from investing activities		40,436	219,970
FINANCING ACTIVITIES			
Dividend paid		-	(2,600,000)
Net cash used in financing activities		-	(2,600,000)
Net increase (decrease) in cash and cash equivalents		27,914	(2,394,610)
Cash and cash equivalents at beginning of year		2,072,675	4,467,285
Cash and cash equivalents at end of year, represented by bank balances		2,100,589	2,072,675

Notes to the Financial Statements Year ended March 31, 2015

CORPORATE INFORMATION

PIEM International (H.K.) Limited is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The parent of the Company is Piem Hotels Limited, which is incorporated in India. In the opinion of the directors, the ultimate parent of the Company is The Indian Hotels Company Limited which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2014 financial statements except for the adoption of the following new / revised HKFRSs that are relevant to the Company and effective from the current year. A summary of the principal accounting policies adopted by the Company is set out below.

Changes in accounting policy and disclosures

(a) Amended standards adopted by the Company

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 April 2014:

Amendments to HKAS 32: Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify the requirements for offsetting financial instruments. These amendments do not have an impact on the financial statement of the Company.

Amendments to HKAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, additional information is required to be disclosed when the recoverable amount of impaired assets is based on fair value less costs of disposal. These amendments do not have an impact on the financial statements of the Company.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in these financial statements.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but no control or joint control of those policies.

Notes to the Financial Statements Year ended March 31, 2015

The Company's investment in associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Company's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investee, the Company discontinues recognising its share of further losses when the Company's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Company's net investment in the investee.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

1) *Loans and receivables*

Loans and receivables including bank balances, other receivables, due from a fellow subsidiary and ultimate holding company are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the profit or loss.

2) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets.

Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

3) *Financial liabilities*

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

4) *Impairment of financial assets*

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between

Notes to the Financial Statements Year ended March 31, 2015

the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in a separate component of equity and recognised in profit or loss on disposal of the foreign operations.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

Related parties

A related party is a person or entity that is related to the Company.

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of the parent of the Company.

Notes to the Financial Statements Year ended March 31, 2015

- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Critical accounting estimates and judgements

Impairment of available-for-sale financial assets

The directors assess at the end of each reporting period whether there is any objective evidence that available-for-sale financial assets is impaired. In determining whether an investment in an equity instrument is impaired, the directors uses their experience and judgement to assess information about significant changes with an adverse effect that have taken place in the economic environment in which the investee company operates which indicates that the cost of equity investment may not be recovered.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the results of the Company.

2. REVENUE

	2015	2014
	US\$	US\$
Operating fees	518,061	515,647
Incentive fees	154,672	122,130
Interest income from deposits	15,622	65,333
Interest income from loan to a fellow subsidiary	6,102	-
Dividend income from available-for-sale financial assets	4,339	4,046
	<u>698,796</u>	<u>707,156</u>

Notes to the Financial Statements Year ended March 31, 2015
3. PROFIT BEFORE TAX

	2015	2014
	US\$	US\$
This is stated after charging :		
Auditor's remuneration	7,093	7,348

4. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383 of the Hong Kong Companies Ordinance, are as follows:

	2015	2014
	US\$	US\$
Directors' emoluments:		
Fees	-	-
Other emoluments	-	-

5. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Reconciliation of tax expense

	2015	2014
	US\$	US\$
Profit before tax	996,070	1,188,781
Income tax at applicable tax rate of 16.5% (2014: 16.5%)	164,352	196,149
Tax exempt profit	(164,352)	(196,149)
Tax expense for the year	-	-

6. INTEREST IN AN ASSOCIATE

	2015	2014
	US\$	US\$
Share of net assets	28,523,188	31,339,969

Interest in an associate represents 35.38% (2014: 35.38%) of the issued ordinary share capital of St. James Court Hotel Limited ("SJCHL"), a company engaged in hotel operations and incorporated in the United Kingdom. The associate is accounted for using the equity method in the financial statements.

Summary of financial information of the associate is as follows:

	As at 31 March 2015	As at 31 March 2014
	US\$	US\$
<i>Gross amount</i>		
Current assets	5,166,863	5,965,079
Non-current assets	151,230,608	168,528,162
Current liabilities	(9,283,649)	(11,364,479)
Non-current liabilities	(66,494,296)	(74,547,729)
Equity	80,619,526	88,581,033

Notes to the Financial Statements Year ended March 31, 2015

	As at 31 March 2015 US\$	As at 31 March 2014 US\$
<i>Reconciliation</i>		
Total equity of the associate	80,619,526	88,581,033
Company's ownership interests	35.38%	35.38%
Company's share of equity and carrying amount of interest	28,523,188	31,339,969
	Year ended 31 March 2015 US\$	Year ended 31 March 2014 US\$
<i>Gross amount</i>		
Revenue	49,151,758	48,154,373
Profit from continuing operations	2,006,048	713,293
Other comprehensive income	-	-
Total comprehensive income	2,006,048	713,293

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 US\$	2014 US\$
Equity investment listed outside Hong Kong, at cost	541,375	541,375

At the end of the reporting period, the Company held 0.27% (2014: 0.27%) interest representing 487,500 (2014: 487,500) Global Deposit Receipts ("GDRs") of Oriental Hotels Limited ("OHL"), which is a related company in which the ultimate parent of the Company has significant influence. The market value of the GDRs held at the end of the reporting period was US\$156,000 (2014: US\$138,938). In the opinion of directors, although OHL is listed in Luxemburg Stock Exchange, the GDRs of which are not considered to be actively traded. Investment in OHL is stated at cost less any impairment loss. No impairment loss has been made as the directors consider, based on a review of the future prospects of OHL, that the underlying value of the investment at least equals its carrying value.

8. ASSETS CLASSIFIED AS HELD FOR SALE

	2015 US\$	2014 US\$
Investments in unlisted shares, at cost	11	11

Details of the investments at the end of the reporting period are as follows:

Name of subsidiaries	Country of incorporation	Percentage of ordinary shares directly held	Principal activities
Premium Aircraft Leasing Corporation Limited	Ireland	100%	Investment holding
BAHC 5 Pte Limited	Singapore	100%	Aircraft owning

Notes to the Financial Statements Year ended March 31, 2015

In accordance with written resolutions passed on 3 May 2011, 24 April 2012, 22 April 2013 and 22 April 2014, the Company intended to dispose of the above investments and a disposal plan has been established. However, due to certain reasons beyond the control of the Company, the disposal has been delayed which resulted in "interests in subsidiaries" previously classified as held for sale is not sold by the end of the reporting period. In accordance with written resolutions passed on 21 April 2015 and in the opinion of the directors, the disposal will be highly probable to be completed before the end of financial year of 2015/16. As a result, the "interests in subsidiaries" are still classified as "Assets classified as held for sale" at the end of the reporting period.

9. DUE FROM A FELLOW SUBSIDIARY

The amount due is unsecured, interest-free and has no fixed repayment term. It represents the operating and incentive fee income from St. James Court Hotel Limited ("SJCHL") assigned from and receivable by Taj International Hotels (HK) Limited ("TIHL"), a fellow subsidiary of the Company. However, the assignment of income is subject to the subordination of the amount receivable by TIHL from SJCHL to a term loan facility granted by a bank to SJCHL. The maximum amount outstanding during the year was US\$3,432,733.

10. DUE FROM ULTIMATE HOLDING COMPANY

The amount due is unsecured, interest-free and has no fixed repayment term.

11. SHARE CAPITAL

	2015		2014	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid:				
At beginning of the year and end of the reporting period	<u>800,000</u>	<u>8,000,000</u>	<u>800,000</u>	<u>8,000,000</u>

12. DIVIDENDS

	2015 US\$	2014 US\$
Dividends declared and paid during the year:		
First interim dividend in respect of 2015 of US\$nil per share (2014: US\$1.25 per share)	-	1,000,000
Second interim dividend in respect of 2015 of US\$nil per share (2014: US\$2 per share)	<u>-</u>	<u>1,600,000</u>
	<u>-</u>	<u>2,600,000</u>

Notes to the Financial Statements Year ended March 31, 2015

13. CASH GENERATED FROM OPERATIONS

	2015	2014
	US\$	US\$
Profit before tax	996,070	1,188,781
Dividend income from available-for-sale financial assets	(4,339)	(4,046)
Interest income	(21,724)	(65,333)
Share of results of an associate	(709,740)	(252,363)
Changes in working capital:		
Due from a fellow subsidiary	(272,379)	(881,624)
Due from ultimate holding company	(413)	-
Accrued charges	3	5
Cash used in operations	(12,522)	(14,580)

14. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties.

Related party relationship	Nature of transaction	2015	2014
		US\$	US\$
Fellow subsidiary	Operating fee income	518,061	515,647
	Incentive fee income	154,672	122,130
	Interest income	6,102	-
Entity which ultimate parent of the Company has significant influence	Dividend income	4,339	4,046

15. PLEDGE OF ASSETS AND FINANCIAL GUARANTEE

The Company has pledged its investment in BAHCS with a net book value of US\$1. The Company has also issued a guarantee for US\$ 73 million to a third party against a loan of like amount provided by the third party to BAHCS. No amount has been charged for the issue of the guarantee. The directors do not at all consider it probable that any claim will ever be made against the Company under the guarantee.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances and available-for-sale financial assets. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations. The Company has various other financial instruments such as intra-group balances, which arise directly from its business activities.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limits the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Notes to the Financial Statements Year ended March 31, 2015

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's short-term deposits.

The management considers the risk of movements in interest rates to be insignificant in view of the current market condition.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than US Dollars. Intra-group balances and interest in an associate are denominated in British Pounds ("GBP").

At 31 March 2015, if the USD had weakened/strengthened by 5% (2014: 9%) against the GBP with all other variables held constant, the Company's net profit for the year would have been US\$204,000 (2014:US\$308,000) higher/lower while the exchange reserve would increase/decrease by US\$1,426,000 (2014: US\$2,821,000).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The carrying amount of financial assets on the statement of financial position represents the Company's maximum exposure to credit risk.

The Company provides services only to a fellow subsidiary. The objective of the Company to manage credit risk is to control potential exposure to recoverability problem.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

Liquidity risk

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

17. FAIR VALUE MEASUREMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2015 and 2014.

18. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising share capital and reserves. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholders, return capital to shareholders or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 2014.

Notes to the Financial Statements Year ended March 31, 2015

Detailed Income Statement year ended March 31, 2015

	Schedule	2015 US\$	2014 US\$
Revenue	A	698,796	707,156
Exchange (loss) gain		(400,380)	243,770
Operating expenses	B	(12,086)	(14,508)
Share of results of an associate		709,740	252,363
Profit before taxation		996,070	1,188,781
A. REVENUE		2015 US\$	2014 US\$
Dividend income from available-for-sale financial assets		4,339	4,046
Incentive fees		154,672	122,130
Interest income from deposits		15,622	65,333
Interest income from a fellow subsidiary		6,102	-
Operating fees		518,061	515,647
		698,796	707,156
B. OPERATING EXPENSES		2015 US\$	2014 US\$
Auditor's remuneration		7,093	7,348
Bank charges		2,628	2,730
Legal and professional fees		1,855	2,824
Sundry expenses		510	1,606
		12,086	14,508

SAMSARA PROPERTIES LIMITED

DIRECTORS AND CORPORATE INFORMATION

SAMSARA PROPERTIES LIMITED

Board of Directors

Mr. Anil P Goel

Mr. R H Parekh

Mr. N Chandrasekhar

Registered Office

Trident Chambers

P O Box 146

Road Town

Tortola

British Virgin Islands

Registered Agent

Trident Trust Company (B.V.I.) Limited

British Virgin Islands

Bankers

The Hong Kong and Shanghai Banking Corporation Limited

Auditors

M/s Patel & Deodhar

Chartered Accountants

DIRECTORS' REPORT

To the Members

The Board of Directors of Samsara Properties Limited has pleasure in submitting its report and audited financial statements for the year ended 31 March 2015.

Directors

The names and details of the directors in office during or since the end of the financial year are:

Anil P. Goel

R. H. Parekh

N. Chandrasekhar

Unless otherwise indicated, all directors held their positions as directors throughout the financial year and upto date of this report.

Directors' interests

No contracts of significance to which the Company, its holding company or any of its fellow subsidiaries was a party and in which the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, its holding company or any of its fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Principal Activities

The principal activity of the Company is investment holding.

On 31 October 2014, the Company sold off its entire holding in IHMS (Australia) Pty Limited, which owned the leasehold rights to the Blue Hotel in Sydney, Australia.

Results and dividends

The results of the Company for the year are set out in the Profit and Loss account. The Directors do not recommend the payment of a dividend.

Auditors

A resolution for the re-appointment of M/s Patel & Deodhar, Chartered Accountants, as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

For and on behalf of the Board

Anil P. Goel

Director

8 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMSARA PROPERTIES LIMITED

1. Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of SAMSARA PROPERTIES LIMITED, ("the Company") having its registered office at Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands which comprises the Balance Sheet as at 31st March 2015, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. This company was originally incorporated in the British Virgin Islands under The International Companies Act (Cap 291) and was automatically re-registered under the BVI Business Companies Act, 2004 in terms of Schedule 2 Part III of the said Act.

2. Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the voluntary adopted accounting principles generally accepted in India, including the Accounting Standards notified by The Institute of Chartered Accountants of India. This responsibility also includes selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and cash flows for the year ended on that date.

Further, to our comments in above, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

For Patel & Deodhar

Chartered Accounts

Firm Registration Number – 107644W

Deepa M. Bhide

Partner

Membership Number-49616

Mumbai: 8 May 2015

Balance Sheet as at 31st March, 2015

	Notes	As at March 31, 2015 US\$	As at March 31, 2014 US\$
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	6	20,001,000	20,001,000
Reserves and surplus	7	(251,746,236)	(200,942,674)
Money received against share warrants		-	-
		(231,745,236)	(180,941,674)
Share application money pending allotment			
Non-current liabilities			
Long term borrowings	8	325,002,203	351,302,203
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long term provisions		-	-
		325,002,203	351,302,203
Current liabilities			
Short term borrowings		-	-
Trade payables		-	-
Other current liabilities	9	4,046	47,326
Short term provisions		-	-
		4,046	47,326
TOTAL		93,261,013	170,407,855
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		-	-
Non-current investments	2e, 3, 10	92,609,482	145,833,915
Deferred tax assets (net)		-	-
Long-term loans and advances	11	-	23,950,342
Other non-current assets		-	-
		92,609,482	169,784,257
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	12	651,531	599,972
Short-term loans and advances	13	-	23,626
Other current assets		-	-
		651,531	623,598
TOTAL		93,261,013	170,407,855
Notes to the Financial Statements	1 - 16		

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, 8 May 2015

For and on behalf of the Board

Anil P Goel } Directors
R H Parekh }

SAMSARA PROPERTIES LIMITED

Profit and loss statement for the year ended 31st March, 2015

	Notes	2014-15 US\$	2013-14 US\$
Revenue			
Revenue from Operations		-	-
Other income	14	13	54,862
Total Revenue		<u>13</u>	<u>54,862</u>
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	15	42,357	39,286
Total expenses		<u>42,357</u>	<u>39,286</u>
Profit before exceptional and extraordinary items and tax		(42,345)	15,576
Exceptional items	16	(47,473,222)	(127,038,290)
Profit before extraordinary items and tax		<u>(47,515,566)</u>	<u>(127,022,714)</u>
Extraordinary Items		-	-
Profit before tax		<u>(47,515,566)</u>	<u>(127,022,714)</u>
Tax expense:			
Current Tax		-	-
Deferred Yax		-	-
Total Tax		-	-
Profit / (Loss) for the period from continuing operations		(47,515,566)	(127,022,714)
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from Discontinuing operations (after tax)		-	-
Profit / (Loss) for the period		<u>(47,515,566)</u>	<u>(127,022,714)</u>
Earnings per equity share in \$			
Basic		-	-
Diluted		-	-
Notes to the Financial Statements	1 - 16		

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, 8 May 2015

For and on behalf of the Board

Anil P Goel }
R H Parekh } Directors

Cash Flow Statement for the year ended 31st March 2015

	2014-15 US\$	2013-14 US\$
Operating activities		
Profit / (Loss) before tax	(47,515,566)	(127,022,714)
Add: Non-Cash items		
Depreciation / Amortization	-	-
Provision for diminution in value of investments	50,000,000	119,225,000
(Gain) / Loss on foreign exchange fluctuations (net)	-	585
Amounts written off	-	-
Amounts written back	-	-
	50,000,000	119,225,585
Less: Non-operating income		
Profit on sale of investments	(664,098)	-
Add: Non-operating expenses	-	-
Changes in Working Capital		
(Increase) / Decrease in Debtors advances and other receivables	23,626	2,610,654
Increase / (Decrease) in Sundry Creditors and other payables	(43,280)	(19,654)
	45,029	2,655,683
Cash generated from Operations	1,800,682	(5,141,446)
Less: Direct taxes paid (net)	-	-
Net Cash from Operating activities	1,800,682	(5,141,446)
Investing activities		
Investments made	-	-
Investments sold / disposed off	3,888,531	-
(Increase) / Decrease in loans advanced	20,662,345	586,919
Net Cash from Investing activities	24,550,876	586,919
Financing activities		
Increase in Share Capital	-	-
Loan financing costs	-	-
Increase / (Decrease) in loans from:		
Holding Company	(26,300,000)	5,126,550
Bank	-	-
Others	-	-
	(26,300,000)	5,126,550
Net Cash from Financing activities	(26,300,000)	5,126,550
Net increase / (decrease) in cash and cash equivalents	51,559	572,023
Opening Cash balance as at 1 April	599,972	27,949
Closing Cash balance as at 31 March	651,531	599,972

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, 8 May 2015

For and on behalf of the Board

Anil P Goel }
R H Parekh } Directors

Notes to Financial Statements for the year ended March 31, 2015

Note 1 : Corporate Information

The Company is an international business company incorporated on 5 June 1998 in the British Virgin Islands under the International Business Companies Act (Cap. 291). Consequent to the International Business Companies Act being repealed, the Company was automatically deemed to be re-registered with effect from 1 January 2007 under the BVI Business Companies Act, 2004.

The Company's registered office is situated at the offices of Trident Trust Company (B.V.I.) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

The Registered Agent of the Company is Trident Trust Company (B.V.I.) Limited incorporated in the British Virgin Islands.

The Company is a wholly owned subsidiary of Taj International Hotels (H.K.) Limited, which is incorporated in Hong Kong. The ultimate holding company is The Indian Hotels Company Limited (IHCL), which is incorporated in India.

The principal activity of the Company is investment holding.

Note 2 : Principal Accounting Policies

a. Basis of Preparation

The accompanying financial statements have been prepared in accordance with the historical cost convention.

b. Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and realization of assets and settlement of liabilities in the ordinary course of business.

IHCL has agreed to continue to make available financial support to the Company till such time as the Company resumes profitability and is financially stable and independent.

c. Recognition of Income and Expenditure

All income and expenditure is accounted on accrual basis. These financial statements have been prepared in accordance with the applicable law and Generally Accepted Accounting Practices (GAAP) followed in India.

d. Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

e. Investments

Investments (including investments in subsidiaries) are stated at cost inclusive of expenses relating to acquisition. In accordance with Accounting Standard (AS) 13, provision for diminution in the value of long-term investments is made to the extent that such decline, in the opinion of the Board of Directors, is considered to be other than temporary taking into account relevant factors affecting the investment.

Profit / (loss) on sale of investments is determined with reference to the actual cost of the investments on the date of sale.

f. Foreign Currency Transactions

The financial statements are prepared in the currency of the United States of America, i.e. United States Dollars, which is the Company's functional and presentational currency.

Foreign exchange transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities relating to integral foreign operations denominated in foreign currency are recognized in the income statement.

Notes to Financial Statements for the year ended March 31, 2015

In respect of non-integral foreign operations, foreign exchange gains and losses resulting from the translation at year-end exchange rates of monetary and non-monetary assets and liabilities denominated in foreign currency are accumulated in a Foreign Currency Translation Reserve until the disposal of that asset or liability.

g. Derivative Instruments

Foreign currency balances covered by foreign exchange forward contracts are converted at the year end at the contracted forward rates and the differences are recognized in the income statement. Premium on forward contracts is accounted over the period of the contract.

The gain or loss on option contracts is recognized in the period in which the option is exercised or, if the option expires without being exercised, in the period in which the option expires. The option premium is accounted over the period of the contract.

h. Consolidated Financial Statements

Consolidated financial statements of the Company and its subsidiaries have not been presented as the Company itself is a subsidiary of another company. The immediate and ultimate parent undertakings of the Company are required to present consolidated financial statements.

Note 3 : The Company had invested USD 261.83 million in 6.89% Class A Common Shares of Belmond Ltd (formerly Orient-Express Hotels Ltd) which are listed on the New York Stock Exchange.

During the year, the Company has made a further provision of US\$ 50 million towards an 'other than temporary' diminution in the value of the investment to reflect the current market value of the investment.

The Company presently continues to hold on to its investment in Belmond Limited and is monitoring the market with the objective of exploring its options at the right time.

Note 4 : Related Party Transactions

During the year, the Company undertook the following transactions with related parties:

Particulars of Transactions	All figures in USD	
	2014-15	2013-14
With Immediate Holding Company		
Loans received / (repaid)	(26,300,000)	5,126,550
Loans outstanding at year end	325,002,203	351,302,203
With Wholly Owned Subsidiary		
Loans advanced / (Loans received back)-Net	(23,950,342)	(736,519)
Loans outstanding at year end	-	23,950,342
(The change in outstanding amount also includes foreign exchange fluctuations.)		

Note 5 : Figures for the previous period have been re-grouped wherever necessary to conform to the current year's presentation.

Notes to Financial Statements for the year ended March 31, 2015

Note 6 : Share Capital

Type of shares	As at 31 March 2015		As at 31 March 2014	
	Number	US\$	Number	US\$
Authorised:				
Registered shares of US\$ 1 each	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed and Paid-up:				
Registered shares of US\$ 1 each	<u>20,001,000</u>	<u>20,001,000</u>	<u>20,001,000</u>	<u>20,001,000</u>

	Equity Shares	
	Number	US\$
Shares outstanding at the beginning of the year	20,001,000	20,001,000
Shares issued during the the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	20,001,000	20,001,000

All the above shares are held by Taj International Hotels (H.K.) Limited

Note 7 : Reserves and Surplus

	As at 31 March 2015 US\$	As at 31 March 2014 US\$
Other Reserves - Foreign Exchange Translation Reserve		
Opening balance	3,287,996	6,355,515
Add: Current years transfer	(3,287,996)	(3,067,519)
Closing Balance	-	3,287,996
Surplus		
Opening Balance	(204,230,670)	(77,207,956)
Less: Net Profit/(Loss) for the current year	(47,515,566)	(127,022,714)
Closing Balance	(251,746,236)	(204,230,670)
Total	<u>(251,746,236)</u>	<u>(200,942,674)</u>

Note 8 : Long Term Borrowings

	As at 31 March 2015 US\$	As at 31 March 2014 US\$
Term loans from Related Parties		
Unsecured Loans	325,002,203	351,302,203
[Interest free with no fixed terms of repayment. The loan from the immediate holding company is convertible into equity at any time at its option.]	<u>325,002,203</u>	<u>351,302,203</u>

Notes to Financial Statements for the year ended March 31, 2015

Note 9 : Other Current Liabilities

	As at 31 March 2015 US\$	As at 31 March 2014 US\$
Other payables	4,046	47,326
Total	4,046	47,326

Note 10 : Non-current Investments

	Face value	As at 31 March 2015 Holding Nos.	USD	As at 31 March 2014 Holding Nos.	Book Value ₹ in '000
A Trade Investments					
a Unquoted Equity Shares					
i Subsidiaries					
1 IHMS (Australia) Proprietary Limited	AU\$ 1	-	-	5,000,000	3,224,433
B Other Investments					
a Quoted Equity Shares					
i Others					
1 Belmond Ltd [Formerly Orient Express Hotels Ltd] [Class A common shares, quoted on the New York Stock Exchange]. Refer Note 3.	US\$ 0.01	7,130,764	261,834,482	7,130,764	261,834,482
				-	-
C Total Investments (A + B)			261,834,482		265,058,915
D Less: Provision for diminution in value of investments			169,225,000		119,225,000
E Total			92,609,482		145,833,915
F NOTES :					
1. Aggregate of Quoted Investments:					
Cost			261,834,482		261,834,482
Market Value			87,565,782		102,754,309
2. Aggregate of Unquoted Investments:					
Cost			-		3,224,433
3. All investments are long term investments.					
4. All investments are stated at cost and are fully paid-up unless otherwise indicated.					

Notes to Financial Statements for the year ended March 31, 2015

Note 11 : Long-term loans and advances

	As at 31 March 2015 US\$	As at 31 March 2014 US\$
1 Loans and advances to related parties		
(a) Unsecured, considered good	-	23,950,342
Total	<u>-</u>	<u>23,950,342</u>

Note 12 : Cash and Cash equivalents

	As at 31 March 2015 US\$	As at 31 March 2014 US\$
1 Balance with banks	651,531	599,972
Total	<u>651,531</u>	<u>599,972</u>

Note 13 : Short-term loans and advances

	As at 31 March 2015 US\$	As at 31 March 2014 US\$
1 Other Loans and advances		
(a) Other Advances / Recoverables	-	23,626
Total	<u>-</u>	<u>23,626</u>

Note 14 : Other Income

	2014-15 US\$	2013-14 US\$
1 Interest received	13	2
2 Miscellaneous Income	-	54,860
Total	<u>13</u>	<u>54,860</u>

Note 15 : Other Expenses

	2014-15 US\$	2013-14 US\$
1. Payments to auditor as auditor	1,500	1,000
2. Professional fees and charges	23,649	36,999
3. Other expenses	16,010	705
4. Exchange loss	1,199	582
Total	<u>42,357</u>	<u>39,286</u>

Notes to Financial Statements for the year ended March 31, 2015

Note 16 : Exceptional Items

	2014-15	2013-14
	US\$	US\$
1. Provision for diminution in value of long-term investments	50,000,000	119,225,000
2. Bid costs written off	-	7,813,290
3. Capital Gains on sale of shares of Subsidiary	(664,098)	-
4. Foreign Exchange Gain	(1,862,680)	-
Total	47,473,222	127,038,290

As per our report attached
For Patel & Deodhar
Chartered Accountants
FRN 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, 8 May 2015

For and on behalf of the Board

Anil P Goel }
R H Parekh } Directors

ST JAMES COURT HOTEL LIMITED

DIRECTORS AND CORPORATE INFORMATION

ST. JAMES COURT HOTEL LIMITED

Directors	Mr F K Kavarana Mr A P Goel Mr S Nagpal Mr R Nagpal Mr R M Nagpal (Alternate director to Mr R Nagpal) Mr N Chandrasekhar Mr R K Sarna
Company secretary	Mr N Chandrasekhar
Registered number	03888595
Registered office	St. James Court Hotel Buckingham Gate London SW1E 6AF
Auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank plc
Solicitors	Slaughter and May 1 Bunhill Row London EC1Y 8YY

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2015

Introduction

The Company is a subsidiary of The Indian Hotels Company Limited, a company registered in India. The Indian Hotels Company Limited is the proud owner of the world renowned 'Taj' brand. The parent's premier hotel – the Taj Mahal Hotel made its resplendent debut in Bombay in 1903 to much acclaim from the venerable London Times. With its rich history of over 110 years in gracious hospitality, the Taj proudly decided to sport its name on both the Company's hotels in the UK. The rebranding of the hotels was completed in January 2014 and both the hotels were well received in the market place under its new flag. The hotels trade as:

- Taj 51 Buckingham Gate Suites and Residences
- St. James' Court, a Taj Hotel

Business review and future developments

Absence of war, terrorism, epidemic and strife suit the travel and tourism industries best. The euphoric days of the Arab spring when the world yearned for a peaceful transition of the middle-eastern countries into representative democracies has given way to a cold realization that political reformation in the region remains many years away. Large swathes of North Africa and the Middle East remain mired in conflict and sectarian strife providing safe havens for terrorists from which to spew their warped view of the world. Hope springs eternal that peaceful resolution of seemingly intractable problems is still possible, as the tenuous cease fire in Ukraine and progress in the Iranian nuclear stand-off demonstrate.

The UK economy was the best performing amongst the world's major economies in the Calendar 2014. With a growth forecast of 2.7% for 2015 by the International Monetary Fund and the CBI, and only a tad lower for 2016, the UK economy appears to be powering ahead. With lower crude oil prices, low inflation not likely to be deflationary, consumer spending rebounding, business and consumer confidence increasing, recovery gaining both balance and momentum and unemployment steadily falling, the economic environment is the most benign since the onset of the financial crisis. Steady growth in the US, recovery in the EU, improving economic performance in emerging Asian economies and low crude oil prices augur well for travel and for tourism and hotel sector in London and in the rest of UK.

Inflation at zero levels and inflationary expectations not rising despite increasing real wages (even if only marginally) and steadily falling unemployment, interest rate increases are neither imminent nor expected by market participants until well into 2016. The Bank of England monetary policy makers have opined that rate rises, even when they begin, would be slow, gradual and likely to normalize at a level well below the 5% standard of the pre-crisis days.

The elections in the UK and the resulting government formation pose very little political risk in a mature democracy. The Scottish referendum demonstrated the sense of pragmatism shared by the Scots with the rest of the UK in the view that remaining united was the best route to shared prosperity for a people who shared largely similar values. The probable British referendum on Europe poses a slightly higher level of uncertainty and there is no reason to believe that the same sense of pragmatism would not prevail with an improving economy. Notwithstanding the outcome, should such a referendum take place, the Company does not expect either an immediate or a lasting impact on the sector in which it operates.

The Company is therefore optimistic about the future and remains confident of its own ability to improve financial performance in the year ahead.

Review of financial and operating performance

For the year under review, the Company reported a marginal increase of 1% in overall turnover compared to the previous year. This was the first full fiscal year when the company's St. James Court Hotel operated under the Taj brand. Devoid of the large reach and distribution network that its franchise with the IHG Group afforded, the Company takes comfort from its current revenue performance. The Kings Block at Taj 51-BG comprising 28 suites was not available for a good part of the first quarter on account of its closure for extensive renovations. Despite this, room revenues were at the same level achieved in the previous year. The Company therefore expects that the forthcoming year would see a significant improvement in room revenues. Food and Beverage and associated revenues were 12.5% higher than the previous year with a strong pick up in banqueting and conference revenues.

ST JAMES COURT HOTEL LIMITED

For the year under review, cost of sales was 6% higher than the previous year and reflects the increased costs of operations for a stand-alone brand in the country. Staffing levels in key functions of Sales and Marketing, Revenue Management and Reservations were increased to mitigate expected losses from the loss of the franchise. Reflective of trends in the industry of increased usage of online travel agencies and third party intermediaries, the company also incurred an increase in agency commissions. This trend is likely to continue in the future.

Other operating costs were in line with the levels of activity and in accordance with standards that the Company's hotels require to reflect the new brand identity and to sustain financial performance in the intensely competitive environment in which they operate.

Administrative costs were markedly lower than the previous year on account of the savings in franchise fees payable to the Intercontinental Group. While the Company incurred an annual cost of about £1 million on this account, the previous year's cost was £0.8 million reflecting the use of the franchise until January 7, 2014. On account of the ongoing renovations and the lack of full capacity with which to operate the hotels, the Company had obtained a refund in Business Rates from the Council amounting to £0.8 million over a three year period. This is expected to normalize soon with the completion of all project activity.

The Company incurred an exceptional cost of about £0.13 million during the year on the migration of the Company's hotels to the Taj Brand compared to £0.52 million in the previous year when the actual transition happened. These costs were mainly in sales, marketing, advertising and business promotion activities. These costs are one-off and non-recurring in nature.

Resultantly, the Company reported an Operating Profit of £3.5 million compared to £2.6 million last year. Profit before tax was also higher at £0.96 million for the year under review. The Company has recognized a deferred tax asset uplift of £0.3 million in the Income Statement as it remains reasonably confident of its ability to report a continuing profit and utilize its accumulated tax losses in the immediate year ahead.

The Company places the Customer at the center of all its developmental and operational plans. The hotels conduct regular guest satisfaction surveys and monitor customer perceptions of the hotels, expressed through influential travel sites. During the year, the Company's hotels maintained the improved satisfaction levels achieved over the years with the Taj 51 Buckingham Gate rated in the 10 best hotels in London amongst a list of over 1100 hotels on Trip Advisor for a few years running. The Hotel intends to scale the summit before long. Customer comments are responded to with speed, sincerity, attentiveness and warmth and inform our guests that we genuinely care about their experience at our hotels.

An update on renovations and financing

Preparatory to the rebranding and to compete in the crowded field, the Company had embarked on a phased renovation of its rooms and suites over the last four years. The Company is pleased to inform that with the completion of its scheduled program, over 150 rooms at St. James' Court and all 86 suites at Taj 51 Buckingham Gate have been fully renovated or extensively refurbished. The fully renovated lobby at Taj 51-BG and the new Kona restaurant complete the hotel offering to its very discerning guests. The cost incurred over this 4 year period amount to about £26 million.

The Company had successfully negotiated in the previous fiscal year an increase of £5 million in the loans sanctioned by the Company's Bankers to facilitate the completion of renovations at the Taj 51-BG. This increase was on terms similar to the existing facility. For the year under review, financing costs reflect the increase in average debt used during the year. The overall loan facility of £55 million is due for refinancing in August 2016 and the Company is confident of its ability to refinance on time and on good terms.

This report was approved by the board and signed on its behalf.

Mr N Chandrasekhar
Director

Date: 27 April 2015

THE DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2015.

The directors present their report and the financial statements for the year ended 31 March 2015.

Principal activities

The company operates two hotels at Buckingham Gate, London, SW1.

Results for the period

The profit for the year, after taxation, amounted to £1,244,385 (2014 - £448,725).

Directors

The directors who served during the year were:

Mr F K Kavarana

Mr R N Bickson (resigned 31 August 2014)

Mr A P Goel

Mr S Nagpal

Mr R Nagpal

Mr R M Nagpal (Alternate director to Mr R Nagpal)

Mr N Chandrasekhar

Mr R K Sarna (appointed 14 October 2014)

Financial instruments

The company finances its assets and operations using retained earnings and bank borrowings. The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

The company's financial risk management objective is to hedge its exposure to currency and interest rate risks through appropriate derivative instruments with the Company's Bankers.

Employees

It is the company's stated policy to ensure that ongoing communication and consultation takes place with regard to the performance and future prospects of all its employees in all parts of the company's operations.

Disabled persons are employed and trained where aptitudes and abilities allow and suitable vacancies are available. Where an employee becomes disabled, every attempt is made to continue his or her employment and to arrange appropriate re-training or transfer.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Mr N Chandrasekhar

Director

Date: 27 April 2015

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT to the members of St. James Court Hotel Limited

We have audited the financial statements of St James Court Hotel Limited for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ST JAMES COURT HOTEL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stuart Collins (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date: 28 April 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)..

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
	Note	£	£
TURNOVER	2	30,489,652	30,293,390
Cost of sales		(16,565,206)	(15,618,614)
GROSS PROFIT		13,924,446	14,674,776
Administrative expenses		(10,224,499)	(11,554,537)
Exceptional administrative expenses		(133,018)	(517,718)
Total administrative expenses		(10,357,517)	(12,072,255)
OPERATING PROFIT	3	3,566,929	2,602,521
Interest receivable and similar income		1,899	1,211
Interest payable and similar charges	6	(2,608,717)	(2,438,507)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		960,111	165,225
Tax on profit on ordinary activities	8	284,274	283,500
PROFIT FOR THE FINANCIAL YEAR	16	1,244,385	448,725

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 520 to 529 form part of these financial statements.

ST JAMES COURT HOTEL LIMITED

Notes to Financial Statements for the year ended March 31, 2015

BALANCE SHEET AS AT 31 MARCH 2015

		2015		2014	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		102,060,164		101,144,004
CURRENT ASSETS					
Stocks	10	497,244		487,137	
Debtors	11	2,817,813		2,814,133	
Cash at bank and in hand		171,875		278,737	
		<u>3,486,932</u>		<u>3,580,007</u>	
CREDITORS: amounts falling due within one year	12	<u>(6,265,205)</u>		<u>(6,820,515)</u>	
NET CURRENT LIABILITIES			<u>(2,778,273)</u>		<u>(3,240,508)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>99,281,891</u>		<u>97,903,496</u>
CREDITORS: amounts falling due after more than one year	13		<u>(44,874,638)</u>		<u>(44,740,628)</u>
NET ASSETS			<u>54,407,253</u>		<u>53,162,868</u>
CAPITAL AND RESERVES					
Called up share capital	15		56,527,912		56,527,912
Share premium account	16		1,191,976		1,191,976
Profit and loss account	16		<u>(3,312,635)</u>		<u>(4,557,020)</u>
SHAREHOLDERS' FUNDS	17		<u>54,407,253</u>		<u>53,162,868</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 April 2015

Mr N Chandrasekhar
Director

Date: 27 April 2015

The notes on pages 520 to 529 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
	Note	£	£
Net cash flow from operating activities	18	6,828,075	5,014,579
Returns on investments and servicing of finance	19	(2,479,908)	(2,337,666)
Capital expenditure and financial investment	19	(4,439,317)	(5,351,671)
CASH OUTFLOW BEFORE FINANCING		(91,150)	(2,674,758)
Financing	19	(15,712)	3,159,882
(DECREASE) / INCREASE IN CASH IN THE YEAR		(106,862)	485,124

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT

FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		£	£
(DECREASE) / INCREASE in cash in the year		(106,862)	485,124
Cash inflow from decrease in debt and lease financing		15,712	(3,159,882)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS		(91,150)	(2,674,758)
Deferred issue costs		(19,404)	(42,500)
MOVEMENT IN NET DEBT IN THE YEAR		(110,554)	(2,717,258)
Net debt at 1 April 2014	19	(46,800,587)	(44,083,329)
NET DEBT AT 31 MARCH 2015	19	(46,911,141)	(46,800,587)

The note 12 to 23 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2015

Note 1 : ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Longterm leasehold property	-	Over term of lease
Fixtures, fittings and equipment	-	between 5 and 20% per annum
Leasehold building surfaces	-	30 years straight line basis

Assets in the course of construction are not depreciated.

Impairment reviews are carried out on assets which have useful economical lives of over 50 years at the year end.

1.4 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to Financial Statements for the year ended March 31, 2015

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Issue costs

Issue costs relating to debt instruments and long term loans are recognised in the profit and loss account at a constant rate on the carrying amount of debt. Issue costs not yet recognised in the profit and loss account are accounted for as a reduction in the carrying value of debt instruments and long term loans.

Note 2 : TURNOVER

An analysis of turnover by class of business is as follows:

	2015	2014
	£	£
Room revenue	24,265,489	24,365,195
Food and beverage	4,848,934	4,307,831
Other	1,375,229	1,620,364
	<u>30,489,652</u>	<u>30,293,390</u>

All turnover arose within the United Kingdom.

Note 3 : OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	3,060,653	2,818,046
- held under finance leases	3,692	4,503
Operating lease rentals - Land and buildings	500,000	506,550
- Others	9,235	9,235
Exchange gains	(19,812)	(62,109)
Exceptional administrative expenses relate to the cost arising from the re-branding of the hotel from Crown Plaza to St. James Court	133,018	517,718

Notes to Financial Statements for the year ended March 31, 2015

Note 4 : STAFF COSTS

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No	2014 No.
Operations	241	222
Administration	30	30
Total	<u>271</u>	<u>252</u>
Wages and salaries	6,313,602	6,066,346
Social security costs	584,868	586,076
Pension costs	112,737	53,680
	<u>7,011,207</u>	<u>6,706,102</u>

Note 5 : DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	<u>261,057</u>	<u>263,122</u>

The highest paid director received remuneration of £261,057 (2014 - £263,122).

Note 6 : INTEREST PAYABLE

	2015 £	2014 £
On bank and other loans	2,475,339	2,318,430
Other loan costs	126,275	112,955
On finance leases and hire purchase contracts	7,103	7,122
	<u>2,608,717</u>	<u>2,438,507</u>

Note 7 : AUDITOR'S REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	49,000	47,500
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	54,200	45,200
Other services relating to taxation	6,950	6,950
All other services	3,000	17,750

Notes to Financial Statements for the year ended March 31, 2015

Note 8 : TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Deferred tax (see note 14)		
Origination and reversal of timing differences	(284,274)	(283,500)
Tax credit on profit on ordinary activities	<u>(284,274)</u>	<u>(283,500)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 23% (2014 - 24%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>960,111</u>	<u>165,225</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2014 - 24%)	201,623	38,002
Effects of:		
Expenses not deductible for tax purposes	617,559	442,476
Capital allowances for year in excess of depreciation	(222,171)	(191,835)
Utilisation of tax losses	<u>(597,011)</u>	<u>(288,643)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

As at 31 March 2015 the company had unrelieved trading losses of approximately £61,521,410 (2014: £64,600,000) available to set off against future profits. Except to the extent disclosed in note 14, the directors do not consider it appropriate to recognise potential deferred tax assets arising in respect of these losses. Therefore, total potential deferred tax assets of £11,821,286 (2014: £13,000,000) remain unrecognised in these financial statements.

Note 9 : TANGIBLE FIXED ASSETS

	Long term leasehold property £	Furniture, fittings and equipment £	Assets Under Course of Construction £	Total £
Cost				
At 1 April 2014	113,323,018	16,771,328	2,175,474	132,269,820
Additions	1,851,940	1,819,830	308,735	3,980,505
Disposals	-	(1,579,211)	-	(1,579,211)
Transfer between classes	1,487,495	687,979	(2,175,474)	-
At 31 March 2015	<u>116,662,453</u>	<u>17,699,926</u>	<u>308,735</u>	<u>134,671,114</u>
Depreciation				
At 1 April 2014	21,644,420	9,481,396	-	31,125,816
Charge for the year	1,955,608	1,108,737	-	3,064,345
On disposals	-	(1,579,211)	-	(1,579,211)
At 31 March 2015	<u>23,600,028</u>	<u>9,010,922</u>	<u>-</u>	<u>32,610,950</u>
Net book value				
At 31 March 2015	<u>93,062,425</u>	<u>8,689,004</u>	<u>308,735</u>	<u>102,060,164</u>
At 31 March 2014	<u>91,678,598</u>	<u>7,289,932</u>	<u>2,175,474</u>	<u>101,114,004</u>

ST JAMES COURT HOTEL LIMITED

Notes to Financial Statements for the year ended March 31, 2015

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Furniture, fittings and equipment	<u>83,016</u>	<u>79,324</u>

Long term leasehold property includes leasehold building surfaces.

Note 10 : STOCKS

	2015 £	2014 £
Stocks	<u>497,244</u>	<u>487,137</u>

The stocks consist of food and beverage, merchandise for sale, housekeeping and maintenance materials. The directors are of the opinion that the replacement cost of these stocks is not significantly different to their carrying value.

Note 11 : DEBTORS

	2015 £	2014 £
Trade debtors	1,490,093	1,652,838
Amounts owed by group undertakings	224,082	353,939
Other debtors	169,607	242,238
Prepayments and accrued income	366,257	281,618
Deferred tax asset (see note 14)	567,774	283,500
	<u>2,817,813</u>	<u>2,814,133</u>

Note 12 : CREDITORS:

Amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	2,000,000	2,000,000
Net obligations under finance leases and hire purchase contracts	34,801	58,248
Trade creditors	992,465	1,364,085
Amounts owed to group undertakings	261,275	512,253
Other creditors including taxation and social security	1770,142	1,126,620
Accruals and deferred income	1,206,522	1,759,309
	<u>6,265,205</u>	<u>6,820,515</u>

Accruals and deferred income above includes interest payable of £148,947 (2014: £148,312).

Included in creditors were amounts payable for capital expenditure of £393,130 (2014: £851,942)

Notes to Financial Statements for the year ended March 31, 2015

Note 13 : CREDITORS

Amounts falling due after more than one year

	2015 £	2014 £
Bank loans	44,826,423	44,719,551
Net obligations under finance leases and hire purchase contracts	48,215	21,077
	<u>44,874,638</u>	<u>44,740,628</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	<u>48,215</u>	<u>21,077</u>

Bank loans

Amounts falling due:

	2015 £	2014 £
Within one year	2,000,000	2,000,000
Between one and two years	45,000,000	2,000,000
Between two and five years	-	43,000,000
Less: issue costs	(173,577)	(280,449)
	<u>46,826,423</u>	<u>46,719,551</u>
Included within amounts falling due within one year	2,000,000	2,000,000
Included within amounts falling due after more than one year	44,826,423	44,719,551
Total	<u>46,826,423</u>	<u>46,719,551</u>

Interest is payable at a floating rate of one month Sterling LIBOR plus a margin based on a ratchet between 2% and 3% based on the Interest Cover ratio achieved by the Company. The Company currently enjoys a margin of 2% and this should continue to apply for the next financial year.

Until November 2008, the Company had mitigated the floating rate risk on its loan through an Interest Rate Collar with a floor of 4.5% and a cap of 7% based on a notional principal that reflected its amortization schedule. In February 2009, the Company executed a derivative product linked to a proprietary index of Barclays Bank for a term of nearly 10 years for a notional sum of £20 million, replacing the existing collar for an equivalent value as part of its cost mitigation strategy at the height of recession. This proprietary product is fundamentally an interest rate collar with a cap of 6.75% and a floor of 0%, with the actual rate of interest being linked to the performance of the proprietary index. This proprietary collar is intended to be held to maturity and is not freely tradable. The exit costs as at March 31, 2015 was £3.8 million.

In January 2012, the Company executed an Interest rate swap for a term of 4 years on a notional sum of £20 million under which the Company pays a fixed rate of 1.445% per annum and receives the three month Sterling LIBOR with settlements at quarterly rests. The fair value of this instrument as at March 31, 2015 was £0.17 million. This derivative expires in February 2016.

In July 2012, the Company executed a 2 year forward starting interest rate swap, the term for which commences in February 2016 for a notional sum of £10 million under which the Company pays a fixed rate of 1.835% and receives the three month Sterling LIBOR with settlements at quarterly rests. The fair value of this instrument as at March 31, 2015 was £0.15 million.

Notes to Financial Statements for the year ended March 31, 2015

Note 14 : DEFERRED TAXATION

	2015	2014
	£	£
At beginning of year	283,500	-
Released during year	284,274	283,500
At end of the year	<u>567,774</u>	<u>283,500</u>

The deferred tax asset is made up as follows:

	2015	2014
	£	£
Tax losses	<u>567,774</u>	<u>283,500</u>

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the next financial year as the directors believe it is more likely than not that sufficient taxable profits will be generated but have less visibility over results of later periods.

Note 15 : SHARE CAPITAL

	2015	2014
	£	£
Authorised Allotted, called up and fully paid		
56,527,912- Ordinary shares of £1 each	<u>56,527,912</u>	<u>56,527,912</u>

Note 16 : RESERVES

	Share premium account	Profit and loss account
	£	£
At 1 April 2014	1,191,976	(4,557,020)
Profit for the year	-	1,244,385
At 31 March 2015	<u>1,191,976</u>	<u>(3,312,635)</u>

Note 17 : RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Opening shareholders' funds	53,162,868	52,714,143
Profit for the financial year	1,244,385	448,725
Closing shareholders' funds	<u>54,407,253</u>	<u>53,162,868</u>

Notes to Financial Statements for the year ended March 31, 2015

Note 18 : NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	3,566,929	2,602,521
Depreciation of tangible fixed assets	3,064,345	2,822,549
Increase in stocks	(10,107)	6,523
Decrease in debtors	280,594	186,973
Decrease in creditors	(73,686)	(603,987)
Net cash inflow from operating activities	6,828,075	5,014,579

Note 19 : ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	1,899	1,211
Interest paid	(2,474,704)	(2,331,755)
Hire purchase interest	(7,103)	(7,122)
Net cash outflow from returns on investments and servicing of finance	(2,479,908)	(2,337,666)

	2015	2014
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,439,317)	(5,351,671)

	2015	2014
	£	£
Financing		
Deferred issue costs	(19,404)	(42,500)
New secured loans	2,000,000	5,250,000
Repayment of loans	(2,000,000)	(2,000,000)
New/(repayment of) finance leases	3,692	(47,618)
Net cash (outflow)/inflow from financing	(15,712)	3,159,882

Note 20 : ANALYSIS OF CHANGES IN NET DEBT

	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
	£	£	£	£
Cash at bank and in hand	278,737	(106,862)	-	171,875
Debt				
Finance leases	(79,324)	(3,692)	-	(83,016)
Debts due within one year	(2,000,000)	2,000,000	(2,000,000)	(2,000,000)
Debts falling due after more than one year	(45,000,000)	(2,000,000)	2,000,000	(45,000,000)
Net debt	(46,800,587)	(110,554)	-	(46,911,141)

ST JAMES COURT HOTEL LIMITED

Notes to Financial Statements for the year ended March 31, 2015

Note 21 : CAPITAL COMMITMENTS

At 31 March 2015 the company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>85,737</u>	<u>2,500,281</u>

Note 22 : OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	6,827	9,235
After more than 5 years	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>

Note 23 : RELATED PARTY TRANSACTIONS

There is a loan due from a director that at the year end had an overall outstanding balance of £9,000 (2014: £9,000). During the year net repayments of £Nil were made (2014: £14,500). This loan is interest-free.

The following entities are related parties of the company by virtue of being under the control of The Indian Hotels Company Limited.

During the year Taj International Hotels (HK) Limited, the immediate parent undertaking, has charged the company £916,146 (2014: £907,334) in management fees and £541,427 (2014: £435,731) in incentive fees.

The company paid Taj Trade & Transport Co. Limited a royalty fee of £755 (2014: £599), purchased goods at a cost of £3,377 (2014: £3,020) and recharged costs of £Nil (2014: £200).

The company also charged £119,651 (2014: £107,499) in respect of rent and £33,387 (2014: £27,143) in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £313,104 (2014: £316,621) and sold goods of £270,568 (2014: £249,907) to the company.

The Indian Hotels Company Limited recharged the company £96,445 (2014: £53,634) for expenses it incurred on behalf of the company in the year. The company during the year recovered costs of £595,272 (2014: £587,529) which it incurred on behalf of The Indian Hotels Company Limited.

During the year, the exchange gain of £Nil (2014: £47,635) on the year-end translation of intercompany balances in Ihoco BV was remitted to the company.

During the year the company received £9,527 (2014: £33,896) in room income from International Hotel Management Services Inc relating to guest visits.

Notes to Financial Statements for the year ended March 31, 2015

The company had the following balances with other related parties:

	2015	2014
	£	£
Amount due from Taj International Hotels Limited	2,453	6,300
Amount due from Ihoco BV	-	47,635
Amount due to Taj International Hotels Limited	(50,477)	(40,602)
Amount due from / (to) Taj Trade and Transport Limited	3,067	(3,819)
Amount due to Taj International Hotels (HK) Limited	(210,798)	(467,833)
Amount due from The Indian Hotels Company Limited	218,561	275,507
Amount due from Indian Hotel Management Services Inc	-	24,497

Note 24 : ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and the ultimate controlling party is The Indian Hotels Company Limited, incorporated in India. The financial statements of The Indian Hotels Company Limited are available from Mandlik House, Mandlik Road, Mumbai 400 001, India.

TAJ INTERNATIONAL HOTELS LIMITED

DIRECTORS AND CORPORATE INFORMATION

TAJ INTERNATIONAL HOTELS LIMITED

Directors	Mr A P Goel Mr N Chandrasekhar Mr R H Parekh
Company secretary	Mr N Chandrasekhar
Registered number	01661824
Registered office	St James Court Hotel Buckingham Gate London SW1E 6AF
Trading addresses	The Bombay Brasserie Courtfield Road London SW7 4QH
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	National Westminster Bank plc PO Box 420 88 Cromwell Road London SW7 4EW
Solicitors	Slaughter and May 1 Bunhill Row London EC1Y 8YY

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2015

Introduction

Your Company owns and operates two premier Indian Restaurants in the city of London. The Bombay Brasserie opened in the 1980s to much acclaim and has completed over 30 years of operations. For long it has been seen as the standard bearer for high quality Indian cuisine in the UK and beyond. The Quilon commenced commercial operations in 2000 serving coastal Indian delicacies. Granted a coveted 1-Star Michelin restaurant in January 2008, the Quilon has scaled new heights with many awards in recognition of its culinary delights. The Quilon was extensively renovated in 2012 and was received very well by its discerning London clientele. The Bombay Brasserie, which was last renovated in 2008 is undergoing large scale refurbishment with the sole aim of recapturing some of its lost pride.

Business review

For the year under review, the turnover of the Company at £7.9m was 4.3% higher than that achieved in the previous year. Business activities of the Company remained the same with income from the Company's two restaurants amounting to £4.9 million against £4.7 million of the previous year. Income from catering to Jet Airways amounted to £3.0 million against £2.9 million for the previous year. Overall, the Company's revenues remained stable.

Quilon retained its 1 star Michelin rating for Calendar 2015. Its renovations found warm acceptance by its regular patrons as evidenced by the strong increase in both covers per day and the average spend per cover. The restaurant is now running to full capacity for dinner.

The Company reported Gross profits of £2.1m compared to GBP 2.0 million for the previous year. Pre-tax profit for the financial year increased to £1.1 million from £0.9 million for the previous year, an increase of 25%. Profits after tax improved to £0.8 million from £0.7 million or an increase of 28%.

On the recommendation of its Board, the Company declared and paid an interim dividend of £0.5 million to its shareholders during the year ended March 31, 2015.

Principal risks and uncertainties

The Company's business is affected by the business risks associated with the operations of catering and restaurant trades in London. Tourism growth will have a direct impact on business volumes, besides competition from other restaurants. The cancellation of airline catering contracts, although unlikely, would impact revenue considerably.

Financial key performance indicators

Financial key performance indicators are considered in the Business review above.

Other key performance indicators

The Company restaurants occupy the premium end in the culinary space in which each operates. Covers, seat turnover, average spends, customer loyalty and satisfaction are the key performance parameters and the management remains focused on improving performance on all these indicators for success in its core operations.

Future Developments

Bombay Brasserie which has had a complete revamp of its menu, operations and service infrastructure is expected to improve its financial performance even further in the year ahead with the completion of its planned refurbishment in the spring of 2015. The refurbishment is a serious attempt at harking back to the glory days of its past.

The UK economy is likely to be the best performing amongst the world's major economies with a growth forecast of 2.7% for 2015 by the International Monetary Fund. With consumer spending rebounding, business and consumer confidence increasing, recovery gaining both balance and momentum, inflation at the zero levels, interest rates at low levels and likely to increase only gradually a year from now and unemployment steadily falling, the business outlook for the immediate future looks the most promising it has been in several years.

This report was approved by the board and signed on its behalf.

Mr N Chandrasekhar

Director

Date: 27 April 2015

DIRECTORS' REPORT for the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Principal activities

The Company's principal activities during the year are that of caterers and restaurant operators.

Results

The profit for the year, after taxation, amounted to £827,460 (2014 - £646,886).

Directors

The directors who served during the year were:

Mr R Bickson (resigned 1 September 2014)

Mr A P Goel

Mr N Chandrasekhar

Mr R H Parekh

Financial instruments

The company funds its operations using its retained reserves. The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Mr N Chandrasekhar

Director

Date: 27 April 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAJ INTERNATIONAL HOTELS LIMITED

We have audited the financial statements of Taj International Hotels Limited for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

For and on behalf of BDO LLP, statutory auditor
Stuart Collins (senior statutory auditor)
London
United Kingdom

Date: 28 April 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PROFIT AND LOSS ACCOUNT for the year ended March 31, 2015

	Note	2015 £	2014 £
TURNOVER	2	7,926,588	7,599,320
Cost of sales		(5,791,065)	(5,549,357)
GROSS PROFIT		2,135,523	2,049,963
Administrative expenses		(1,665,829)	(1,725,702)
Other operating income	3	583,818	536,974
OPERATING PROFIT	4	1,053,512	861,235
Interest receivable and similar income		19,314	5,569
Interest payable and similar charges	7	(4,359)	(12,725)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,068,467	854,079
Tax on profit on ordinary activities	8	(241,007)	(207,193)
PROFIT FOR THE FINANCIAL YEAR	15	827,460	646,886

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 538 to 544 form part of these financial statements.

TAJ INTERNATIONAL HOTELS LIMITED

BALANCE SHEET as at March 31, 2015

	Note	2015	2014
		£	£
FIXED ASSETS			
Tangible assets	9	1,766,108	1,515,322
CURRENT ASSETS			
Stocks	10	295,308	210,608
Debtors	11	773,706	1,031,001
Cash at bank		1,675,546	1,527,510
		<u>2,744,560</u>	<u>2,769,119</u>
CREDITORS: amounts falling due within one year	12	<u>(1,467,105)</u>	<u>(1,617,417)</u>
NET CURRENT ASSETS		<u>1,277,455</u>	<u>1,151,702</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,043,563</u>	<u>2,667,024</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	13	<u>(72,449)</u>	<u>(23,370)</u>
NET ASSETS		<u>2,971,114</u>	<u>2,643,654</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Profit and loss account	15	2,971,112	2,643,652
SHAREHOLDERS' FUNDS	16	<u>2,971,114</u>	<u>2,643,654</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr N Chandrasekhar

Director

Date: 27 April 2015

The notes on pages 538 to 544 form part of these financial statements.

CASH FLOW STATEMENT for the year ended March 31, 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	18	1,515,760	1,505,516
Returns on investments and servicing of finance	19	14,955	(7,156)
Taxation		(242,576)	(167,685)
Capital expenditure and financial investment	19	(473,382)	(38,967)
Equity dividends paid		(500,000)	-
CASH INFLOW BEFORE FINANCING		314,757	1,291,708
Financing	19	(166,721)	(166,640)
INCREASE IN CASH IN THE YEAR		148,036	1,125,068

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED MARCH 31, 2015

	2015 £	2014 £
Increase in cash in the year	148,036	1,125,068
Cash outflow from decrease in debt and lease financing	166,721	166,640
MOVEMENT IN NET FUNDS IN THE YEAR	314,757	1,291,708
Net funds at 1 April 2014	1,360,789	69,081
NET FUNDS AT 31 MARCH 2015	1,675,546	1,360,789

The notes on pages 538 to 544 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Improvements	-	Over the period of the lease
Fixtures, fittings and equipment	-	20% straight line

1.4 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2015	2014
	£	£
Restaurants	4,672,234	4,528,561
Airline catering	2,985,100	2,891,425
Other	269,254	179,334
	<u>7,926,588</u>	<u>7,599,320</u>

All turnover arose within the United Kingdom and the EU.

Notes to Financial Statements for the year ended March 31, 2015

3. OTHER OPERATING INCOME

	2015	2014
	£	£
Other operating income	<u>583,818</u>	<u>536,974</u>

Other operating income comprises salary recharges and management fees received from related parties (see note 24).

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	222,596	291,692
Operating lease rentals:		
- other operating leases	409,655	397,503
Difference on foreign exchange	<u>78,698</u>	<u>15,959</u>

During the year, no director received any emoluments (2014 - £NIL).

5. AUDITOR'S REMUNERATION

	2015	2014
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>17,000</u>	<u>16,500</u>

6. STAFF COSTS

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	2,171,602	2,089,278
Social security costs	221,271	215,168
Other pension costs	98,011	78,443
	<u>2,490,884</u>	<u>2,382,889</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015	2014
	No.	No.
Admin, kitchen and waiting staff	<u>85</u>	<u>87</u>

7. INTEREST PAYABLE

	2015	2014
	£	£
On bank loans and overdrafts	<u>4,359</u>	<u>12,725</u>

Notes to Financial Statements for the year ended March 31, 2015

8. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	192,913	230,788
Adjustments in respect of prior periods	(985)	257
Total current tax	191,928	231,045
Deferred tax (see note 14)		
Origination and reversal of timing differences	48,223	(23,852)
Adjustments in respect of prior periods	856	-
Total deferred tax (see note 13)	49,079	(23,852)
Tax on profit on ordinary activities	241,007	207,193

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,068,467	854,079
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	224,378	196,438
Effects of:		
Expenses not deductible for tax purposes	19,169	14,006
Capital allowances for year less than/(in excess of) depreciation	(51,824)	20,344
Adjustments to tax charge in respect of prior periods	(985)	257
Adjustments to tax charge in respect of prior periods	1,190	-
Current tax charge for the year (see note above)	191,928	231,045

9. TANGIBLE FIXED ASSETS

	Leasehold improvements	Fixtures, fittings and equipment £	Assets under construction £	Total £
Cost				
At 1 April 2014	1,439,874	1,103,557	-	2,543,431
Additions	-	66,235	407,147	473,382
At 31 March 2015	1,439,874	1,169,792	407,147	3,016,813
Depreciation				
At 1 April 2014	325,857	702,252	-	1,028,109
Charge for the year	71,854	150,742	-	222,596
At 31 March 2015	397,711	852,994	-	1,250,705
Net book value				
At 31 March 2015	1,042,163	316,798	407,147	1,766,108
At 31 March 2014	1,114,017	401,305	-	1,515,322

Notes to Financial Statements for the year ended March 31, 2015

10. STOCKS

	2015	2014
	£	£
Raw materials	<u>295,308</u>	<u>210,608</u>

11. DEBTORS

	2015	2014
	£	£
Trade debtors	512,753	771,734
Amounts owed by group undertakings	66,082	82,515
Other debtors	124,555	42,550
Prepayments and accrued income	<u>70,316</u>	<u>134,202</u>
	<u>773,706</u>	<u>1,031,001</u>

12. CREDITORS:

Amounts falling due within one year

	2015	2014
	£	£
Bank loans	-	166,721
Trade creditors	408,909	391,045
Amounts owed to group undertakings	92,844	98,397
Corporation tax	75,139	125,787
Other taxation and social security	51,990	123,248
Other creditors	13,609	2,235
Accruals and deferred income	<u>824,614</u>	<u>709,984</u>
Total	<u>1,467,105</u>	<u>1,617,417</u>

13. DEFERRED TAXATION

	2015	2014
	£	£
At beginning of year	23,370	47,222
Charge for / (released during) year (P & L)	<u>49,079</u>	<u>(23,852)</u>
At end of year	<u>72,449</u>	<u>23,370</u>

The provision for deferred taxation is made up as follows:

	2015	2014
	£	£
Accelerated capital allowances	<u>72,449</u>	<u>23,370</u>

14. SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
2- Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes to Financial Statements for the year ended March 31, 2015

15. RESERVES

	Profit and loss account £
At 1 April 2014	2,643,652
Profit for the year	827,460
Dividends: Equity capital	(500,000)
At 31 March 2015	<u>2,971,112</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	2,643,654	1,996,768
Profit for the financial year	827,460	646,886
Dividends (Note 17)	(500,000)	-
Closing shareholders' funds	<u>2,971,114</u>	<u>2,643,654</u>

17. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>500,000</u>	<u>-</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	1,053,512	861,235
Depreciation of tangible fixed assets	222,596	291,692
Increase in stocks	(84,700)	(81,346)
Decrease in debtors	257,296	425,223
Increase in creditors	67,056	8,712
Net cash inflow from operating activities	<u>1,515,760</u>	<u>1,505,516</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	19,314	5,569
Interest paid	(4,359)	(12,725)
Net cash inflow / (outflow) from returns on investments and servicing of finance	<u>14,955</u>	<u>(7,156)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>473,382</u>	<u>(38,967)</u>
Management of liquid resources		
Financing		
Repayment of loans	<u>(166,721)</u>	<u>(166,640)</u>

Notes to Financial Statements for the year ended March 31, 2015

20. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2014	Cash flow	31 March 2015
	£	£	£
Cash at bank and in hand	1,527,510	148,036	1,675,546
Debts:			
Debts falling due after more than one year	(166,721)	166,721	-
Net debt	<u>1,360,789</u>	<u>314,757</u>	<u>1,675,546</u>

21. CAPITAL COMMITMENTS

At 31 March 2015 the company had capital commitments as follows:

	2015	2014
	£	£
Contracted for but not provided in these financial statements	<u>217,274</u>	<u>-</u>

22. PENSION CONTRIBUTIONS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £98,011 (2013 - £78,443). Contributions payable to the fund at the year end included in creditors totalled £5,669 (2014: Nil).

23. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
After more than 5 years	<u>290,000</u>	<u>290,000</u>

In addition to the above, the Company has an annual commitment to pay £64,200 or 5% of sales of The Quilon Restaurant, if greater, as lease rent of the premises where the Company operates The Quilon Restaurant. The lease expires within five years. The amount payable for the year was £119,651 (2014: £107,499).

Notes to Financial Statements for the year ended March 31, 2015

24. RELATED PARTY TRANSACTIONS

During the year The Indian Hotels Company Limited invoiced Taj International Hotels Limited £396,330 (2014: £380,090) for the provision of management services. Taj International Hotels Limited invoiced Taj International Hotels (HK) Limited £270,714 (2014: £217,866) for the operation of St James Court Hotel Limited.

St James Court Hotel Limited is a fellow subsidiary of Taj International Hotels (HK) Limited. During the year, St James Court Hotel Limited invoiced Taj International Hotels Limited £119,651 (2014: £107,499) towards rent in respect of the premises let out and £33,387 (2014: £27,143) in respect of recharge of utilities. Taj International Hotels Limited recharged payroll costs of £313,104 (2014: £316,621) to St James Court Hotel Limited and made sales of goods to St James Court Hotel Limited totalling £270,567 (2014: £249,907).

At the balance sheet date Taj International Hotels Limited had the following balances with other group companies. Amounts were due from Taj International Hotels (HK) Limited of £15,617 (2014: £41,913). Amounts were due to The Indian Hotel Company Limited of £90,391 (2014: £92,099). Amounts were due from St James Court Hotel Limited of £50,477 (2014: £34,302) and due to St James Court Hotel Limited of £2,453 (2014: £Nil)

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Taj International Hotels (HK) Limited, a company incorporated in Hong Kong.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is The Indian Hotels Company Limited. Consolidated accounts are available from Mandlik House, Mandlik Road, Mumbai 400 001, India. In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.

DIRECTORS AND CORPORATE INFORMATION

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

Board of Directors:

Mr. Raymond Bickson	(resigned on 1 st September 2014)
Mr. R. K. Sarna	(appointed on 14 th October 2014)
Mr. Anil P. Goel	
Mr. R. H. Parekh	
Mr. N. Chandrasekhar	

Registered Office:

42nd Floor, Central Plaza
18, Harbour Road,
Wanchai
Hong Kong

Auditors:

Mazars CPA Limited
42nd Floor, Central Plaza,
18, Harbour Road,
Wanchai,
Hong Kong.

Bankers

The Hong Kong & Shanghai Banking Corpo. Ltd.
HDFC Bank Ltd, Hong Kong.
Schroder & Banque SA, Genera.

DIRECTORS' REPORT

The directors have pleasure in submitting their report and audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services.

Results and dividends

The results of the Company for the year ended 31 March 2015 are set out in the statement of comprehensive income on page 548.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year and up to the date of this report were:

R. E. N. Bickson (resigned on 1 September 2014)

A. P. Goel

R. H. Parekh

N. Chandrasekhar

R. K. Sarna (appointed on 14 October 2014)

There being no provision in the Company's Articles of Association for retirement by rotation, all existing directors shall continue in office.

Directors' interests

No contracts of significance to which the Company's ultimate parent or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, its ultimate parent or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Mazars CPA Limited, Certified Public Accountants, as auditor of the Company.

On behalf of the Board

R. H. Parekh
Director

8 May 2015

INDEPENDENT AUDITOR'S REPORT

To the members of

Taj International Hotels (H.K.) Limited

(incorporated in Hong Kong with limited liability)

We have audited the financial statements of Taj International Hotels (H.K.) Limited (the "Company") set out on pages 548 to 565, which comprise the Company's statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

As explained in note 1 to the financial statements, the Company has not prepared consolidated financial statements in accordance with Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements" ("HKFRS 10") issued by the HKICPA. The financial statements therefore do not comply with HKFRS 10. As a consequence, the financial statements do not give the information required by HKFRS 10 about the economic activities of the group of which the Company is the parent. The interests in subsidiaries are accounted for on a cost basis. The effects on the financial statements of the non-preparation of consolidated financial statements have not been determined.

Qualified opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of the financial performance and cash flows of the Group and of the Company for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Emphasis of matter

We draw attention to note 1 to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. At the end of the reporting period, the Company had capital deficiency of US\$25,412,427. The validity of the basis depends on the Company's future profitable operation or the continuing financial support from the ultimate parent. The ultimate parent has confirmed in writing its intention to provide continuing financial support to the Company. The financial statements do not include any adjustments that would result from a failure to obtain the necessary finance. We consider that appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

Certified Public Accountants

Hong Kong,

Chan Wai Man

Practising Certificate number: P02487

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

Statement of Comprehensive Income Year ended March 31, 2015

	Note	2015 US\$	2014 US\$
Revenue	2	4,930,325	3,944,949
Other income	3	25,278,072	1,588,019
Amortisation of intangible assets		(536,209)	(536,209)
Other operating expenses	4	(66,467,365)	(147,664,322)
Finance costs	5	(1,274,676)	(1,234,093)
Share of results of an associate		82,148	(28,811)
Loss before tax	5	(37,987,705)	(143,930,467)
Income tax expense	7	-	-
Loss for the year		(37,987,705)	(143,930,467)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive loss of an associate		(2,781)	(9,855)
Exchange loss arising from translation of interest in an associate		(49,657)	(820,502)
Other comprehensive loss for the year, net of tax		(52,438)	(830,357)
Total comprehensive loss for the year		(38,040,143)	(144,760,824)

Statement of Financial Position At March 31, 2015

	Note	2015 US\$	2014 US\$
Non-current assets			
Intangible assets	8	536,088	1,072,297
Interest in subsidiaries	9	172,183,965	228,483,878
Interest in an associate	10	1,564,698	1,534,988
Available-for-sale financial assets	11	12,628,870	12,628,870
		186,913,621	243,720,033
Current assets			
Accounts receivable and advances	12	666,006	536,623
Due from fellow subsidiaries	14	-	1,287,756
Due from subsidiaries	9	1,122,523	1,453,884
Due from an associate	10	232,447	379,156
Loan advanced to related companies	13	15,507,053	8,716,089
Bank balances		1,941,227	3,906,446
		19,469,256	16,279,954
Current liabilities			
Accounts payable and accrued charges		297,939	10,499,324
Due to a subsidiary	14	23,141	69,836
Due to a fellow subsidiary	14	3,432,733	3,160,354
Due to a related company	14	783,349	671,035
Due to ultimate parent	15	8,227	8,307
Bank loan	16	-	30,000,000
		4,545,389	44,408,856
Net current assets (liabilities)		14,923,867	(28,128,902)
Total assets less current liabilities		201,837,488	215,591,131
Non-current liabilities			
Bank loan	16	49,286,500	-
Due to ultimate parent	15	177,963,415	202,963,415
		227,249,915	202,963,415
NET (LIABILITY) ASSETS		(25,412,427)	12,627,716
Capital and reserves			
Share capital	17	230,000,000	230,000,000
Exchange reserve		(870,159)	(820,502)
Other reserve		(20,580)	(17,799)
Accumulated losses		(254,521,688)	(216,533,983)
TOTAL (DEFICIT) EQUITY		(25,412,427)	12,627,716

Approved and authorised for issue by the Board of Directors on 8 May 2015

Director
R. H. Parekh

Statement of Changes in Equity year ended March 31, 2015

	Share capital US\$	Exchange reserve US\$ (Note i)	Other reserve US\$ (Note ii)	Accumulated (losses) profits US\$	Total US\$
At 1 April 2013	230,000,000	-	(7,944)	(72,603,516)	157,388,540
Loss for the year	-	-	-	(143,930,467)	(143,930,467)
Other comprehensive loss					
Exchange loss arising from translation of interest in an associate	-	(820,502)	-	-	(820,502)
Share of other comprehensive loss of an associate	-	-	(9,855)	-	(9,855)
Total comprehensive loss for the year	-	(820,502)	(9,855)	(143,930,467)	(144,760,824)
At 31 March 2014	230,000,000	(820,502)	(17,799)	(216,533,983)	12,627,716
At 1 April 2014	230,000,000	(820,502)	(17,799)	(216,533,983)	12,627,716
Loss for the year	-	-	-	(37,987,705)	(37,987,705)
Other comprehensive loss					
Exchange loss arising from translation of interest in an associate	-	(49,657)	-	-	(49,657)
Share of other comprehensive loss of an associate	-	-	(2,781)	-	(2,781)
Total comprehensive loss for the year	-	(49,657)	(2,781)	(37,987,705)	(38,040,143)
At 31 March 2015	230,000,000	(870,159)	(20,580)	(254,521,688)	(25,412,427)

Note:

- (i) The exchange reserve comprises exchange differences arising from translation of financial statements of the Company's foreign associate. The reserve is dealt with in accordance with the accounting policy on foreign currency translation as stated in note 1 to the financial statements.
- (ii) Share of other comprehensive loss of an associate represents the share of the actuarial loss for the retirement benefit obligation of an associate.

Statement of Cash Flows Year ended March 31, 2015

	Note	2015 US\$	2014 US\$
OPERATING ACTIVITIES			
Cash generated from operations	18	880,785	6,838,215
Net cash generated from operating activities		880,785	6,838,215
INVESTING ACTIVITIES			
Interest received		287	8,989
Dividend received		923,811	77,894
Loan to a subsidiary		-	(5,126,550)
Loan to a related party		(23,304,964)	(5,136,385)
Repayment from a related party		350,000	325,000
Repayment from loan to a subsidiary		26,300,000	-
Acquisition of investment in a subsidiary		(88)	-
Net cash generated from (used in) investing activities		4,269,046	(9,851,052)
FINANCING ACTIVITIES			
Interest paid		(1,401,550)	(989,480)
Repayment to ultimate parent		(25,000,000)	-
New bank loan raised		49,286,500	-
Repayment of bank loan		(30,000,000)	-
Net cash used in investing activities		(7,115,050)	(989,480)
Net decrease in cash and cash equivalents		(1,965,219)	(4,002,317)
Cash and cash equivalents at beginning of year		3,906,446	7,908,763
Cash and cash equivalents at end of year, represented by bank balances		1,941,227	3,906,446

Notes to Financial Statements for the year ended March 31, 2015

CORPORATE INFORMATION

Taj International Hotels (H.K.) Limited is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. In the opinion of the directors, the parent and the ultimate parent of the Company is The Indian Hotels Company Limited ("IHCL") which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The Company has not prepared consolidated financial statements in accordance with HKFRS 10 "Consolidated Financial Statements" issued by the HKICPA since the Company is a wholly-owned subsidiary of IHCL, which prepares consolidated financial statements in compliance with the accounting standards applicable to it in India. As International Financial Reporting Standards ("IFRSs") is presently not mandatorily applicable to companies incorporated in India, the consolidated financial statements are not prepared in accordance with IFRSs nor HKFRSs. The Company's management is of the view that the cost, time and effort of preparation of consolidated financial statements of IHCL in accordance with IFRSs in addition to the preparation of consolidated financial statements in accordance with Indian Generally Accepted Accounting Principles would be grossly out of proportion to the benefits thereof to the Company, its parent and the shareholders of its parent.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2014 financial statements except for the adoption of the following new / revised HKFRSs that are relevant to the Company and effective from the current year. A summary of the principal accounting policies adopted by the Company is set out below.

Changes in accounting policy and disclosures

(a) Amended standards adopted by the Company

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 April 2014:

Amendments to HKAS 32: Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify the requirements for offsetting financial instruments. These amendments do not have an impact on the financial statement of the Company.

Amendments to HKAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, additional information is required to be disclosed when the recoverable amount of impaired assets is based on fair value less costs of disposal. These amendments do not have an impact on the financial statements of the Company.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in these financial statements.

Going concern

The financial statements have been prepared in conformity with the principles applicable to a going concern basis. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in the future in view of the excess of total liabilities over total assets. The ultimate parent has confirmed its intention to make available adequate funds to the Company as and when required to maintain the Company as a going concern.

Notes to Financial Statements for the year ended March 31, 2015

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Intangible assets

Management contracts

Management contracts represent the Company's assessment of value of its hotel management contracts less accumulated amortisation and are reviewed for impairment annually or more frequently when indicator of impairment arises. Amortisation is provided on a straight-line basis over the assets' estimated useful lives of 20 years since the commencement of the contract.

Contract rights

The initial cost of acquiring contract rights is capitalised. Contract rights with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on a straight-line basis over the assets' estimated useful lives of 15 years. No amortisation is provided in respect of the intangible assets until commencement of the contracts.

Subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position, the investment in subsidiary is stated at cost less accumulated impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amounts. Results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but no control or joint control of those policies.

The Company's investment in associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Company's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investee, the Company discontinues recognising its share of further losses when the Company's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Company's net investment in the investee.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

Notes to Financial Statements for the year ended March 31, 2015

1) *Loans and receivables*

Loans and receivables including bank balances and accounts receivable and advances, due from fellow subsidiaries, due from subsidiaries, due from an associate and loan advanced to related companies are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

2) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

3) *Financial liabilities*

The Company's financial liabilities include accounts payable and accrued charges, due to a subsidiary, due to a fellow subsidiary, due to a related company, due to ultimate parent and bank loan. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

4) *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer of the contract to make specified payments to reimburse the holder of the contract for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contract is initially recognised as deferred income within trade and other payable at fair value (being the transaction price, unless the fair value can otherwise be reliably estimated). Subsequently, it is measured at the higher of (i) the amount initially recognised, less accumulated amortisation, and (ii) the amount of the provision, if any, that is required to settle the commitment at the end of the reporting period.

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Operating, incentive and technical fees are recognised in the period when services are rendered.

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

Notes to Financial Statements for the year ended March 31, 2015

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in a separate component of equity and recognised in profit or loss on disposal of the foreign operations.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews internal and external sources of information to determine whether there is any indication that its intangible assets, interests in subsidiaries and an associate may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

Notes to Financial Statements for the year ended March 31, 2015

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in these financial statements, the following summarise estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

Impairment of investments and receivables

The Company assesses annually if interests in subsidiaries / associate has suffered any impairment in accordance with HKAS 36 and follows the guidance of HKAS 39 in determining whether amounts due from those entities, if any, are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

Impairment of available-for-sale financial assets

The directors assess at the end of each reporting period whether there is any objective evidence that available-for-sale financial assets is impaired. In determining whether an investment in an equity instrument is impaired, the directors uses their experience and judgement to assess information about significant changes with an adverse effect that have taken place in the economic environment in which the investee company operates which indicates that the cost of equity investment may not be recovered.

Impairment of intangible assets

The Company assesses annually whether intangible assets have any indication of impairment in accordance with the relevant accounting policies. If such indication exists, the recoverable amounts of the assets would be determined by reference to value in use. Value in use is determined using the discounted cash flow method. Owing to inherent risk associated with estimations in the timing and magnitude of the future cash flows, the estimated recoverable amount of the assets may be different from its actual recoverable amount and profit or loss could be affected by accuracy of the estimations.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors anticipate that the adoption of these new / revised HFKRSs in the future periods will have no material impact on the financial performance of the Company.

Notes to Financial Statements for the year ended March 31, 2015

2. REVENUE

Revenue recognised by category are as follows:

	2015 US\$	2014 US\$
Operating fees	1,775,471	1,687,167
Incentive fees	1,387,471	1,110,741
Technical fees	843,285	838,858
Interest income	287	230,289
Dividend income	923,811	77,894
	<u>4,930,325</u>	<u>3,944,949</u>

3. OTHER INCOME

	2015 US\$	2014 US\$
Reversal of impairment loss of interest in a subsidiary	25,000,000	-
Exchange gain	277,022	1,586,668
Recruitment and reservation fees	1,050	1,351
	<u>25,278,072</u>	<u>1,588,019</u>

4. OTHER OPERATING EXPENSES

	2015 US\$	2014 US\$
Technical fees expenses	503,426	392,775
Impairment loss on interest in a subsidiary	55,000,000	127,000,000
Impairment loss on intangible asset	-	2,937,470
Net impairment loss on loan advanced to a related party	6,100,000	6,161,467
Impairment loss on due from fellow subsidiaries	27,732	441,063
Provision for financial guarantee	-	10,064,000
Other expenses	4,836,207	667,547
	<u>66,467,365</u>	<u>147,664,322</u>

5. LOSS BEFORE TAX

	2015 US\$	2014 US\$
This is stated after charging:		
Finance costs		
Agency and arrangement fee	58,850	15,000
Interest on bank and other loans	1,215,826	1,219,093
	<u>1,274,676</u>	<u>1,234,093</u>
Other item		
Auditor's remuneration	25,537	25,949

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance is as follows:

	2015 US\$	2014 US\$
Directors' remuneration		
Fees	-	-
Other remuneration	-	-
	<u>-</u>	<u>-</u>

Notes to Financial Statements for the year ended March 31, 2015

7. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Reconciliation of tax expense

	2015	2014
	US\$	US\$
Loss before tax	<u>(37,798,705)</u>	<u>(143,930,467)</u>
Income tax at applicable tax rate of 16.5% (2014:16.5%)	(6,236,786)	(23,748,527)
Non-deductible expenses	<u>6,236,786</u>	<u>23,748,527</u>
Tax expense for the year	<u>-</u>	<u>-</u>

8. INTANGIBLE ASSETS

	Management contracts	Contract rights	Total
	US\$	US\$	US\$
Reconciliation of carrying amount – year ended 31 March 2014			
At beginning of year	1,608,506	3,193,920	4,802,426
Amortisation	(536,209)	-	(536,209)
Impairment loss	-	(3,193,920)	(3,193,920)
At the end of the reporting period	<u>1,072,297</u>	<u>-</u>	<u>1,072,297</u>
Reconciliation of carrying amount – year ended 31 March 2015			
At beginning of year	1,072,297	-	1,072,297
Amortisation	(536,209)	-	(536,209)
At the end of the reporting period	<u>536,088</u>	<u>-</u>	<u>536,088</u>
At 1 April 2014			
Costs	10,724,184	3,193,920	13,918,104
Accumulated amortisation and impairment loss	(9,651,887)	(3,193,920)	(12,845,807)
	<u>1,072,297</u>	<u>-</u>	<u>1,072,297</u>
At 31 March 2015			
Costs	10,724,184	3,193,920	13,918,104
Accumulated amortisation and impairment losses	(10,188,096)	(3,193,920)	(13,382,016)
	<u>536,088</u>	<u>-</u>	<u>536,088</u>

Notes to Financial Statements for the year ended March 31, 2015

9. INTEREST IN SUBSIDIARIES

	2015	2014
	US\$	US\$
Unlisted shares, at cost	106,181,762	106,181,674
Impairment loss	(27,136,376)	(52,000,000)
	79,045,386	54,181,674
Loans to a subsidiary	325,002,203	351,302,204
Due from subsidiaries	1,122,523	1,453,884
Impairment loss	(231,863,624)	(177,000,000)
	173,306,488	229,937,762
Less: Receivable within one year	(1,122,523)	(1,453,884)
	172,183,965	228,483,878

Particulars of the major subsidiaries at end of the reporting period are as follows:

Name of subsidiaries	Country of incorporation	Percentage of ordinary shares held		Principal activities
		Directly %	Indirectly %	
Apex Hotel Management Services Pte Limited	Singapore	100.00	-	Hotel sales and marketing services
Apex Hotel Management Services (Australia) Pty Limited	Australia	100.00	-	Hotel sales and marketing services
Chieftain Corporation N.V.	Netherlands Antilles	100.00	-	Investment holding
Ihoco B.V.	Netherlands	-	100.00	Investment holding
Samsara Properties Limited ("SPL")	British Virgin Islands	100.00	-	Investment holding
St. James Court Hotel Limited ("SJCHL")	United Kingdom	32.78	21.23	Hotel operation
Taj International Hotels Limited	United Kingdom	100.00	-	Restaurant operation

Loans to a subsidiary are unsecured, interest-free and have no fixed repayment term. Pursuant to the shareholders loan agreements, the Company has an option to convert its loans up to its carrying amount as at the end of the reporting period but not exceeding US\$374 million into equity at any time before 1 April 2025. The directors consider that the fair value of this option cannot be reliably measured and therefore the option is stated at cost of US\$nil in the financial statements.

Due from subsidiaries is unsecured, interest-free and has no fixed repayment term.

The carrying amount of the amounts due approximates their fair values at the end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2015

10. INTEREST IN AN ASSOCIATE

	2015	2014
	US\$	US\$
Share of net assets	1,564,698	1,534,988
Due from an associate	232,447	379,156
	1,797,145	1,914,144
Less: Receivable within one year	(232,447)	(379,156)
	1,564,698	1,534,988

Interest in an associate represents 24.66% (2014: 24.66%) of the issued ordinary share capital of Lanka Island Resorts Ltd., a company engaged in hotel ownership and hospitality business and is incorporated in Sri Lanka. The associate is accounted for using the equity method in the financial statements.

The amount due from an associate is unsecured, interest-free and has no fixed repayment term.

Summary of financial information of the associate is as follows:

	As at 31, March 2015 US\$	As at 31, March 2014 US\$
<u>Gross amount</u>		
Current assets	3,628,453	4,578,419
Non-current assets	11,694,947	13,644,209
Current liabilities	(1,089,961)	(1,925,327)
Non-current liabilities	(7,888,354)	(10,072,694)
Equity	6,345,085	6,224,607
<u>Reconciliation</u>		
Total equity of the associate	6,345,085	6,224,607
Company's ownership interests	24.66%	24.66%
Company's share of equity and carrying amount of interests	1,564,698	1,534,988
	Year ended 31 March 2015 US\$	Year ended 31 March 2014 US\$
<u>Gross amount</u>		
Revenue	9,160,430	8,052,574
Profit (Loss) from continuing operations	333,123	(217,354)
Other comprehensive loss	(11,279)	(39,965)
Total comprehensive income (loss)	321,844	(257,319)

Notes to Financial Statements for the year ended March 31, 2015

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Note	2015 US\$	2014 US\$
Unlisted shares, at cost		4,426,299	4,426,299
Equity investment listed outside Hong Kong, at cost	11(a)	8,202,571	8,202,571
At end of the reporting period		12,628,870	12,628,870

(a) EQUITY INVESTMENT

At the end of the reporting period, the Company held 5.25% (2014: 5.25%) interest representing 9,384,860 (2014: 9,384,860) Global Depository Receipts ("GDRs") of Oriental Hotels Limited ("OHL"), which is a related company in which the ultimate parent of the Company has significant influence. The market value of the GDRs held at the end of the reporting period was US\$3,003,155 (2014: US\$2,674,685). In the opinion of directors, although OHL is listed on Luxembourg Stock Exchange, the GDRs of which are not actively traded. Investment in OHL is stated at cost less any impairment loss. No impairment loss has been made as the directors consider, based on a review of the future prospects of OHL, that the underlying value of the investment at least equals its carrying value.

12. ACCOUNTS RECEIVABLE AND ADVANCES

	Note	2015 US\$	2014 US\$
Accounts receivables			
From third parties	12(a)	519,323	458,897
From a related company	12(b)	116,683	72,377
		636,006	531,274
Other receivables and advances		30,000	5,349
		666,006	536,623

(a) Included in the Company's trade receivables balance are debtors with a carrying amount of US\$181,871 (2014: US\$159,997), which are past due within 90 days at the end of the reporting period but which the Company has not impaired as there has not been any significant changes in credit quality and the directors believe that the amounts are fully receivable.

(b) The accounts receivable of US\$116,683 (2014: US\$72,377) due from a related company in which the ultimate parent of the Company has significant influence, is unsecured, interest-free and has no fixed repayment term. The carrying amount approximates its fair value at the end of the reporting period. The directors of the Company are of the opinion that no allowance for doubtful debts is necessary as there has not been any history of default. The Company does not hold any collateral over these balances.

13. LOAN ADVANCED TO RELATED COMPANIES

	Note	2015 US\$	2014 US\$
Loan advanced to a company in which the ultimate parent has significant influence	13(a)	28,592,431	6,161,467
Loan advanced to a company in which the ultimate parent has joint control	13(b)	9,240,089	8,716,089
		37,832,520	14,877,556
Impairment loss		(22,325,467)	(6,161,467)
	13(c)	15,507,053	8,716,089

(a) The amount is unsecured, bears interest at LIBOR + 5% per annum and repayable on 30 June 2015 (2014: repayable on 3 April 2014).

(b) The amount is unsecured, interest-free and repayable on 2 April 2018 (2014: repayable on 2 April 2015) while the Company has the right to call back the loan with 3 days' notice.

(c) The total carrying amount approximates its fair value at the end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2015

14. DUE FROM FELLOW SUBSIDIARIES / DUE TO A SUBSIDIARY, A FELLOW SUBSIDIARY AND A RELATED COMPANY

	Note	2015 US\$	2014 US\$
Due from fellow subsidiaries		-	1,287,756
Due to a subsidiary	14(a)	23,141	69,836
Due to a fellow subsidiary	14(b)	3,432,733	3,160,354
Due to a related company in which the ultimate parent has significance influence	14(a)	783,349	671,035

- (a) The amounts are unsecured, interest-free and have no fixed repayment term. The carrying amounts approximate their fair value at the end of the reporting period.
- (b) The amount is unsecured, interest-free and has no fixed repayment term. It represents the operating and incentive fee expenses payable to PIEM International (H.K.) Limited, a fellow subsidiary of the Company. The carrying amounts approximate their fair value at the end of the reporting period.

15. DUE TO ULTIMATE PARENT

	Note	2015 US\$	2014 US\$
Accounts receivable, loans and advance		(620,000)	(620,000)
Professional fees and charges payables		8,227	8,307
Shareholder's deposits	15(a)	178,583,415	203,583,415
		177,971,642	202,971,722
Less: Repayable within one year		(8,227)	(8,307)
		177,963,415	202,963,415

- (a) The amounts due are unsecured, interest-free and no fixed repayment term. The ultimate parent has the right to convert its shareholder's deposits and share application money up to its carrying amount as at the end of the reporting period but not exceeding US\$374 million into equity at any time before 1 April 2025. These amounts are in the nature of quasi-equity loans to the Company and is neither required nor expected to be settled until the Company has sufficient cash flows to meet all its current and non-current obligations. In the opinion of the directors, no part of the amounts will be repayable within twelve months from the end of the reporting period.

16. BANK LOAN

The bank loan of US\$50 million is secured by a corporate guarantee issued by the Indian Hotel Company Limited, the ultimate parent of the Company. The loan bears interest at LIBOR + 2.95% per annum. Excluded the unamortised transaction fee of US\$713,500, US\$49,000,000 would be repayable on 23 November 2019 and US\$1,000,000 would be repayable on 23 December 2019.

17. SHARE CAPITAL

	2015		2014	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid:				
At beginning of the year and end of the reporting period	230,000,000	230,000,000	230,000,000	230,000,000

Notes to Financial Statements for the year ended March 31, 2015

18. CASH GENERATED FROM OPERATIONS

	2015	2014
	US\$	US\$
Loss before tax	(37,987,705)	(143,930,467)
Amortisation of intangible assets	536,209	536,209
Impairment loss on interest in a subsidiary	55,000,000	127,000,000
Impairment loss on intangible asset	-	2,937,470
Interest income	(287)	(230,289)
Impairment loss on due from fellow subsidiaries	27,732	441,063
Impairment loss on loan to a related party	6,100,000	6,161,467
Reversal of impairment loss on interest in a subsidiary	(25,000,000)	-
Provision for financial guarantee	-	10,064,000
Interest expenses	1,215,826	1,219,093
Dividend income	(923,811)	(77,894)
Share of results of an associate	(82,148)	28,811
Changes in working capital:		
Accounts receivable and advances	(129,383)	414,088
Due from subsidiaries	331,361	520,776
Due from fellow subsidiaries	1,260,024	1,348,299
Due from an associate	146,709	(323,158)
Accounts payable and accrued charges	48,340	(214,750)
Due to a subsidiary	(46,695)	(179,057)
Due to a fellow subsidiary	272,379	881,624
Due to related companies	112,314	240,195
Due to ultimate parent	(80)	735
Cash generated from operations	880,785	6,838,215

19. MAJOR NON-CASH TRANSACTION

The guarantee without charge issued by the Company in respect of a bank loan to a related company, Bjets Pte Ltd. ("Bjets") was released during the year. The corresponding provision for financial guarantee of US\$10.06 million included in accounts payables and accrued charges in the statement of financial position as at 31 March 2014 was reversed in the current year. This reversal was offset against the provision for impairment made in the current year on the loan advanced to Bjets.

20. CONTINGENT LIABILITIES

SJCHL owns the leasehold interest in a property in London, such interest having been assigned to it in an earlier period by an erstwhile subsidiary company on the basis of a license granted by the landlord of the property, Scottish Widows' Fund and Life Assurance Society. The license was granted for such assignment upon the guarantee from the Company for the due performance and observance by SJCHL of the covenants and conditions contained in the license. The obligations of the Company in favour of the landlord shall remain in force throughout the full term of the lease, including any renewals.

Notes to Financial Statements for the year ended March 31, 2015

21. UNDERTAKINGS

In 2012, the Company, together with a related party and a third party (collectively, the "Promoters") entered into an agreement with a bank ("Lender"), in consideration for the Lender providing a credit facility of up to US\$9 million to Lanka Island Resorts Limited ("Borrower"), an associate of the Company. The Promoters executed a shortfall undertaking and a non-disposal undertaking for shares in the Borrower in favour of the Lender as security for the repayment of the credit facilities and any monies payable by Borrower to the Lender under the Facility Agreement and performance and observance by the Lender of all its obligations and covenants under the Facility Agreement.

22. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties:

(a) Related party relationship	Nature of transaction	2015	2014
		US\$	US\$
Ultimate parent	Business support service fee	<u>38,460</u>	<u>37,121</u>
Associate	Operating fee income	<u>274,895</u>	<u>231,227</u>
	Incentive fee income	<u>299,579</u>	<u>162,720</u>
Companies in which the ultimate parent has significant influence	Loan interest income	-	230,117
	Technical fee income	<u>763,286</u>	<u>738,858</u>
	Operating fee expenses	<u>(155,359)</u>	<u>(154,635)</u>
	Incentive fee expenses	<u>(46,384)</u>	<u>(36,626)</u>
Fellow subsidiary	Interest expenses	<u>(6,102)</u>	<u>-</u>
	Operating fee expenses	<u>(518,061)</u>	<u>(515,568)</u>
	Incentive fee expenses	<u>(154,672)</u>	<u>(122,130)</u>
Subsidiaries	Dividend income	<u>840,286</u>	<u>-</u>
	Operating fee income	<u>790,854</u>	<u>787,170</u>
	Incentive fee income	<u>673,290</u>	<u>531,634</u>
	Technical fee expenses	<u>(437,173)</u>	<u>(345,195)</u>

(b) The ultimate parent has indemnified the Company against any possible losses arising from the following investment and receivables:

- Interest in a subsidiary, SPL, totalling US\$93,138,579 (2014: US\$174,438,580) is in the form of share capital of SPL and shareholders' advances at the end of the reporting period. During the year, the directors of the Company together with the ultimate parent reassessed the financial position of SPL and considered that the recoverability of part of the Company's advances to SPL is remote. As a result, the ultimate parent reduced the indemnified amount to its estimated recoverable amount and an impairment loss of US\$55,000,000 (2014: US\$127,000,000) was recognised during the year.
- Accounts receivable amounting to US\$9,240,089 (2014: US\$8,716,089).

(c) Guarantee issued as securities for banking facilities granted to the Company:

The ultimate parent of the Company has issued corporate guarantee in favour of a bank amounting to US\$50,000,000 (2014: US\$30,000,000) to secure banking facilities granted to the Company.

Notes to Financial Statements for the year ended March 31, 2015

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances, bank loan and amount due to ultimate parent. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations. The Company has various other financial instruments such as inter-company and related company balances, which arise directly from its business activities.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limit the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's loans and advances to a related company and bank loan. At reporting date, if interest rates for loans and advances to a related company and bank loan had been 5 basis points (2014: 5 basis points) higher/lower respectively and all other variables were held constant, the Company's net loss would be insignificant.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for all financial instruments in existence at that date. The 5 basis points (2014: 5 basis points) increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2014.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than US Dollars. Inter-company and related party balances are mainly denominated in Great British Pound ("GBP"). The management considers the risk relating to foreign currency other than GBP to be insignificant in view of the outstanding balances and current market condition.

At 31 March 2015, if the USD had weakened/strengthened by 5% (2014: 9%) against GBP with all other variables held constant, the Company's net loss for the year would have been US\$159,000 (2014: US\$215,000) lower/higher.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The carrying amount of financial assets on the statement of financial position represents the Company's maximum exposure to credit risk.

The Company provides services only to related companies and recognised and creditworthy third parties. The objective of the Company to manage credit risk is to control potential exposure to recoverability problem.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loan, shareholder's deposits and amounts due to group and related companies. The maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below:

Notes to Financial Statements for the year ended March 31, 2015

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	On demand within 1 year	Over 1 year	Total
	US\$	US\$	US\$
As at 31 March 2015			
Bank loan	1,609,150	56,138,425	57,747,575
Accounts payable and accrued charges	297,939	-	297,939
Due to a subsidiary	23,141	-	23,141
Due to a fellow subsidiary	3,432,733	-	3,432,733
Due to a related company	783,349	-	783,349
Due to ultimate parent	8,227	177,963,415	177,971,642
	<u>6,154,539</u>	<u>234,101,840</u>	<u>240,256,379</u>

	On demand within 1 year	Over 1 year	Total
	US\$	US\$	US\$
As at 31 March 2014			
Bank loan	30,896,423	-	30,896,423
Accounts payable and accrued charges	425,324	-	425,324
Due to a subsidiary	69,836	-	69,836
Due to a fellow subsidiary	3,160,354	-	3,160,354
Due to a related company	671,035	-	671,035
Due to ultimate parent	8,307	202,963,415	202,971,722
	<u>35,231,279</u>	<u>202,963,415</u>	<u>238,194,694</u>

24. FAIR VALUE EMASUREMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2015 and 2014.

25. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for its shareholder. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising share capital and reserves. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholder, return capital to shareholder or issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 2014.

Notes to Financial Statements for the year ended March 31, 2015

Detailed Income Statement Year ended March 31, 2015

	Schedule	2015 US\$	2014 US\$
Revenue	A	4,930,325	3,944,949
Other income	B	25,278,072	1,588,019
Amortisation of intangible assets		(536,209)	(536,209)
Other operating expenses	C	(66,467,365)	(147,664,322)
Finance costs	D	(1,274,676)	(1,234,093)
Share of results of an associate		82,148	(28,811)
Loss before tax		<u>(37,987,705)</u>	<u>(143,930,467)</u>

Schedules to Detailed Income Statement Year Ended March 31, 2015

A. REVENUE	2015 US\$	2014 US\$
Operating fees	1,775,471	1,687,167
Incentive fees	1,387,471	1,110,741
Technical fees	843,285	838,858
Interest income	287	230,289
Dividend income	923,811	77,894
	<u>4,930,325</u>	<u>3,944,949</u>
B. OTHER INCOME		
Reversal of impairment loss of interest in a subsidiary	25,000,000	-
Exchange gain	277,022	1,586,668
Recruitment and reservation fees	1,050	1,351
	<u>25,278,072</u>	<u>1,588,019</u>
C. OTHER OPERATING EXPENSES		
Auditor's remuneration	25,537	25,949
General administrative expenses	20,259	19,562
Legal and professional fees	63,383	253,210
Impairment loss on interest in subsidiaries	55,000,000	127,000,000
Impairment loss on intangible asset	-	2,937,470
Impairment loss on loan advanced to a related party	6,100,000	6,161,467
Impairment loss on due from fellow subsidiaries	27,732	441,063
Provision for financial guarantee	-	10,064,000
Technical fees	503,426	392,775
Withholding taxes	232,798	199,283
Others	4,494,230	169,543
	<u>66,467,365</u>	<u>147,664,322</u>
D. FINANCE COSTS		
Agency and arrangement fee	58,850	15,000
Interest on bank and other loans	1,215,826	1,219,093
	<u>1,274,676</u>	<u>1,234,093</u>